



FAITH • FAMILY • FULFILLMENT

DISCLOSURE STATEMENT

Dated: February 28, 2024

Name of Community: **Brookridge Retirement Community**,
a division of Baptist Retirement Homes of North Carolina,
Incorporated, dba ThriveMore

Located at: 1199 Hayes Forest Drive
Winston-Salem, North Carolina 27106

Telephone Number: (336) 759-1044

In accordance with Chapter 58, Article 64, of the North Carolina General Statutes of the State of North Carolina:

- **This Disclosure Statement may be delivered until revised, but not after February 27, 2025;**
- **Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required;**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to insure accuracy or completeness of the information set out.**

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DISCLOSURE STATEMENT of
BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
dba THRIVEMORE

I. ORGANIZATION INTRODUCTION AND INFORMATION

- A. The name of this corporation is Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore. The business address of the organization is:

1912 Bethabara Road
P.O. Box 11024
Winston-Salem, North Carolina 27116-1024

Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore is a not-for-profit corporation incorporated under the laws of the State of North Carolina.

In winter 2022, Baptist Retirement Homes of North Carolina engaged with a marketing firm to review our name and brand. This was part of the strategic planning for the organization, which included leadership, board members and residents. The new brand was announced in November of 2022, Thrivemore. Faith. Family. Fulfillment. The idea of the new brand is to show the growth and positive impact the organization is making on older adults living in our communities, as well as honoring the history. Baptist Retirement Homes of North Carolina is now DBA Thrivemore. Brookridge, The Gardens of Taylor Glen, The Taylor House and Western North Carolina Baptist Home maintained their name. The four communities listed are branded as Thrivemore communities to tie them back to the parent organization.

- B. Baptist Retirement Homes of North Carolina, Incorporated, dba ThriveMore (“ThriveMore”) has a historical relationship with the Baptist State Convention of North Carolina. ThriveMore is a separate and distinct corporate entity from the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of the ThriveMore. ThriveMore is exempt from the payment of federal income tax under Section 501(c) (3) of the Internal Revenue Code.
- C. ThriveMore is an active member in LeadingAge and LeadingAge NC participating in both local and national conferences, leadership academy training and awards recognizing outstanding colleagues. For two years in a row, the organization received the recognition of a *Best Place to Work* certification by Activated Insights.
- D. The names and business addresses of the Trustees and Officers and management staff of the corporation are set forth below. No person has an equitable or beneficial interest in the corporation.

- E. In Fall 2023 the ThriveMore Board of Trustees authorized the sale of Western North Carolina Baptist Home in Asheville, NC and the acquisition of Ardenwoods Retirement Community in Arden, NC. The sale of Western North Carolina Baptist Home closed in September 2023 and the purchase of Ardenwoods Retirement Community was completed in October 2023.

Board of Trustees

2024 OFFICERS

Charles D. Mast, Chair
Betty Lynne Johnson, Vice Chair
Danny Rice, Immediate Past Chair
Janet Blanford, Secretary
Sarah Mayo, Treasurer

Terms Expiring 2024

Carolyn Helms	Occupation: Director, First Futures
Dave Horne	Occupation: Attorney
Charles D. Mast	Occupation: Attorney
Danny Rice	Occupation: Retired Insurance Professional

Terms Expiring 2025

Sobeida Adolphus	Occupation: Social Work Program Manager
Janet Blanford	Occupation: Director of Sales
Betty Lynne Johnson	Occupation: PA Program Chair and Director
Sarah Mayo	Occupation: Retired CFO
Ralph Morgan	Occupation: Retired Insurance Professional

Terms Expiring 2026

Perry Bailey	Occupation: Bank Management
Sammy Gianopoulos	Occupation: Restaurateur
Nidra Ricks	Occupation: IT Consultant Leader
Nathan Scovens	Occupation: Pastor and Teacher

Terms Expiring 2027

Dr. Tamara Caple	Occupation: Director of Nursing
Dr. Maryjo Cleveland	Occupation: Physician
H. Powell Dew	Occupation: Senior Pastor
Phillip Feagan	Occupation: Attorney
Mike Taylor	Occupation: Community College Administrator
Bob Watson	Occupation: CPA/Businessman

The Trustees and Officers of ThriveMore have the following experience in the operation and management of ThriveMore:

Trustees:

Sobeida Adolphus has served as a Trustee since 2022
Perry Bailey has served as a Trustee since 2018
Janet Blanford has served as a Trustee since 2022
Dr. Tamara Caple began serving as a Trustee in 2024
Dr. Maryjo Cleveland began serving as a Trustee in 2024
H. Powell Dew began serving as a Trustee in 2024
Phillip Feagan has served as a Trustee since 1990
Sammy Gianopoulos began serving as a Trustee in 2023
Carolyn D. Helms has served as a Trustee since 2009
Dave Horne has served as a Trustee since 2020
Betty Lynne Johnson has served as a Trustee since 2019
Charles D. Mast has served as a Trustee since 2010
Sarah Mayo has served as a Trustee since 2022
Ralph Morgan has served as a Trustee since 2000
Daniel Rice has served as a Trustee since 2021
Nidra Ricks began serving as a Trustee in 2023
Nathan Scovens began serving as a Trustee in 2023
Mike Taylor has served as a Trustee since 2007
Bob Watson has served as a Trustee since 2017

Officers:

Charles D. Mast has been a member of the Board of Trustees for 14 years and is serving his first term as Chair of the Board.

Betty Lynne Johnson has been a member of the Board of Trustees for 5 years and is serving her first term as Vice Chair of the Board.

Janet Blanford has been a member of the Board of Trustees for 3 years and is serving her first terms as Corporate Secretary.

Sarah Mayo has been a member of the Board of Trustees for 3 years and is serving her second term as Treasurer.

The Management Staff have the following experience in the operation and management of ThriveMore:

Management Staff:

Reed A. VanderSlik has served as President and CEO since September 2019

Jessica P. McCollum has served as Vice President of Operations since July 2020

Jennifer R. Bartscht has served as Vice President of Sales and Marketing since February 2021

Michael J. Brady has served as CFO since February 2024

Monique Farrell has served as Director of Development since November 2022

Reed VanderSlik joined ThriveMore in September of 2019, serving as the President and Chief Executive Officer. Prior to assuming this position, he worked for 30 years in business leadership roles, with 20 years in senior living. His credentials include a CMA and an MBA.

Jessica P. McCollum was promoted to Vice President of Operations for ThriveMore in July of 2020. She was hired as Brookridge Retirement Community's Administrator in August 2019. She has over 11 years experience in the healthcare industry and has a Masters Degree in Healthcare Administration.

Jennifer Bartscht has over 20 years of sales and marketing experience in the senior living industry. She joined ThriveMore in February of 2021 as the Vice President of Sales and Marketing. She has a Bachelor of Science degree and a Masters degree in Education and Science.

Michael J. Brady joined ThriveMore in February of 2024, serving as the Chief Financial Officer. Prior to assuming this position, he has held leadership roles in senior living since the early 1990s. He is a licensed CPA in Maryland and has his BA in Administration from St. Bonaventure University in St. Bonaventure, NY.

Monique Farrell joined ThriveMore in November of 2022, serving as the Director of Development. Prior to assuming this position, she held leadership roles in fund development for not-for-profits in the Winston-Salem area for over 10 years. Monique holds a Bachelor of Arts degree from Salem College.

Unless otherwise set forth above, the Trustees, Officers and Management Staff of ThriveMore are not known to have other business experience in the operation or management of similar facilities.

Perry Bailey, Director of Premier Client Solutions of First Citizens Bank is employed by a financial institution with which ThriveMore transacts business. (The "bank" provides commercial banking and investment services to the organization). The Trustees mentioned above are not involved in the provision of those services to the ThriveMore organization. Due to the changing nature of the services provided by those institutions, it is not possible to estimate how much those services cost

the organization on an annual basis. None of the other individuals named as Trustees, Officers or Management Staff above are currently providing nor in the foreseeable future shall provide goods, leases or services to the organization or the residents of the organization, of an aggregate value of five hundred dollars (\$500) or more except for services rendered in their respective capacity as a Trustee or Officer or Management Staff member of the corporation. None of the Trustees, Officers or Management Staff named above has ownership in any professional service, association, trust, partnership or corporation in which this person has, or which has in this person, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, of an aggregate value of five hundred dollars (\$500) or more within any year, including a description of the goods, leases, or services and the probable or anticipated cost thereof to the facility, provider, or residents or a statement that the cost cannot presently be estimated.

None of the individuals named as Trustees, Officers or Management Staff above have been convicted of a felony or pleaded nolo contendere to a felony charge, nor been held liable or enjoined in a civil action by final judgment which involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department related to the business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility.

ThriveMore presently operates the following existing facilities:

Brookridge Retirement Community, Winston-Salem, North Carolina

Total Occupancy as of September 30, 2023 – 87%

Brookridge Retirement Community (Brookridge Health Care Center)

77-bed nursing care center

Occupancy as of September 30, 2023 – 86%

Brookridge Retirement Community (Adult Care Home Residence)

26 adult care home residences

10 memory-enhanced residences

Occupancy as of September 30, 2023 – 97%

Brookridge Retirement Community (Independent Living Residences)

133 independent living residences

Occupancy as of September 30, 2023 – 86%

CCRC Resident Contracts – 114

Covering 86 Single Residents and 28 Double Occupancies for a total of 142 Residents

The Gardens of Taylor Glen Retirement Community, Concord, North Carolina

Total Occupancy as of September 30, 2023 – 94%

The Gardens of Taylor Glen Retirement Community (Gardens of Taylor Glen Health Care Center)
24-bed nursing care center
Occupancy as of September 30, 2023 – 79%

The Gardens of Taylor Glen Retirement Community (Adult Care Home Residences)
12 adult care home residences / 12 memory-enhanced residences
Occupancy as of September 30, 2023 – 92%

The Gardens of Taylor Glen Retirement Community (Independent Living Apartments)
130 independent living apartments
Occupancy as of September 30, 2023 – 98%

CCRC Resident Contracts – 127
Covering 87 Single Residents and 40 Double Occupancies for a total of 168 Residents

Ardenwoods Retirement Community
Total Occupancy as of September 30, 2023 – 86%

Ardenwoods Independent Living
96 independent living apartments
Occupancy as of September 30, 2023 – 97%

Ardenwoods Assistant Living – Heather Glen
47 adult care home residences / assisted living
Occupancy as of September 30, 2023 – 64%

CCRC Resident Contracts – 89
Covering 64 Single Residents and 25 Double Occupancies for a total of 114 Residents

The Taylor House, Albemarle, North Carolina
30 adult care home residences
Occupancy as of September 30, 2023 – 79%

II. FACILITY INTRODUCTION AND INFORMATION

The Brookridge Retirement Community is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in northwest Winston-Salem. It consists of 137 independent living apartments (50 detached residences, 87 congregate residences) and 113 health care beds (26 adult care residences, 10 memory-enhanced residences, and 77 intermediate and skilled nursing care beds). It also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, a swimming pool and exercise area, dining rooms, a café, beauty/barber shops, a convenience store, a mail area, parlors, a kitchen, and service areas for environmental services, maintenance and laundry. Construction began in October 1987, and the project was completed in the summer of 1989. In 1997, construction began on five two-bedroom deluxe apartments, and this project was completed in the summer of 1998. Construction was completed in September 1999 on an indoor swimming pool and exercise area. A special residence for Older Adults with dementia was opened in October 2001. A café dining option was opened for operation in September 2006 for independent living residents. In 2010, the Prince Center main entry area was renovated. In fall of 2022, renovations of all common spaces in the independent living building were completed. Areas for refresh included dining room, auditorium, sky lights, cafe', lobby and library. ThriveMore continues to update all apartments and garden homes to new standards, which include solid surface countertops, new cabinets and updated floorplans.

The Gardens of Taylor Glen Retirement Community is a continuing care retirement community that is located on a 124 plus-acre tract of land located in southwest Concord. It includes 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. It also incorporates administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a lake and walking paths, dining areas, beauty/barber shops, a mail area, a convenience store, parlors, a café, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance, and laundry. Construction began in September 2001, and the Community was opened for residency in November 2002.

Ardenwoods Retirement Community is nestled on 48 serene acres in the heart of the beautiful Blue Ridge Mountains offering contemporary senior living and stunning views in a peaceful, natural setting. It includes 96 one, two and three bedroom Independent Living apartments. Also located on the Ardenwoods campus is Heather Glen Assisted Living. Heather Glen has 48 apartment-style assistant living accommodations with services that include around the clock care.

The Taylor House is a 30-bed Adult Care Home Residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953.

Care provided at The Taylor House Community is currently confined to the custodial level of care (Adult Care Home). Care provided at the Western North Carolina Community is confined to the custodial level of care (Adult Care Home) and nursing care. No Continuing Care Agreements involving independent living residences are currently provided for residents at these Communities. Continuing care contracts, involving independent living, are provided only for those residents entering independent living apartments at the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community. The contracts for independent living apartments and adult care home and nursing care beds at the Brookridge Retirement Community are attached as Attachments IV through VI.

The Brookridge Retirement Community offers continuing care contracts for Older Adults living in independent living apartments and garden homes, adult care home residences, and nursing care rooms. In addition to Brookridge, ThriveMore owns and operates The Gardens of Taylor Glen Retirement Community in Concord, which is the only other Community in its system that offers continuing care contracts. Both Communities are operational divisions of ThriveMore, not separate legal entities and, therefore, have no officers or Trustees of their own. Of the four Communities owned and operated by ThriveMore, only the Winston-Salem and Concord Communities, known as the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community, offer continuing care contracts. The Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community are owned and operated by ThriveMore.

III. **POLICIES – ADMISSION**

A. **Independent Living**

1. In order for an individual to be accepted as a RESIDENT of a ThriveMore community, the individual must be a minimum of sixty-two (62) years of age and in reasonable health sufficient to be capable of maintaining an independent living arrangement as determined by ThriveMore. After the acceptance of a RESIDENT, but prior to occupancy, if ThriveMore should determine that the RESIDENT has become incapable of independent living, the Agreement shall be canceled. After occupancy, the RESIDENT'S right to occupy an independent living residence shall terminate upon ThriveMore's determination that the RESIDENT is no longer capable of independent living. When it is determined by the ThriveMore organization that a RESIDENT can no longer live safely in an independent living environment and his/her right to occupy an independent living apartment has been terminated, he/she can elect to leave the community and if his/her occupancy

has lasted for less than twenty four (24) months, receive a partial refund of the “fee” paid by him/her to the organization at the time of admission. The RESIDENT can also, if he/she elects this option, enter the organization’s health care center at the health care center’s current rates if ThriveMore concludes that the health care center can provide the level of services the RESIDENT’S condition requires. If the RESIDENT elects the above mentioned option, he/she will not be required to pay an entrance fee for admission to the health care center nor will he/she receive a partial refund of the “fee” paid to the organization at the time of admission.

2. In general, the individual must pay the admission fees and be capable of paying the reasonable periodic fees as determined by ThriveMore in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve and maintain current and future income and assets in order to provide for payment of services to be provided by ThriveMore under this Agreement or otherwise. Upon verification satisfactory to ThriveMore that RESIDENT has complied with this obligation and that RESIDENT’S income and assets are no longer sufficient to pay for services required, ThriveMore will endeavor to provide assistance to RESIDENT by prudent use of finite funds available to it for such purposes. ThriveMore has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to RESIDENT. In any event, such assistance as may be available will be provided only after RESIDENT has applied for and taken all necessary steps to qualify for any public benefit program, or private funds or programs through which benefits may be available for payment of services required by RESIDENT.

ThriveMore offers three (3) options for entrance fee payments to the residents. The RESIDENT may choose between a Traditional Payment Program, a Fifty-Percent Refund Program, and a Ninety-Percent Refund Program. The Traditional program provides for a twenty-four (24) month amortization of the RESIDENT’S entrance fee (after twenty-four (24) months, there is no remaining equity). The Fifty-Percent Refund Program provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety-Percent Refund Program provides for a ninety percent refund of the entrance fee paid at admission. The Fifty-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.4 times the Traditional Program entrance fees. The Ninety-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.8 times the Traditional Program entrance fees.

ThriveMore may, in its sole discretion, offer up to five (5) RESIDENTS per year, with a maximum cap of twenty-five (25), an option to pay only twenty-five percent (25%) of the required Entrance Fee at least 30 days prior to

occupancy and execute a Promissory Note stating that the RESIDENT will pay the remaining seventy-five percent (75%) of the Entrance Fee upon the earlier of the sale or transfer of title to the Resident's property or two (2) years. RESIDENTS participating in this Deferred Entrance Fee Plan will also be required to execute a Deed of Trust securing the Promissory Note. The Deferred Entrance Fee Plan provides for a twenty-four (24) month amortization of the amount of the Entrance Fee RESIDENT has actually paid (after twenty-four (24) months, there is no remaining equity).

3. If a RESIDENT marries or adds a non-resident to their home while at the Community, the non-resident must apply for residency to live in an apartment unit with the RESIDENT. Such permission is conditioned upon the non-resident ability and willingness to pay an entrance fee equal to the difference between the "single" and "double" entrance fee rate, and he/she must also be capable of paying the difference between the "single" and "double" monthly fee. The non-resident spouse must also agree to prudently conserve and maintain his/her current and future financial assets in order to provide for payment of services to be provided by ThriveMore. The non-resident must also be willing to submit medical information demonstrating his/her ability to live independently as determined by ThriveMore. Lastly, admission of a non-resident is conditioned on the execution of a new Apartment Residency Agreement. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing "Agreement" with the RESIDENT and cannot reside in his/her apartment. If a RESIDENT of ThriveMore marries or adds a ThriveMore RESIDENT they may occupy two separate apartments/garden homes or choose to relinquish one of the apartments... If the RESIDENT relinquishing his/her apartment has lived in that unit for less than 24 months, ThriveMore will refund to the RESIDENT an amount equal to the amortized remaining value of the entrance fee paid by the RESIDENT. The refund will be made upon the re-occupancy of the unit and receipt and unrestricted use of the entrance fee from the successor resident. The new double occupant will be expected to pay the double occupant monthly rate.
4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT'S income and assets are no longer sufficient to pay for the services required, ThriveMore will endeavor to provide financial assistance to the RESIDENT pursuant to the Apartment Residence Agreement. ThriveMore has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.

5. The following paragraphs provide a description of the refund provisions for rescinded or cancelled contracts:

The RESIDENT may rescind the contract by giving written notice to ThriveMore within thirty (30) days following the later of the execution of the contract or the receipt of a disclosure statement that meets the requirements of this section. The RESIDENT is not required to move into the facility during the thirty (30) day automatic rescission period. If such action is taken, the RESIDENT shall receive a full refund of any entrance fees paid within sixty (60) days following the receipt of the written notice. The RESIDENT to whom the contract pertains is not required to move into the community before the expiration of the thirty (30) day period. After the initial (30) day period following the payment of the full entrance fee but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes and receive a refund of the entrance fees paid less four percent (4%). The refund will be paid within sixty (60) days following receipt of the written notice. Should a RESIDENT die before occupying an independent living unit in the facility, or if, on account of illness, injury, or incapacity, a RESIDENT would be precluded from occupying an independent living unit in the facility under the terms of the contract for continuing care, the contract is automatically cancelled and the RESIDENT is entitled to a full refund of the Entrance fee paid. During the first 24 months of occupancy, the RESIDENT may cancel his/her "Agreement" with the organization by giving thirty (30) days written notice to ThriveMore. ThriveMore will refund to the RESIDENT all amounts paid to the organization as an entrance fee less four percent (4%) of the "fee" for each month of occupancy, or part thereof, which will be retained by the organization. The RESIDENT will receive his/her entrance fee "refund" when RESIDENT'S unit has been occupied by another RESIDENT or within two (2) years of his/her termination of their Agreement, whichever event occurs sooner. If the RESIDENT who purchased the Traditional Payment Program cancels the Agreement after twenty-four (24) months of occupancy, there shall be no refund of the entrance fee. The RESIDENT who purchased the Fifty-Percent Refund Program has a fifty percent refund option for life and the Resident who purchased the Ninety-Percent Refund Program has a ninety percent refund option for life. ThriveMore may cancel the Apartment Residence Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of independent living or has failed to comply with the obligations assumed pursuant to the Agreement. In the event of such cancellation, the RESIDENT shall receive a full refund if cancellation occurs prior to

occupancy; a partial refund if cancellation occurs during the first twenty-four (24) months of occupancy; and, no refund if cancellation occurs thereafter.

If RESIDENT voluntarily terminates this Agreement, the applicable refund will be made at the earlier of two (2) years after ThriveMore is notified of termination or such time as ThriveMore has obtained an executed Residence and Services Agreement and has received full payment and unrestricted use of the Entrance Fee for the Apartment. ThriveMore shall make reasonable efforts to secure a RESIDENT for the Apartment as is feasible.

If a RESIDENT dies within twenty-four (24) months of occupancy, a refund of the unamortized entrance fee will be made to the estate of the RESIDENT. The refund will be made upon re-occupancy of the unit and the receipt and unrestricted use of the entrance fee proceeds from the successor RESIDENT. No refund is made if death occurs after the first twenty-four (24) months of occupancy. If a RESIDENT who purchased the Fifty Percent Refund Program dies, a refund of fifty percent of the entrance fee will be paid to his/her estate. If a resident who purchased the Ninety-Percent Refund Program dies, a refund of ninety percent of the entrance fee will be paid to his/her estate.

A RESIDENT contract with ThriveMore can be terminated if the RESIDENT being provided service requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort will be made to place the RESIDENT at an appropriate level of care within the ThriveMore system. If a contract is terminated by ThriveMore, a refund of the unamortized entrance fee will be made to the RESIDENT as soon as the RESIDENT'S residence has been re-leased.

6. RESIDENTS living in garden home units can choose from one of three plans in regard to services offered to them via the Brookridge Community:

The Platinum Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase thirty (30) meals a month, housekeeping services, and concierge services.

The Gold Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase twenty (20) meals a month and housekeeping services.

The Silver Club Plan – Garden home RESIDENTS who choose this Plan receive no credit via their monthly maintenance fee to purchase meals, housekeeping, or concierge services.

7. If RESIDENT is away from the Brookridge Retirement Community for thirty consecutive days, he/she will receive a credit equal to the cost of the thirty-day dining plan for each person. If for any reason, RESIDENT returns to the Brookridge Retirement Community for an overnight stay, he/she will be ineligible to take advantage of the away rate. The “away rate” can be taken for a maximum of three months.
8. Upon cancellation of the Agreement by the RESIDENT or the Homes, the independent living apartment of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of all residents residing in the independent living apartment have been terminated.

B. Adult Care Home

1. In order for an individual to be accepted as a RESIDENT, the individual must be a minimum of sixty-two (62) years of age and in the mental and physical condition to be able to adequately function at the Adult Care Home level of care, which is determined by the Homes’ Admissions Committee. After the acceptance of a RESIDENT, if ThriveMore should determine that the RESIDENT has become incapable of functioning at an Adult Care Home level of care, the Agreement shall be canceled pursuant to Sections 7 and 8 of the Resident Care Agreement.
2. Also, in general, the individual must be capable of paying the reasonable periodic fees as determined by ThriveMore in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve and maintain current and future income and assets in order to provide for payment of services to be provided by the Homes under this Agreement or otherwise. Upon verification satisfactory to the Homes that the RESIDENT has complied with this obligation, and that the RESIDENT’S income and assets are no longer sufficient to pay for services required, the Homes will endeavor to provide financial assistance to the RESIDENT, by prudent use of finite funds available to it for such purposes. The Homes has no legal obligation to provide such assistance, and is unable to represent or guarantee with certainty that such assistance will be available to the RESIDENT. In any event, such assistance as may be available will be provided only after the RESIDENT has applied for and taken all necessary steps to qualify for any available public benefit program, or private funds or programs through which benefits may be available for payment of services required by the RESIDENT.
3. If a RESIDENT marries while at the facility, the RESIDENT must have the advanced written permission of ThriveMore for the new spouse to live with the RESIDENT. Such permission is conditioned upon negotiation and

execution of a new written Resident Care Agreement and shall be subject to the appropriate fees. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing Agreement with the RESIDENT.

4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT'S income and assets are no longer sufficient to pay for the services required, ThriveMore will endeavor to provide financial assistance to the RESIDENT pursuant to the Resident Care Agreement. ThriveMore has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.
5. The RESIDENT may cancel the Resident Care Agreement within thirty (30) days of execution and prior to occupancy by giving written notice to ThriveMore and receive a full refund of any admission fees paid. After the initial thirty (30) day period but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes.

ThriveMore may cancel the Resident Care Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of living at the Adult Care Home level of care or has failed to comply with the obligations assumed pursuant to the Agreement.

A RESIDENT contract with ThriveMore can be terminated if the RESIDENT being provided services requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort would be made to place the RESIDENT at an appropriate level of care within the ThriveMore system.

6. Upon cancellation of the Agreement by the RESIDENT or the Homes, the Adult Care Home room of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of the RESIDENT residing in the Adult Care Home room have been terminated.

IV. **SERVICES**

A. **Independent Living**

The Homes provides the "continuing care" services outlined below in the Independent Living Apartments at the Brookridge Retirement Community.

All parties who wish to reside in the Independent Living Apartments at the Brookridge Retirement Community shall do so by entering into a contract entitled "Apartment Residence Agreement". A current copy of this Agreement is enclosed with this Disclosure Statement. This Agreement is the sole contract between ThriveMore and the RESIDENT. If more than one person enters into the Agreement, the word "RESIDENT" as used herein and as used in the Agreement shall include both residents unless otherwise stated. This Disclosure Statement constitutes Exhibit C to the Agreement and is incorporated therein by reference. ThriveMore provides the following "continuing care" services at the Brookridge Retirement Community pursuant to the Residency Agreement based upon the admission fee and the monthly service fee (the monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the service provided to him/her via the RESIDENT'S contract with ThriveMore – see Apartment Resident Agreement Page 1, #2) specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone and television outlets, water and sewer services, and trash disposal.
2. FURNISHINGS:
 - a. Independent Living Apartments located in the Main Building are furnished with carpeting, window covering, electric range with hood, frost-free refrigerator, dishwasher, and disposal.
 - b. Independent Living Apartments designated as Garden Homes are furnished as indicated above with the addition of a washer/dryer.
3. INSURANCE: ThriveMore provides fire and casualty insurance. The insurance provided by ThriveMore does not cover personal contents of the Apartments.
4. MEAL SERVICE: ThriveMore in its standard contract provides at no additional charge to RESIDENT, one meal each day to be served in its dining room. Garden Home residents have three options for dining services:
The Platinum Plan- 30 meals a month
The Gold Plan- 20 meals a month
The Silver Plan- 0 meals a month
5. HEALTH SERVICE: If required by RESIDENT'S health status, ThriveMore will provide without additional charge a cumulative total of thirty (30) days residential care in its Health Care Center while the Residency Agreement is in force. Such care, as appropriate, will be at either the adult care home level, or at the nursing care level. If for any reason such care is

temporarily unavailable when required by the RESIDENT, it will be provided at the expense of ThriveMore at other comparable facilities. During provision of such care, the RESIDENT will be charged for medicines, physician's services, and for supplies not normally included in the base fee for such services. The RESIDENT will pay for health care services in excess of the thirty (30) day cumulative total provided by this Agreement at the rate established for such care by ThriveMore at the time such care is required. All other medical care, services and supplies provided to the RESIDENT by ThriveMore or others, will be at the RESIDENT'S expense.

6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by ThriveMore.
7. PARKING: More than adequate parking located in three parking areas adjacent to the main building on the Brookridge campus is provided for residents living in independent living apartments. Every resident is guaranteed a parking place for his/her vehicle, and no parking fee is charged to the resident for that service. Every resident living in a garden home located on the Brookridge campus has access to covered parking adjacent to his/her garden home. No parking fee is charged to the resident for that service.
8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are furnished. An indoor swimming pool and exercise area, the West Water Therapy Center, is also available on site.
9. HOUSEKEEPING:
 - a. Congregate Building apartments are provided bi-weekly housekeeping (general vacuuming, dusting, and cleaning of bath) and weekly changes of white sheets and pillowcases.
 - b. Garden home apartments are provided twice-monthly housekeeping (general vacuuming, dusting, and cleaning of bath).
10. LAUNDRY: For Residents living in Congregate Building Apartments, ThriveMore furnishes and maintains washers and dryers for RESIDENT'S use.
11. SCHEDULED TRANSPORTATION: ThriveMore provides scheduled transportation to local shopping areas, churches, and social activities.

12. STAFF: ThriveMore has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies.

ThriveMore makes available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

1. One or two additional meals per day in the central dining room;
2. In case of temporary illness, tray service of meals in the RESIDENT'S apartment;
3. Additional housekeeping services as required;
4. Transportation to extra-curricular events and locations;
5. Beauty and barber services; and
6. Transportation to medical appointments, by appointment, limited space available.

B. Adult Care Home

ThriveMore provides the following "continuing care" services at the Adult Care Home level of care at the Brookridge Retirement Community, pursuant to the Resident Care Agreement based upon the admission fee and monthly service fee specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone outlets and television outlets, water and sewer services, and trash disposal.
2. FURNISHINGS: Each Adult Care Home room at the Brookridge Retirement Community will be furnished with carpeting and window covering.
3. INSURANCE: ThriveMore carries fire and casualty insurance. The insurance provided by ThriveMore does not cover personal contents of the room.
4. MEAL SERVICE: ThriveMore provides, at no additional charge to the RESIDENT, three meals each day served in its dining room.
5. MEDICATION MONITORING: Certified staff will monitor and/or administer medications to the RESIDENT.

6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by ThriveMore.
7. PARKING: More than adequate parking is provided for Adult Care Home residents and their families in two parking areas adjacent to the Health Care Center located on the Brookridge campus. Adult Care Home residents who own their own vehicles are provided parking spaces for their automobiles at no charge to the residents.
8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are also furnished.
9. HOUSEKEEPING: Residents of the Adult Care Home area receive daily housekeeping services (general vacuuming, dusting, and cleaning of bath) and changes of white sheets and pillowcases as needed.
10. LAUNDRY: ThriveMore provides personal laundry services for each RESIDENT.
11. SCHEDULED TRANSPORTATION: ThriveMore provides scheduled transportation to local shopping areas, churches, social activities, and routine medical appointments.
12. STAFF: ThriveMore has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies.

ThriveMore will make available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

1. Medical supplies and equipment related to hospitalization, prescription medicines, medical supplies, physician services, dental and optical care;
2. Physical, Speech, and Occupational therapy;
3. Clothing;
4. Personal Care items;
5. Beauty and Barber Services.

V. **FEES**

A. **Independent Living**

1. A description of all current fees required of residents of the Brookridge Retirement Community including admission fees and periodic charges is set forth as follows:

ENTRANCE FEES

The Apartment/Garden Home Entrance fee is paid by the RESIDENT thirty (30) days after he/she signs the Apartment Resident Agreement or the receipt of a Disclosure Statement and assures the RESIDENT a place in the “Community” for a term of years or life as long as the RESIDENT complies with his/her contract with ThriveMore.

Independent Living 0% Refundable Entrance Fees

Garden Homes

Single residence – single	\$ 222,112
Single residence – double	\$ 237,112
Single residence deluxe – single	\$ 376,000
Single residence deluxe – double	\$ 391,000
Duplex residence – single	\$ 144,808 - \$159,291
Duplex residence – double	\$ 159,808 - \$174,291

Apartments

Studio	\$ 45,619
One bedroom – single	\$ 72,196
One bedroom – double	\$ 87,196
Deluxe one bedroom – single	\$ 100,446
Deluxe one bedroom – double	\$ 115,446
Two bedroom – single	\$ 100,446
Two bedroom – double	\$ 115,446
Two bedroom Classic – single	\$ 108,981
Two bedroom Classic – double	\$ 123,981
Deluxe two bedroom – single	\$ 180,589 - \$185,378
Deluxe two bedroom – double	\$ 195,589 - \$200,378

MONTHLY FEES

The monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the services provided to him/her via the RESIDENT’S contract with ThriveMore.

<u>Type of Unit</u>	<u>Monthly Fee</u>
---------------------	--------------------

Independent Living

Garden Homes	<u>Platinum</u>	<u>Gold</u>	<u>Silver</u>
Single residence – single	\$3,360	\$3,220	\$2,824
Single residence – double	\$4,293	\$4,153	\$3,323
Single residence deluxe – single	\$4,800	\$4,660	\$4,265
Single residence deluxe – double	\$5,700	\$5,560	\$4,730
Duplex residence – single	\$3,053	\$2,913	\$2,518
Duplex residence – double	\$3,983	\$3,843	\$3,013

Apartments

Studio	\$ 1,667
One bedroom – single	\$ 2,163
One bedroom – double	\$ 3,119
Deluxe one bedroom – single	\$ 2,669
Deluxe one bedroom – double	\$ 3,633
Two bedroom – single	\$ 2,669
Two bedroom – double	\$ 3,633
Two bedroom Classic – single	\$ 2,936
Two bedroom Classic – double	\$ 3,996
Deluxe two bedroom – single	\$ 3,360 - \$3,640
Deluxe two bedroom – double	\$ 4,292 - \$4,384

Fees for Additional Services Available

Transportation expense \$30.00 Trip

2. The monthly service fee may be adjusted from time to time by ThriveMore by giving sixty days written notice of any increase or decrease to the RESIDENT in accordance with Section 2 of the Apartment Residence Agreement. The frequency and dollar amount of each average increase during the past five years at the Brookridge Retirement Community, owned and operated by ThriveMore, as it relates to independent living apartments is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/18	\$70.09 (garden homes/apartments)	1 time per year
10/1/19	\$66.13 (garden homes/apartments)	1 time per year
10/1/20	\$76.01 (garden homes/apartments)	1 time per year
10/1/21	\$80.11 (garden homes/apartments)	1 time per year
10/1/22	\$114.00 (garden homes/apartments)	1 time per year

B. Adult Care Home

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

Regular – entrance fee paid	\$5,898
Regular – no entrance fee	\$6,992
Memory-Enhanced residence	\$8,715

2. The monthly service fee may be adjusted from time to time by ThriveMore upon giving sixty (60) days written notice of any increase or decrease to the RESIDENT in accordance with Section 2 of the Resident Care Agreement.

The frequency and dollar amounts of each average increase at the Brookridge Retirement Community, owned and operated by ThriveMore, during the past five years is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/18	\$157.84	1 time per year
10/1/19	\$162.58	1 time per year
10/1/20	\$195.36	1 time per year
10/1/21	\$432.81	1 time per year
10/1/22	\$428.00	1 time per year

C. Skilled Nursing

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

Nursing Care	<u>Daily Rate</u>
Private room	\$377
Semi-private room	\$353

2. The monthly service fee may be adjusted from time to time by ThriveMore.

The frequency and dollar amounts of each average increase at the Brookridge Retirement Community, during the past five years is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/18	Daily Rate \$ 7.90	1 time per year
10/1/19	Daily Rate \$ 8.14	1 time per year
10/1/20	Daily Rate \$14.81	1 time per year
10/1/21	Daily Rate \$21.27	1 time per year
10/1/22	Daily Rate \$21.50	1 time per year

VI. **FINANCIAL INFORMATION**

Unless otherwise indicated all financial data is derived from the consolidated financial statements of the Baptist Retirement Homes of North Carolina, Incorporated dba ThriveMore (“ThriveMore”).

- A. The Brookridge Retirement Community has a fully funded Statutory Operating Reserve Fund of \$7.042 million, in addition to resident entrance fees in funding the Brookridge Retirement Community. If unforeseen financial need is ever experienced in connection with the operation of the Brookridge Retirement Community, ThriveMore will, in the same manner utilize any funds that may be available to it from gifts or contributions to enable it to perform its obligations fully under contracts to provide continuing care at the Community.

- B. ThriveMore operates on a fiscal year of October 1 through September 30. From 1986 to 1990, D.E. Gatewood and Company, Certified Public Accountants, audited the financial records of the organization. From 1991 to 1993, Coopers and Lybrand, Certified Public Accountants audited the financial statements of the organization. From 1994 through 2000, Ernst and Young, LLP audited the financial statements of the organization. From 2001 to 2006, the financial statements of the organization were audited by McGladrey & Pullen, LLP. From 2007 to 2009, LarsonAllen LLP audited the financial statements of the organization. From 2010-2015, RSM/McGladrey, LLP audited the financial statements of the organization. For 2016 to 2023, Clifton Larson Allen, LLP audited the financial statements of the organization. Certified consolidated financial statements covering all facilities are attached hereto as follows:

Interim Financial Statements as of December 2023	Attachment VIII
2023 Audit Report	Attachment I

- C. Pro-forma financial statements are attached hereto as Attachment III.

VII. **RESERVES, ESCROW, AND TRUSTS**

- A. ThriveMore is the income beneficiary of various trusts administered by the North Carolina Baptist Foundation. These trusts have a market value of approximately \$4,839,295. Income received from these trusts is approximately \$145,860 per year.

ThriveMore is the income beneficiary of a trust under the Will of John Alonzo Bolich, Jr. The trust, being administered by Wells Fargo Bank, has a market value of approximately \$2,058,629. Annual income from the trust is approximately \$115,000.

ThriveMore is the income beneficiary of a trust under the Will of Clyde Little. The trust is being held in an account at Wells Fargo Charitable Funds Department, and

has a market value of \$609,093. Annual income from the trust is approximately \$15,806.

In 1994, ThriveMore established a memorial fund for the benefit of supplementing the cost of care for residents who do not have the financial resources to pay for their care. The funds have a balance of \$3,029,860. Annual income from the fund is approximately \$95,374.

- B. The forecasted financial statements will reflect the Homes' funding of an operating reserve as required by N.C.G.S. §58-64. The operating reserve must be an amount at least equal to fifty percent (50%) or (25%) of operating expenses (net of depreciation and amortization) plus debt service for all facilities considered to be continuing care retirement communities. As only the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community qualify as a continuing care retirement communities, only the operating expenses related to the Brookridge Retirement Community and to The Gardens of Taylor Glen Retirement Community are used to calculate the reserve. The forecast will also assume an interest rate between one to five percent (1-5%) will be earned on these funds based on the average balance during the year.

- D. The Foundation funds on deposit with First Citizens Bank are invested seventy percent (70%) in equities and thirty percent (30%) in fixed income funds.

The long-term reserve funds on deposit with First Citizens are invested seventy percent (70%) in equities and thirty percent (30%) in fixed income funds. The short-term time horizon funds on deposit with First Citizens are invested approximately twenty percent (20%) in equities and eighty percent (80%) in fixed income funds/cash.

Below are the First Citizens Bank investment management professionals overseeing investment decisions for the Baptist Retirement Homes portfolios and their professional investment experience:

Name	Years of Experience
Brent Ciliano	28
Patrick Nolan	26
Craig Letendre	15

The following is a list of the third party fund management professionals that are over-seeing the investment decisions and their professional investment experience for each fund.

Fund Name	Manager	Years of Experience	Manager	Years of Experience	Manager	Years of Experience
iShares Russell Top 200 Growth ETF (IWO)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Top 200 Value ETF (IWX)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Mid-Cap Growth ETF (IWP)	Index Strategy - No Manager	-	-	-	-	-
iShares Russell Mid-Cap Value ETF (IWS)	Index Strategy - No Manager	-	-	-	-	-
Hotchkiss & Wiley Sm Cp Divers Val I (HWWIX)	Judd Peters, CFA	26 Yrs	Ryan Thomas, CFA	21 Yrs		
Thrivent Small Cap Stock S (TSCSX)	Matthew D. Finn, CFA	20 Yrs	James M. Tinucci, CFA	10 Yrs	Katelyn R. Young, CPA	2 Yrs
Vanguard Russell 2000 ETF (VTWO)	Index Strategy - No Manager	-	-	-	-	-
William Blair Small Cap Growth I (WBSIX)	Ward Sexton, CFA	25 Yrs	Mark Thompson, CFA	18 Yrs		
iShares Core MSCI EAFE ETF (IEFA)	Index Strategy - No Manager	-	-	-	-	-
MFS International Equity R6 (MIEIX)	Filipe Benzinho	17 Yrs	Daniel Ling, CFA	25 Yrs		
Transamerica International Equity I (TSWIX)	Brandon H. Harrell, CFA	37 Yrs	-	-	-	-
Artisan International Small-Mid Instl (APHJX)ntf	Rezo Kanovich	5 Yrs	-	-	-	-
Pear Tree Polaris Fgn Val Sm Cap R6 (QUSRX)	Polaris Capital Management, LLC	35 Yrs	-	-	-	-
Driehaus Emerging Markets Growth Instl (DIEMX)	Howie Schwab	23 Yrs	Chad Cleaver, CFA	20 Yrs	Richard Thies	13 Yrs
Goldman Sachs Em Mkts Eq Insights R6 (GERUX)ntf	Osman Ali, CFA	20 Yrs	Len Ioffe, CFA	32 Yrs		
iShares Core MSCI Emerging Markets ETF (IEMG)	Index Strategy - No Manager	-	-	-	-	-
iShares 10-20 Year Treasury Bond ETF (TLH)	Index Strategy - No Manager	-	-	-	-	-
iShares Core US Aggregate Bond ETF (AGG)	Index Strategy - No Manager	-	-	-	-	-
ProShares DJ Brookfield Global Infrs (TOLZ)ntf	Index Strategy - No Manager	-	-	-	-	-
Vanguard Real Estate ETF (VNQ)	Index Strategy - No Manager	-	-	-	-	-
Vanguard Global ex-US Real Est ETF (VNQI)	Index Strategy - No Manager	-	-	-	-	-
JPMorgan US Value Factor ETF (JVAL)	Index Strategy - No Manager	-	-	-	-	-
Federated Hermes Government Obligations Fund	Susan Hill, CFA	33 Yrs	Deborah A. Cunningham, CFA	37 Yrs		

VIII. FACILITY DEVELOPMENT/EXPANSION

ThriveMore has been involved in the following development since 1990:

In December 1990, ThriveMore was given Certificate of Need approval to construct a one-hundred (100)-bed nursing care addition to its Western North Carolina Baptist Home in Asheville. Construction on the one-hundred (100)-bed addition began in the fall of 1991, and the center was opened in February 1993.

In 1994, a Solarium was added to the Prince Nursing Care Center to house a special small group program designed to enhance the quality of life experienced by institutionalized Older Adults who have dementia. A similar addition was made to the Western North Carolina Baptist Home in 1995.

In 1997, community-wide renovation work at The Taylor House was completed.

In 1997, renovation work at the Adult Care Home Residence at the Western North Carolina Baptist Home was completed.

In 1997, construction began on five two bedroom deluxe apartments at the Brookridge Retirement Community. The apartment project was completed in the summer of 1998.

In 1998, construction began on an indoor swimming pool and fitness center at the Brookridge Retirement Community. The pool was completed in September 1999.

In 1998, renovation work at the Western North Carolina Baptist Home began to develop a nine (9)-bed memory-enhanced residence. The memory-enhanced residence was completed in the fall of 1999.

In 2001, The Gardens of Taylor Glen was opened for operation.

Construction of a memory-enhanced residence at the Brookridge Retirement Community began in February 2001, and the project was completed in October 2001.

In 2002, community-wide renovation of The Taylor House was completed to include a new elevator, new boiler, and new kitchen area.

In 2003, a special residence for Older Adults with dementia was opened in the Adult Care Home area of the Western North Carolina Baptist Home.

In 2006, a café dining option for independent living residents at the Brookridge Retirement Community was opened for operation.

In 2006 – 2007, the Prince Nursing Care Center in Winston-Salem and the Rickman Nursing Care Center in Asheville underwent significant renovations.

In 2010, the administrative and family area at Brookridge Retirement Community Nursing Care Center was renovated.

In 2012, ThriveMore began construction of a new wing and renovation of existing rooms and administrative offices at the Prince Nursing Care Center in Winston-Salem. The new wing was completed in 2013 and the renovations completed in 2014.

In 2014, the Brookridge Independent Living Lobby was renovated.

In 2015, the Western North Carolina Baptist Home began renovation of the Nursing Care Center, which was completed in 2016.

In 2022, the Brookridge community made a significant upgrade to their existing common space. The upgrade included new flooring, paint, lighting but also added areas to enhance the common space. The community added an additional dining venue by adding a Café that is open for breakfast and lunch. A fireplace with casual seating enhances the entry area. The community added “screened-in” outdoor dining areas. A concrete patio was added off the lower level for outdoor conversation or entertainment. Landscaping to the entrance is completely new. The original skylight for the building (fiberglass product) was replaced with a glass skylight. Master planning for the campus was also completed with plans to add additional dining, villas, additional/enhanced walking trails and expanded fitness area.

In 2022, with a growing wait list, the Taylor Glen campus completed master planning. Board approval of Phase I also occurred and plans are being completed to accommodate that phase I construction. Phase I will consist of 26 freestanding homes in a pocket neighborhood setting. Two, twelve (12) apartment Villa’s, expanded dining and additional dining venue, and an additional 12 private rooms Green House Home for

Memory Care. The Green House Home is a home that looks outside and inside like a traditional home but is focused on the care of older adults and designed to provide that care in a warm inviting environment. Taylor Glen has begun with pre-sales of the homes and villas and hope to have all approvals and begin construction of Phase I in the fall of 2023. In addition to the expansion of the Taylor Glen campus we are also working with an interior designer to refresh the common spaces over a series of phases, the first phase was completed in January 2024. The refresh will include new flooring, lighting, artwork and enhanced outdoor living areas.

IX. OTHER MATERIAL INFORMATION

As of the date of this Disclosure Statement, ThriveMore is not involved in any past or current litigation, bankruptcy filings, receivership, liquidation, impending actions or perils.

X. RESIDENCE AND SERVICES AGREEMENT

A copy of the current Residence and Services Agreement which comply with all contract specifications as per N.C.G.S. 58-64-25 are attached to this Disclosure Statement as Attachment IV, Attachment V, and Attachment VI and VI-A for Independent Living, Adult Care Home, and Nursing Care at the Brookridge Retirement Community.

XI. ATTACHMENTS TO DISCLOSURE STATEMENT

Attachment I	9/30/23 Audit Report
Attachment II	Financial Data – Actual Compared to Forecasted
Attachment III	Pro-Forma Financial Statements
Attachment IV	Residence and Services Agreement – Independent Living
Attachment IV-A	Amendment to Residence and Services; Promissory Note; and Deed of Trust
Attachment V	Resident Care Agreement – Adult Care Home Residence
Attachment VI	Nursing Care Agreement
Attachment VII	Life Expectancy Table
Attachment VIII	Interim Financial Statements as of December 2023

ATTACHMENT I

9/30/2023 Audit Report

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore
Winston-Salem, North Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and Affiliate (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2023 and 2022, and the results of their operations, and changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

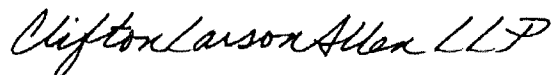
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures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

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 35 to 39 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Charlotte, North Carolina
February 16, 2024

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,799,781	\$ 4,664,853
Accounts Receivable	2,621,883	5,264,664
Investments	45,081,775	43,411,607
Contributions Receivable	157,500	145,000
Prepaid Expenses and Other Assets	869,664	627,244
Deposit	8,258,433	-
Total Current Assets	61,789,036	54,113,368
ASSETS LIMITED AS TO USE		
Internally Designated for Capital Development	-	690,018
Internally Designated for Statutory Operating Reserve	9,344,000	8,562,000
Total Assets Limited as to Use	9,344,000	9,252,018
INVESTMENTS AND OTHER ASSETS		
Assets in Split-Interest Agreements:		
Charitable Remainder Trusts	1,066,407	851,300
Beneficial Interest in Perpetual Trusts	6,886,924	6,418,459
Other Assets	15,000	15,000
Note Receivable	2,500,000	-
Total Investments and Other Assets	10,468,331	7,284,759
PROPERTY AND EQUIPMENT, NET		
	55,224,009	53,109,828
Total Assets	\$ 136,825,376	\$ 123,759,973

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2023 AND 2022**

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,869,540	\$ 1,789,597
Line of Credit	3,775,000	1,200,000
Accounts Payable	2,602,923	3,461,344
Accrued Expenses	519,194	661,997
Accrued Employee Compensation	614,161	697,898
Other Current Liabilities	39,721	84,487
Current Portion of Refundable Advance Fees	222,506	208,806
Total Current Liabilities	9,643,045	8,104,129
LONG-TERM DEBT, LESS CURRENT MATURITIES	23,960,343	25,823,400
DEFERRED REVENUE AND OTHER LIABILITIES		
Deferred Revenue from Advance Fees	18,407,457	16,277,037
Refundable Advance Fees on Occupied Units, Net of Current Portion	6,913,040	4,875,157
Total Deferred Revenue and Other Liabilities	25,320,497	21,152,194
Total Liabilities	58,923,885	55,079,723
NET ASSETS		
Without Donor Restrictions	55,306,824	45,988,656
With Donor Restrictions	22,594,667	22,691,594
Total Net Assets	77,901,491	68,680,250
Total Liabilities and Net Assets	\$ 136,825,376	\$ 123,759,973

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Service Revenue, including Amortization of Deferred Revenue from Nonrefundable Advance Fees of approximately \$2,792,000 in 2023 and \$2,419,000 in 2022	\$ 37,007,532	\$ 33,147,048
Gifts, Including Gifts from Churches and Special Offerings	340,305	429,775
Income from Grants	352,998	337,100
Income from Estates and Trusts	484,932	82,736
Investment Income and Realized Gains	1,534,559	6,959,614
CARES Act- Provider Relief Fund Revenue	-	168,613
Net Assets Released from Restrictions	988,157	806,429
Other	364,811	654,875
Total Revenues, Gains, and Other Support	41,073,294	42,586,190
OPERATING EXPENSES		
Resident Care	22,600,488	19,246,225
Dietary	4,316,475	3,620,516
Maintenance and Housekeeping	6,492,933	5,658,150
General and Administrative	6,201,789	4,313,242
Depreciation	5,725,754	4,322,994
Interest	1,061,227	936,405
Total Operating Expenses	46,398,666	38,097,532
OPERATING INCOME (LOSS)	(5,325,372)	4,488,658
NONOPERATING INCOME (LOSS)		
Gain on Sale of Property and Equipment	9,425,553	-
Unrealized Gain (Loss) on Investments	4,107,664	(16,649,245)
Total Nonoperating Income (Loss)	13,533,217	(16,649,245)
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	8,207,845	(12,160,587)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Transfers to Net Assets With Donor Restrictions	(44,154)	-
Net Assets Released from Restrictions for Property and Equipment	1,154,477	343,010
Total Other Changes in Net Assets Without Donor Restrictions	1,110,323	343,010
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	9,318,168	(11,817,577)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	308,691	417,111
Transfers from Net Assets Without Donor Restrictions	44,154	-
Change in Value of Charitable Remainder Trusts	215,107	(848,422)
Unrealized Gain (Loss) on Investments	1,009,289	(1,932,059)
Change in Value of Beneficial Interest in Perpetual Trusts	468,466	(2,005,810)
Net Assets Released from Restrictions	(2,142,634)	(1,149,439)
Decrease in Net Assets With Donor Restrictions	(96,927)	(5,518,619)
INCREASE (DECREASE) IN NET ASSETS	9,221,241	(17,336,196)
Net Assets - Beginning of Year	68,680,250	86,016,446
NET ASSETS - END OF YEAR	\$ 77,901,491	\$ 68,680,250

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 9,221,241	\$ (17,336,196)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,725,754	4,322,994
Unrealized Losses (Gains) on Investments	(5,116,953)	18,581,304
Change in Value of Charitable Remainder Trusts	(215,173)	849,018
Change in Value of Beneficial Interest in Perpetual Trusts	(468,465)	2,005,810
Endowment Contributions	-	(261,505)
Amortization of Deferred Revenue from Advance Fees	(2,792,240)	(2,418,587)
Amortization of Deferred Costs	14,302	40,818
Bad Debt Expense	1,548,155	489,956
Advance Fees Received	8,011,416	9,338,920
Advance Fees Refunded	(1,037,173)	(898,476)
Realized Gains (Losses) on Investments	104,986	(4,946,286)
Gain on Disposal of Asset	(9,425,553)	(23,036)
(Increase) Decrease in Assets:		
Accounts Receivable	1,094,626	(3,522,779)
Contributions Receivable	(12,500)	(12,500)
Prepaid Expenses and Other Current Assets	(242,420)	(134,006)
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, Accrued Compensation, and Other Current Liabilities	(2,220,708)	351,925
CARES Act - Provider Relief Funds	-	(141,349)
Net Cash Provided by Operating Activities	4,189,295	6,286,025
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	1,807,745	4,442,090
Net Change of Assets Limited as to Use	91,982	(2,580,527)
Purchases of Property and Equipment	(10,373,401)	(9,964,924)
Proceeds from Sale of Property and Equipment	10,550,000	-
Deposit on Acquisition	(8,258,433)	-
Net Cash Used by Investing Activities	(6,182,107)	(8,103,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of Long-Term Debt	(1,797,416)	(1,753,088)
Proceeds from Line of Credit	2,575,000	1,200,000
Endowment Contributions	-	261,505
Net Cash Provided (Used) by Financing Activities	777,584	(291,583)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,215,228)	(2,108,919)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	6,020,396	8,129,315
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 4,805,168	\$ 6,020,396

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
Cash and Cash Equivalents	\$ 4,799,781	\$ 4,664,853
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	5,387	1,355,543
Total Cash, Cash Equivalents, and Restricted Cash	\$ 4,805,168	\$ 6,020,396
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	\$ 1,061,227	\$ 944,858
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Note Receivable	\$ 2,500,000	\$ -
Purchases of Equipment included in Accounts Payable	1,090,981	1,227,680
Total	\$ 3,590,981	\$ 1,227,680

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore (Homes) is a church-related nonprofit corporation organized under the laws of the state of North Carolina. The trustees of the Homes are nominated and elected by the board. The Homes has a historical relationship with the Baptist State Convention of North Carolina.

The Baptist Retirement Homes Foundation (the Foundation) was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation is elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, with freestanding and combination facilities that include assisted living residences, memory-care residences, and skilled nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Homes and the Foundation (collectively, the Organization). All material related party balances and transactions have been eliminated in consolidation.

Basis of Presentation

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

Net Assets Without Donor Restrictions

Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets With Donor Restrictions

Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Use of Estimates

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

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition, which are not included in investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance, which approximates fair value as of September 30, 2023 and 2022. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. The Organization provides an allowance for uncollectible accounts using management's judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows. Contributions receivable was approximately \$158,000 and \$145,000 at September 30, 2023 and 2022, respectively.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Contributions and Support (Continued)

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. The Organization received no advance payments for the year ended September 30, 2023 and 2022.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of NC General Statute Chapter 58, Article 64 and amounts internally designated for future capital development. The board retains control over amounts held for future capital expenditures and may, at its discretion, subsequently use them for other purposes. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are recorded at fair value at the date of gift.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. As trading securities, the investments are not subject to other than temporary impairment as the unrealized gains and losses on the investments are shown above the performance indicator of increase in net assets without donor restrictions on the consolidated statements of activities and changes in net assets.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Assets in split-interest agreements are stated at fair value net of discounted future contractual payment obligations.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Homes and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Amortization expense was approximately \$14,000 and \$41,000 for the years ended September 30, 2023 and 2022, respectively, and is included as a component of interest expense on the consolidated statements of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at the date of contribution. All items with a cost over \$2,000 and an estimated useful life of 2 years or more are capitalized. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

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

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

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services and use of facilities). There was no liability recognized at September 30, 2023 and 2022. The discount rate used in calculating the present value of the net cost of future services was 8.02% for 2023 and 2022, and was based on the expected long-term rate of return on governmental obligations.

Resident Service Revenue

The Organization has agreements with third-party payors that provide for payments at amounts different from its established rates. Resident service revenue is reported at the estimated realizable amounts from residents, third-party payors, and others for services rendered.

Excess (Deficit) of Revenues Over (Under) Expenses

The consolidated statements of activities and changes in net assets include excess (deficit) of revenues over (under) expenses. Changes in net assets without donor restrictions, that are included in excess (deficit) of revenues over (under) expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Income Taxes

The Homes and the Foundation are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The Homes and the Foundation file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Homes or the Foundation. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Homes or the Foundation.

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's consolidated financial statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Functional Expenses

The costs of program, management and general, and fundraising activities have been summarized on a functional basis in Note 12. Expenses not associated with a specific functional classification are allocated to program services, support services, and fundraising based on staff utilization or management's estimates of time spent, square footage, or other various allocation methods appropriate to the type of expense.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

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

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

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

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Assets valued using Level 2 inputs include gift annuity funds and real estate investment trusts. Assets valued using Level 3 inputs include charitable remainder trusts and beneficial interests in perpetual trusts.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Fair Value of Financial Instruments (Continued)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value. The Organization may elect to measure newly acquired financial instruments at fair value in the future.

Risks and Uncertainties

The Organization holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments, either positively or negatively, will continue to occur in the near term and those changes could materially affect the Organization's investment and net asset balances and the amounts reported in the consolidated balance sheets of the Organization.

New Accounting Pronouncement

In February 2016, FASB issued ASU 2016-02 *Leases (Topic 842)*. The amendments in the update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements.

This pronouncement was effective and adopted by the Organization for the year ended September 30, 2023; however, the implementation of this standard did not have a material effect on the Organization. Lease disclosures for the year ended September 30, 2022 are made under prior lease guidance in FASB ASC 840.

Reclassifications

Certain amounts in the 2022 consolidated financial statements have been reclassified to conform to the 2023 presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Subsequent Events

The Organization has evaluated its subsequent events through February 16, 2024, the date the consolidated financial statements were available to be issued.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use at September 30 are summarized in the following table. Assets limited as to use are stated at fair value.

	<u>2023</u>	<u>2022</u>
Internally Designated for Capital Development:		
Cash and Cash Equivalents	\$ -	\$ 690,018
Internally Designated for Statutory Operating Reserve:		
Cash and Cash Equivalents	5,387	665,525
Mutual Funds, Equities	6,087,496	7,221,501
Mutual Funds, Bonds	3,251,117	525,951
Real Estate Investment Trusts	-	149,023
Total	<u>9,344,000</u>	<u>8,562,000</u>
Total Assets Limited as to Use	<u>\$ 9,344,000</u>	<u>\$ 9,252,018</u>

Two of Homes' facilities are required by NC General Statute Chapter 58, Article 64 to fund an operating reserve account. The operating reserve must be an amount at least equal to 25% or 50% (depending on occupancy) of the forecasted operating expenses (net of depreciation and amortization) of the forecasted year, plus annual debt service. The operating reserve requirement for Brookridge Retirement Community was approximately \$7,042,000 and \$6,519,000 as of September 30, 2023 and 2022, respectively. The operating reserve requirement for The Gardens of Taylor Glen was approximately \$2,302,000 and \$2,043,000 as of September 30, 2023 and 2022, respectively.

Other investments, stated at fair value, at September 30 include:

	<u>2023</u>	<u>2022</u>
Other Investments:		
Cash and Cash Equivalents	\$ 25,954	\$ 562,251
Mutual Funds, Equities	29,390,656	29,165,968
Mutual Funds, Bonds and Government Bond Funds	15,665,165	12,804,717
Equity Securities	-	716,696
Real Estate Investment Trusts	-	161,975
Total	<u>\$ 45,081,775</u>	<u>\$ 43,411,607</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS (CONTINUED)

Investment income and unrealized and realized gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Investment Income and Realized and Unrealized		
Gains:		
Interest and Dividend Income	\$ 1,639,545	\$ 2,013,328
Net Realized Gains (Loss) on Sales of Securities	<u>(104,986)</u>	<u>4,946,286</u>
Total	<u>\$ 1,534,559</u>	<u>\$ 6,959,614</u>
Unrealized Gain (Loss) on Investments	<u>\$ 5,116,953</u>	<u>\$ (18,581,304)</u>

The Organization has assessed the classification of its investments and determined the investments should be classified as trading securities. The investments are managed by two different investment brokers who have the ability to buy and sell investments within the parameters set forth by the Organization's investment policies. The brokers are not expressly limited to any number of transactions they can execute to achieve investment goals. Due to this, the investments are classified as trading securities. As trading securities, the investments are not subject to other-than-temporary impairment.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS

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

Charitable Remainder Trusts

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

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution revenue. The annual change in the present value of the beneficial interest is recorded as a change in value of charitable remainder trusts on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near term. The discount rates used in the calculations were 4.59% and 4.02% for the fiscal years 2023 and 2022, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS (CONTINUED)

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trusts represents assets held in trust and administered by a third party, from which the Organization has the irrevocable right to receive a share of income from the trust's assets in perpetuity. These assets are stated at the fair value of the Organization's share of trust assets, which is an approximation of the present value of the estimated future distributions from this trust.

Upon receipt of an irrevocable interest in the income of a perpetual trust administered by a third party, the Organization records the fair value of estimated future distributions from the trust as permanently restricted contribution revenue. Over the term of the perpetual trust, income distributions to the Organization are included in investment income. Annual changes in the fair value of trust assets are recorded as permanently restricted gains or losses on the consolidated statements of activities and changes in net assets. Such valuations are based on estimated mortality rates and other assumptions that could change in the near term.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 7,045,638	\$ 7,045,638
Buildings and Improvements	102,571,966	102,633,796
Furniture, Fixtures, and Equipment	4,017,449	5,194,303
Vehicles	933,964	726,648
Total	<u>114,569,017</u>	<u>115,600,385</u>
Less: Accumulated Depreciation	64,114,437	67,768,141
Total	<u>50,454,580</u>	<u>47,832,244</u>
Construction in Progress	4,769,429	5,277,584
Total Property and Equipment	<u>\$ 55,224,009</u>	<u>\$ 53,109,828</u>

Construction in progress as of September 30, 2023 and 2022 related mainly to renovations at the Taylor Glen and Brookridge locations.

On September 8, 2023, the Organization closed on the sale of the Western North Carolina Home for a transaction price of approximately \$13,050,000, resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately \$2,500,000. The sale resulted in a gain on disposal of approximately 9,407,000, which is part of and included in the gain on sale of property and equipment on the Consolidated Statement of Activities and Changes in Net Assets.

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NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)

The terms of the Note Receivable note the Organization shall receive monthly interest payments based upon an interest rate of 6.2 percent. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity.

NOTE 5 LONG-TERM DEBT

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

<u>Description</u>	<u>2023</u>	<u>2022</u>
Term Loan at 3.22%, Maturing in 2035	\$ 16,648,327	\$ 17,793,751
Term Loan at 3.22%, Maturing in 2035	<u>9,475,369</u>	<u>10,127,361</u>
Total	26,123,696	27,921,112
Less: Current Maturities	1,869,540	1,789,597
Less: Unamortized Deferred Financing Costs	<u>293,813</u>	<u>308,115</u>
Long-Term Debt, Net	<u>\$ 23,960,343</u>	<u>\$ 25,823,400</u>

In 2013, the Organization entered into a Term Loan Agreement for \$34,650,000 to refinance the remaining balances on the Organization's North Carolina Medical Care Commission term bonds. During the year ended September 30, 2020 the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately \$258,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$142,416. The refinanced term loan carries an interest rate of 3.22%.

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NOTE 5 LONG-TERM DEBT (CONTINUED)

In 2012, the Organization entered into a Construction and Permanent Loan Agreement to finance construction and renovations at Brookridge Retirement Community with a maximum borrowing of \$16,500,000. Interest only was due and payable for the first 12 months under the agreement and then principal and interest based on the bank's amortization schedule. On October 25, 2014, the Loan Agreement was finalized upon the completion of the construction project to adjust the principal and interest payments based on the actual borrowings. During the year ended September 30, 2020, the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately \$274,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$81,065. The refinanced term loan carries an interest rate of 3.22%.

Security for the debt agreements consist of a pledge and assignment to the lender of all rights, title, interest in and first priority deeds of trust on all property of Brookridge and The Gardens of Taylor Glen.

The debt agreements contain certain payments and covenants, which include the maintenance of a long-term debt service coverage ratio, cash-to-debt ratio and restricts, among other things, incurrence of indebtedness, existence of liens on property, consolidations and mergers, disposition of assets and changes in members of the obligated group. At September 30, 2023 and 2022, management is not aware of any noncompliance with these requirements.

Aggregate maturities required on long-term debt as of September 30, 2023 are due in future years as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 1,869,540
2025	1,930,636
2026	1,993,728
2027	2,058,882
2028	2,126,165
Thereafter	16,144,745
Total	<u>\$ 26,123,696</u>

NOTE 6 DEFERRED REVENUE FROM ADVANCE FEES AND REFUNDABLE ADVANCES

The Gardens of Taylor Glen and Brookridge Retirement Community offers contract options to new residents on a 90%, 50%, and 0% refundable basis.

At September 30, 2023 and 2022, the portion of advance fees subject to refund provisions was approximately \$7,136,000 and \$5,084,000, respectively. The amount expected to be refunded to current residents within the next year, based on the Organization's experience, is approximately \$223,000.

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NOTE 7 RESIDENT SERVICE REVENUE

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

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

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

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

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

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

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient is used as a basis for reimbursement. In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Medicaid

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

Other

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

Approximately 12% and 12% of the Homes' resident service revenue for the years ended September 30, 2023 and 2022, respectively, was derived from Medicare. Approximately 14% and 13% of Homes' resident service revenue for the years ended September 30, 2023 and 2022, respectively, was derived from Medicaid.

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2023 or 2022.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs. The charges foregone, based on established rates, were approximately \$4,665,000 and \$3,098,000 during the years ended September 30, 2023 and 2022, respectively.

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NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance. Using this methodology, the Organization has estimated the costs for services under the Organization's benevolent assistance policy to be approximately \$1,264,000 and \$1,420,000 for the years ended September 30, 2023 and 2022, respectively. In addition, the amount of direct benevolent assistance provided by Homes was approximately \$1,595,000 and \$1,517,000 during the years ended September 30, 2023 and 2022, respectively.

Contract Costs

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

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue from Advanced Fees
Balance as of October 1, 2021	\$ 2,231,841	\$ 13,041,051
Balance as of September 30, 2022	5,264,664	16,277,037
Balance as of September 30, 2023	2,621,883	18,407,457

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution annuity plan (the Plan) with Guidestone Financial Resources. The Plan has a contributory feature and participation in the Plan is optional at the election of the employees. To qualify for the employer matching contribution, employees must have been employed with the Organization for two years and must contribute 3% of their compensation to the Plan. Employer contributions to the Plan are made after each pay period at an amount equal to 100% match of the first 3% of employees' contributions and a 50% match of the next 2% contributed by employees. Employer contributions to the Plan were approximately \$162,000 and \$147,000 for the years ended September 30, 2023 and 2022, respectively.

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NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisting of contributions restricted as to purpose, the passage of time, or in perpetuity consist of the following at September 30:

	2023	2022
Restricted for Purpose:		
Charitable Remainder Trusts	\$ 1,066,407	\$ 851,301
Geneva Stroupe Support	185,474	166,645
Employee Benefit Account	7,010	8,906
New Residential Development	2,793,430	3,947,907
Taylor House Benevolence and Operating Support	4,755,275	4,401,841
Medicine from the Heart	29,050	44,354
Life at Home	177,740	158,824
Total Restricted for Purpose	9,014,386	9,579,778
Restricted in Perpetuity:		
Beneficial Interest in Perpetual Trusts	6,886,924	6,418,459
Endowments	6,693,357	6,693,357
Total Restricted in Perpetuity	13,580,281	13,111,816
Total Net Assets With Donor Restrictions	\$ 22,594,667	\$ 22,691,594

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by donors.

	2023	2022
New Residential Development	\$ 1,154,477	\$ 343,010
Taylor House Benevolence and Operating Support	919,023	750,429
Medicine from the Heart	42,000	56,000
Life at Home	27,134	-
Total	\$ 2,142,634	\$ 1,149,439

NOTE 10 ENDOWMENT FUNDS

Interpretation of Relevant Law

The state of North Carolina adopted the North Carolina Prudent Management of Institutional Funds Act (the Act). The board of trustees of the Organization has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, restricted in perpetuity, (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

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NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

The remaining portion of the donor-restricted Endowment Fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted for purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Funds with Deficiencies

It is the Organization's policy to maintain the corpus amounts of each individual donor-restricted endowment fund received. If the fair value of assets associated with individual donor-restricted endowment funds were to fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration, in accordance with GAAP, then such deficiencies would be reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standards to minimize the risk of large losses.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Management targets a diversified asset allocation that meets the Organization's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

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NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At September 30, 2023 and 2022, the Organization had approximately \$13,580,000 and \$13,112,000 in net assets with donor restrictions-restricted in perpetuity, respectively. Of these respective totals, approximately \$6,887,000 and \$6,418,000 relates to split-interest agreements that are administered and managed by third parties as trustees at September 30, 2023 and 2022, respectively. The remaining \$6,693,000 of net assets restricted in perpetuity at September 30, 2023 and 2022, are managed by two different investment brokers within the Organization's Investment Policy Statement. The Organization had no board-designated endowment funds as of September 30, 2023 or 2022.

The following is the change in endowment net assets for the years ended September 30, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Endowment Net Assets, September 30, 2021	\$ -	\$ 1,189,033	\$ 6,693,357	\$ 7,882,390
Unrealized Losses on Investments	-	(1,885,693)	-	(1,885,693)
Transfers	-	1,505,143	-	1,505,143
Net Assets Released from Restrictions	-	-	-	-
Endowment Net Assets, September 30, 2022	-	808,483	6,693,357	7,501,840
Unrealized Gain on Investments	-	985,916	-	985,916
Transfers	-	-	-	-
Net Assets Released from Restrictions	-	(491,346)	-	(491,346)
Endowment Net Assets, September 30, 2023	<u>\$ -</u>	<u>\$ 1,303,053</u>	<u>\$ 6,693,357</u>	<u>\$ 7,996,410</u>

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NOTE 11 CONCENTRATIONS OF CREDIT RISK

The Organization maintains demand deposits with financial institutions, the balances of which exceed the federally insured amount. Included in demand deposits are Advance Fee Escrow Accounts, which are mandated by State Statute. The Organization has not experienced any loss as a result of these holdings.

The Organization accepts residents based on strict financial verifications of assets, which become part of their residency contracts. No Medicare or Medicaid residents are accepted without approval from federal, state and/or county agencies.

The mix of accounts receivable from residents and third-party payors at September 30 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare	16 %	22 %
Medicaid	3	11
Other Third-Party Payers	65	55
Self-Pay	16	12
Total	<u>100 %</u>	<u>100 %</u>

NOTE 12 FUNCTIONAL EXPENSES

The functional classification of expenses for the years ended September 30, 2023 and 2022 consist of the following:

	<u>2023</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 16,036,243	\$ 3,617,759	\$ 86,430	\$ 19,740,432
Benefits	2,427,329	616,624	17,286	3,061,239
Advertising	55,914	396,438	-	452,352
Insurance	-	445,381	-	445,381
Professional Services	5,048,243	903,037	-	5,951,280
Dues and Subscriptions	450	72,921	-	73,371
Occupancy	1,197,648	116,847	-	1,314,495
Meals and Entertainment	1,412,542	64,713	-	1,477,255
Interest	1,061,227	-	-	1,061,227
IT	-	422,014	-	422,014
Travel	6,174	78,817	-	84,991
Medical Supplies	521,612	-	-	521,612
Supplies	1,035,343	282,574	-	1,317,917
Pharmaceuticals	71,658	-	-	71,658
Equipment	41,870	13,160	-	55,030
Maintenance and Repair	1,204,723	130,982	-	1,335,705
Depreciation and Amortization	5,713,821	11,933	-	5,725,754
Development	91,881	88,141	85,415	265,437
Other	134,780	1,319,427	19,154	1,473,361
Bad Debt	1,548,155	-	-	1,548,155
Total	<u>\$ 37,609,613</u>	<u>\$ 8,560,768</u>	<u>\$ 208,285</u>	<u>\$ 46,398,666</u>

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NOTE 12 FUNCTIONAL EXPENSES (CONTINUED)

	2022			Total Expenses
	Program Services	Management and General	Fundraising	
Salaries and Wages	\$ 12,583,687	\$ 3,009,880	\$ 102,074	\$ 15,695,641
Benefits	1,598,903	485,214	20,415	2,104,532
Advertising	4,023	425,301	-	429,324
Insurance	-	491,565	-	491,565
Professional Services	6,431,432	559,076	-	6,990,508
Dues and Subscriptions	16,300	54,592	-	70,892
Occupancy	1,096,629	115,705	-	1,212,334
Meals and Entertainment	1,202,447	39,604	-	1,242,051
Interest	936,405	-	-	936,405
IT	-	301,975	-	301,975
Travel	5,099	53,730	-	58,829
Medical Supplies	490,030	-	-	490,030
Supplies	817,112	345,417	-	1,162,529
Pharmaceuticals	52,470	-	-	52,470
Equipment	79,916	23,242	-	103,158
Maintenance and Repair	1,070,828	130,706	-	1,201,534
Depreciation and Amortization	4,311,061	11,933	-	4,322,994
Development	61,909	54,382	46,961	163,252
Other	173,827	386,916	16,810	577,553
Bad Debt	489,956	-	-	489,956
Total	<u>\$ 31,422,034</u>	<u>\$ 6,489,238</u>	<u>\$ 186,260</u>	<u>\$ 38,097,532</u>

NOTE 13 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Nature of Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the consolidated balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of September 30, 2023 and 2022:

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and Assets Limited as to Use:				
Mutual Funds				
Equities	\$ 35,478,152	\$ -	\$ -	\$ 35,478,152
Bonds	18,916,282	-	-	18,916,282
Total Investments	54,394,434	-	-	54,394,434
Charitable Remainder Trusts	-	-	1,039,268	1,039,268
Charitable Gift Annuities Fund	-	27,139	-	27,139
Beneficial Interest in Perpetual Trusts	-	-	6,886,924	6,886,924
Total	<u>\$ 54,394,434</u>	<u>\$ 27,139</u>	<u>\$ 7,926,192</u>	<u>\$ 62,347,765</u>

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NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and Assets Limited as to Use:				
Mutual Funds				
Equities	\$ 36,387,469	\$ -	\$ -	\$ 36,387,469
Bonds	13,330,668	-	-	13,330,668
Equity Securities	716,696	-	-	716,696
Real Estate Investment Trusts	-	310,998	-	310,998
Total Investments	50,434,833	310,998	-	50,745,831
Charitable Remainder Trusts	-	-	824,095	824,095
Charitable Gift Annuities Fund	-	27,205	-	27,205
Beneficial Interest in Perpetual Trusts	-	-	6,418,459	6,418,459
Total	<u>\$ 50,434,833</u>	<u>\$ 338,203</u>	<u>\$ 7,242,554</u>	<u>\$ 58,015,590</u>

The Organization had approximately \$31,000 and \$1,918,000 of cash and cash equivalents included with investments as of September 30, 2023 and 2022, respectively, which is not included in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value subsequent to initial recognition. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual Funds and Equity Securities

Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Other Various Investments

Bond securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the date of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. The remainder of investments included in this classification is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, or market price quotations (where observable) and are, therefore, categorized in Level 2 of the fair value hierarchy.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial Interest in Perpetual Trusts

The value of Beneficial Interest in Perpetual Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of Beneficial Interest in Perpetual Trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

Beneficial Interest in Charitable Remainder Trusts

Valued using the income approach based on estimated mortality and discount rates. The discount rates used in the valuation calculations were 4.59% and 4.02% for fiscal years 2023 and 2022, respectively.

NOTE 14 COMMITMENTS AND CONTINGENCIES

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

Self-Insured Health Insurance

The Organization self-insures its employees' health plan. It has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on the Organization's experience and include amounts for claims filed and claims incurred but not reported. The Organization has stop loss insurance for excessive and unexpected health claims with an individual deductible of \$75,000 and an aggregate deductible of approximately \$1,255,000. The Organization reserved approximately \$310,000 and \$171,000 related to its self-insured health insurance at September 30, 2023 and 2022, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 15 LINES OF CREDIT

During the year ended September 30, 2020, the Organization obtained a revolving line of credit (LOC) with a maximum borrowing limit of \$800,000, which expired June 25, 2022. In 2022, the line of credit was extended to expire on April 5, 2024. Interest on the LOC is based upon the 30-Day Average Secured Overnight Financing Rate (SOFR) plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2023, the interest rate on the LOC was 7.21%. As of September 30, 2023 and 2022, there were no outstanding balances.

During the year ended September 30, 2020, the Organization obtained an additional LOC with a maximum borrowing limit of \$2,000,000, which expired June 25, 2022. The line of credit was extended to expire on April 5, 2024 and the maximum borrowing limit was increased to \$5,000,000. Interest on the LOC is based upon SOFR plus 1.90%, with a max of 18.00% and a floor of 2.00%. As of September 30, 2023, the interest rate on the LOC was 7.21%. As of September 30, 2023 and 2022, the balance on the LOC was \$3,775,000 and \$1,200,000, respectively.

NOTE 16 PROVIDER RELIEF FUNDS

As a result of the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Provider Relief Fund (PRF). During the year ended September 30, 2022 the Organization received approximately \$27,000. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. As of September 30, 2022, the Organization recognized approximately \$169,000 as other operating revenue in the consolidated statement of activities. As of September 30, 2023 and 2022, there were no balances. Management believes the amounts have been recognized appropriately as of September 30, 2023 and 2022.

NOTE 17 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating, capital, and benevolence needs. With a focus on maintaining adequate liquid funds to meet these needs, the Organization strives to maximize the return on the investment of its available funds, while adhering to the Investment Committee and Board Investment Policy Statement. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing care of its residents, campuses, and community outreach. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The statement of cash flows, which identifies the sources and uses of the Organization's cash, reflects positive cash generated by operations.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 17 LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Organization's liquid financial assets as of September 30:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 4,799,781	\$ 4,664,853
Accounts Receivable	2,621,883	5,264,664
Investments	45,081,775	43,411,607
Contributions Receivable	157,500	145,000
Assets Limited as to Use:		
Internally Designated for Capital Development	-	690,018
Internally Designated for Statutory Operating Reserve	9,344,000	8,562,000
Total	<u>62,004,939</u>	<u>62,738,142</u>
Less: Net Assets with Donor Restrictions (Not Included in Charitable Remainder Trusts or Beneficial Interest in Perpetual Trusts)	<u>(14,641,336)</u>	<u>(15,421,834)</u>
Financial Assets Available to Meet Liquidity Needs	<u>\$ 47,363,603</u>	<u>\$ 47,316,308</u>

NOTE 18 RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared COVID-19 a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Organization's results are dependent on the breadth and duration of the pandemic and could be affected by other factors currently unable to be predicted. These impacts may include, but are not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact is unknown and cannot be reasonably estimated at this time.

NOTE 19 SUBSEQUENT EVENTS

During 2023, the Organization entered into an asset purchase agreement for the acquisition of the Ardenwoods Retirement Community (Ardenwoods), which closed on October 2, 2023. Ardenwoods was acquired with a cash payment to the seller and with the Organization entering into a \$13,325,000 bridge loan with a financial institution, with monthly interest payable, based upon a 6.5 percent interest rate with any unpaid principal due September 2024. As part of the closing procedures, the Organization made a deposit payment prior to year-end of approximately \$8,258,000, as noted on the consolidated balance sheet. This amount was held in an escrow account by a financial institution until the closing became effective on October 2, 2023 and was credited towards the purchase price.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 19 SUBSEQUENT EVENTS (CONTINUED)

Ardenwoods, located in Asheville, North Carolina, is a continuing care retirement Community designed to create an environment that will enrich the lives of the people who live and work there. It has two buildings containing residences and an adult care home known as Heather Glen at Ardenwoods which is licensed for assisted living. Ardenwoods has approximately 95 independent living units and 47 assisted living units. The types of residences available include one, two and three-bedroom apartments, with full kitchens and one or two baths. In addition, there is a selection of ground level residences that have patios. All the residences are equipped with a wireless emergency call system and a motion detector system for added safety.



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore
Winston-Salem, North Carolina

We have audited the consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and Affiliate as of and for the year ended September 30, 2023, and our report thereon dated February 16, 2024, which contains an unmodified opinion on those consolidated financial statements, appears on pages 1 through 3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 16, 2024

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 3,961,275	\$ 838,506	\$ -	\$ 4,799,781
Accounts Receivable	2,621,883	-	-	2,621,883
Investments	9,389,694	35,692,081	-	45,081,775
Contributions Receivable	157,500	-	-	157,500
Prepaid Expenses and Other Assets	864,661	5,003	-	869,664
Deposit	8,258,433	-	-	8,258,433
Due from Foundation	1,463,306	-	(1,463,306)	-
Total Current Assets	<u>26,716,752</u>	<u>36,535,590</u>	<u>(1,463,306)</u>	<u>61,789,036</u>
ASSETS LIMITED AS TO USE				
Internally Designated for Statutory Operating Reserve	9,344,000	-	-	9,344,000
Total Assets Limited as to Use	<u>9,344,000</u>	<u>-</u>	<u>-</u>	<u>9,344,000</u>
INVESTMENTS AND OTHER ASSETS				
Assets in Split-Interest Agreements:				
Charitable Remainder Trusts	1,039,268	27,139	-	1,066,407
Beneficial Interest in Perpetual Trust	4,828,295	2,058,629	-	6,886,924
Other Assets	15,000	-	-	15,000
Note Receivable	2,500,000	-	-	2,500,000
Total Investments and Other Assets	<u>8,382,563</u>	<u>2,085,768</u>	<u>-</u>	<u>10,468,331</u>
PROPERTY AND EQUIPMENT, NET	<u>54,115,249</u>	<u>1,108,760</u>	<u>-</u>	<u>55,224,009</u>
INVESTMENT IN AFFILIATE	<u>38,266,812</u>	<u>-</u>	<u>(38,266,812)</u>	<u>-</u>
Total Assets	<u>\$ 136,825,376</u>	<u>\$ 39,730,118</u>	<u>\$ (39,730,118)</u>	<u>\$ 136,825,376</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

LIABILITIES AND NET ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	\$ 1,869,540	\$ -	\$ -	\$ 1,869,540
Line of Credit	3,775,000	-	-	3,775,000
Accounts Payable	2,602,923	-	-	2,602,923
Accrued Expenses	519,194	-	-	519,194
Accrued Employee Compensation	614,161	-	-	614,161
Due to Obligated Group	-	1,463,306	(1,463,306)	-
Other Current Liabilities	39,721	-	-	39,721
Current Portion of Refundable Advance Fees	222,506	-	-	222,506
Total Current Liabilities	<u>9,643,045</u>	<u>1,463,306</u>	<u>(1,463,306)</u>	<u>9,643,045</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES	23,960,343	-	-	23,960,343
DEFERRED REVENUE AND OTHER LIABILITIES				
Deferred Revenue from Advance Fees	18,407,457	-	-	18,407,457
Refundable Advance Fees on Occupied Units, Net of Current Portion	6,913,040	-	-	6,913,040
Total Deferred Revenue and Other Liabilities	<u>25,320,497</u>	<u>-</u>	<u>-</u>	<u>25,320,497</u>
 Total Liabilities	 58,923,885	 1,463,306	 (1,463,306)	 58,923,885
NET ASSETS				
Without Donor Restrictions	55,306,824	25,144,282	(25,144,282)	55,306,824
With Donor Restrictions	22,594,667	13,122,530	(13,122,530)	22,594,667
Total Net Assets	<u>77,901,491</u>	<u>38,266,812</u>	<u>(38,266,812)</u>	<u>77,901,491</u>
 Total Liabilities and Net Assets	 <u>\$ 136,825,376</u>	 <u>\$ 39,730,118</u>	 <u>\$ (39,730,118)</u>	 <u>\$ 136,825,376</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Service Revenue, Including Amortization of Deferred Revenue from Nonrefundable Advance Fees of \$2,792,240	\$ 37,007,532	\$ -	\$ -	\$ 37,007,532
Gifts, including Gifts from Churches and Special Offerings	330,236	10,069	-	340,305
Income from Grants	352,998	-	-	352,998
Income from Estates and Trusts	491,675	(6,743)	-	484,932
Investment Income and Realized Gains	2,274,842	(740,283)	-	1,534,559
Net Assets Released from Restrictions	234,843	753,314	-	988,157
Other	244,811	120,000	-	364,811
Total Revenues, Gains, and Other Support	<u>40,936,937</u>	<u>136,357</u>	<u>-</u>	<u>41,073,294</u>
OPERATING EXPENSES				
Resident Care	22,600,488	-	-	22,600,488
Dietary	4,316,475	-	-	4,316,475
Maintenance and Housekeeping	6,492,933	-	-	6,492,933
General and Administrative	5,704,298	497,491	-	6,201,789
Depreciation	5,713,821	11,933	-	5,725,754
Interest	1,061,227	-	-	1,061,227
Total Operating Expenses	<u>45,889,242</u>	<u>509,424</u>	<u>-</u>	<u>46,398,666</u>
OPERATING LOSS	(4,952,305)	(373,067)	-	(5,325,372)
NONOPERATING INCOME				
Gain on Sale of Property and Equipment	9,425,553	-	-	9,425,553
Unrealized Gain on Investments	1,577,720	2,529,944	-	4,107,664
Total Nonoperating Income	<u>11,003,273</u>	<u>2,529,944</u>	<u>-</u>	<u>13,533,217</u>
EXCESS OF REVENUES OVER EXPENSES	6,050,968	2,156,877	-	8,207,845
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Transfers to Net Assets with Donor Restrictions	(44,154)	-	-	(44,154)
Net Assets Released from Restrictions for Property and Equipment	-	1,154,477	-	1,154,477
Increase in Investment in Affiliate	3,311,354	-	(3,311,354)	-
Total Other Changes in Net Assets Without Donor Restrictions	<u>3,267,200</u>	<u>1,154,477</u>	<u>(3,311,354)</u>	<u>1,110,323</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	9,318,168	3,311,354	(3,311,354)	9,318,168

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Homes	Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	\$ 308,691	\$ -	\$ -	\$ 308,691
Transfers from Net Assets Without Donor Restrictions	44,154	-	-	44,154
Change in Value of Charitable Remainder Trusts	215,173	(66)	-	215,107
Change in Unrealized Gains on Investments	151,020	858,269	-	1,009,289
Change in Value of Beneficial Interest in Perpetual Trusts	320,993	147,473	-	468,466
Net Assets Released from Restrictions	(234,843)	(1,907,791)	-	(2,142,634)
Decrease in Investment in Affiliate	(902,115)	-	902,115	-
Increase (Decrease) in Temporarily Restricted Net Assets	(96,927)	(902,115)	902,115	(96,927)
INCREASE IN NET ASSETS	9,221,241	2,409,239	(2,409,239)	9,221,241
Net Assets - Beginning of Year	68,680,250	35,857,573	(35,857,573)	68,680,250
NET ASSETS - END OF YEAR	<u>\$ 77,901,491</u>	<u>\$ 38,266,812</u>	<u>\$ (38,266,812)</u>	<u>\$ 77,901,491</u>

ATTACHMENT II

Financial Data – Actual Compared to Forecasted

ATTACHMENT II

Financial Data – Actual
Compared to Forecasted

Notes to the Comparison of Actual Net Income Results to Forecasted Projected

For the Statement of Operations, any variances greater than 5% and \$684,000 (.5% of assets) are highlighted on the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and \$1,368,000 (1% of assets) are highlighted on the comparison and explained below.

Statement of Operations

- A. Actual Investment Income and Realized Gains was \$693k or 31% below the forecast. The variance was primarily due to market volatility and repositioning to address the market volatility during the year.
- B. Net Assets Released from Restrictions are not included in the 2023 forecast due to their unpredictable nature.
- C. Resident Care was \$5.467M or 32% above the forecast due to increased FTEs to meet the increased occupancy, increased wages to attract and retain quality staff and contract labor to address staffing shortages.
- D. Depreciation was \$1.238M or 28% above the forecast due to increased capital investment in multiple campuses property and equipment.
- E. Because the market is not predictable, these investment line items are not included in the 2023 forecast.

Balance Sheet

- F. Investments was \$11.641M or 35% above forecast primarily due to better market performance than anticipated at the time of the forecasted figures.
- G. Deposit represents proceeds from the sale of one campus which were then used to purchase another campus during fiscal year 2024.
- H. Internally designated for statutory operating reserve was \$3.452M or 27% below forecast due to actual purchase of new campus not occurring until fiscal year 2024.
- I. Property and equipment, net, was \$17.898M or 25% below forecast due to sale of one campus in fiscal year 2023, but anticipated purchase of new campus was delayed until fiscal year 2024.
- J. Goodwill, net of amortization as \$17.437M or 100% below forecast due to actual purchase of new campus not occurring until fiscal year 2024.
- K. Line of credit borrowing accessed in 2023 was not included in the 2023 forecast.
- L. Refundable advance fees on occupied units, net of current portion was \$12.728 or

65% below the 2023 forecast due to timing of purchase of new campus not occurring until fiscal year 2024.

- M. Actual net assets were lower than forecast due to investment performance and higher than forecast expenses.

Statement of Cash Flows

- N. Investment performances are not typically forecasted as the market is not predictable and we have limited control on outcomes.
- O. Advance fees received of \$3.873M were 94% above the 2023 forecast due to higher-than-expected entrance fees per the unit mix and contract type assumptions used in the forecast.
- P. Accounts payable, accrued expenses, accrued compensation, and other current liabilities was \$1.664M or 298.7% higher than forecasted due to expenses incurred in unit renovation and acquisition/disposition of assets exceeding forecast.
- Q. Actual net change in investments and net change of assets who are limited was \$337k or 183% below the forecast due market performance.
- R. Proceeds from sale of property and equipment was \$2.375M or 18% less than forecast.
- S. Deposit on acquisition was \$13.616M or 62% less than forecast due to timing of the acquisition occurring in fiscal year 2024.
- T. Change in note receivable and purchase of property and equipment are netted together for purposes of this review resulting in \$519k or 5% variance.

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected
Statements of Operations and Changes in Net Assets
FYE 9/30/2023 (In Thousands of Dollars)

	2023 Actual (Audited)	2023 Forecasted	Variance	%	
Revenues, gains and other support:					
Net resident service revenue, including amortization of deferred revenue from nonrefundable advance fees of \$2,792,000 in 2023	\$ 37,008	\$ 36,442	\$ 566	1.6%	
Gifts, including gifts from churches and special day offerings	340	469	(129)	-27.5%	
Income from Grants	353	-	353		
Income from Estates and Trusts	485	415	70	16.9%	
Investment Income and Realized Gains	1,535	2,228	(693)	-31.1%	A
CARES ACT - Provider Relief Fund Revenue	-	-	-		
Net Assets Released from Restrictions	988	-	988		B
Other	364	166	198	119.3%	
Total revenues, gains and other support	41,073	39,720	1,353	-31.1%	
Operating expenses:					
Resident care	22,600	17,133	5,467	31.9%	C
Dietary	4,316	4,309	7	0.2%	
Maintenance & Housekeeping	6,493	6,451	42	0.7%	
General & administrative	6,202	6,853	(651)	-9.5%	
Depreciation	5,726	4,488	1,238	27.6%	D
Amortization of Goodwill	-	147	(147)	-100.0%	
Interest	1,061	993	68	6.8%	
Total operating expenses	46,398	40,374	6,024	14.9%	
Operating Income	(5,325)	(654)	(4,671)	714.2%	
Nonoperating Income					
Gain on Sale of Property & Equipment	9,425	8,972	453	5.0%	
Accreted Interest	-	(103)	103	-100.0%	
Unrealized Gains (Losses) on Investments	4,108	-	4,108	N/A	E
Total Nonoperating income	13,533	8,869	4,108	N/A	
Excess (Deficit) of Revenues Over Expenses and Increase (Decrease) in Unrestricted Net Assets	8,208	8,215	(7)	-0.1%	
Other Changes in Net Assets Without Donor Restriction					
Transfers to Net Assets With Donor Restriction	(44)		(44)	N/A	
Net Assets Released from Restrictions for Property and Equipment	1,154		1,154	N/A	
Total Other Changes in Net Assets Without Donor Restrictions	1,110		1,110	N/A	
Changes in Net Assets with Donor Restrictions					
Contributions	309	-	309	N/A	
Transfers from Net Assets without Donor Restrictions	44		44	N/A	
Change in Value of Charitable Remainder Trusts	215	-	215	N/A	E
Change in Unrealized Gains(Losses) on Investments	1,009	-	1,009	N/A	E
Change in Value of Beneficial Interest in Perpetual Trusts	468	-	468	N/A	E
Net Assets Released from Restrictions	(2,142)	-	(2,142)	N/A	B
Change in temporarily restricted net assets	(97)	-	(97)		
Change in net assets	9,221	8,215	(104)	-1.3%	

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected
Balance Sheet
FYE 9/30/2023 (In Thousands of Dollars)

	2023 Actual (Audited)	2023 Forecasted	Variance	%	
Assets					
Current Assets					
Cash and Cash Equivalents	4,800	4,838	(38)	-0.8%	
Accounts receivable, net	2,622	3,791	(1,169)	-30.8%	
Investments	45,082	33,441	11,641	34.8%	F
Contributions receivable	157	194	(37)	-19.1%	
Deposit	8,258		8,258		G
Prepaid expenses and other current assets	870	662	208	31.4%	
Total Current Assets	61,789	42,926	18,863	43.9%	
Assets whose Use is Limited, Net					
Internally designated for capital development	-	690	(690)	-100.0%	
Internally designated for working capital		1,500		0.0%	
Internally designated for capital expenditures		2,000		0.0%	
Internally designated for statutory operating reserve	9,344	12,796	(3,452)	-27.0%	H
Total assets limited to use	9,344	16,986	(7,642)	-45.0%	
Investments, Deferred Costs and Other Assets					
Assets in split-interest agreements:					
Charitable remainder trusts	1,066	851	215	25.3%	
Note Receivable	2,500	2,500	-	0.0%	
Beneficial interest in perpetual trust	6,887	6,418	469	7.3%	
Other assets	15	15	-	0.0%	
	10,468	9,784	684	7.0%	
Property and equipment, Net	55,224	73,122	(17,898)	-24.5%	I
Goodwill net of amortization		17,437	(17,437)	-100.0%	J
Total assets	136,825	160,255	(23,430)	-14.6%	
Liabilities and Net Assets					
Current Liabilities					
Current maturities of long-term debt	1,870	1,982	(112)	-5.7%	
Line of Credit	3,775	-	3,775		K
Accounts payable	2,603	2,328	275	11.8%	
Accrued expenses	519	542	(23)	-4.2%	
Accrued employee compensation	614	1,430	(816)	-57.1%	
Other current liabilities	40	84	(44)	-52.4%	
Current portion of refundable advance fees	222	210	12	5.7%	
Total current liabilities	9,643	6,576	3,067	46.6%	
Long-Term Debt, Less Current Maturities	23,960	38,436	(14,476)	-37.7%	
Deferred Revenue and Other Liabilities					
Deferred revenue from advance fees	18,407	18,708	(301)	-1.6%	
Refundable advance fees on occupied units, net of current portion	6,913	19,641	(12,728)	-64.8%	L
Total Deferred Revenue and Other Liabilities	25,320	38,349	(13,029)	-34.0%	
Total liabilities	58,923	83,361	(24,438)	-29.3%	
Net Assets					
Net Assets Without Donor Restrictions	55,307	51,632	3,675	7.1%	M
Net Assets With Donor Restrictions	22,595	25,262	(2,667)	-10.6%	M
Total net assets	77,902	76,894	1,008	1.3%	
Total liabilities and net assets	136,825	160,255	(23,430)	-14.6%	

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED

STATEMENT OF CASH FLOWS

FYE 09/30/2023 (In Thousands of Dollars)

	2023 Actual (Audited)	2023 Forecasted	Variance	%	
Cash Flows From Operating Activities					
Increase (decrease) in net assets	\$ 9,221	\$ 8,216	\$ 1,005	12.2%	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:					
Depreciation	5,726	4,488	1,238	27.6%	
Amortization of Goodwill		147	(147)	-100.0%	
Loss on extinguishment of debt	-	-	-		
Unrealized gains on investments	(5,117)	-	(5,117)		N
Change in value of charitable remainder trusts	(215)	-	(215)		
Change in value of beneficial interest in perpetual trusts	(468)	-	(468)		
Endowment Contributions	-	-	-		
Amortization of deferred revenue from advance fees	(2,792)	(2,831)	39	-1.4%	
Amortization of deferred costs and bond discount	14	44	(30)	-68.2%	
Accreted Interest		103	(103)	-100.0%	
Bad debt expense	1,548		1,548	0.0%	
Advance fees received	8,011	4,138	3,873	93.6%	O
Advance fees refunded	(1,037)	(1,012)	(25)	2.5%	
Realized Gains on Investments	105	-	105		
(Gain) Loss on Disposal of Assets	(9,426)	(8,972)	(454)	5.1%	
Contributions restricted for long-term purposes	-	-	-		
Change in assets and liabilities:					
(Increase) decrease in Assets:					
Accounts receivable	1,095	1,474	(379)	-25.7%	
Contributions receivable	(13)	(49)	36	-73.5%	
Prepaid expenses and other current assets	(242)	(9)	(233)	2588.9%	
Accounts payable, accrued expenses, accrued compensation, and other current liabilities	(2,221)	(557)	(1,664)	298.7%	P
CARES Act - Provider Relief Fund	-	-	-		
Net cash provided by operating activities	4,189	5,180	(991)	-19.1%	
Cash Flows From Investing Activities					
Net change in investments	1,808	9,971	(8,163)	-81.9%	Q
Net change of assets whose use is limited	92	(7,734)	7,826	-101.2%	Q
Proceeds from Sale of Property & Equipment	10,550	12,925	(2,375)	-18.4%	R
Deposit on Acquisition	(8,259)	(21,875)	13,616	-62.2%	S
Change in Note Receivable - WNC		(2,500)	2,500	-100.0%	T
Purchase of property and equipment	(10,373)	(7,354)	(3,019)	41.1%	T
Net cash provided in investing activities	(6,182)	(16,567)	10,385	-62.7%	
Cash Flows From Financing Activities					
Payments of long-term debt	(1,797)	(1,810)	13	-0.7%	
Proceeds from Line of Credit	2,575	(1,200)	3,775	0.0%	
Proceeds from Issuance of LT Debt		15,071	(15,071)	0.0%	
Payment of Financing Costs		(500)	500	-100.0%	
Endowment Contributions	-	-	-		
Net cash used in financing activities	778	11,561	(10,783)	-93.3%	
Net increase in cash and cash equivalents	(1,215)	174	(1,389)	-798.3%	
Cash and cash equivalents:					
Beginning	6,020	6,020	-	0.0%	
Ending	\$ 4,805	\$ 6,194	\$ (1,389)	-22.4%	

ATTACHMENT III

Pro-Forma Financial Statements

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED DBA THRIVEMORE
AND ITS CONSOLIDATED AFFILIATE**

**PROJECTED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**FOR THE YEARS ENDING
SEPTEMBER 30, 2024 THROUGH SEPTEMBER 30, 2028**



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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore
Winston-Salem, North Carolina

Management is responsible for the accompanying projected consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore and its consolidated affiliate (collectively, the "Organization"), which comprise the projected consolidated balance sheets as of September 30, 2024, 2025, 2026, 2027, and 2028, and the related projected consolidated statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected consolidated financial statements or the assumptions. Furthermore, even if the Organization is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on pages 5 and 6 (the "Hypothetical Assumptions"), the projected results may not be achieved as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 27, 2024

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
PROJECTED CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGES 5 AND 6
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2024	2025	2026	2027	2028
REVENUES, GAINS, AND OTHER SUPPORT					
Resident Service Revenue	\$ 34,957	\$ 36,874	\$ 39,302	\$ 42,962	\$ 44,247
Net Resident Service Revenue - At Home Program	72	225	390	568	760
Amortization of Deferred Revenue from Nonrefundable Advance Fees	3,160	3,448	3,756	4,780	4,843
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	108	220	336	457	583
Gifts, Including Gifts from Churches and Special Day Offerings	613	619	625	631	638
Income from Estates and Trusts	880	889	898	907	916
Investment Income	2,050	3,026	3,233	3,320	3,306
Other	304	314	320	171	177
Other - At Home Program	3	11	26	48	79
Total Revenues, Gains, and Other Support	42,147	45,626	48,886	53,844	55,549
OPERATING EXPENSES					
Health Care	14,485	15,239	15,822	16,994	17,520
Dietary	5,060	5,320	5,591	6,003	6,243
Maintenance and Housekeeping	6,012	6,324	6,680	7,032	7,243
Laundry	227	237	244	251	259
General and Administrative	8,129	8,300	8,721	9,074	9,346
At Home Program	409	556	598	777	901
Depreciation	4,687	4,954	6,590	7,451	7,700
Amortization of Goodwill	1,696	1,696	1,696	1,696	1,696
Interest Expense	1,819	1,044	3,946	4,394	4,250
Total Operating Expenses	42,524	43,670	49,888	53,672	55,158
OPERATING INCOME	(377)	1,956	(1,002)	172	391
NON-OPERATING INCOME (LOSS)					
Accreted Interest	(882)	(882)	(882)	(882)	(882)
Total Non-Operating Income (Loss)	(882)	(882)	(882)	(882)	(882)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES AND					
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,259)	1,074	(1,884)	(710)	(491)
Increase (Decrease) in Net Assets	(1,259)	1,074	(1,884)	(710)	(491)
Net Assets - Beginning of Year	77,902	76,643	77,717	75,833	75,123
Net Assets - End of Year	\$ 76,643	\$ 77,717	\$ 75,833	\$ 75,123	\$ 74,632

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
PROJECTED CONSOLIDATED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGES 5 AND 6
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2024	2025	2026	2027	2028
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase (Decrease) in Net Assets	\$ (1,259)	\$ 1,074	\$ (1,884)	\$ (710)	\$ (491)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	4,687	4,954	6,590	7,451	7,700
Amortization of Goodwill	1,696	1,696	1,696	1,696	1,696
Amortization of Deferred Revenue from Advance Fees	(3,160)	(3,448)	(3,756)	(4,780)	(4,843)
Amortization of Deferred Revenue from Nonrefundable Advance Fees - At Home Program	(108)	(220)	(336)	(457)	(583)
Amortization of Deferred Issuance Costs	53	130	118	59	58
Accreted Interest	882	882	882	882	882
Advance Fees Received	7,459	6,815	7,004	7,197	7,710
Advance Fees Refunded	(3,449)	(3,791)	(3,948)	(4,068)	(4,334)
Advance Fees Received - At Home Program	1,298	1,349	1,402	1,458	1,516
Advance Fees Refunded - At Home Program	-	-	-	-	-
(Increase) Decrease in Current Assets					
Accounts Receivable	(253)	(182)	(208)	(281)	(96)
Contributions Receivable	(15)	(9)	(5)	(5)	(4)
Prepaid Expenses and Other Current Assets	219	(37)	(35)	(31)	(25)
Increase (Decrease) in Current Liabilities					
Accounts Payable	(18)	145	245	165	100
Accrued Expenses	602	80	44	51	52
Accrued Employee Compensation	545	59	42	42	39
Net Cash Provided by Operating Activities	9,179	9,497	7,851	8,669	9,377
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Change in Investments	(8,581)	530	4,333	(3,395)	5,457
Net Change in Assets Limited as to Use	650	(2,374)	(4,217)	1,729	(3,141)
Acquisition of Arden Woods	(21,875)	-	-	-	-
Release of Escrow Deposit	8,258	-	-	-	-
Change in Note Receivable - Western	-	-	2,500	-	-
Acquisition of Property and Equipment	(24,131)	(41,923)	(15,095)	(5,976)	(6,212)
Net Cash Used in Investing Activities	(45,679)	(43,767)	(12,479)	(7,642)	(3,896)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(15,195)	(1,931)	(15,798)	(3,573)	(5,673)
Proceeds from Issuance of Long-Term Debt	56,470	35,271	7,733	-	-
Payment of Financing Costs	(1,029)	-	-	-	-
Initial Entrance Fees	575	1,227	13,460	2,761	-
Payments to the Line of Credit	(3,775)	-	-	-	-
Net Cash Provided (Used in) Investing Activities	37,046	34,567	5,395	(812)	(5,673)
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH					
	546	297	767	215	(192)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	4,800	5,346	5,643	6,410	6,625
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 5,346	\$ 5,643	\$ 6,410	\$ 6,625	\$ 6,433
Cash and Cash Equivalents	\$ 5,346	\$ 5,643	\$ 6,410	\$ 6,625	\$ 6,433
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	-	-	-	-	-
Total Cash, Cash Equivalents, and Restricted Cash	\$ 5,346	\$ 5,643	\$ 6,410	\$ 6,625	\$ 6,433
Supplementary Disclosure: Cash Paid for Interest Paid, Net of Capitalized Interest	\$ 1,512	\$ 815	\$ 3,860	\$ 4,336	\$ 4,201

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

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
DBA THRIVEMORE AND ITS CONSOLIDATED AFFILIATE
PROJECTED CONSOLIDATED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGES 5 AND 6
AT SEPTEMBER 30,
(In Thousands of Dollars)

	2024	2025	2026	2027	2028
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 5,346	\$ 5,643	\$ 6,410	\$ 6,625	\$ 6,433
Accounts Receivable, Net	2,875	3,057	3,265	3,546	3,642
Investments	53,663	53,133	48,800	52,195	46,738
Contributions Receivable	173	182	187	192	196
Prepaid Expenses and Other Assets	677	714	749	780	805
Total Current Assets	62,734	62,729	59,411	63,338	57,814
ASSETS LIMITED AS TO USE					
Internally Designated for Statutory Operating Reserve	8,119	8,266	12,978	10,056	11,197
Internally Designated - At Home Program	-	1,000	2,000	3,500	5,500
Entrance Fee Deposits	575	1,802	307	-	-
Total Assets Limited as to Use	8,694	11,068	15,285	13,556	16,697
INVESTMENTS AND OTHER ASSETS					
Investments Under Split-Interest Agreements:					
Charitable Remainder Trusts	1,066	1,066	1,066	1,066	1,066
Beneficial Interest in Perpetual Trust	6,887	6,887	6,887	6,887	6,887
Note Receivable - Western	2,500	2,500	-	-	-
Other Assets	15	15	15	15	15
Total Investments and Other Assets	10,468	10,468	7,968	7,968	7,968
PROPERTY AND EQUIPMENT, NET	95,768	132,737	141,242	139,767	138,280
GOODWILL, NET OF ACCUMULATED AMORTIZATION	15,265	13,569	11,873	10,177	8,481
Total Assets	\$ 192,929	\$ 230,571	\$ 235,779	\$ 234,806	\$ 229,240
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$ 1,931	\$ 1,994	\$ 2,059	\$ 2,673	\$ 3,580
Accounts Payable	2,585	2,730	2,975	3,140	3,241
Accrued Expenses	1,325	1,405	1,449	1,500	1,552
Accrued Employee Compensation	1,159	1,218	1,260	1,302	1,341
Other Current Liabilities	40	40	40	40	40
Entrance Fee Deposits	575	1,802	307	-	-
Current Portion of Refundable Advance Fees	223	223	223	223	223
Total Current Liabilities	7,838	9,412	8,313	8,878	9,977
LONG-TERM DEBT, LESS CURRENT MATURITIES, NET OF ISSUANCE COSTS	64,198	97,605	89,593	85,465	78,943
DEFERRED REVENUE AND OTHER LIABILITIES					
Deferred Revenue from Advance Fees	22,758	22,091	36,111	37,267	35,481
Refundable Advance Fees On Occupied Units, Net of Current Portion	20,302	21,427	22,544	23,687	24,888
Deferred Revenue from Advance Fees - At Home Program	1,190	2,319	3,385	4,386	5,319
Refundable Advance Fees On Occupied Units, Net of Current Portion - At Home Program	-	-	-	-	-
Total Deferred Revenue and Other Liabilities	44,250	45,837	62,040	65,340	65,688
Total Liabilities	116,286	152,854	159,946	159,683	154,608
NET ASSETS					
Net Assets Without Donor Restrictions	54,048	55,122	53,238	52,528	52,037
Net Assets With Donor Restrictions	22,595	22,595	22,595	22,595	22,595
Total Net Assets	76,643	77,717	75,833	75,123	74,632
Total Liabilities and Net Assets	\$ 192,929	\$ 230,571	\$ 235,779	\$ 234,806	\$ 229,240

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION

Basis of Presentation

This financial projection presents, to the best of management's knowledge and belief, the Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore (the "Homes") and its consolidated affiliate, Baptist Retirement Homes Foundation (the "Foundation") (collectively, the "Organization"), expected consolidated balance sheets, statements of operations and changes in net assets and cash flows as of September 30, 2024, 2025, 2026, 2027 and 2028 (the "Projection Period") and for each of the years then ending. As used herein, management of the Organization is referred to as "Management."

Accordingly, the projection reflects Management's judgment as of February 27, 2024, the date of this projection, of the expected conditions and its expected course of action during the Projection Period. The financial projection is based on Management's assumptions concerning future events and circumstances. The assumptions disclosed herein are those that Management believes are significant to the projection or are key factors upon which the financial results of the Organization depend.

The projected results may not be achieved as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

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

Management has prepared its financial projection with the following Hypothetical Assumptions:

- Management is able to achieve the operating revenue inflationary rate increases and operating expense inflationary increases as projected;
- Management is able to achieve projected occupancies, operating revenue, and entrance fee receipts as a result of increased marketing efforts, capital improvements, and strategic initiatives of the Homes;
- Management is able to market and achieve the projected fill-up of the "ThriveMore at Home Program" or "TMAHP", as defined hereinafter, as projected;
- Adequate demand exists to support TMAHP utilization and staffing;
- The TMAHP is able to achieve the pricing, entrance fee plan selection and service plan selection mix, as projected;
- Management operates the TMAHP, as projected;
- Financing to fund the construction of an additional 50 independent living apartments at Taylor Glen (the "New Independent Living Units") and 12 new assisted living units (the "New Assisted Living Units") (collectively, the "Taylor Glen Project") is accomplished through the issuance of approximately \$86,149,000 in direct bank placed bonds (the "Series 2024 Bonds") at the rates, structure, and terms disclosed herein;
- The Taylor Glen Project costs and timing of construction are consistent with the assumptions disclosed herein;

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

- All regulatory approvals, including those from the NCDOL, as defined hereinafter, to proceed with the Taylor Glen Project, are received in accordance with the timeline detailed herein; and
- The New Independent Living Units are successfully marketed, at the disclosed fee levels, and occupied during the Projection Period as projected.

Background of the Organization

Homes is a church-related, not-for-profit corporation organized under the laws of the state of North Carolina. Baptist Retirement Homes of North Carolina, Incorporated dba Thrivemore is governed by a Board of Trustees (the "Board"). The Board of Trustees nominates and elects its own members, each serving a four-year term.

The Foundation was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation are elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, and freestanding and combination facilities that include assisted living residences and skilled and intermediate nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The projected consolidated financial statements include the accounts of the Homes and the Foundation. All material related party balances and transactions have been eliminated in consolidation.

The Homes' Facilities

Brookridge Retirement Community: Brookridge Retirement Community ("Brookridge") is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in Winston-Salem, North Carolina. The community consists of 132 independent living units, 26 adult care home residences, 10 memory-enhanced residences, and a 77-unit nursing care center. Brookridge also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, dining rooms, a cafe, beauty/barber shops, a convenience store, a mail area, parlors, pool and exercise area, a kitchen, and several areas for environmental services, maintenance and laundry. The facility originally opened in 1989, with additions made in 1998, 1999, 2001, 2006 and 2012-2014. The facility also underwent significant updating to its common areas in 2022 that was completed by October 2022. In addition, over the last four years, almost eighty percent of the homes and apartments have been upgraded to current market standards which has led to significant growth in occupancy and the beginning of a waitlist for the apartments and homes at Brookridge.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

The Gardens of Taylor Glen Retirement Community: The Gardens of Taylor Glen Retirement Community (“Gardens”) is a continuing care retirement community that opened in November 2002. It is located on a 134-plus-acre tract of land located in Concord, North Carolina. The community currently consists of 130 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. The Gardens also incorporates the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a pond and walking paths, dining areas, beauty/barber shops, a convenience store, a mail area, parlors, a cafe, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance and laundry. A renovation of the entrance was completed in January 2024. In addition, over the last four years, approximately seventy-five percent of the apartments have been upgraded to current market standards, creating essentially a full independent living setting with a growing waitlist.

Taylor House: The Taylor House (“Taylor”) is a licensed 30-bed adult care home residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953. As of the date of this report, Taylor is operating 28 adult care home residences.

Ardenwoods: The Ardenwoods community is located on approximately 48 acres in Arden, North Carolina and provides a continuum of resident accommodations that currently include 96 independent living apartments and 48 assisted living units. The community includes two campuses that separately house the independent living units (the “Upper Campus”) and the assisted living units (the “Lower Campus”), and a main common area (the “Clubhouse”). Ardenwoods was acquired by the Homes effective October 2, 2023.

The following table shows the current unit configurations for each of the Homes’ facilities as of October 1, 2023, except for Ardenwoods which was acquired on October 2, 2023.

**Table 1
Homes
Unit Configuration**

	Brookridge	Gardens	Taylor ⁽¹⁾	Ardenwoods
Independent Living Units:				
Studio	7	-	-	-
One Bedroom	42	36	-	23
Two Bedroom	35	94	-	47
Three Bedroom		-		26
Garden Homes, Single Units	6	-	-	-
Garden Homes, Duplex	42	-	-	-
Total Independent Living Units	132	130	-	96
Assisted Living Units:				
Traditional Residence	26	12	28	48
Memory-Enhanced Residence	10	12	-	-
Total Assisted Living Units	36	24	28	48
Total Nursing Units	77	24	-	-
Total Units	245	178	28	144

Source: Management

Notes:

Taylor is licensed for 30 adult care home residences but is operating 28 adult care home residences.

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

ThriveMore at Home Program

In 2010, the North Carolina General Assembly enacted a new statute (§ 58-67-7) that permits Continuing Care Retirement Communities (CCRCs) licensed in the state to offer “continuing care services without lodging.” The Organization received approval from the North Carolina Department of Insurance effective June 6, 2023 to offer its Without Walls Program (hereinafter the “ThriveMore at Home Program” or “TMAHP”) that will offer such services, as more fully described hereinafter.

The Organization offers older adults of North Carolina its Continuing Care at Home program in addition to its current “brick and mortar” campuses. This is a life care membership program for independent adults, without major health concerns, ages 62 and older who have expressed a desire to “age in place” in their own homes. Members are covered by a comprehensive package of long-term care services designed to enable them to remain independent and live at home as their care needs increase.

See the disclosure statement for more information regarding the contractual components of the TMAHP and the actual contract for such services.

The core elements of the TMAHP are as follows:

- Eligible applicants will be independent with activities of daily living and without major health concerns at time of acceptance as well as able to demonstrate the financial ability to afford the program.
- Acceptance is based upon a review of the potential member’s medical records by the program’s Medical Advisor and a review of provided financial information by the Organization’s Chief Financial Officer.
- Upon acceptance, the person becomes a “Member” of the TMAHP and remains living in their current home. Members accept the ThriveMore at Home Services Agreement (the “TMAHP Agreement”, or “Agreement” for this Supplemental Disclosure section) providing them with support services as described in the Agreement and the ability to project and plan for the cost of future health care.
- Members do not reserve a residential unit on any campus nor are they planning to move to a campus in the immediate future.
- Members pay a TMAHP a “membership fee” (entrance fee) and agree to a TMAHP monthly service fee that covers the costs of support services and future access to long-term care services subject to the agreed upon Published Cost of Care described hereafter.
- If the member subsequently moves to an independent living residence in one of Baptist Retirement Homes campuses, a portion of the membership fee (fee less cost of care paid by program) they paid originally for the TMAHP will be applied to the entrance fee for the residence to which they are moving.
- Member’s individual needs and goals will be reviewed initially and updated on an annual basis and as needed from time to time.
- In-home services that might be needed over time may be provided either by the Organization, a Provider Preferred Vendor, or other area providers, and will be limited to the agreed upon pricing for such services at the Published Cost of Care.

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

The TMAHP offers five plan types based on an annual Published Cost of Care that is provided by the Organization, without any lifetime maximum benefit as noted below:

Table 2
ThriveMore at Home Program
2024 Plan and Coverage Levels ⁽¹⁾

Type of Service	Diamond	Platinum	Gold	Silver	Bronze
Wellness / Coordination Support	100%	100%	100%	100%	100%
Residence-Based Services:					
Home Care Aides	100%	75%	50%	50%	0%
Companion / Homemaker	100%	75%	50%	50%	0%
Live-in Assistance	100%	75%	50%	50%	0%
In-Home Hospice	100%	75%	50%	50%	0%
Facility-Based Services:					
Assisted Living / Memory Care	100%	75%	50%	0%	0%
Skilled Nursing / Rehabilitation Services	100%	75%	50%	0%	0%
Inpatient Hospice	100%	75%	50%	0%	0%

Source: Management

Notes:

- (1) Maximum Daily Benefit Amount means the amount equal to the lesser of: (i) the actual fees, costs and charges to Member by the Provider for the services provided to Member in a day; and (ii) the maximum dollar amount limit of fees, costs and charges covered per day by the Provider as published by Provider from time to time ("Published Cost of Care") for services provided by Provider with both (i) and (ii) subject to the Member Plan (and corresponding percentages thereunder) selected by Member, including co-payments, deductibles and limitations, and subject to fees, costs and charges that are covered by any governmental payor program and/or insurance. The 2024 Published Cost of Care is \$420.

The plans provide the following benefits:

- Relationship with a Wellness Coordinator
 - Creation of individualized wellness plan with expressed goals
 - Coaching support to achieve goals of the wellness plan
 - Ready access to knowledgeable professionals to navigate health care systems
 - Monthly "check-in" to assess any needs and monitoring of agreed upon individualized wellness plan
- Access to Provider and Preferred Vendors for Home Health, Home Care and additional services to the extent available in a particular market area
- In-home safety assessment with attention to fall prevention and aging in place upon enrollment
- Access to the Organization's Medical Advisor
- Provision of educational opportunities addressing healthy aging and safety
- Provision of opportunities for social connection with other members

Revenue and expenses related to the TMAHP are reported separately on the projected consolidated financial statements for this projection, as is required by the North Carolina Department of Insurance.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

THE TAYLOR GLEN PROJECT

Management has projected an expansion to the Gardens of Taylor Glen Retirement Community. The "Taylor Glen Project" is projected to consist of 50 New Independent Living Units and 12 New Assisted Living Units.

The following table shows the current unit configurations, monthly service fees and entrance fees for the Taylor Glen Project.

Table 3
The Taylor Glen Project
Unit Configuration, Monthly Fees and Entrance Fees
(in 2024 Dollars)

Unit Name	Unit Type	Number of Units / Beds	Square Footage	Monthly Service Fees	Entrance Fee		
					90% Refund Plan	Standard Plan - 60 Month	
New Independent Living Units							
Daisy	2 Bedroom. 1 Bath. Den	3	1,112	\$ 3,400	\$ 417,000	\$ 213,000	
Lily	2 Bedroom. 2 Bath	4	1,508	4,600	565,000	289,000	
Peony	2 Bedroom. 2.5 Bath. Den	6	1,800	5,500	675,000	345,000	
Dahlia	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,006	6,100	750,000	384,000	
Dogwood	2 Bedroom. 2 Bath	9	1,700	5,200	690,000	353,000	
Dogwood II	2 Bedroom. 2 Bath	-	1,700	5,200	690,000	353,000	
Lupine	2 Bedroom. 2 Bath. Den	17	1,842	5,600	745,000	382,000	
Iris	2 Bedroom. 2.5 Bath. Den. Sunroom	4	2,085	6,300	845,000	432,000	
Iris Two-Story	3 Bedroom. 3.5 Bath. Sunroom. Bonus	3	2,962	7,500	1,200,000	614,000	
Total / Weighted Average - New Independent Living Units		50	1,841	\$ 5,514	\$ 728,320	\$ 372,840	
Second Person Fees				\$ 900	\$21,265	\$21,265	
New Assisted Living Units							
		12		\$ 8,090	N/A	N/A	

Source: Management

The following table summarizes Management's projected utilization of the entrance fee plans for first generation independent living residents and by subsequent residents of the Taylor Glen Project during the Projection Period.

Table 4
The Taylor Glen Project
Projected Utilization of Entrance Fee Plans

Resident Entrance Fee Plan Type	First Generation Residents of the New Independent Living Units ⁽¹⁾		Future Residents ⁽²⁾
	Number	Percent of Total	Percent of Total
90% Refund Plan	-	0%	0%
Standard Plan - 60 Month	47	100%	100%
Total / Percentage	47	100%	100%

Source: Management

Notes:

(1) Represents the projected allocation of entrance fee plan types selected by initial residents of the New Independent Living Units.

(2) Represents the projected allocation of entrance fee plan types selected by subsequent residents of the New Independent Living Units during the Projection Period.

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

Taylor Glen Project Timeline

The following table presents the projected timeline, as provided by Management, for the Taylor Glen Project.

Table 5
The Taylor Project
Development Timeline

Date	Milestone
May-24	Issuance of the Series 2024 Bonds
May-24	Construction of the Taylor Glen Project Commences
January-26	Construction of the Taylor Glen Project is Complete and Occupancy Commences
December-26	New Independent Living Units Achieve Stabilized Occupancy (94%)
December-26	New Assisted Living Units Achieve Stabilized Occupancy (92%)

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

PLAN OF FINANCE – TAYLOR GLEN PROJECT

Management has assumed the following sources and uses of funds in preparing its financial projection based on information provided by Management and Herbert J. Sims & Co. (the "Underwriter"). A summary of the projected sources and uses of funds for the Corporation's financing is provided in the following table:

Table 6
Projected Sources and Uses of Funds
(In Thousands of Dollars)

Sources of Funds:		
Series 2024A Bonds	\$ 67,831	(1)
Series 2024B Bonds	15,318	(1)
Series 2024C Bonds	3,000	(1)
Total Sources of Funds	\$ 86,149	
Uses of Funds:		
Project Costs:		
Design and Engineering	\$ 1,361	(2)
Construction Costs	50,712	(3)
Furniture and Equipment	468	(4)
Development Costs and Fees	100	(5)
Marketing	300	(6)
Owner's Contingency	4,059	(7)
Total Project Costs	57,000	
Land Purchase	3,000	(8)
Refinancing of Debt	3,000	(9)
Reimbursement of Capital Expenditures	18,125	(10)
Funded Interest	4,132	(11)
Cost of Issuance	892	(12)
Total Uses of Funds	\$ 86,149	

Source: Management and Underwriter

Summary of Significant Projection Assumptions and Accounting Policies

Notes to Table 6:

- 1) The Organization's Underwriter projected proceeds from the Series 2024 Bonds in the amount of \$86,149,000 are planned to be generated utilizing the following structure and terms: The responsibility for the payment of the debt service on the Series 2024 Bonds is expected to be solely that of the Homes.
 - Management has projected that a portion of the Taylor Glen Project would be financed through the issuance of a direct bank placed fixed rate term draw-down bonds (the "Series 2024A Bonds"), bearing interest at 5.16 percent, subject to monthly principal and interest payments, with interest only payments beginning May 2024 and monthly principal and interest payments beginning May 2028 through April 2053.
 - Management has projected that a portion of the Taylor Glen Project would be financed through the issuance of a direct bank placed short term fixed rate draw-down debt (the "Series 2024B Bonds"). This debt is anticipated to be repaid from the availability of "Initial Entrance Fees" received from the Taylor Glen Project. The debt is assumed to have a 5 year maturity and is projected to qualify as qualified intermediate term indebtedness. Management has projected the repayment of the Series 2024B Bonds with Initial Entrance Fees from the Taylor Glen Project to occur within 3 years. Annual interest on the Series 2024B Bonds is assumed to approximate 4.64 percent.
 - Management has projected that a portion of the Taylor Glen Project would be financed through the issuance of a direct bank placed fixed rate term draw-down bonds (the "Series 2024C Bonds"), bearing interest at 5.16 percent, with monthly interest only payments beginning May 2024 with a maturity date of April 1, 2028 at which time all principal will be repaid.
- 2) Management has projected design and engineering costs of approximately \$1,361,000.
- 3) Management has projected construction costs of approximately \$50,712,000.
- 4) Management has projected furniture and equipment costs of approximately \$468,000
- 5) Management has projected development costs and fees of approximately \$100,000.
- 6) Management has projected marketing costs of approximately \$300,000.
- 7) Management has projected a project contingency of approximately \$4,059,000, or 7.7 percent of the project costs.
- 8) Represents the amount Management projects to be paid for land acquisition costs.
- 9) Represents the amount Management projects to be used for the refinancing of debt associated with the Ardenwood's acquisition.
- 10) Represents the amount Management projects to be reimbursed for previous and projected 2024 capital expenditures of approximately \$18,125,000.
- 11) Represents the amount Management projects to be utilized to pay projected related debt service for 25 months from the assumed issuance date of the Series 2024 Bonds.
- 12) Management has projected issuance costs of the proposed Series 2024 Bonds of approximately \$892,000.

Summary of Significant Projection Assumptions and Accounting Policies

Projected occupancy for the Taylor Glen Project is based upon Management's assumed move-in schedule for the New Independent Living Units and New Assisted Living Units as depicted in the following tables.

Table 7
Taylor Glen Project Move-In Schedule
New Independent Living Units

Month	Total Units	Net Move-Ins	Cumulative Occupancy	
			Number of Units	Percentage
Fiscal Year 2026				
January	50.0	5.0	5.0	10%
February	50.0	5.0	10.0	20%
March	50.0	5.0	15.0	30%
April	50.0	5.0	20.0	40%
May	50.0	4.0	24.0	48%
June	50.0	4.0	28.0	56%
July	50.0	4.0	32.0	64%
August	50.0	4.0	36.0	72%
September	50.0	3.0	39.0	78%
Fiscal Year 2027				
October	50.0	3.0	42.0	84%
November	50.0	3.0	45.0	90%
December	50.0	2.0	47.0	94%
Thereafter	50.0		47.0	94%

Source: Management

Management has projected double occupancy for the New Independent Living Units of 50 percent.

Table 8
Taylor Glen Project Move-In Schedule
New Assisted Living Units

Month	Total Units	Net Move-Ins	Cumulative Occupancy	
			Number of Units	Percentage
Fiscal Year 2026				
July	12.0	6.0	6.0	50%
August	12.0	1.0	7.0	58%
September	12.0	1.0	8.0	67%
Fiscal Year 2027				
October	12.0	1.0	9.0	75%
November	12.0	1.0	10.0	83%
December	12.0	1.0	11.0	92%
Thereafter	12.0		11.0	92%

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net Assets without Donor Restrictions

Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets with Donor Restrictions

Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition which are not included in assets limited as to use or investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be expected credit losses are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts. Accounts receivable are reported net of an allowance for credit losses to represent the Organization's estimate of expected losses at the projected state of financial position date. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. Management has not projected any contribution income from cost-reimbursable based grants during the Projection Period.

Assets Limited as to Use

Assets limited as to use include amounts set aside for the TMAHPP, entrance fee deposits, and amounts set aside to meet the operating reserve requirements of North Carolina General Statute Chapter 58, Article 64 or those items required as part of Trustee agreements. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in first-out method. Donated investments are reported at fair value at the date of receipt.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments, if any, are included in excess of revenues over expenses on the projected consolidated statement of operations and changes in net assets. Management has not projected any unrealized gains or losses on investments during the Projection Period.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Charitable remainder trusts are stated at fair value net of discounted future contractual payment obligations. The value of beneficial interest in perpetual trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of beneficial interest in perpetual trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at date of contribution. Property and equipment are capitalized if it has a cost over \$2,000 and an estimated useful life of at least 2 years. Depreciation is computed over the estimated useful lives of the related assets, ranging from 5 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

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

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

Deferred Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Organization and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Deferred financing costs are presented as a reduction of the related borrowings and the amortization is presented as a component of interest expense.

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. There was no liability recognized at September 30, 2023. Management has not projected any obligation to provide future services liability during the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excess (Deficit) of Revenue Over Expenses

The projected consolidated statements of operations and changes in net assets include excess (deficit) of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess (deficit) of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Net Resident and Health Care Service Revenue

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead use the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Medicaid

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

Other

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

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments are not projected by Management during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs.

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculates a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance.

Contract Costs

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

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Homes and Foundation are not-for-profit organizations that are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Homes and the Foundation file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Homes or the Foundation. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Homes or the Foundation.

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's projected consolidated financial statements.

Use of Estimates

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE

Revenue for the Organization is generated primarily from monthly service fees for the independent living units, amortization of entrance fees, and monthly service fees and per diem charges from the assisted living residents, nursing residents, and individuals receiving home health services.

Revenue for the independent living units is based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the independent living units. Health care revenues consist of funds generated from services provided to residents transferring from the independent living units, and those services provided to residents admitted directly to the Health Center.

Management's projected occupancy assumptions are presented in Table 9.

Health Center Free Days

At the date of occupancy, each resident whose residence is in independent living at the Gardens, Brookridge, or Ardenwoods (for Ardenwoods, only with a contract effective October 2, 2023 or later), is granted 30 Health Center Free Days (Free Days). Free Days are non-transferable, must be used only as defined in the Resident Agreements and in Corporate policy, and have no value if not used. No new Free Days are granted after the resident moves to either assisted living or nursing, collectively the Health Center. Free Days will not be applied if the resident is receiving Medicare benefits.

For each day a resident occupies or holds an accommodation in the Health Center, whether or not that accommodation is the primary residence, Free Days will be credited until all such accumulated days are used. When Free Days are exhausted, the resident will be charged the private pay rate for their Health Center unit. While the resident uses Free Days, service fees continue based on the independent living residence from which the resident moved or transferred, and the resident will be charged for medicines, physician's services, and for supplies not normally included in the base fee for Health Center services.

The 30 Free Days benefit is not available for residents who were admitted directly to the Health Center and assisted living.

Projected Occupancy Levels

Projected occupancy for the Organization's independent living units is based upon the historical experience of Management as well as marketing efforts and strategies aimed at improving occupancy through a build-up of brand awareness of the Organization and upgrades to the product standards within the Organization.

Occupancy of the assisted living units and nursing beds are projected to be from transfers from independent living units, when available at the particular community, as well as direct admissions from the local market areas. Nursing bed occupancy for Gardens is based solely on internal transfers primarily from both independent living units and assisted living units. Projected resident transfers from independent living to assisted living or nursing have been provided by Management, and are based on the Organization's historical experience.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table shows projected occupancy for each of the Homes' facilities for the Projection Period, as projected by Management based in part on the Organization's historical experience and adjusted to give effect to a revamped marketing program, including additional market staff additions, that are expected to positively impact marketing and sales activities.

Table 9					
Homes					
Projected Occupancy for Existing Units In The Years Ending September 30,					
	2024	2025	2026	2027	2028
Brookridge					
Independent Living Units	90.0%	90.5%	91.0%	91.5%	92.0%
Assisted Living Units	94.4%	95.0%	95.0%	95.0%	95.0%
Nursing Units	89.5%	90.0%	90.0%	90.0%	90.0%
Gardens ⁽¹⁾ :					
Independent Living Units	94.6%	95.0%	95.0%	95.0%	95.0%
Assisted Living Units	87.5%	90.0%	90.0%	90.0%	90.0%
Nursing Units	67.1%	71.2%	71.2%	75.4%	75.4%
Taylor:					
Assisted Living Units	67.9%	73.5%	75.0%	75.0%	75.0%
Ardenwoods:					
Independent Living Units	91.0%	92.0%	93.0%	94.0%	95.0%
Assisted Living Units	89.0%	91.0%	91.0%	91.0%	91.0%

Source: Management

Notes:

(1) Does not include the New Independent Living Units and New Assisted Living Units. See Table 10 and Table 11 for Taylor Glen Project fill schedules and projected occupancy.

The projected double occupancy percentages in the independent living units of Gardens, Brookridge, and Ardenwoods are approximately 30 percent, 16 percent, and 22 percent, respectively, based upon historical operating experience and the assumptions provided by Management.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT’S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

ThriveMore at Home Program Fill Schedule

Projected usage of the TMAHP is based upon Management’s assumed fill schedule for the program. The following table reflects Management’s anticipated fill schedule for the TMAHP, as well as the projected usage assumption.

Table 12
ThriveMore at Home Program
Projected Fill Schedule

Month	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2024 New Enrollees	2024 Cumulative Enrollees	2025 New Enrollees	2025 Cumulative Enrollees	2026 New Enrollees	2026 Cumulative Enrollees	2027 New Enrollees	2027 Cumulative Enrollees	2028 New Enrollees	2028 Cumulative Enrollees
October	1.5	1.5	1.5	19.5	1.5	37.5	1.5	55.5	1.5	73.5
November	1.5	3.0	1.5	21.0	1.5	39.0	1.5	57.0	1.5	75.0
December	1.5	4.5	1.5	22.5	1.5	40.5	1.5	58.5	1.5	76.5
January	1.5	6.0	1.5	24.0	1.5	42.0	1.5	60.0	1.5	78.0
February	1.5	7.5	1.5	25.5	1.5	43.5	1.5	61.5	1.5	79.5
March	1.5	9.0	1.5	27.0	1.5	45.0	1.5	63.0	1.5	81.0
April	1.5	10.5	1.5	28.5	1.5	46.5	1.5	64.5	1.5	82.5
May	1.5	12.0	1.5	30.0	1.5	48.0	1.5	66.0	1.5	84.0
June	1.5	13.5	1.5	31.5	1.5	49.5	1.5	67.5	1.5	85.5
July	1.5	15.0	1.5	33.0	1.5	51.0	1.5	69.0	1.5	87.0
August	1.5	16.5	1.5	34.5	1.5	52.5	1.5	70.5	1.5	88.5
September	1.5	18.0	1.5	36.0	1.5	54.0	1.5	72.0	1.5	90.0

Source: Management

Projected Entrance and Monthly Service Fees

The following tables summarize the entrance fees, monthly service fees and daily rates for the Organization’s facilities. Note that these fees became effective during fiscal year 2024.

Brookridge Retirement Community offers three options for entrance fee payments for residents living in the garden home units. The resident may choose between a traditional entrance fee plan (the “Standard Plan – 24 Month”), a Fifty Percent Refund Plan, and a Ninety Percent Refund Plan. The Standard Plan – 24 Month provides for a twenty-four-month amortization of the resident’s entrance fee, and after 24 months, no refund balance remains. The Fifty Percent Refund Plan provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety Percent Refund Plan provides for a ninety percent refund of the entrance fee paid at admission.

The Gardens of Taylor Glen Retirement Community offers three options for entrance fee payments for residents. The traditional entrance fee plan (the “Standard Plan – 60 Month”) provides for a sixty-month amortization of the resident’s entrance fee, and after 60 months, no refund balance remains. The Gardens of Taylor Glen also offers the Fifty Percent Refund Plan and the Ninety Percent Refund Plan.

Ardenwoods offers one entrance fee payment for residents, a Ninety Percent Refund Plan. Under the Ardenwoods Ninety Percent Refund Plan, the resident is entitled to a refund of 90 percent upon (1) the termination of the residency agreement or vacancy of the independent living unit and transfer to an assisted living unit or (2) the earlier of reoccupancy of the independent living unit or 36 months from the date of termination of the residency agreement.

The Standard Plan – 24 Month and Standard Plan – 60 Month are collectively referred to as the Standard Plan.

See Accompanying Independent Accountants’ Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Management assumes that all units sold are under the Standard Refund Plan – 24 Month for Brookridge Retirement Community, the Standard Plan – 60 Month for The Gardens of Taylor Glen Retirement Community and the Ninety Percent Refund Plan for Ardenwoods, based on historical experience.

The following table summarizes the monthly service fees and daily rates for those facilities that comprised the Homes as of October 1, 2024:

Table 13				
Homes				
Monthly Fees / Daily Fees - 2024				
	Brookridge	Gardens	Taylor ⁽¹⁾	Ardenwoods ⁽²⁾
Independent Living Units (Monthly Rates):				
Single Rates:				
Studio	\$ 1,667	\$ -	\$ -	\$ -
One Bedroom	2,163	2,317	-	3,085
One Bedroom, Deluxe	2,669	2,678	-	3,085
Two Bedrooms	2,669	3,881	-	3,641
Two Bedrooms, Deluxe	3,360	4,289	-	3,641
Two Bedrooms, Classic	2,936	4,475	-	-
Two Bedroom, Combo	-	4,862	-	-
Three Bedrooms				3,897
Three Bedrooms, Deluxe				3,897
Garden Homes, Single Unit (Willow)	4,800	-	-	-
Garden Homes, Single Unit (Cypress)	3,053			
Garden Homes, Duplex	3,053	-	-	-
Second Person Fees	890 - 1,060	879	-	935
Assisted Living Units (Monthly Rates):				
Large Room	\$ -	\$ -	\$ 3,647	\$ -
Studio	-	-	-	5,508
Regular Room	6,992	6,283	3,522	-
Regular Room, Entrance Fee	5,898	-	-	-
Suites	11,536	-	4,286	-
Suites, Entrance Fee	9,734	-	-	-
Memory-Enhanced Residence	8,715	8,090	-	-
Nursing Beds (Daily Rates):				
Semi-Private	\$ 353	\$ -	\$ -	\$ -
Private	377	362	-	-

Source: Management

Notes:

(1) Taylor does not provide independent living or nursing services.

(2) Ardenwoods does not provide nursing services.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

As previously noted, Management has projected all units sold under the Standard Plan for both Brookridge and for the Gardens. For Ardenwoods, the entrance fee presented in the table below is the 90 Percent Refund Plan. The below table reflects those respective entrance fee pricings:

Table 14
Homes
Entrance Fees – 2024

	Brookridge ⁽¹⁾	Gardens ⁽¹⁾	Ardenwoods ⁽²⁾
Independent Living Units:			
Studio	\$ 45,619	\$ -	\$ -
One Bedroom	72,196	100,242	197,000
One Bedroom, Deluxe	100,446	115,664	229,000
Two Bedrooms	100,446	153,167	277,000
Two Bedrooms, Deluxe	180,589	205,080	309,000
Two Bedrooms, Classic	108,981	248,752	-
Two Bedroom Combo	-	281,108	-
Three Bedrooms			339,000
Three Bedrooms, Deluxe			371,000
Garden Homes, Single Unit (Willow)	376,000	-	-
Garden Homes, Single Unit (Cypress)			
Garden Homes, Duplex	188,271	-	-
Second Person Fees	15,000	15,000	9,400
Assisted Living Units:			
Studio	\$ -	\$ -	\$ 2,500

Source: Management

Notes:

(1) Entrance fee pricing noted above for Brookridge and Gardens is for the Standard Plan.

(2) Entrance fee pricing noted above for Ardenwoods is for the 90 Percent Refund Plan.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table summarizes the monthly service fees and membership fees for the program in 2024 dollars, the opening year of the TMAHP.

Table 15
ThriveMore at Home Program
Fee Schedule 2024 ⁽¹⁾

Age	Individual Membership Fee ⁽²⁾	Individual Monthly Service Fee ⁽²⁾	Couple Membership Fee ⁽³⁾	Couple Monthly Service Fee ⁽³⁾
Diamond				
62	\$ 55,000	\$ 780	\$ 43,000	\$ 741
65	\$ 70,000	\$ 780	\$ 58,000	\$ 741
70	\$ 84,000	\$ 780	\$ 71,000	\$ 741
75	\$ 100,000	\$ 780	\$ 80,000	\$ 741
80	\$ 112,000	\$ 780	\$ 90,000	\$ 741
85	\$ 113,000	\$ 780	\$ 90,500	\$ 741
90	\$ 114,000	\$ 780	\$ 91,000	\$ 741
Platinum				
62	\$ 46,000	\$ 675	\$ 32,500	\$ 641
65	\$ 56,000	\$ 675	\$ 44,000	\$ 641
70	\$ 68,000	\$ 675	\$ 54,000	\$ 641
75	\$ 73,000	\$ 675	\$ 62,000	\$ 641
80	\$ 86,000	\$ 675	\$ 70,000	\$ 641
85	\$ 89,000	\$ 675	\$ 70,500	\$ 641
90	\$ 90,000	\$ 675	\$ 71,000	\$ 641
Gold				
62	\$ 46,000	\$ 520	\$ 35,000	\$ 494
65	\$ 52,000	\$ 520	\$ 40,000	\$ 494
70	\$ 58,000	\$ 520	\$ 46,000	\$ 494
75	\$ 61,000	\$ 520	\$ 51,500	\$ 494
80	\$ 66,000	\$ 520	\$ 52,000	\$ 494
85	\$ 67,000	\$ 520	\$ 52,500	\$ 494
90	\$ 68,000	\$ 520	\$ 53,000	\$ 494
Silver				
62	\$ 46,000	\$ 420	\$ 30,000	\$ 399
65	\$ 50,000	\$ 420	\$ 34,000	\$ 399
70	\$ 52,000	\$ 420	\$ 38,000	\$ 399
75	\$ 53,000	\$ 420	\$ 39,500	\$ 399
80	\$ 54,000	\$ 420	\$ 40,000	\$ 399
85	\$ 56,000	\$ 420	\$ 40,500	\$ 399
90	\$ 57,000	\$ 420	\$ 41,000	\$ 399
Bronze ⁽⁴⁾				
62	\$ 7,000	\$ 400	\$ 3,750	\$ 380
65	\$ 8,500	\$ 400	\$ 4,500	\$ 380
70	\$ 11,500	\$ 400	\$ 6,000	\$ 380
75	\$ 13,500	\$ 400	\$ 7,000	\$ 380
80	\$ 15,500	\$ 400	\$ 8,000	\$ 380
85	\$ 16,500	\$ 400	\$ 8,500	\$ 380
90	\$ 17,000	\$ 400	\$ 8,750	\$ 380

Source: Management

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Notes:

- (1) The membership fee assumes a 0 percent refundable amount. The membership fee will be amortized at a rate of 2 percent per month, over a period of 50 months. After which, it will be non-refundable.
- (2) Membership fee and monthly service fee presented are for a single individual.
- (3) Membership fee and monthly service fee presented are on a per-person basis amount for a couple.
- (4) Represents fees available to non-medically qualifying members in the same residence as a qualifying member only.

The Participant agrees to pay to the Homes a membership fee as a condition of becoming a Participant in the TMAHP. The membership fee is non-refundable, except as previously described in Table 15. In the event that the Participant elects to and is granted residency to a Homes accommodation, the membership fee paid for the TMAHP will be applied to the entrance fee required for the selected accommodation at one of the Homes' communities.

The ThriveMore at Home Agreement can be terminated by the Participant for any reason prior to receiving membership by giving written notice. However, if the Participant dies before receiving membership or becomes incapable of meeting the physical, mental or financial requirements for admission, the ThriveMore at Home Agreement shall be cancelled and the membership fee shall be refunded. In the event of such termination, the Participant shall receive a refund of the membership fee within sixty (60) days following receipt of written notification of termination.

The following table presents the projected occupancy for the TMAHP and the projected average monthly service fees during the Projection Period.

Table 16
ThriveMore at Home Program
Projected Average Occupancy and Average Monthly Service Fees

For the Years Ending September 30,	2024	2025	2026	2027	2028
Average Participant Occupancy	9.0	27.0	45.0	63.0	81.0
Weighted Average Monthly Service Fees ⁽¹⁾	\$ 667	\$ 694	\$ 722	\$ 751	\$ 782

Source: Management

Note:

(1) The weighted average monthly service fees presented is the weighted average of all first person and second person monthly service fees.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects projected rate increases. Increases in fees are generally anticipated to approximate increases in operating expenses during the Projection Period. However, fee increases may be adjusted to reflect actual changes in expenses.

	2024	2025	2026	2027	2028
Independent Living Rate Increases					
Monthly Fee	**	4.00%	3.00%	3.00%	3.00%
Entrance Fee	**	4.00%	3.00%	3.00%	3.00%
Independent Living Rate Increases - Ardenwoods					
Monthly Fee	**	4.50%	3.50%	3.50%	3.50%
Entrance Fee	**	4.00%	3.00%	3.00%	3.00%
Assisted Living Rate Increases					
Monthly Fee	**	5.00%	3.00%	3.00%	3.00%
Assisted Living Rate Increases - Ardenwoods					
Monthly Fee	**	4.50%	3.50%	3.50%	3.50%
Nursing Rate Increases					
Private	**	5.00%	3.00%	3.00%	3.00%
Medicare	**	2.00%	2.00%	2.00%	2.00%
Medicaid	**	1.00%	1.00%	1.00%	1.00%
Thrivemore at Home Rate Increases					
Monthly Service Fee	N/A	4.00%	4.00%	4.00%	4.00%
Membership Fee	N/A	4.00%	4.00%	4.00%	4.00%

Source: Management

* Annual pricing increases are effective on October 1 of the fiscal year.

** The 2024 pricing is noted in Table 13, Table 14 and Table 18.

Entrance Fee Receipts

Entrance fee receipts and refunds are based on information provided by Management based on historical experience. The following table reflects initial entrance fees received, turnover entrance fees received and refunds paid during the Projection Period for the Organization, as projected by Management.

	2024	2025	2026	2027	2028
Advance Fees / Deposits Received from Initial Residents	\$ 575	\$ 1,227	\$13,460	\$ 2,761	\$ -
Advance Fees from Turnover	7,459	6,815	7,004	7,197	7,710
Advance Fees Refunded	(3,449)	(3,791)	(3,948)	(4,068)	(4,334)
Total Advance Fees, Net	\$ 4,585	\$ 4,251	\$16,516	\$ 5,890	\$ 3,376

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table summarizes Management's projected utilization of the membership fee plans by the ThriveMore at Home Participants' during the Projection Period.

Table 20	
Projected Utilization of Membership Fee Plans and Service Package Plan	
Membership Fee Plan Mix ⁽¹⁾	Distribution Mix
0% Refundable Plan	100%
50% Refundable Plan	0%
90% Refundable Plan	0%
Total Membership Fee Plan Mix	100%
Service Package Mix ⁽²⁾	Distribution Mix
Diamond	59%
Platinum	19%
Gold	12%
Silver	10%
Total Service Package Mix	100%

Source: Management

Notes:

- (1) Represents the projected allocation of membership fee plan types selected by the TMAHP Participants during each year of the Projection Period.
- (2) Represents the projected allocation of service package types selected by the TMAHP Participants during each year of the Projection Period.

The following table presents the assumed membership fees received and the total membership fee refunds as well as the assumed number of membership fees received and refunds paid during each year of the Projection Period.

Table 21					
Membership Fee Receipts and Total Membership Fee Refunds ⁽¹⁾					
Number of Membership Fees Received and Number of Refunds Paid					
(Dollars in Thousands)					
	2024	2025	2026	2027	2028
Total Membership Fees, Net	\$ 1,298	\$ 1,349	\$ 1,402	\$ 1,458	\$ 1,516
Number of Membership Fees Received	18.0	18.0	18.0	18.0	18.0
Number of Membership Fees Refunded	(0.1)	(0.6)	(1.4)	(2.5)	(3.7)
Total Number of Membership Fees Received, Net	17.9	17.4	16.6	15.5	14.3

Source: Management and the Actuary

Notes:

- (1) Management has assumed membership fee receipts for the TMAHP based upon the membership fee pricing as summarized in Table 15 and the utilization of the membership fee contract types as summarized in Table 20.

Investment Income

Investment income consists of interest earnings on cash, cash equivalents, investments, and assets limited as to use, as provided by Management. Management has assumed investment returns on certain assets as noted in Table 22. Management does not project unrealized gains or losses during the Projection Period.

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects Management's assumed realized (net of expenses) investment earning rates during the Projection Period for funds invested by the Organization.

	2024	2025	2026	2027	2028
Cash and Cash Equivalents	2.00%	2.00%	2.00%	2.00%	2.00%
Investments	4.50%	4.75%	5.00%	5.00%	5.00%
Assets Limited as to Use	4.50%	4.75%	5.00%	5.00%	5.00%

Source: Management

Other Revenue Items

Management projects income from gifts, grants, estates, and trusts based upon past experience. Management projects that income from gifts, grants, estates and trusts will be approximately \$1,493,000 in 2024 and an assumed a 1.0 percent increase throughout the remainder of the Projection Period.

Other revenue items include food service income from additional meals, guest meals, guest house, catering, etc., for the Organization and interest earnings from the notes receivable. Management assumes that charges for other revenues will increase approximately 3.0 percent annually throughout the remainder of the Projection Period. Also included in other revenue is interest earnings from the Note Receivable – Western, as described hereinafter, which is projected to be \$155,000 in 2024 through 2026 and then \$0 for the remainder of the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OPERATING EXPENSES

Operating Expenses

Management has projected operating expenses based upon Management's operating plans, as well as historical operations, and has increased expenses in part based on inflationary increases as well as increases from increased occupancy levels.

Management has projected inflationary increases for all organizations of the Homes, except TMAHP, on both wage and non-wage expenses, of 4.5 percent in 2025 and 3.0 percent for all expenses thereafter during the Projection Period.

For TMAHP, Management has projected inflationary increases on all expenses of 4.0 percent, beginning in 2025.

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

Salaries and Related Benefits

Benefit costs include payroll taxes and employee benefits including FICA, unemployment taxes, workers' compensation, health insurance, retirement plan, incentives and other miscellaneous benefits for the entire facility. These salaries and related benefit costs are assumed to vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Resident and Health Care

Nonsalary related costs of resident health care include costs for care and support of residents. These costs are anticipated to vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience. These costs include activities and other similar costs.

Dietary

Nonsalary related costs of the dietary department include costs for raw food and dietary supplies and other such costs and are based on the historical operating experience of Management. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Maintenance, Housekeeping and Laundry

Nonsalary related costs in these departments include housekeeping, laundry, and all activities of maintenance for the campuses. Management assumes that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

General and Administrative

Nonsalary related costs of general and administrative include costs for supplies, professional fees, insurance, and other miscellaneous costs. Management projects that these costs would vary with changes in occupancy levels as well as increase at the inflationary increases previously described, during Projection Period, based on Management's historical experience.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Assets Limited as to Use

A narrative description of the assets limited as to use follows:

Internally Designated for Statutory Operating Reserve

Section 58-64-33 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64-33) (or 25 percent of the total operating costs if such facilities maintain an occupancy level in excess of 90 percent and the North Carolina Commissioner of Insurance so approves) projected for the 12-month period following the period covered by the most recent annual statement filed with the North Carolina Department of Insurance. Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance.

Internally Designated - At Home Program

Management has projected an Internally Designated – At Home Program account to increase throughout the Projection Period based upon projected cash flows from TMAHP.

Entrance Fee Deposits

Management has projected the resident deposits collected related to the Taylor Glen Project will be released upon the move-in and payment of the required entrance fees for the units, which is projected to occur during 2026 and 2027 once the Taylor Glen Project opens.

The following reflects the operating reserve requirements, as projected by Management:

Table 23
Projected Operating Reserve Requirements - Brookridge
For The Years Ending September 30,

Brookridge	2024	2025	2026	2027	2028
Total Operating Expenses ⁽¹⁾	\$ 16,338	\$ 17,098	\$ 17,599	\$ 18,122	\$ 18,668
Include:					
Loan Principal Payments	869	897	926	957	988
Exclude:					
Depreciation	(1,823)	(1,935)	(2,019)	(2,114)	(2,220)
Amortization of Issuance Costs included in Interest Expense	(9)	(9)	(9)	(9)	(9)
Total Operating Costs	\$ 15,375	\$ 16,051	\$ 16,497	\$ 16,956	\$ 17,427
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 3,844	\$ 4,013	\$ 4,124	\$ 4,239	\$ 4,357
Projected Occupancy Level ⁽²⁾	90.9%	91.7%	92.0%	92.5%	92.8%

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.

(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Brookridge.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Table 24
Projected Operating Reserve Requirements - Gardens
For The Years Ending September 30,

Gardens	2024	2025	2026	2027	2028
Total Operating Expenses ⁽¹⁾	\$ 10,828	\$ 11,483	\$ 16,764	\$ 19,446	\$ 19,846
Include:					
Loan Principal Payments	977	1,009	14,846	2,590	4,658
Exclude:					
Depreciation	(1,690)	(1,794)	(3,306)	(4,028)	(4,126)
Amortization of Issuance Costs included in Interest Expense	(43)	(116)	(104)	(45)	(44)
Debt Payment Funded by Initial Entrance Fees	-	-	(13,804)	(1,514)	-
Total Operating Costs	\$ 10,072	\$ 10,582	\$ 14,396	\$ 16,449	\$ 20,334
Operating Reserve Percentage	25%	25%	50%	25%	25%
Operating Reserve at 9/30	\$ 2,518	\$ 2,645	\$ 7,198	\$ 4,112	\$ 5,084
Projected Occupancy Level ⁽²⁾	93.5%	94.2%	88.9%	94.0%	94.0%

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community, which includes the Taylor Glen Project.

(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented for the Gardens, which also includes the Taylor Glen Project.

Table 25
Projected Operating Reserve Requirements - Ardenwoods
For The Years Ending September 30,

	2024	2025	2026	2027	2028
Total Operating Expenses ⁽¹⁾⁽²⁾	\$ 9,506	\$ 8,937	\$ 9,151	\$ 9,373	\$ 9,600
Exclude:					
Depreciation	(783)	(810)	(832)	(856)	(879)
Amortization of Goodwill	(1,696)	(1,696)	(1,696)	(1,696)	(1,696)
Total Operating Costs	\$ 7,027	\$ 6,431	\$ 6,623	\$ 6,821	\$ 7,025
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 1,757	\$ 1,608	\$ 1,656	\$ 1,705	\$ 1,756
Projected Occupancy Level ⁽³⁾	90.5%	91.7%	92.4%	93.0%	93.7%

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.

(2) The occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Ardenwoods.

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

The following table reflects the total operating reserve requirements, as projected by Management:

Table 26
Total Projected Operating Reserve Requirements
For The Years Ending September 30,

	2024	2025	2026	2027	2028
Operating Reserve - Brookridge	\$ 3,844	\$ 4,013	\$ 4,124	\$ 4,239	\$ 4,357
Operating Reserve - Gardens	2,518	2,645	7,198	4,112	5,084
Operating Reserve - Ardenwoods	1,757	1,608	1,656	1,705	1,756
Total Operating Reserve	\$ 8,119	\$ 8,266	\$12,978	\$10,056	\$11,197

Source: Management

Note Receivable - Western

On September 8, 2023, the Organization closed on the sale of the Western North Carolina Home for a transaction price of approximately \$13,050,000, resulting in cash proceeds and a note receivable (the Note Receivable) from the buyer for approximately \$2,500,000.

The terms of the Note Receivable note the Organization shall receive monthly interest payments based upon an interest rate of 6.2 percent. The maturity date of the Note Receivable shall be the earlier of the third anniversary of the Note Receivable, the date on which the outstanding principal balance of the Note Receivable becomes due and payable, whether by declaration or acceleration upon the occurrence and continuance of an event of default, as defined in the agreement, the refinancing of the existing senior mortgage encumbering the real property or a sale, or any other disposition of all or substantially all of the assets of the entity. Management has projected the notes receivable to be collected in 2026.

Property and Equipment

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

Management has projected the following major property and equipment categories:

Table 27
Projected Property and Equipment Major Categories
For The Years Ending September 30,
(In Thousands of Dollars)

	2024	2025	2026	2027	2028
Land and Land Improvements	\$ 10,046	\$ 10,046	\$ 10,046	\$ 10,046	\$ 10,046
Buildings and Improvements	105,789	107,869	110,032	112,282	114,622
Furniture, Fixtures, and Equipment	8,841	11,961	15,206	18,580	22,090
Vehicles	934	934	934	934	934
Total	125,610	130,810	136,218	141,842	147,692
Less: Accumulated Depreciation	(68,018)	(72,162)	(76,486)	(81,013)	(85,766)
Add: Construction in Process	1,728	1,728	1,728	1,728	1,728
Net Property and Equipment	\$ 59,320	\$ 60,376	\$ 61,460	\$ 62,557	\$ 63,654

Source: Management

See Accompanying Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Assets in Split-Interest Agreements

Management has not projected any change in balance of the assets in split-interest agreements nor any gains or losses arising from changes in the value of assets in split-interest agreements during the Projection Period.

Long-Term Debt and Interest Expense

Projected interest expense and long-term debt for 2024 and subsequent years were based on the construction loan and the commercial loan associated with the improvements at Brookridge and Gardens, the 2024 Note Payable associated with the acquisition of Ardenwoods, and the projected Series 2024 Bonds.

In 2013, the Homes entered into a Term Loan Agreement for \$34,650,000 to refinance North Carolina Medical Care Commission term bonds outstanding. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$142,416. The refinanced term loan carries an interest rate of 3.22%.

Management made draws under a Construction and Permanent Loan Agreement that closed in 2012 for the purpose of improvements at the Homes' Brookridge Retirement Community. The total amount financed was \$16,018,000. The financing required interest-only payments until March 2013 when the Homes began making principal payments on this loan. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$81,065. The refinanced permanent loan carries an interest rate of 3.22%.

In 2024 the Organization, as part of the Ardenwoods acquisition, entered into a 2024 Note Payable agreement in the amount of \$13,325,000, bearing interest at a rate of 6.50 percent with monthly interest payments beginning on November 1, 2023, to be made through September 2024, when the note is set to mature at which time all principal is projected to be due. Management has projected the pay-off of this loan in 2024. The total purchase transaction price for Ardenwoods is projected at \$21,850,000, with the Organization assuming the 2024 Note Payable and the remainder of the purchase price and closing costs is projected to be funded by equity of the Organization.

Management has projected that during 2024, the Series 2024 Bonds will be issued in the amount of \$86,149,000. See Table 28 for details.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

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

Table 29
Projected Principal Payments on the Organization's Debt
(In Thousands of Dollars)

Year Ending September 30,	Permanent Loan	Term Loan	2024 Note Payable	Series 2024A Bonds	Series 2024B Bonds	Series 2024C Bonds	Total Debt
2024	\$ 678	\$ 1,192	\$ 13,325	\$ -	\$ -	\$ -	\$ 15,195
2025	700	1,231	-	-	-	-	1,931
2026	723	1,271	-	-	13,804	-	15,798
2027	747	1,312	-	-	1,514	-	3,573
2028	771	1,355	-	547	-	3,000	5,673
2029	796	1,399	-	1,384	-	-	3,579
2030	822	1,445	-	1,458	-	-	3,725
2031	849	1,492	-	1,536	-	-	3,877
2032	877	1,541	-	1,609	-	-	4,027
2033	906	1,591	-	1,705	-	-	4,202
Thereafter	1,601	2,811	-	59,593	-	-	64,005
Total Projected Long-Term Debt	\$ 9,470	\$ 16,640	\$ 13,325	\$ 67,831	\$ 15,318	\$ 3,000	\$ 125,584

Source: Management

Goodwill

As previously noted, Management has projected a purchase price of Ardenwoods of approximately \$21,875,000. A summary of the projected fair value of assets and liabilities at the date of the purchase are as follows:

Assets Assumed:	
Inventory	\$ 25,605
Property and Equipment	21,100,000
Liabilities Assumed:	
Accrued Expenses	(203,623)
Deferred Revenue from Advance Fees	(1,530,575)
Refundable Advance Fees On Occupied Units, Net	(14,477,418)
Consideration Exchanged	(21,875,000)
<u>Goodwill - Acquisition</u>	<u>\$ (16,961,011)</u>

Management has not assumed any impairment of the goodwill during the Projection Period and has assumed projected amortizing goodwill over an assumed life of 10 years.

Refundable Advance Fees and Accreted Interest

The residency agreements acquired upon acquisition of Ardenwoods are projected at their estimated fair value. The fair value of those refundable advance fees are accreted to face value using the effective interest method over the estimated life expectancy of the residents at acquisition. The discount rate assumed by Management in its projection was 4.25%. At the acquisition date, the unamortized discount was approximately \$6,177,000. Accreted interest upon amortization of these agreements is projected as accreted interest on the projected consolidated statements of operations and changes in net assets.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (CONTINUED)

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalents balances for the Projection Period are projected based on historical levels throughout the Projection Period.

Net Accounts Receivable

Net accounts receivable is projected based on historical levels throughout the Projection Period.

Contributions Receivable

Contributions receivable is projected based on historical levels throughout the Projection Period.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets have been projected based on historical levels.

Accounts Payable

Accounts payable has been projected based on historical levels.

Accrued Expenses

Accrued expenses have been projected based on historical levels,

Accrued Employee Compensation

Accrued employee compensation has been projected based on historical levels.

Other Current Liabilities

Other current liabilities have been projected based on historical levels.

ATTACHMENT IV

Residence and Services Agreement – Independent Living

THRIVEMORE

FAITH • FAMILY • FULFILLMENT

RESIDENCE AND SERVICES AGREEMENT

This Residence and Services Agreement (together with all exhibits and schedules that are attached and are hereby incorporated herein, the “Agreement”) is entered into between BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED dba THRIVEMORE (“ThriveMore”) located in Forsyth County at 1912 Bethabara Road, Winston-Salem, NC 27106 and _____, (“you” or “Resident”) effective this ___ day of _____ 202__ (“Effective Date”). If two persons enter into this Agreement as co-residents, the word “you” will apply to both unless the context requires otherwise. All residents that are parties to this Agreement shall be jointly and severally responsible for all fees, charges and obligations under this Agreement. In this paragraph and throughout the rest of the Agreement, the words “we”, “us”, “our” or “ThriveMore” refer to ThriveMore, and the words “you”, “your”, and “Resident(s)” refer to _____.

Under the laws of the State of North Carolina, ThriveMore is organized as a nonprofit corporation and operates a continuing care retirement community commonly referred to as _____ (the “Community”) created to provide housing, recreation, health care and other services to people sixty-two (62) years of age or older.

ThriveMore is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. ThriveMore encourages, supports, and is committed to operating a community where there are no barriers or discrimination because of race, color, religion, sex, handicap, familial status or national origin.

Your residence in the Community (“Residence”) and your “Date of Occupancy” of your Residence is as set forth on Exhibit A attached hereto.

All references in this Agreement to skilled nursing or skilled nursing facility shall only apply in the event the Community provides skilled nursing care or services or a skilled nursing facility.

THEREFORE, in consideration of the deposits, entrance fee, monthly fee and other fees and charges paid or payable by Resident stated hereafter, and in further consideration of the mutual covenants and agreements herein cited, the sufficiency of said consideration being hereby acknowledged, the parties hereto agree as follows:

I. Pledge of Service

ThriveMore will provide you the following services and facilities upon occupancy. Unless otherwise specified in this Agreement, there will be no additional charge made for any of these services and facilities other than payment of the Entry Fee and Monthly Fees, each of which is described in this Agreement, and outlined in Exhibit A. A “Schedule of Ancillary Charges” for certain services and items not covered by the Entry Fee and Monthly Fees is

included as Exhibit B. This schedule is updated periodically and will be made available to you each time it is updated.

A. Community Facilities:

You may use, along with other residents, the common facilities of the Community including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreation rooms and designated outdoor activity areas.

B. Living Accommodations:

- 1. Right to Reside** – You have a non-transferable right to reside in the independent living residence described in Exhibit A, subject to the terms and conditions of this Agreement.
- 2. Furnishings** – ThriveMore provides standard carpeting, window coverings, refrigerator, range, garbage disposal, microwave, and dishwasher. A washer and dryer are provided for in cottages and may be included in some apartments. The Community will make available to residents outside of their residences washers and dryers for Resident's use. All other furnishings and personal property shall be provided by Resident.
- 3. Changes to Your Residence** – ThriveMore allows limited, non-structural changes to personalize your residence. Any such changes must have prior written approval by ThriveMore.

In addition, you are responsible for the cost of any custom changes, and are required to use installers and contractors approved or provided by ThriveMore. You may select certain options and custom features in your residence for an additional charge. ThriveMore will present you with a written quote detailing the prices specific to your options and custom features requested. The cost of options and custom features selected will be paid by you at the time of selection and will become part of the Residence and the property of ThriveMore. The value of such improvements will not be considered in computing Entry Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by ThriveMore administration in advance of the changes made. All such changes become the property of ThriveMore.

You may be responsible for costs associated with restoring the residence to its standard condition prior to occupancy by a subsequent resident. You may also be responsible for the cost of repairing or replacing finishes or appliances damaged as the result of extraordinary wear and tear.

C. Services:

- 1. Dining Services** - ThriveMore will provide a variety of meal plan options, which are subject to change from time to time, in the Community's dining venues, which are subject to change from time to time. Each meal plan will specify those costs that are the responsibility of ThriveMore and those costs that are the responsibility of Resident.

1. **Utilities** – Water, sewer service, trash disposal, electricity, heat, air conditioning, basic cable television and wireless internet services are provided. Although telephone access is provided, if you elect to have telephone service, you are responsible for the establishment of telephone hook-up and ongoing service. Individual thermostatic control for heating and air conditioning, cable television outlets, telephone outlets, and smoke alarms are also provided.
2. **Housekeeping** – Housekeeping services (“Housekeeping Services”) are provided twice monthly in apartments based upon the Housekeeping Services schedule. These services include vacuuming, dusting and cleaning of bathrooms and kitchens. Housekeeping Services may be provided twice monthly in cottages depending on the housekeeping plan elected by Resident and based upon the Housekeeping Services schedule. These services include vacuuming, dusting and cleaning of bathrooms and kitchens.
3. **Maintenance and Repairs** – ThriveMore performs the necessary repairs, maintenance, and reasonable replacement of its own property, common facilities and equipment. You will be responsible for the cost of repairing damage to property of ThriveMore caused by you, your pets or any of your guests, ordinary wear and tear excepted.
4. **Security** – ThriveMore will use reasonable care in providing security on the premises of the Community. Smoke detectors are provided in all residences. Twenty-four (24) hour security staffing, including regular security patrols, is provided. You are responsible for taking appropriate security measures to protect yourself and your property at the Community. Each residence will be provided with emergency response protocols, monitored twenty-four (24) hours a day. There may be a charge to Resident for certain emergency response protocols.
5. **Groundskeeping** – Basic groundskeeping service, including lawn, tree, and shrubbery care, is provided. You may plant and maintain certain areas designated and approved by ThriveMore.
6. **Activities** – ThriveMore provides scheduled social, recreational, spiritual, educational and cultural activities, creative arts, exercise and wellness programs, and other activities designed to meet the interest of the residents. There may be a charge to the Resident associated with certain activities.
7. **Transportation** – Scheduled transportation is provided to shopping centers, public events, and other destinations as determined by the Community. Should transportation be desired at times or to places not included in the standard schedule, the Community will assist with those transportation needs to the degree staff and equipment are available, and an additional charge may apply.
8. **Storage** – Limited storage space is provided.
9. **Parking** – One automobile parking space per independent residence is provided. Additional limited parking may be available.

10. Wellness and Health Services – ThriveMore offers assisted living and skilled nursing services and may provide oversight by a licensed physician serving as the Clinical Team in accordance with and subject to the provision of Section V of this Agreement.

11. Insurance – ThriveMore maintains insurance on all of its property and its operations to include general public liability insurance, property insurance, including coverage for acts of God, vandalism and theft, professional liability insurance and worker’s compensation. You are encouraged to maintain a personal insurance policy for coverage of your personal belongings.

12. Taxes – Any real estate taxes are paid by ThriveMore.

13. Optional Services ThriveMore will make available to the Resident on an optional basis, at an additional cost to the Resident or Resident’s insurance:

- i. One or two additional meals per day in a dining venue at the Community;
- ii. In case of temporary illness, tray service of meals in the Resident’s residence;
- iii. Additional housekeeping services as required;
- iv. Transportation to certain extra-curricular events and locations;
- v. Beauty and barber services;
- vi. Regularly scheduled access to the on-site Health Clinic maintained by the Community.

II. Terms of Residency

A. Resident’s Application

The Resident’s Application for Residency is attached to this Agreement as Exhibit C and incorporated by reference herein. Resident represents and warrants that Exhibit C is true, complete and accurate in all material respects. Resident further certifies the continuing accuracy and completeness of the factual representations contained in the application. Resident understands and agrees that the representations contained in the Application for Residency, and in particular the financial representations, were made by Resident to induce ThriveMore to enter into this Agreement. Any material misrepresentations or omissions in the Application for Residency shall render this Agreement voidable or terminable, including, the right to terminate the Resident’s residency, at the option of ThriveMore.

Resident may be asked to provide ThriveMore accurate and complete financial and health care statements periodically when requested by ThriveMore.

B. Rights of Resident:

You have the right to occupy, use, and enjoy your assigned residence, together with the common areas, amenities, programs, and services of the Community during your lifetime, subject to the terms and conditions of this Agreement, unless this Agreement is terminated as provided herein. It is understood that this Agreement is not a lease and does not transfer or grant any interest in the real or personal property owned by ThriveMore other than the rights and privileges as described in this Agreement.

C. Policies, Rules and Regulations:

You agree to abide by the policies, rules, and regulations of ThriveMore including such changes as may be adopted from time to time. These policies, rules, and regulations will be made available to you prior to the execution of this Agreement, and at any time when they are updated.

D. Business and Health Care Directives:

You agree to execute and maintain in effect a North Carolina Durable Power of Attorney valid and enforceable in accord with the provisions of Chapter 32C of the General Statutes of North Carolina (or similar laws subsequently enacted). This Power of Attorney shall designate as your attorney-in-fact, a bank, a lawyer, relative or other responsible person or persons of your choice, to act for you in managing your financial affairs and filing for your insurance or other benefits as fully and completely as if you would be acting personally. It shall be in a form which survives your incapacity or disability and otherwise be satisfactory to ThriveMore. You will deliver a fully executed copy of this Power of Attorney to ThriveMore prior to the Date of Occupancy. Additionally, you further agree to provide ThriveMore with a copy of any Living Will, or Durable Power of Attorney for health care decisions which may be in existence, and to provide such documentations which may develop subsequent to the execution of this Agreement. ThriveMore strongly encourages all residents to designate a Health Care Attorney in Fact capable of making health care decisions in the case of incapacity or emergency.

E. Property:

To the maximum extent permitted by law, ThriveMore will not be responsible for the loss or damage of any property not belonging to ThriveMore due to any cause. It is understood by both parties that you will have the responsibility for providing insurance protection covering any such loss or damage of personal property. Upon termination of this Agreement, ThriveMore has the right to promptly (within thirty (30) days) remove from the residence any and all of your property that remains therein or that is stored elsewhere on the property of ThriveMore, and ThriveMore may store such property either on or off the premises. You or your estate will be obligated for the payment of moving and storage charges and will reimburse ThriveMore for its incurred expenses.

Should such belongings remain stored for longer than ninety (90) days, ThriveMore shall have the right to sell such belongings and pay the proceeds from such sale to you or your estate, net of all expenses incurred to move, store and sell such property. If the proceeds are not adequate to fully reimburse ThriveMore for all such costs, you or your estate shall be responsible to ThriveMore for the deficiency.

F. Insurance:

1. Application for Benefits: Assignment of Benefits

You shall apply for any federal, state or local benefits for which you may be eligible or entitled upon request by ThriveMore. If requested by ThriveMore, any or all such benefits will be applied to the daily or monthly fee, as applicable, or other fees or charges incurred by you at ThriveMore.

You agree to assign to ThriveMore all insurance benefits received from third party payers for health services provided by ThriveMore. You agree to grant to ThriveMore a limited Power of Attorney for the purpose of permitting ThriveMore to act as your agent or attorney in fact in all matters relating to any such benefit.

2. Health Insurance:

You shall maintain eligible Medicare coverage (and supplemental health insurance coverage) and health insurance coverage that adequately covers hospital, medical, prescriptions and skilled nursing deductibles and co-payments required under your primary insurance policy. Your primary and secondary insurance coverage must recognize ThriveMore as a healthcare provider, or you shall be responsible for the cost of services rendered that otherwise could be covered by insurance. You agree to furnish ThriveMore with evidence of such coverage prior to the Date of Occupancy as stated in Exhibit A and also upon request.

If your health insurance coverage lapses, ThriveMore may require you to reapply for suitable insurance coverage. If you are unable to obtain suitable insurance coverage, you shall be responsible for the cost of any healthcare services rendered that otherwise could be covered by insurance. Upon request by ThriveMore, you shall provide evidence of health insurance coverage.

If Resident is ineligible for Medicare, Resident shall maintain equivalent health insurance in full force and effect, unless Resident demonstrates to ThriveMore's satisfaction that Resident is financially able to pay for those services that otherwise would be paid for by Medicare. Resident shall take such action and execute such forms as are reasonable and necessary to secure the payment to any hospital, nursing facility or other provider of health care services (including to ThriveMore for services provided by it), or to any physician, of any and all amounts payable in respect of services rendered to Resident and for which insurance is available.

However, notwithstanding any other provision in this Agreement, and to the extent allowed by law, Resident's failure to qualify for, obtain benefits under, or be reimbursed for any or all services set forth herein under a federal, state, or local grant, aid, benefit, or

health care program or under any private health care insurer shall not effect Resident's and Responsible Party's direct obligation to pay the fees, costs and charges set forth herein.

3. Medicare-Certified Skilled Nursing Facility Beds:

The Community maintains a limited number of Medicare-certified beds in the skilled nursing facility, which are available for use by residents whose skilled nursing care would qualify for Medicare payment on an "if and as available" basis. In the event that you need admission and the admission would qualify for Medicare payment, then your financial responsibility to ThriveMore will depend upon the type of Medicare coverage you have and whether ThriveMore is a contractual provider for your coverage.

a) Medicare-certified bed is not available.

In the event that there is not a Medicare-certified bed at the Community at the time you require admission, you may either choose to obtain skilled nursing care services at another healthcare facility at your cost until such time as a Medicare-certified bed becomes available at the Community (presuming you would use a facility that could provide a Medicare-certified bed) or be admitted to a bed in the skilled nursing facility at your cost which is not certified to accept Medicare payment until such time as a Medicare-certified bed becomes available at the Community.

b) Medicare-certified bed is available and you have traditional Medicare.

If you are admitted to a Medicare-certified bed in the skilled nursing facility and you have traditional Medicare coverage, ThriveMore will accept the Medicare reimbursement amount of such care while you shall be responsible for any applicable deductible, co-payment and/or co-insurance amounts that are not paid by Medicare and any supplemental Medicare insurance that you maintain.

c) Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is an in-network provider.

In the event that ThriveMore is an in-network provider for your Medicare Advantage coverage, then ThriveMore will accept the reimbursement amount from your Medicare Advantage insurance carrier while you shall be responsible for any deductible, co-payment and/or co-insurance amounts that are not paid by the Medicare Advantage insurance that you maintain.

d) Medicare-certified bed is available and you have Medicare Advantage coverage for which ThriveMore is not an in-network provider.

ThriveMore will charge you the full private-payment amount for your admission into a Medicare-certified bed and credit against your financial obligation to ThriveMore the amount that is paid by your Medicare Advantage insurance if the insurance provides an out-of-pocket network benefit. A full private-pay resident in a Medicare-certified bed may be required by ThriveMore to relocate to a bed that is not Medicare-certified when such a bed becomes available.

G. Resident's Medical Examination:

You agree to be examined by a physician when there is reasonable cause for concern for your health and well-being.

H. Subrogation Rights:

In case of injury to you by a third party, ThriveMore shall have the right to subrogation for all of its costs and expenses incurred by reason of such injuries, and shall have the right, in your name or otherwise, to take all necessary steps and procedures to enforce the payment of the same by the person responsible for the injury. You agree to cooperate fully and to assist ThriveMore in recovering any such costs and expenses.

I. Resident Representation:

Residents have the right of self-organization through a residents' association which may convene to arrange social and recreational programs and to review the interests of the resident population.

J. Right of Entry:

ThriveMore recognizes your right to privacy, and ThriveMore shall limit entry to your Residence to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby expressly authorize employees or agents of ThriveMore to enter your Residence upon reasonable notice for all such purposes.

K. Appliances:

ThriveMore is not obligated to determine your ability to safely utilize the appliances in your Residence. However, should ThriveMore determine that you have demonstrated an inability to safely operate the range, microwave, refrigerator, disposal unit, or any other appliances in your Residence, ThriveMore will have the right to turn off the power serving such appliance(s) and/or to remove any and all such appliances. In any such instance, you shall remain obligated to pay for any extra meals that you may incur due to the unavailability of any appliance.

L. Guests:

Guests are welcome at the Community subject to the Community's guest policies. Guests may also use the Community's guest room accommodations, subject to availability and based upon the Guest Room Reservation Policy in the Resident Handbook. At all times, you will be responsible for any injury to others, or damage to the property of others or of ThriveMore, caused by your guest(s). ThriveMore reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

M. Emergency Notification:

You agree to provide ThriveMore with the following information prior to the Date of Occupancy:

- Names, addresses, and phone numbers of persons to notify in an emergency, or death
- Copy of current Durable Power of Attorney
- Copy of current Health Care Power of Attorney
- Copy of any Advance Directives
- Copy of current Insurance Coverages

ThriveMore shall not be responsible for funeral or burial arrangements or costs.

N. Compliance with Applicable Laws:

ThriveMore will operate in full compliance with all laws, rules, regulations, and ordinances promulgated by lawful governmental authorities. Notwithstanding any other provisions of this Agreement, ThriveMore shall have the right to change your Residence, and the terms of this Agreement, to meet the requirements of any law or regulation.

O. Relocation:

ThriveMore reserves the right to relocate you to another accommodation when deemed necessary in order for ThriveMore to fulfill its strategic plans, financial obligations or other obligations. ThriveMore will use reasonable efforts to relocate you to a similar or better accommodation. Any such decision to relocate you will be discussed thoroughly with you in order to enlist your understanding of the need for and cooperation with the relocation. ThriveMore will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated.

III. Financial Provisions

A. Deposits:

Funds paid toward the Entry Fee may be refundable as outlined in Sections VI and VIII of this Agreement.

B. Entry Fee, Working Capital Fee and Monthly Fee:

You agree to pay ThriveMore an Entry Fee (as indicated below) and the Monthly Fee for the selected residence as outlined in Exhibit A. Within five (5) days of the Effective Date of this Agreement, you agree to pay a ten percent (10%) deposit to secure the Residence as outlined in Exhibit A. You are then required to make the final balance payment of the Entry Fee at least fourteen (14) days prior to the Date of Occupancy, as stated on Exhibit A. You agree to pay all fees and charges as set forth in this Agreement.

All references in this Agreement to Working Capital Fees shall only apply to Communities that charge Working Capital Fees. Working Capital Fees are paid at the same time your Entrance Fee and your Monthly Fee begin for your residence. You will pay ThriveMore a one time

Working Capital Fee in the amount equal to the monthly fee for your residence (including a 2nd person Monthly Fee if there are 2 of you). This is a one time non-repayable charge, which we will place in Working Capital Account to be used by us only for purposes related to Ardenwoods.

You agree to pay ThriveMore one of the following Entry Fees (selected option checked below) as a condition of becoming a Resident of ThriveMore. This Entrance Fee is refundable in whole or in part as described below and in Section VI of this Agreement, subject to the terms and conditions of this Agreement.

Entrance Fee Option	Entry Fee Option	Amount of Entry Fee	Amortization Schedule
_____	Standard Refund Entrance Fee	\$ _____ 2 nd Person _____	4% a month for 24 months less 4% non-refundable fee.
_____	50% Refund Entry Fee	\$ _____ 2 nd Person _____	2% per month for 23 months less 4% non-refundable fee. Refund never less than 50% of original entrance fee.
_____	90% Refund Entry Fee	\$ _____ 2 nd Person _____	1% per month for 6 months less 4% non-refundable fee. Refund never less than 90% of original entrance fee.

The Monthly Fee varies depending upon the type of residence. A Double Occupancy Monthly Fee is charged for Co-Residency. The Monthly Fee and costs for additional services are billed by the fifth (5th) business day of each calendar month, with payment due from you by the fifteenth (15th) of the same month. ThriveMore reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly Fee is pro-rated on a per diem basis. Thereafter, Monthly Fees are paid in advance and are not pro-rated at termination. If you fail to pay the Monthly Fee, ThriveMore reserves the right to terminate the Agreement. ThriveMore may add a service charge of one percent (1%) per month to fees and charges not paid by the fifteenth (15th) of the month. ThriveMore requires an automatic bank draft for the monthly charges.

C. Delayed Residency:

If you choose to defer occupancy, later than the Date of Occupancy as stated in Exhibit A, both the Entry Fee and the applicable Monthly Fee must still be paid as if you moved into ThriveMore on the Date of Occupancy. You will be credited as appropriate, with the Away Allowance as

described in Section III. I. until such time that you move to ThriveMore. Additionally, any refund will be calculated as of the Date of Occupancy as stated in Exhibit A.

D. Fee Increases:

It is understood by both parties that ThriveMore is a nonprofit corporation dedicated to providing high quality services, facilities, and care at the lowest feasible cost. The parties also recognize the uncertain nature of future costs and expenses for goods and services and their mutual need to maintain a sound financial basis for the continued operation of the facility. You agree that ThriveMore may adjust the Monthly Fee and any and all other fees and charges upon a thirty (30) day written notice to you, as may be reasonably necessary according to the economic requirements and conditions, and the level of services offered. The decision to adjust the Monthly Fee and all other fees and charges is made, in its sole discretion, by the Board of Trustees of ThriveMore.

E. Financial Hardship:

It is the intent of ThriveMore to admit only those persons who are able to pay its current and projected Entry Fee, Monthly Fee and any additional fees and charges. Resident agrees to prudently conserve and maintain Resident's current and future income, resources, and assets in order to provide for payment of services to be provided by ThriveMore under this Agreement or otherwise. Resident agrees to provide ThriveMore thirty (30) days prior written notice of any material transfer of Resident's income, assets or resources, including the creation of any trust, any material expenditure of Resident's income, assets, or resources, or any change in Responsible Party. Resident shall promptly notify ThriveMore of any material change in Resident's medical or financial condition, including but not limited to Resident's qualification for and intention to seek assistance from any public assistance benefit program, as hereinafter defined.

Upon verification satisfactory to ThriveMore that Resident has complied with the foregoing obligations and that Resident's income, resources, and assets are insufficient to pay for services required, ThriveMore will endeavor to provide financial assistance to Resident, by prudent use of finite funds available to it for such purposes. ThriveMore has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to Resident. In any event, such assistance as may be available will be provided only after Resident has applied for and taken all necessary steps to qualify for Medicaid, public assistance, any public benefit program, or private funds or programs through which benefits ("public assistance benefits") may be available for payment of services required by Resident. ThriveMore's ability to subsidize residents who have encountered financial hardship is expressly limited by its obligation to meet its commitments to all residents, and to operate on a sound financial basis. If it is apparent to ThriveMore that you have voluntarily divested assets and resources, or have used resources in a manner other than to meet ordinary and customary living expenses, ThriveMore may refuse to subsidize your fees and charges, and may elect to terminate this Agreement if payments for all fees and charges are not received in a timely manner. The use of ThriveMore's funds to subsidize residents who have encountered financial hardship is at the sole discretion of ThriveMore.

You agree to provide, if requested, financial statements and current financial information and copies of your tax returns for the purpose of demonstrating capacity to meet financial obligations to ThriveMore and other providers arising out of or in connection with this Agreement.

Resident agrees that he or she have not and will not make gifts of real or personal property for the purpose of evading his or her financial obligations to ThriveMore.

F. Subsidy by ThriveMore:

Should ThriveMore elect to subsidize your fees and charges, or any other cost for services or care which ThriveMore under this Agreement is not obligated to pay on your behalf, the accumulated amount of any such subsidy shall be offset against any refund that might become due to you, and any unrecovered balance shall also be a valid claim against your estate. This paragraph shall apply whether or not you reside at ThriveMore at the time of death or termination of this Agreement.

G. Occupancy by Two Residents:

When two (2) Residents occupy a Residence and one of them is no longer domiciled in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Occupancy Monthly Fee associated with the Residence. No Entry Fee refunds shall be paid to the remaining Resident until the Residence is vacated as described in this Agreement. Section V.B.7. addresses Resident's obligations when Resident(s) is transferred to the Health Care Center.

H. Addition of a Second Resident to Share a Living Accommodation with a Current Resident:

If, after the Date of Occupancy indicated on Exhibit A, you choose to have a second resident share your residence, ThriveMore may charge the second resident an Entry Fee equal to the current applicable Single Occupancy Entry Fee for such living accommodation, or such lesser amount as ThriveMore may determine in its discretion. Thereafter, you are responsible for paying the applicable Double Occupancy Monthly Fee for the residence.

Second residents are subject to the same review and entrance requirements as initial residents and must sign a Residence and Services Agreement. If the second resident is an existing resident, the second resident is subject to the same entrance requirements as initial residents, except in regard to health status evaluation.

I. Away From the Community:

If Resident is away from the Community for thirty (30) consecutive days, Resident will receive a credit for up to 30 days based on Resident's meal plan selection. If Resident takes advantage of the away rate, no meal credits are accrued during the away time. If for any reason Resident returns to the Community for an overnight stay, he or she will be ineligible to take advantage of the away rate. The away rate can be taken for a maximum of three (3) months.

IV. Resident Moves and Transfers

It is understood that when you move from one independent living residence to another, or if you move from one level of care to another, your status or rights as a ThriveMore resident do not change. You may transfer and/or move on a temporary or a permanent basis, at the determination of ThriveMore.

A. Independent Internal Moves:

- 1. Move to a Larger Independent Living Residence** – Should you desire to transfer to a larger independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook, which may be subject to change from time to time. An internal move fee may apply as noted in the policy. An additional Entry Fee equal to the difference between the then current Entry Fee for the larger residence and the Entry Fee you originally paid for the smaller residence will be due to ThriveMore prior to your move to the larger residence.

Any additional Entry Fee amounts paid shall be considered paid from the Date of Occupancy of the original residence (Exhibit A) for purposes of calculating any refund. You will also be responsible for the Monthly Fee associated with the larger residence from the Date of Occupancy for the larger residence, or the actual date of move-in, whichever is earlier. The Monthly Fee for the smaller residence is still in effect, and will be charged until all personal belongings have been removed, and a final walk-through has been completed as per the Internal Move Policy.

- 2. Move to a Smaller Independent Living Residence** – Should you desire to transfer to a smaller independent living residence, an internal move request should be made in writing according to the Internal Move Policy in the Resident Handbook. You will not be due any refund at the time of your transfer. Your refund, if any, shall be calculated and paid in accordance with the provisions of this Agreement based on the independent living residence you initially occupied under this Agreement.

You will be responsible for the Monthly Fee associated with the smaller residence beginning on the Date of Occupancy of the smaller residence, or the actual date of move-in, whichever is earlier. You will also be responsible for the Monthly Fee for the larger residence until all personal belongings have been removed from the larger residence, and a final walk-through has been completed as per the Internal Move Policy.

B. Moves to the Health Care Center:

ThriveMore expressly reserves the right to move you to an accommodation that can best provide for your safety and care. If your physical or mental condition deteriorates so that, in the best judgment of ThriveMore and upon the recommendation of ThriveMore's Clinical Team, you are unable to live independently, or if you cannot live in an independent living residence without endangering yourself or the health or safety of others, ThriveMore may move you to a more

appropriate accommodation. Such changes (if not at your request) shall be made only to protect your health or safety, or the general welfare of the residents of ThriveMore or others. Residents may request a meeting with ThriveMore for the discussion and consideration of any actions taken by ThriveMore. Should you fail or refuse to cooperate with any such move, ThriveMore has the right to terminate this Agreement and require you to leave the Community altogether.

If in the sole discretion of ThriveMore, it determines that your transfer is permanent, ThriveMore may assign your independent living residence to another resident. Should your condition subsequently improve to a point that you are able to live independently, you may apply for an independent living residence upon the same basis as existed before the transfer. You shall bear all costs of moving and storing your furniture and belongings in the case of such transfer. In addition, if ThriveMore determines that you can resume occupancy in an independent living residence, you will have priority for a similar residence as soon as one is available.

C. Limitations of Care/Transfer:

ThriveMore's facilities and services are not designed to care for persons who have an active psychiatric illness, who have a dangerous communicable disease or who are involved with drug or alcohol abuse. Should ThriveMore determine that your physical and/or mental condition becomes such that your continued presence at ThriveMore is dangerous or detrimental to your health or safety, or to others, ThriveMore may arrange for such transfer to a special service facility as may be required, and this Agreement will be terminated.

If you or your designee prefers a different institution or special service facility than that selected by ThriveMore, arrangements will be made to accommodate such preference with the understanding that ThriveMore is relieved of any financial responsibility associated with such transfer, or the costs of such a transfer.

V. Health Care Services

During the process of applying to ThriveMore, you have disclosed a true and correct health status and history, and have been approved by ThriveMore for independent living. You have disclosed any significant changes in your health status since your initial review. It is understood by both parties that your health condition may change and that you will inform ThriveMore of any significant changes. If there is reasonable cause for concern, you agree that a ThriveMore physician may examine you.

A. Health Care Center:

The Community's Health Care Center includes a primary care clinic, assisted living residences, skilled nursing residences, and residences offering special care/dementia services.

B. Continuing Care Services:

ThriveMore agrees to provide the health care services outlined below. These services are included in the Monthly Fee, except for those requiring additional payment as described below.

ThriveMore will seek reimbursement from any and all third party payers to the fullest extent available.

- 1. Wellness and Exercise Programs** – ThriveMore staff will conduct wellness and exercise programs for residents who wish to participate. Some special programs may require extra charges.
- 2. Other Health Care Services:**
 - a) Primary Care** – ThriveMore will make available primary care services to you in the Health Care Center during regularly scheduled office hours. Trained health care personnel will be on-site twenty-four (24) hours a day. A physician will be available for scheduled office visits and is on call for Community residents twenty-four (24) hours a day, seven (7) days a week. The ThriveMore physician will refer you to specialists as needed. You will be responsible for the cost of care rendered by physicians not reimbursed by Medicare or other third party payer.
 - b) Laboratory Tests and Other Procedures** – Limited laboratory testing services and diagnostic procedures will be provided in the Health Care Center according to the Health Care Center's fee schedule. You will be responsible for the costs of such services and procedures not reimbursed by Medicare or other third party payer.
 - c) Visiting Nursing Services** – Visiting nursing services may be available for consultation and assistance to you in your residence on a short-term basis. Such services may require an additional charge.
 - d) Special Services** – ThriveMore will provide facilities to accommodate some special services such as Dentistry, Physical Therapy, Occupational Therapy, Speech Therapy, and Pharmacy Services. You will be responsible for the cost of these, and other special services not reimbursed by Medicare or any other third party payer. You are responsible for the costs of medications procured through ThriveMore pharmacy service or elsewhere.
- 3. Assistance with Insurance Claims** – ThriveMore will assist you with the filing of health care insurance claims for services rendered by ThriveMore. Whenever ThriveMore files insurance claims for you, you agree to promptly and fully cooperate in the filing of all such claims. Resident shall be responsible for all fees, costs and expenses should Resident's insurance be denied for any reason.
- 4. Personal Assistants** – You may arrange for limited assistance to accomplish activities of daily living. Personal assistants may be required to be approved by ThriveMore before they are allowed access to ThriveMore facilities. You are responsible for any costs related to the services of any personal assistant. You are responsible for any injury to others or damage to the property of others or of ThriveMore by your assistant(s). ThriveMore may limit or terminate the services of any assistant and may refuse access to the grounds or facilities of ThriveMore by such assistant. You understand that arranging

and receiving care from a personal assistant does not take the place of care that may best be provided in the Health Care Center (See Section IV.B).

5. **Hospitalization** – ThriveMore may assist you in arranging your inpatient hospital care when ordered by a physician. You will be responsible for all hospital charges not covered by Medicare or other third party payer.

7. **Health Care Services in ThriveMore Health Care Center** – ThriveMore will provide temporary or permanent assisted living services, skilled nursing services, and respite care services to you when ordered by a physician. Health care services are provided based upon a specific fee structure as outlined below:
 - a) **Pre-Paid Days:** You are eligible for thirty (30) “free” days in the Health Care Center beginning with the initial Date of Occupancy at ThriveMore. Pre-paid days may also be used for a stay in an alternative health care facility. Should it be necessary to use one or more “free” days, these may again accrue to a maximum of thirty (30) days. One pre-paid day accrues on the first day of each month for which you have not occupied a Health Care Center bed or a bed in an alternative health care facility in the prior month up to a maximum of thirty (30) days. While residing in the Health Care Center or in an alternative health care facility (but only if such alternative health care facility is due to the Community’s inability to provide the necessary care to Resident and not for an alternative health care facility that Resident has chosen) when pre-paid days are available, you continue to pay the current Monthly Fee. After the accrued pre-paid days have been used, the rates as outlined in paragraphs 7.b through 7.h below apply or the rates actually charged by the alternative health care facility.

 - b) **Single Occupancy, Temporary Health Care Center:** When it is deemed by ThriveMore that you are a temporary resident of the Health Care Center, and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore in addition to the regular Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident’s meal plan selection.

 - c) **Single Occupancy, Permanent Health Care Center:** When it is deemed by ThriveMore that you are a permanent resident of the Health Care Center and after pre-paid days have been used, you will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once you become a permanent resident of the Health Care Center, all personal belongings have been removed from your independent living residence and a final walk-through has been completed, you will relinquish the independent living residence, and the Monthly Fee for the independent living residence will no longer be paid.

 - d) **Double Occupancy, One Resident Temporarily in Health Care Center:** After pre-paid days have been used, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee, plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is

temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

- e) **Double Occupancy, One Resident Permanently in Health Care Center:** After pre-paid days have been used, the resident permanently transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Single Occupancy Monthly Fee plus One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore.
- f) **Double Occupancy, Both Residents Temporarily in Health Care Center:** After pre-paid days have been used, if both residents are temporarily transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. In addition, the resident temporarily transferred to the Health Care Center and the resident remaining in the independent living residence will continue to pay the Double Occupancy Monthly Fee. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.
- g) **Double Occupancy, Both Residents Permanently in Health Care Center:** After pre-paid days have been used, if both residents are permanently transferred to the Health Care Center, each will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Once all personal belongings have been removed from the independent living residence, and a final walk-through has been completed, you will relinquish the independent living residence and the Monthly Fee will no longer be paid for the independent living residence.
- h) **Double Occupancy, One Resident Temporarily in Health Care Center and One Resident Permanently in Health Care Center:** After pre-paid days have been used, if one resident is temporarily transferred to the Health Care Center, and the other resident is permanently transferred to the Health Care Center, the rates outlined in Section V.B.7.e will apply. In addition, the resident temporarily transferred to the Health Care Center will pay One Hundred Percent (100%) of the per diem rate for health care services published by ThriveMore. Resident that is temporarily transferred to the Health Care Center will receive a meal credit for up to 30 days based on Resident's meal plan selection.

If appropriate accommodations suited to meet your needs are not available, ThriveMore will be responsible for identifying alternative health care facilities for you, until such time as an appropriate accommodation is available in ThriveMore's Health Care Center.

Resident is responsible for the costs of care at the alternative health care facility. During the period of stay in an alternative health care facility, all costs of care will be billed to the Resident by the alternative health care facility. If such costs are not covered by Medicare or other third party payer, the Resident is responsible for the costs of care at the alternative health care facility and, the Resident may elect to use any available pre-paid days as described in paragraph 7.a above. Should you elect to use any available pre-paid days, ThriveMore will either reimburse you or credit your account for the scope of

services that would otherwise be included in the per diem rate, provided that ThriveMore's obligation shall not exceed the current prevailing per diem rate.

C. Direct Admission to the Health Care Center:

After the execution of this Agreement and prior to the Date of Occupancy, you may be admitted directly to the Health Care Center should it be determined that your physical or mental condition precludes you from living independently. Under this circumstance, health care services will be delivered as outlined below. Financial support as described in Section III.E. will not apply unless a co-resident takes occupancy of an independent living residence. Should independent living status as determined by ThriveMore be regained, you will have a priority right to an independent living residence equivalent to the independent accommodation previously contracted, and you may move to the independent living residence by paying the balance of the current Entry Fee and the applicable Monthly Fee.

- 1. Direct Admission to Skilled Nursing** – If after execution of this Agreement and prior to the Date of Occupancy, it is determined that you require skilled nursing services, you may be admitted directly to a skilled nursing residence if accommodations are available. You will pay the current daily skilled nursing rate, instead of the Entry Fee and Monthly Fees. Should you subsequently move to an independent living residence after having paid the remaining portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7 of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.
- 2. Direct Admission to Assisted Living** – If after execution of this Agreement and prior to the Date of Occupancy it is determined that assisted living services are required, you may be admitted directly to an assisted living residence if accommodations are available. You will pay the current monthly assisted living rate instead of the Entry Fee and Monthly Fee. You may transfer to skilled nursing if more intensive care is needed and accommodations are available, and would then be charged the current daily skilled nursing rate. Should you move to an independent living residence after having paid the remaining portion of the Entry Fee and again require Health Care Center services, you would be eligible for the reduced rates outlined in Section V.B.7. of this Agreement, after an agreed upon, pre-determined time of independent residency has been established and met.
- 3. Double Occupancy and Direct Admission** – In the case of double occupancy, a resident entering an independent living residence with a co-resident directly admitted to the Health Care Center will pay the Single Occupancy Entry Fee and Single Occupancy Monthly Fee for the independent living residence.

VI. Termination Prior to Occupancy and Terms of Refund

A. Termination by the Resident:

- 1. Termination Within the Thirty (30) Day Right of Rescission Period** – You may rescind this Agreement prior to the Date of Occupancy, or after occupancy, by giving written notice to ThriveMore within thirty (30) days following the later of the execution of this Agreement or of the date that you received the Disclosure Statement as required by Section 58-64-1, et. seq. of the North Carolina General Statutes. You will receive a full refund equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate. You are not required to take occupancy before the end of the thirty (30) day rescission period.
- 2. Termination After the Thirty (30) Day Right of Rescission Period** – After the thirty (30) day rescission period and prior to the Date of Occupancy, if you terminate this Agreement, you will receive a refund equal to the funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee for the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of receipt of your written notice to terminate.

B. Termination by ThriveMore:

The Agreement may be terminated by ThriveMore if it is determined by ThriveMore that you have misrepresented or omitted medical, financial, or other information given to ThriveMore during the application process, or if your financial status changes prior to the Date of Occupancy such that you no longer meet ThriveMore's financial requirements for admission. In such event, you will be due a refund equal to the total amount of funds paid toward the Entry Fee without interest, less an administrative fee equal to two percent (2%) of the Entry Fee based on the independent living residence selected, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. Your refund will be paid within sixty (60) days of written notice to terminate.

C. Termination as a Result of Death or Illness of Resident:

Prior to the Date of Occupancy, should you die, become ill, be injured or otherwise incapacitated such that ThriveMore determines that independent living is not possible, this Agreement will automatically be terminated and a refund shall be due to you within sixty (60) days, equal to the funds paid toward the Entry Fee without interest, less any non-standard costs incurred by ThriveMore at your request and less any other costs and expenses incurred by you but not paid. In lieu of terminating this Agreement, you may

elect to enter the Community's Health Care Center under the terms of the direct admissions policy outline in Section V.C.

D. Termination of Residency If Listed on a Sex Offender Registry

Resident hereby acknowledges that it is the policy of ThriveMore to conduct sex offender screening for every prospective resident, regardless of independent status or level of care, at the time of application for admission to ThriveMore and again prior to entering into a Residence and Services Agreement. If the screening shows that the prospective resident is identified as a sex offender, ThriveMore will deny admission of Resident on that basis and not execute a Residence and Services Agreement. In addition, Resident hereby acknowledges and agrees that if, after ThriveMore and Resident have entered into a Residence and Services Agreement, ThriveMore becomes aware that Resident is listed on any sex offender registry, ThriveMore may terminate this Agreement with Resident and remove Resident from the Community. If there is more than one resident who is a party to this Agreement, the termination of this Agreement in such instance shall only apply to the resident listed on the sex offender registry.

VII. Conditions of Termination After Occupancy

A. Termination by the Resident: In addition to Section VI., this Agreement may be terminated by you in accordance with the following conditions:

1. The Agreement will be terminated upon your death, or the death of the surviving resident in the case of co-residency.
2. A permanent move to the Health Care Center is not considered a contract termination, and therefore a refund is not applicable. Refunds may only apply upon the termination of the Agreement. The Termination Date will be determined in accordance with Section VII.C. below.
3. Except in the case of death, you must give ThriveMore sixty (60) days written notice of your intent to terminate the Agreement.
4. You must leave the Residence in a condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.
5. Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

B. Termination by ThriveMore: ThriveMore may terminate the Agreement with you if you breach this Agreement, or if you fail to pay the Monthly Fee and any other ancillary charges, or fail to follow the standard policies or procedures of ThriveMore, or refuse to relocate as required by this Agreement, or engage in activities or conduct disruptive to

the Community, or if you interfere with the health and safety of the Community, or if you have misrepresented or omitted medical, financial or other information given to ThriveMore during the application process. ThriveMore will be required to give you at least sixty (60) days written notice to vacate your residence.

You must leave the Residence in condition satisfactory to ThriveMore. ThriveMore may charge you for the cost of work required to restore the Residence to its standard condition, with the exception of reasonable wear and tear.

Refunds to you shall be reduced by the amount of your outstanding fees and charges due to ThriveMore.

- C. Termination Date:** The “Termination Date” of this Agreement will be the date on which your personal property has been removed from the residence or sixty (60) days following written notice, whichever is later. You will be required to continue paying the Monthly Fee until the Termination Date or until your personal belongings have been removed and a walk-through has been completed by you or your designee and management, whichever is later.

VIII. Conditions for Refund After Occupancy

- A. Termination of Standard Agreement by Resident or by Death:** You may be entitled to a refund of the Entry Fee. If Resident dies or terminates this Agreement during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.
- B. Termination of Standard Agreement by ThriveMore:** If ThriveMore terminates this Agreement pursuant to Section VII.B, you may be entitled to a refund of the Entry Fee. If termination of this Agreement occurs during the first twenty-four (24) months of this Agreement, you or your estate may be entitled to a partial refund of the Entry Fee. You or your estate will receive a refund in the amount equal to: (i) the Entry Fee; less (ii) four percent (4%) of the Entry Fee on the Occupancy Date and then four percent (4%) of the Entry Fee for each month that this Agreement has been in effect for up to twenty-four (24) months; less (iii) any amounts due to ThriveMore. After twenty-four (24) months, there is no refund of the Entry Fee. Entry Fees will not be pro-rated for a period less than one month.
- C. Payment of Refunds:** Any refund of the Entry Fee will be paid after all outstanding fees and charges due to ThriveMore by you have been paid, your personal belongings have been removed, and a final walk-through has been completed. Such payment shall be deferred until the earlier of (i) thirty (30) days after the independent living residence

formerly occupied by you is re-occupied and a full Entry Fee is received by ThriveMore for the residence and (ii) the Twenty-Four (24) month anniversary of the effective date of the termination of this Agreement. Refunds will be paid to you, or in the event of your death, to your estate or if this Agreement has been amended to provide that the refund will be paid to trustee(s) of the revocable trust(s) of Resident, the refund shall be paid to the trustee(s) rather than to Resident's estate. ThriveMore shall have the right to offset any fees and charges owed to ThriveMore with any refund due to you or your estate.

- D. Release upon Termination:** Upon termination of this Agreement, ThriveMore is released from any further obligations to you except for the payment of any refund which may be due under Sections VI and VIII of this Agreement.

IX. Miscellaneous

- A. ThriveMore's Disclosure Requirements:** In keeping with North Carolina requirements for disclosure of financial information to the public and to ThriveMore's residents, ThriveMore will file an annual disclosure statement with the North Carolina Department of Insurance ("Disclosure Statement"). A copy of the most recent Disclosure Statement will be delivered to you prior to the execution of this Agreement and a copy of each subsequent Disclosure Statement shall be made available to you so long as you reside at ThriveMore.
- B. The Resident's Disclosure Requirements:** During the process of applying for admission, you have disclosed your complete health status and history, and your complete financial position to ThriveMore as of the date of this Agreement. ThriveMore will not be responsible for any financial support, or for the cost of your care if the true and correct nature of your financial position and/or medical condition has not been revealed to ThriveMore as of the date of this Agreement or subsequent to the date of this Agreement based upon information you provided to ThriveMore, at its request. Upon the request of ThriveMore, you are obligated to provide us the current status of your health and/or financial position so long as you remain a resident of ThriveMore.
- C. Rights, Privileges and Limitations:** The rights and privileges to you under this Agreement for living accommodations, facilities, and services are personal and non-transferable and do not include any proprietary interest in the properties or assets of ThriveMore.

Your rights shall at all times be subordinate to any obligations of ThriveMore. Upon request by ThriveMore, you agree to execute and deliver a subordination agreement to establish the priority of such obligations as a lien or liens against the property.

- D. Management of The Community:** The absolute rights of management are reserved by ThriveMore and its Board of Trustees. ThriveMore reserves the right to accept or reject any person as a resident. Residents do not have the right to determine admission or terms of acceptance of any other resident.

- E. Assignment:** This Agreement and the rights and privileges of Resident under this Agreement to a residence, facilities and services, and any other rights and privileges hereunder, are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise.
- F. Successors and Assigns:** Except as set forth herein, this Agreement will bind and inure to the benefit of the successors and assigns of ThriveMore and your heirs, executors, administrators and permitted assigns.
- G. Uncontrollable Interruption of Service:** No breach of ThriveMore's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, contracted service due to an act of God or other cause beyond the reasonable control of ThriveMore, specifically including strikes or other forms of labor disturbances, government regulations and/or embargoes, pandemic or epidemic, shortages of labor or materials, fire, flood, earthquake, inclement weather or acts of the resident. ThriveMore shall make reasonable efforts to continue to provide the usual services in such event.
- H. Confidentiality:** ThriveMore has the responsibility to keep all of the personal, medical and financial information you have supplied confidential. You agree that ThriveMore can disclose such information to those who have a need, in ThriveMore's judgment, or the right to know.
- I. Indemnity:** You agree to indemnify, defend and hold ThriveMore harmless from claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your acts or omissions or those of your guests, including private duty nurses or any other third party service contracted by you. This Section IX. I. shall survive termination of this Agreement.
- J. Affiliation:** ThriveMore has an historical relationship to the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of ThriveMore. ThriveMore holds membership in LeadingAge and LeadingAge NC.
- K. Subordination to Financing:** The rights of Resident are limited to those rights and privileges expressly granted by the terms of this Agreement. The Community or other ThriveMore facilities, properties, assets or revenues are or may be subject to a first deed of trust or other security instrument or serve as security for various financing arrangements. Certain legal rights of the lender, including any right of foreclosure in the event of default, are superior to the rights and privileges granted the Resident by this Agreement.
- L. Waiver of Breach:** The failure of ThriveMore in any one or more instances to insist upon the strict performance, observance, or compliance by you with any of the terms or provisions of this Agreement, or its waiver of a breach by you of any terms or provisions of this Agreement, shall not be construed as a waiver or relinquishment by ThriveMore of

its right to insist upon strict compliance by you with all terms or provisions of this Agreement.

- M. Rules Adopted by ThriveMore:** ThriveMore reserves the right to adopt policies, procedures and rules regarding the Community, ThriveMore, residents, residency, and/or services. You agree to observe the policies, procedures and rules adopted by ThriveMore for the convenience, comfort, and safety of all.
- N. Amendment of Residence and Services Agreement and General Conditions:** ThriveMore reserves the right, upon thirty (30) days prior written notice to all residents, to modify or amend the Residence and Services Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to ThriveMore, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Board of Directors of ThriveMore to be in the best interest of ThriveMore and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.
- O. Entire Contract in this Agreement:** This Agreement, Exhibit A, Exhibit B, Exhibit C and any attached Exhibits, Schedules, Addenda, Application Forms, and Requests for Changes to the Living Residence constitute the entire contract between ThriveMore and you. ThriveMore is not liable for, nor bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent ThriveMore unless such statements, representations, or promises are set forth in this Agreement. Except as set forth in Section IX.N., this Agreement may not be amended or modified except by written agreement signed by the parties hereto and incorporated herein by reference.
- P. Governing Law: Venue:** This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Forsyth County or the United States District Court for the Western District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts. In the event of any such dispute, the non-prevailing party shall pay all reasonable costs, expenses and attorneys' fees incurred by the prevailing party.
- Q. Notice Provisions:**

Any notices, consents, or other communications to ThriveMore shall be in writing and addressed as follows:

President/CEO
Baptist Retirement Homes of North Carolina, Incorporated dba
ThriveMore
1912 Bethabara Road
Winston-Salem, NC 27106

Your address for the purpose of giving notice prior to your move to ThriveMore is the address appearing after your signature on the following page or other such address you provide to ThriveMore in writing.

R. Counterparts:

This Agreement may be executed in two or more counterparts, and by the different parties in separate counterparts, and executed and delivered by facsimile, .pdf, DocuSign, Senior Sign or any other electronic means, each of which when executed will be deemed to be an original, but all of which taken together will constitute one and the same agreement.

[Signature page follows.]

NOTICE

BECAUSE THE AUTHORITY TO ENTER CONTINUING CARE CONTRACTS GRANTED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE IS NEITHER A GUARANTEE OF PERFORMANCE BY THE PROVIDER NOR AN ENDORSEMENT OF ANY CONTINUING CARE CONTRACT PROVISION, PROSPECTIVE RESIDENTS MUST CAREFULLY CONSIDER THE RISKS, BENEFITS, AND COSTS BEFORE SIGNING A CONTINUING CARE CONTRACT AND ARE STRONGLY ENCOURAGED TO SEEK FINANCIAL AND LEGAL ADVICE BEFORE DOING SO.

Acknowledgements

Your signature below certifies that you have received, read, understand, and accept this Residence and Services Agreement and the current Disclosure Statement for ThriveMore.

Resident's Signature

Current Address: Street/P.O. Box

City, State, Zip Code

Telephone

Co-Resident's Signature

Current Address: Street/P.O. Box

City, State, Zip Code

Telephone

By _____
President/CEO

EXHIBIT A

Your signature below certifies that you understand and accept the following terms:

DATE OF OCCUPANCY: _____

RESIDENCE NUMBER/TYPE: _____

REFUND PLAN: () Standard Amortized () 50% Refundable () 90% Refundable

RESIDENCY: () Single Occupancy () Double Occupancy

TOTAL ENTRY FEE: _____

WORKING CAPITAL FEE: _____

LESS; FUTURE RESIDENCY DEPOSIT: _____

LESS: RESERVATION DEPOSIT: _____

LESS: 10% DEPOSIT: _____

CURRENT MONTHLY FEE: _____

ADDENDA: _____

Resident's Signature **Date**

Co-Resident's Signature **Date**

By _____
President/CEO **Date**

EXHIBIT B

Schedule of Ancillary Charges
[Date]

EXHIBIT C

Resident's Application

See attached.

ATTACHMENT IV-A

Amendment to Residence and
Services Agreement;
Promissory Note;
And
Deed of Trust

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED

**AMENDMENT TO APARTMENT RESIDENT AGREEMENT
GARDENS OF TAYLOR GLEN RETIREMENT COMMUNITY**

THIS AMENDMENT TO APARTMENT RESIDENT AGREEMENT (“Amendment”) is entered into in Concord, Cabarrus County, North Carolina by and between Baptist Retirement Homes of North Carolina, Incorporated, a nonprofit corporation duly organized under the laws of the State of North Carolina, hereinafter referred to as “Baptist Homes,” and _____ hereinafter referred to as “Resident,” and _____, hereinafter referred to as “Responsible Party.” (If more than one person who will be a resident enters into this Amendment, the word “Resident” as used herein shall include both of them unless otherwise stated.)

In consideration of mutual promises and understandings herein set forth and set forth in the Apartment Resident Agreement (“Agreement”), Baptist Homes, Resident, and Responsible Party agree to amend the Agreement as follows:

1. Paragraph 1 of the Agreement is hereby deleted and replaced in its entirety with the following:

Resident shall pay to Baptist Homes the sum of \$ _____ as an Entrance Fee for Apartment # _____, in the following manner:

- a. Ten percent (10%) upon execution of the Agreement by Resident, including a credit for the reservation fee, if any, previously paid.
- b. An additional fifteen percent (15%) of the Entrance Fee not less than thirty (30) days prior to the “date of occupancy” as described in Paragraph 2 of the Agreement.
- c. The remaining seventy-five percent (75%) immediately upon the earlier of (i) the sale or transfer of title to that certain property located at _____ (the “Property”) which Property shall be more specifically described in the Deed of Trust (as hereinafter defined) executed, acknowledged and delivered to Baptist Homes concurrently with the Promissory Note (as hereinafter defined), or (ii) two (2) years following the “date of occupancy” as described in Paragraph 2 of the Agreement.

Not less than thirty (30) days prior to the “date of occupancy” as defined in Paragraph 2 of the Agreement, Resident shall (A) execute (and cause Responsible Party to acknowledge) a promissory note in an amount equal to seventy-five percent (75%) of the Entrance Fee and otherwise substantially in the form attached to this Amendment as Exhibit A (the “Promissory Note”) and (B) execute and have acknowledged by a notary (and cause Resident’s spouse, if any, to execute and have acknowledged by a notary) a deed of trust substantially in the

form attached to this Amendment as Exhibit B (the "Deed of Trust"). Baptist Homes is authorized to record the executed Deed of Trust in the Office of the Register of Deeds for the County in which the Property is located upon receipt.

2. A new Paragraph 10(c) shall be inserted to read as follows:

If Resident has executed a Promissory Note as described in Paragraph 1, Baptist Homes shall take such steps necessary to destroy or otherwise invalidate the Promissory Note in the event of termination under this Section 10.

3. Paragraph 11(a)(ii) of the Agreement is hereby deleted and replaced in its entirety with the following:

If Resident occupies the Apartment Home for a period of time but, within sixty (60) months of occupying the Apartment Home, voluntarily terminates the Agreement pursuant to Paragraph 11(a)(i) thereof or dies, Baptist Homes will refund an amount equal to the amortized remaining value of the Entrance Fee based on a sixty (60) month term; provided however, to the extent that Resident terminates the Agreement or dies prior to paying the full Entrance Fee as permitted under Section 1(c), such refund shall be an amount equal to the amortized remaining value of the portion of the Entrance Fee actually paid based on a sixty (60) month term starting with the date of occupancy (regardless of when such portion of the Entrance Fee was paid). If Resident voluntarily terminates the Agreement or dies more than sixty (60) months after occupying the Apartment Home, no refund will be paid by Baptist Homes.

4. A new Paragraph 11(e) shall be inserted to read as follows:

If Resident has executed a Promissory Note as described in Paragraph 1, Baptist Homes shall take such steps necessary to destroy or otherwise invalidate the Promissory Note in the event of termination under this Section 11.

5. Paragraph 14 of the Agreement is deleted and replaced in its entirety with the following:

When an Apartment Home is occupied by more than one person, all of whom have initially signed this Agreement, and one Resident dies or moves from the Apartment Home and releases or relinquishes further occupancy rights, leaving one or more Residents remaining in the Apartment Home, no refund is payable at that time. In such a case, the remaining Resident shall have the option of retaining the same Apartment Home, paying any portion of the Entrance Fee that remains outstanding by the maturity date reflected in the applicable Promissory Note, receiving no refund on the Entrance Fee, and paying the monthly service fee applicable to the number of persons then occupying that Apartment. Under such circumstances, Resident agrees to sign any ratification or amendment to the Agreement, a ratification of the applicable Promissory Note (if such Promissory Note was given in Resident's name), a new promissory note and related security instruments (if the Promissory Note is not in Resident's name), and/or such

similar instruments as Baptist Homes, in its reasonable discretion, deems appropriate to secure Resident's obligation to pay any outstanding portion of the Entrance Fee.

6. If a Resident transfers or otherwise accepts space in the Health Care Center under Paragraphs 15 or 16 of the Agreement, notwithstanding any other provision of the Agreement, including but not limited to Section 16(a)(i), such transfer shall not impact Resident's obligation to pay any outstanding balance on the Entrance Fee by the maturity date set forth in the applicable Promissory Note.
7. Except as otherwise amended herein, the Agreement shall remain in full force and effect, and shall be binding upon the parties.
8. The Resident and Responsible Party have read this Amendment and understand its provisions. The Agreement, this Amendment, and any other amendments thereto constitute the entire Agreement between Baptist Homes and Resident and Responsible Party and supersedes all prior negotiations, understandings, and agreements between them. Baptist Homes is not liable for nor bound in any manner by any statements, representations or promises made by any person representing or purporting to represent Baptist Homes unless such statements, representations or promises are set forth in the Agreement, this Amendment, or any other amendments thereto.
9. If there is a final determination by appropriate legal authorities that any portion of this Amendment conflicts with or is inconsistent with valid state or federal law or regulation applicable to Baptist Homes, the Resident and/or the services covered by this Amendment, such law or regulation shall control the relationship between Baptist Homes and the Resident in lieu of any portion of this Amendment as to which there has been such a final determination.
10. If a portion of this Amendment shall be determined to be illegal or not in conformity with appropriate laws and regulations, it shall not invalidate or affect the validity of the remainder of this Amendment or the Agreement.

[SIGNATURE PAGES FOLLOW]

County of _____

State of North Carolina

I certify that the following person(s) personally appeared before me this the ____ day of _____, 20__, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Resident(s)].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

* * * * *

County of _____

State of North Carolina

I certify that the following person personally appeared before me this the ____ day of _____, 20__, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Responsible Party].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

* * * * *

County of _____

State of North Carolina

I certify that the following person personally appeared before me this the ____ day of _____, 20__, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:: _____ [Baptist Retirement Homes of North Carolina, Incorporated].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

Exhibit A

Note

[Attached]

PROMISSORY NOTE

Amount: _____

Date: _____

FOR VALUE RECEIVED, _____ (“Maker”), hereby promises to pay to the order of Baptist Retirement Homes of North Carolina, Incorporated, a nonprofit corporation duly organized under the laws of the State of North Carolina and its successors and assigns (collectively, “Holder”), at Baptist Retirement Homes of North Carolina, Incorporated, P.O. Box 11024, Winston-Salem, NC 27116-1024, or at such other place as may be designated by Holder, the principal amount of _____ (the “Principal Amount”), in immediately available funds, pursuant to the terms and conditions contained in this promissory note (“Note”).

1. **Repayment Terms.** Maker shall pay the entire Principal Amount to Holder on or before the earlier of (a) the sale or transfer of title to that certain property located at _____ (the “Property”) which Property is more specifically described in that certain Deed of Trust executed, acknowledged and delivered by Maker to Holder concurrently herewith, or (b) _____ (the “Maturity Date”) without further notice or demand. All payments shall be made by wire transfer in accordance with Holder’s wiring instructions or by certified check.

2. **Interest Rate.** No interest shall accrue or be payable on the unpaid Principal Amount of this Note, provided that, upon an Event of Default (as hereinafter defined) the outstanding Principal Amount shall bear interest at a rate of seven percent (7%) per annum, compounded monthly (“Default Interest”).

3. **Waivers, Consents and Covenants.** Maker waives, to the extent permitted by applicable law, presentment, demand and protest, in connection with the delivery, acceptance, performance, default or enforcement of this Note.

4. **Right of Prepayment.** Prior to the Maturity Date, Maker may prepay this Note without penalty at any time.

5. **Events of Default.** The occurrence of one or more of the following events shall be “Events of Default” under this Note, and the term “Event of Default” shall mean, whenever used in this Note, any one or more of the following events:

- (a) **Failure to Pay.** Maker shall fail to fully pay the Principal Amount in accordance with the terms of this Note on or before the Maturity Date.
- (b) **Other Defaults.** Maker shall fail in the due observance or performance of any other term, covenant or agreement in this Note, which default shall remain unremedied for ten (10) days after written notice thereof to Maker by Holder.
- (c) **Receiver; Bankruptcy.** Maker shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of his or her property, (ii) make a general assignment for the benefit of creditors, (iii) be adjudicated as bankrupt or be insolvent, (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against him or her in any proceeding under any such law, or (v) by any act indicate his or her consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of

or trustee for any of his or her property, or suffer any such receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days.

6. **Remedies Upon Default.** Upon the occurrence of an Event of Default, and until such Event of Default shall have been cured, Holder may, at its option and without further notice or demand, (i) declare the outstanding Principal Amount of this Note, including any Default Interest accrued but unpaid, at once due and payable, (ii) pursue any and all rights, remedies and recourses available to the Holder at law or in equity, or (iii) pursue any combination of the foregoing.

7. **Apartment Resident Agreement.** This Note has been delivered pursuant to the Apartment Resident Agreement between Maker and Holder, as amended (the "Resident Agreement").

8. **Non-Waiver.** The failure at any time of Holder to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Holder shall be cumulative and may be pursued singly, successively or together, at the option of Holder. The acceptance by Holder of any partial payment shall not constitute a waiver of any default or of any of Holder's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by either party unless the same shall be in writing, duly signed by each party; each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Holder or the obligations of Maker to Holder in any other respect at any other time.

9. **Applicable Law.** This Note and the rights and obligations of Maker and Holder shall be governed by and interpreted in accordance with the laws of the State of North Carolina.

10. **Partial Invalidity.** The unenforceability or invalidity of any provision of this Note shall not affect the enforceability or validity of any other provision herein, and the invalidity or unenforceability of any provision of this Note to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

11. **Binding Effect.** This Note shall be binding upon and inure to the benefit of Maker and his or her heirs, successors, and permitted assigns and Holder and its successors and assigns.

12. **Costs/Attorneys Fees.** In the event default is made in the prompt payment of this Note when due or declared due, and this Note is placed in the hands of an attorney for collection, or suit is brought on the same, or the same is collected through probate, bankruptcy or other judicial proceedings, then Maker shall pay on demand all costs of collection, including reasonable attorney's fees.

13. **Manner and Method of Payment.** All payments called for in this Note shall be made in lawful money of the United States of America by wire transfer to an account designated by Holder, which account may be changed by Holder from time to time upon notice to Maker pursuant to Section 15 hereof, or by certified check.

14. **No Usury Intended; Usury Savings Clause.** In no event shall interest contracted for, charged or received hereunder, plus any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to the holder of the Note in excess of the amounts permitted by applicable law shall be applied by the holder of the Note to reduce the principal of the indebtedness evidenced by the Note, or, at the option of Holder, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the Note, all interest at any time contracted for,

charged or received from Maker hereof in connection with the loan and indebtedness evidenced hereby, so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

15. **Notices.** All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective (i) upon receipt or refusal of delivery, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested), or delivered by courier service or overnight mail to the parties at the following addresses (or at such other address for a party as shall be communicated by such party pursuant hereto) or (ii) upon receipt if sent by electronic transmission to the telecopier number specified below (or at such other telecopier number for a party as shall be communicated by such party pursuant hereto) provided that a copy of such notice or other communication is delivered personally or by courier service within two (2) business days following such electronic transmission:

(a) If to Maker:

(b) If to Holder:

Baptist Retirement Homes of North Carolina, Incorporated
P.O. Box 11024
Winston-Salem, NC 27116-1024
Attn: _____

16. **Transfer.** This Note may be transferred or otherwise assigned by Holder, provided Holder gives prior written notice thereof to Maker.

17. **Construction.** As used herein, the singular includes the plural and the plural includes the singular. A reference to any gender also applies to any other gender. Defined terms are capitalized throughout this Note. The section headings are for convenience only and are not part of this Note.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, Maker has caused this Note to be executed as of the day and year first above written.

MAKER:

[Name]
Social Security No. _____

_____, as the Responsible Party under the Resident Agreement does hereby execute this Note to evidence its acknowledgment of, and consent to, the duties and obligations of Maker and the rights and interests of Holder hereunder.

RESPONSIBLE PARTY:

[Name]

*Signature Page to Promissory Note to
to Baptist Retirement Homes of North Carolina, Incorporated,
dated _____, 20__.*

Exhibit B

Deed of Trust

[Attached]

PREPARED BY: _____

RETURN TO: _____

Brief Description for the Index: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

DEED OF TRUST

This DEED OF TRUST ("**Deed of Trust**") made as of _____, 20__ by _____ and _____, whose address is _____ (individually and collectively "**Grantor**"), to _____ whose address is _____, as trustee ("**Trustee**"), for the benefit of BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED, whose address is P.O. Box 11024, Winston-Salem, NC 27116-1024, Attn.: Mr. William Stillerman ("**Beneficiary**").

WITNESSETH :

WHEREAS, the Grantor is indebted to the Beneficiary in the principal sum of _____ and ___ Dollars (\$ _____), as evidenced by a Promissory Note of even date herewith (the "**Note**"). The maturity date of the Note, if not sooner paid, is the earlier of (i) the transfer or sale of title to the Property (as hereinafter defined) or (ii) _____, 20__.

NOW, THEREFORE, as security for the indebtedness under the Note, advancements and other sums expended by Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor has bargained, sold, given and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee with power of sale, Trustee's heirs, or successors, and assigns, the parcel(s) of land situated in the City of _____, _____ County, North Carolina, (the "**Property**") and more particularly described on Exhibit A attached hereto;

TO HAVE AND TO HOLD the Property with all privileges and appurtenances thereunto belonging, to said the Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

IN TRUST, HOWEVER, that if the Note is timely paid and performed and each and every representation, warranty, agreement, and condition of this Deed of Trust is complied with and abided by, this Deed of Trust and the estate hereby created shall cease and be null, void, and canceled of record at the request and expense of Grantor.

Grantor WARRANTS AND REPRESENTS that Grantor is seized of the Property in fee simple, has the right to convey the same in fee simple, that the title is marketable and free and clear of all encumbrances, and that Grantor will warrant and will defend the title thereto to Trustee, Beneficiary and Beneficiary's successors and assigns, against the lawful claims of all persons whomsoever.

Grantor further represents and agrees with Trustee and Beneficiary as follows:

1. Insurance. Grantor shall keep all improvements on the Property, not or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and hazards, in such manner and in such companies and for such amounts, not less than that amount necessary to pay the sum secured by this Deed of Trust, and as may be satisfactory to the Beneficiary, and shall provide liability insurance providing coverage in such amount as Beneficiary may require (collectively "**Insurance**") naming Beneficiary as an additional insured. Grantor shall purchase the Insurance, pay all premiums therefore, and shall deliver to Beneficiary such policies along with evidence of premium payments as long as the Note secured hereby remains unpaid. All proceeds from any Insurance shall at the option of Beneficiary be applied to the Note and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the Property.

2. Waiver. Grantor waives all rights to require marshalling of assets by the Trustee or Beneficiary.

3. Impositions. Grantor will pay all taxes, levies, assessments and other fees and charges imposed upon or which may become a lien upon the Property under any law or ordinance (collectively "**Impositions**") before they become delinquent and in any event in the same calendar year in which they first become due.

4. Condition of Property. Grantor shall keep and maintain the Property in good condition and repair and fully protected from the elements to the satisfaction of Beneficiary. Grantor will not remove, demolish or structurally alter any of the buildings or other improvements on the Property (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Beneficiary. Grantor shall promptly notify Beneficiary in writing of any loss, damage or adverse condition affecting the Property. Grantor shall comply with all governmental regulations and requirements respecting the Property or its use and will not commit waste.

5. Eminent Domain. Should the Property or any interest therein be taken or damaged by reason of any public use or improvement or condemnation proceeding (“**Condemnation**”), or should Grantor receive any notice or other information regarding such Condemnation, Grantor shall give prompt written notice thereof to Beneficiary. Beneficiary shall be entitled to all compensation, awards and other payments or relief granted in connection with such Condemnation and, at its option, may commence, appear in and prosecute in its own name any action or proceedings relating thereto. Beneficiary shall be entitled to make any compromise or settlement in connection with such taking or damage. All compensation, awards, and damages awarded to Grantor related to any Condemnation (the “**Proceeds**”) are hereby assigned to Beneficiary and Grantor agrees to execute such further assignments of the Proceeds as Beneficiary may require. All the Proceeds shall be applied to the outstanding principal balance under the Note. Grantor appoints Beneficiary as its attorney-in-fact to receive and endorse the Proceeds to Beneficiary, which appointment is coupled with an interest and shall be irrevocable as long as the Note remains unsatisfied.

6. Inspections. Beneficiary, or its representatives or agents, are authorized to enter at any reasonable time upon any part of the Property for the purpose of inspecting the Property and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust.

7. Liens and Subrogation. Grantor shall pay and promptly discharge all liens, claims and encumbrances upon the Property made after the recording of this Deed of Trust.

8. Payments by Beneficiary. After notice to Grantor and Grantor’s failure to pay, Beneficiary may pay such sums as Beneficiary deems appropriate for the protection and maintenance of the Property including, without limitation, sums to pay Impositions and other levies, assessments or liens, maintain Insurance, make repairs, secure the Property, maintain utility service, intervene in any condemnation and pay attorneys’ fees and other fees and costs to enforce this Deed of Trust or protect the lien hereof (including foreclosure) or collect on the Note, without limitation, including those incurred in any proceeding including bankruptcy or arbitration. Any amounts so paid shall bear interest at the default rate stated in the Note and shall be secured by this Deed of Trust. No payment by Beneficiary or anything else contained in this section shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an Event of Default.

9. Indemnification. Grantor shall protect, indemnify and save harmless Beneficiary from and against all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) (collectively, “**Damages**”) imposed upon, incurred by or asserted against Beneficiary on account of (i) any claim of loss or damage to the Property or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation thereof, (ii) any failure or alleged failure of Grantor to comply with any law, rule or regulation applicable to the Property or the use, occupancy or operation of the Property (including, without limitation, the failure to pay any taxes, fees or other charges), provided that such indemnity shall be effective only to the extent of any Damages that may be sustained by Beneficiary in excess of any net proceeds received by it from any insurance of Grantor (other than self-insurance) with respect to Damages, or (iii) any and all liability

arising from any leases related to the Property. Nothing contained herein shall require Grantor to indemnify Beneficiary for any Damages resulting from Beneficiary's negligence or its willful and wrongful acts. If any suit or proceeding is brought against the Trustee or Beneficiary or if any suit or proceedings is brought which may affect the value or title of the Property, Grantor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any Damages and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note and shall be due and payable on demand. The indemnity provided for herein shall survive payment of the Note and shall extend to the officers, directors, employees and duly authorized agents of Beneficiary.

10. Due on Sale or Further Encumbrance or Transfer of an Interest in Grantor. Without the prior written consent of Beneficiary in each instance, Grantor shall not (i) sell, convey, transfer or encumber the Property, or any part thereof or interest therein, whether legal or equitable, (ii) cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, or (iii) enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof; or (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property.

11. Assignments of Leases. Grantor assigns to Beneficiary, in the Event of Default, all rents and profits from the Property and any improvements thereon, and authorizes Beneficiary to enter upon and take possession of the Property and improvements, to rent same, at any reasonable rate of rent determined by Beneficiary, and after deducting from any such rents the cost of reletting and collections, to apply the remainder to the amount due under the Note.

12. Events of Default. Each of the following shall constitute an Event of Default by Grantor hereunder (each, an "Event of Default"):

- (a) A default under the Note; or
- (b) A breach of any covenant, condition, warranty, obligation, representation or agreement of Grantor under this Deed of Trust.

13. Remedies. If an Event of Default shall have occurred, Beneficiary may take one or more of any of the following actions:

(a) Acceleration. Beneficiary may declare the Note immediately due and payable, without presentment, demand, notice of any kind, protest or notice of protest, all of which are expressly waived.

(b) Foreclosure and Sale. Beneficiary may (i) direct Trustee to sell under power of sale (and Trustee is hereby empowered to sell) all or any part of the Property at public auction to the last and highest bidder for cash (free of any equity of redemption, homestead, dower, courtesy or other exemption, all of which are expressly waived by Grantor) at such time and place and upon such terms and conditions as shall be determined by Trustee, in its discretion, in accordance with applicable law or rule of court; (ii) elect to foreclose this Deed of Trust pursuant to a judicial foreclosure action; or (iii) take such other action at law, equity or by

contract for the enforcement of this Deed of Trust and realization on the security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and execution for the entire unpaid balance of the Note, together with any other sums due by Grantor in accordance with the provisions of this Deed of Trust, together with interest from the date of default at the default rate under the Note and all expenses of sale and of all proceedings in connection therewith, including reasonable Trustee's fees (not to exceed the maximum fee allowed by law) and reasonable attorneys' fees. The unpaid balance of any judgment shall bear interest at the greater of (1) the statutory rate provided for judgments, or (2) the default rate under the Note. Any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust.

(c) Other Remedies. Beneficiary shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Grantor under the terms of this Deed of Trust, as they become due, without regard to whether or not any other Obligations shall be due, and without prejudice to the right of Beneficiary thereafter to bring an action of foreclosure, or any other action, for any default by Grantor existing at the time the earlier action was commenced.

14. Substitute Trustee. Beneficiary may, at any time and from time to time, without notice, at the Beneficiary's discretion, remove Trustee and appoint a substitute trustee ("**Substitute Trustee**") by filing in the records where this Deed of Trust is recorded an instrument affecting such removal and appointment. A Substitute Trustee shall be vested with title to the Property and with all rights, powers, and duties of the original Trustee herein and all provisions hereof pertaining to the Trustee shall similarly affect any Substitute Trustee. Any oath or bond by the Trustee is hereby waived.

15. Miscellaneous Provisions. Grantor agrees to the following: (i) All remedies available to Beneficiary with respect to this Deed of Trust or available at law or in equity shall be cumulative and may be pursued concurrently or successively. No delay by Beneficiary in exercising any remedy shall operate as a waiver of that remedy or of any default. Any payment by Beneficiary or acceptance by Beneficiary of any partial payment shall not constitute a waiver by Beneficiary of any default; (ii) The provisions hereof shall be binding upon and inure to the benefit of Grantor, their heirs, personal representatives, successors and assigns including, without limitation, subsequent owners of the Property or any part thereof, and shall be binding upon and inure to the benefit of Beneficiary, its successors and assigns and any future holder of the Note; (iii) Any notices, demands or requests shall be sufficiently given Grantor if in writing and mailed or delivered to the address of Grantor shown above and to Beneficiary if in writing and mailed or delivered to the address of Beneficiary shown above, or such other address as Beneficiary may specify from time to time and in the event that Grantor changes Grantor's address at any time prior to the date the Note is paid in full, that party shall promptly give written notice of such change of address by registered or certified mail, return receipt requested, all charges prepaid; (iv) This Deed of Trust may be terminated or modified only by an instrument in writing signed by the Beneficiary and Grantor and may be modified without the Trustee joining or signing such instrument; (v) The captions or headings at the beginning of each paragraph hereof are for the convenience of the parties and are not a part of this Deed of Trust; (vi) If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Note, the unsecured

portion of the Note shall be completely paid (and all payments made shall be deemed to have first been applied to payment of the unsecured portion of the Note) prior to payment of the secured portion of the Note and if any clause, provision or obligation hereunder is determined invalid or unenforceable the remainder of this Deed of Trust shall be construed and enforced as if such clause, provision or obligation had not been contained herein; (vii) This Deed of Trust shall be governed by and construed under the laws of the State of North Carolina; and (viii) Grantor by execution and Beneficiary by acceptance of this Deed of Trust agree to be bound by the terms and provisions hereof.

[Signature Page and Acknowledgments Immediately Follow]

IN WITNESS WHEREOF, Grantor has signed this instrument under seal as of the day and year first above written.

Grantor

_____(SEAL)
Print Name: _____

_____(SEAL)
Print Name: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that the following person personally appeared before me this day acknowledging to me that he or she signed the foregoing document: _____
(Name of Person)

Date: _____, 20____

(Official Seal)

Print Name: _____
Notary Public

My commission expires: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that the following person personally appeared before me this day acknowledging to me that he or she signed the foregoing document: _____
(Name of Person)

Date: _____, 20____

(Official Seal)

Print Name: _____
Notary Public

My commission expires: _____

EXHIBIT A

Property

ATTACHMENT V

Resident Care Agreement – Adult Care Home Residence



BAPTIST RETIREMENT HOMES

FINANCIAL AND ADMISSION AGREEMENT

The Baptist Retirement Home Community and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident).

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and nursing care as may be required for the health, safety and well being of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Community shall obtain the services of a licensed physician of the Residents' choosing whenever necessary, or the services of another licensed physician if Resident's personal physician is not available.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.
6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by Community, the Community reserves the right to refer the account to an attorney or professional collection agency and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.



BAPTIST RETIREMENT HOMES

STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost missing or damages personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, Community does not represent, claim or promise that someone a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this agreement with an appropriate notice. A five (5) day notice is requested in order to give the community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, it will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by Community or resident's needs can no longer be met by community or the safety of individuals in the community is endangered, or the health of the individuals in the community would otherwise be endangered, or failure to pay for services provided.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except in special circumstances, residents are not normally re-admitted on weekend or holidays.

Out of Community Visits

Residents may leave the community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.



BAPTIST RETIREMENT HOMES

The Baptist Retirement Home Community (community name) and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident)

PAYMENT GUARANTEE

The Community will not require that the legal representative of the resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that I have the right to object in writing to the release of information or review of records pertaining to me or the care and services provided to me and that by an objection in writing I may prohibit the inspection or release of the records, except when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: _____

_____ Resident Responsible Party POA
Printed Name

Legal Representative Guardian of Person

Signature

Date

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above community.

Signature _____ (sealed) Date _____



BAPTIST RETIREMENT HOMES

ADMISSION PACKET

This packet includes a list of all policies and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines

- a. Grievance Resolution Program
- b. Declaration of NC Patient's Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
- c. Federal Residents' Rights (HCFA 42CFR Part 483.10 through 483.15 "Medicare and Medicaid Requirements for Long Term Care Facilities")
- d. Privacy Act Notification Statement.
- e. Smoking Policy
- f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines

- a. Advanced Directives Policy
- b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident's rights under NC law to direct the course of their medical care and to execute Advanced Directives.
- c. Brochure "Advance Directives – What you should know"
- d. Patient Care Review Committee
- e. Restraint Policy
- f. Abuse Prohibition Protocol
- g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines

- a. Health Care Community Financial and Admission Agreement
- b. Room-Hold Policy
- c. Daily Room Rates (Rates and Charges Sheet)
- d. Charges Not covered
- e. Medicare & Medicaid Basic Information Received

_____ Resident ___ Responsible Party ___ POA
Printed Name

_____ Legal Representative ___ Guardian of Person
_____ Signature

_____ Date
Signature of Witness (if applicable): _____ Date: _____



BAPTIST RETIREMENT HOMES

Consent for Treatment

Resident's Name: (patient/resident)

Med. Rec. #: (MR#)

I hereby authorize the above named community to provide or obtain any medical, surgical, or dental treatment necessary as ordered by the physician for me, the above named resident, during my stay at the community.

I also authorize the community to release any information as needed to any health institution, insurance company, or similar institution or organization concerning my welfare in connection with my stay at the community.

I understand that if a physician issues an order to transfer me to a hospital, the community will contact the appropriate ambulance service for transportation.

Release and/or Review of Medical Information

I have been informed that this community is licensed by the State of North Carolina and as such it is subject to inspection and investigation by the North Carolina Department of Human Resources to determine compliance with the North Carolina Nursing Home Licensure Act.

___ I do ___ do not authorize any identified representative of the above agency to review my Medical Record.

I hereby authorize the community to furnish such professional information as may be necessary for the completion of health claims for third party payee, i.e. Medicare, Medicaid, VA or private insurance. I release the community from legal liability that may arise from the release of this information. Medical Care and Services

___ I agree to receive general medical care and specialized rehabilitation services provided by the community, as directed by my physician.

___ I give permission to the community to arrange for the following services to be provided if required by my physician and/or plan of care and I understand the costs are not included in the daily rate.

Dental ___ Yes ___ No PPD (annually) ___ Yes ___ No Therapy ___ Yes ___ No Optometry ___ Yes ___ No

Mental Health ___ Yes ___ No Mental Health Provider: Life Source, LLC

Audiology ___ Yes ___ No Podiatry ___ Yes ___ No

Freedom of Choice of Physician and Pharmacy

I understand that all medications must be prescribed by a licensed physician and administered by licensed nurses or other persons who have been approved in accordance with state regulations unless I request to be evaluated for self-administration of medications.

Medications must be ordered by the Community and delivered directly from the pharmacy to the nursing community. I also understand that medication should not be brought into the community unless ordered by the physician. This includes Over-The-Counter Medications as well as prescription medications.

___ I choose to use the Community's designated pharmacy, Southern Pharmacy

___ I prefer to use _____ Pharmacy that provides 24-hour delivery.

___ I understand that upon release or discharge, **medications that have been covered by my Part D plan**, including controlled drugs will be released to me or my legal representative only by order of my physician.

___ My chosen treating physician is: _____

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Printed Name

Signature

Date

Signature of Witness (if applicable): _____ Date: _____



BAPTIST RETIREMENT HOMES

Advance Directive and Self Administration of Medication

____ I request to be evaluated for self-administration of Medication.

____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_____ No Code _____ Full Code

_____ ____ Resident ____ Responsible Party ____ POA
Printed Name

_____ ____ Legal Representative ____ Guardian of Person

Signature

Date

Unable to sign:

____ Medical Incapacity ____ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):

Person contacted: _____ Date: _____

Person Receiving Consent Signature: _____



BAPTIST RETIREMENT HOMES

Policy Title: Resident Pneumococcal Vaccination Consent Record

Section 1: Information regarding Resident

MR#: MR#

Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Circle the correct answers.

If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any **serious** allergies? **Yes** **No** Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? **Yes** **No**
3. Have you ever received the Pneumonia vaccine? **Yes** **No** **If yes, please provide the dates.**
 Date received PCV13 _____ Date received PPSV23 _____
 _____ check if unknown.

Section 3: Consent or Declination

I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I **GIVE CONSENT** to this community and its staff to administer the Pneumococcal vaccine.

OR

I **DO NOT GIVE CONSENT** to this community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Printed Name

Signature: _____ Date: _____



BAPTIST RETIREMENT HOMES

Policy Title: Resident Pneumococcal Vaccination Consent Record

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: _____

Employee Witness: _____ Date: _____

For Health Professional use below

Medical provider decision regarding any yes or unknown answers in section 2.

Date of notification: _____

Administer the following vaccine: PCV13 or PPSV23

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES

Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headiness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to any of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD.**

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: _____
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

Consent Signature:

I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.



BAPTIST RETIREMENT HOMES

R

Resident Influenza Vaccination Consent Record

Declination Signature

_____ I **DO NOT GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature: _____ Date: _____

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: ___/___/___

Employee Witness: _____ Date: ___/___/___

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ___/___/___

Administer flu vaccine: (Circle one) Yes No

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES

COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

RESIDENT'S NAME (Last)		(First)	(M.I.)	RESIDENT'S DATE OF BIRTH	
				month	day
				year	
AUTHORIZED POWER OF ATTORNEY (POA) /LEGAL GUARDIAN NAME (Last)		(First)	(M.I.)	RESIDENT'S AGE	RESIDENT'S GENDER
					<input type="checkbox"/> M / <input type="checkbox"/> F
		AUTHORIZED POA PHONE NUMBER:			
CITY	STATE	ZIP			
RESIDENT'S PRIMARY CARE PROVIDER'S NAME (Last)			(First)	(Middle Initial)	
FACILITY NAME		ROOM NUMBER			
MEDICARE NUMBER			MEDICAID NUMBER		
EMPLOYEE INSURANCE CO. NAME	EMPLOYEE INS ID	EMPLOYEE INS BIN	EMPLOYEE INS PCN		

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES NO

If yes to above, there are multiple kinds of COVID-19 vaccine. Your answers to the following questions will help us understand which vaccine (or step) to provide.	
Vaccine Brand (Pfizer, Moderna, Astra Zeneca, Johnson and Johnson): _____	
Date dose #1 given:	Month _____ Day _____ Year _____
Date dose #2 (if necc) given:	Month _____ Day _____ Year _____

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

I GIVE CONSENT to the _____ NAME OF ORGANIZATION CONDUCTING CLINIC and its staff for my person named at the top of this form to be vaccinated with this vaccine. (If this consent form is not signed, then this person will not be vaccinated)

I DO NOT GIVE CONSENT to the _____ NAME OF ORGANIZATION CONDUCTING CLINIC and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (sign & print name & credentials)

Date: Month _____ Day _____ Year _____



BAPTIST RETIREMENT HOMES

Services Offered

Field Trips and Appointments for Residents

___ I do ___ do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___ do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.

If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

___ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

___ If community provides these services directly, I elect to have:

_____ Telephone service at a cost of _____ per _____

_____ TV/Cable service at a cost of _____ per _____ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___ I do ___ do not request the community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.



BAPTIST RETIREMENT HOMES

Release of Photographs and General Information

___ I do ___ do not agree that photographs and general information may be released at the discretion of the community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of NC and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as "BRH") to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: _____

Date: _____



BAPTIST RETIREMENT HOMES

Resident Directory Instructions

I do do not want my name included as part of the community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

I do do not want my location included as part of the community's directory Resident Directory.

I do do not want my name posted outside my door at the Nursing Home/Assisted Living.

I do do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me. **Residents Rights**

I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:

All new admits are given a copy of this policy on admission.

If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

I have been informed that this is a **TOBACCO FREE CAMPUS**

Printed Name

Resident Responsible Party POA Legal Representative Guardian of Person

Signature

Date



BAPTIST RETIREMENT HOMES

Personal Funds Account

I do _____ do not _____ request the Community to keep my spending money in a personal fund account for me. I understand I can add to or withdraw my funds any time during office hours and will receive a monthly statement of this account if I choose this service. I understand that my account, it will accumulate interest. Furthermore, I also understand that in the event of my discharge or death any remaining balance in my personal fund will be issued to the applicable County Clerk of Court, or the Executor of my estate upon presenting valid legal documentation of being named such Executor within 30 days.

There is no charge for this service. If I choose to have a personal fund account, I may give the community permission to pay certain, agreed upon reoccurring charges from my account (i.e. Beauty/Barber services, Cable, Phone, and Insurance Premiums, etc.) as listed below. The community will have available hair care services. The CNAs will provide basic hair care (shampoo and conditioning with the routine bathing schedule). If the resident elects other services from the beauty shop, these charges will be charged to the patient. (Medicaid residents' cost of hair trim from the beauty shop will be charged directly to the community by the beauty shop (typically no more than 1 per month). Services will be scheduled on an individual basis with the community (generally through the activity department). (See List of Services offered by Beautician)

**Authorization for Reoccurring Charges
To be deducted from Personal Fund Account**

Company/Bill to be paid	Estimated amount of charges monthly/per incident
Beauty & Barber Services	_____ (how many) times per week month
Patient Monthly Liability	As Assigned by DSS
Insurance Premiums	
Telephone Cable	

I authorize the above bills to be paid from my patient personal fund account, as long as I have funds available. I understand, if funds are not available in my account, I will be notified and will be responsible to bring in funds to cover or pay the bills of my own accord. Any charges or withdrawals that are not listed above will have to have individual permission from myself, my POA or financial guardian for funds to be withdrawn from my patient personal fund account. All receipts and documentation of payments will be kept on file for review. By initialing above for Social Security Check, I certify that I receive the Social Security Check and am responsible for disbursement of funds.

Printed Name

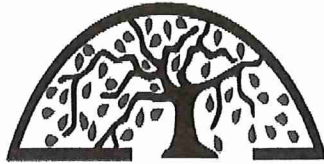
___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature

Date

Witness

Date



BAPTIST RETIREMENT HOMES

Does Resident Representative receive Social Security Check? YES NO

If Yes: I, _____ receive monthly Social Security check for (patient/resident) and have the authority to utilize those funds on his/her behalf, thus relieving (name of community) of any responsibility for funds received from Social Security

Signature _____

If No: Where does Social Security check go? Rep. Payee: _____

Address _____

Direct Deposit? Bank Name _____

Do you want the community to be Representative Payee for Social Security Check? Yes No

Would you like for an address change only be submitted for check to be mailed to community? Yes No

Designation of Authorized Representative for DSS (Medicaid Applicants/Recipients)

_____ County

I, (patient/resident) give permission for a financial agent of (community name) to act as an Authorized Representative in my behalf. This person knows my circumstances well enough to answer any questions for the Medicaid program purposes.

I understand I and my authorized representative are responsible for incorrect or incomplete information provided.

I understand that signing this form gives my representative authority to:

1. Make an application or complete a redetermination of eligibility for Medicaid for me;
2. Sign any forms necessary to determine my eligibility for Medicaid;
3. View and/or discuss any information contained in my file (other than information from another source specifically designated as "Confidential" or "Do Not Release") or concerning my case to determine eligibility for assistance.

I understand that I may revoke this designation of Authorized Representative at any time.

No, I am a Short Term Resident.

_____ Resident Responsible Party POA Legal Representative Guardian

Printed Name

Signature _____

_____ Date



BAPTIST RETIREMENT HOMES

**RESIDENT AND COMMUNITY ARBITRATION AGREEMENT
PLEASE READ CAREFULLY**

Read the following arbitration provision carefully. It limits certain of your rights, including your right to obtain redress through court action.

It is understood and agreed by (community name) and (patient/resident) ("resident" or "Resident's Authorized Representative," hereinafter collectively the "Resident") that any controversy or claim arising out of the Resident Admission Agreement or any service or health care provided by the Community to the Resident, shall be resolved by **binding arbitration**, which shall be conducted in North Carolina by a panel of three arbitrators and in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration ("AHLA rules of Procedure"), and not by a lawsuit or resort to court process except to the extent that applicable state and federal law provides for judicial enforcement of arbitration awards.

Notwithstanding the provisions of the AHLA Rules of Procedure, BRH agrees to pay the American Health Lawyers Association Alternative Dispute Resolution Service Administration Fees. All other costs, expenses and fees will be borne by the parties in accordance with the AHLA Rules of Procedure.

Claims that are subject to this Arbitration Agreement include, but are not limited to, any claim for payment, nonpayment or refund for services rendered to the Resident by the Community, violations of any right granted to the Resident by law or by the Resident Admission Agreement, breach of contract, fraud or misrepresentation, negligence, gross negligence, malpractice, or any other claim based on any departure from accepted standards of medical health or health care or safety whether sounding in tort or in contract.

The parties agree that damages awarded, if any, in an arbitration conducted pursuant to this Arbitration Agreement shall be determined in accordance with the AHLA Rules of Procedure. The parties further agree that the statute of limitations as provided in the North Carolina General Statutes apply to any claim that is subject to arbitration under this Arbitration Agreement.

It is the intention of the parties to this Arbitration Agreement that it shall inure to the benefit of and bind the parties, their successors and assigns, including the agents, employees and servants of the Community and all persons whose claim is derived through or on behalf of the Resident, including any parent, spouse, child, relative, guardian, executor, administrator, legal representative, or heir to the Resident.

All claims based in whole or in part on the same incident, transaction or related course of care or services provided by the community to the Resident shall be arbitrated in one proceeding. A claim shall be waived and forever barred if it arose prior to the date upon which notice of the arbitration proceedings.

The parties understand and agree that by entering this Arbitration Agreement they are giving up and waiving their right to have any claim decided in a court of law before a judge and jury.

The resident understand that (1) he/she has the right to seek legal counsel concerning this Arbitration agreement, (2) he/she has the right to revoke this Arbitration Agreement by written notice delivered and received by the Community within fourteen (14) days of signing this Arbitration Agreement, (3) his or her admission to the Community is not conditioned on his or her signing of this Arbitration Agreement, and (4) this Arbitration Agreement shall remain in effect for all care and services subsequently rendered at the Community, even if such care and services are rendered following the Resident's discharge and readmission to the Community.

The Resident agrees that (1) he/she has read and understands this Arbitration Agreement, (2) the Arbitration Agreement has been explained to the Resident to his or her satisfaction, (3) he/she does not have any unanswered questions about the Arbitration Agreement, (4) he/she has executed the Arbitration Agreement of his or her own free will and not under any duress, and (5) he/she has received a copy of the Arbitration Agreement.

If any provision of this Arbitration Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and shall not be affected by the invalidity of the other provisions.

I do ___ or do not ___ wish to participate in Arbitration.

Printed Name Resident/Legal Representative

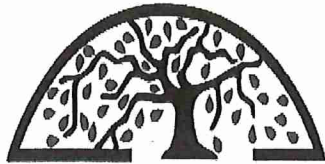
Printed Community Agent

Resident or Legal Representative Signature

Community Agent Signature

Date

Date



BAPTIST RETIREMENT HOMES

Community: **(community name)**

Resident Name: **(Patient/resident)**

MR: MR#

Medicare Secondary Payer Questionnaire

PART I

Was illness due to a work related accident/condition and covered by a worker's compensation plan or the Federal Black Lung Program?

- If No – Go to Part II If Yes: Patient's Policy or ID#: _____

Name and Address of Worker's compensation plan or Federal Black Lung Program

STOP – Worker's Compensation or Federal Black Lung Program is primary payer.

PART II

1. Was illness/injury due to a non-work related accident?

- If No – Go to Part III If Yes: What type of accident caused illness/injury? _____

Name and address of Automobile Insurer: _____

STOP – Automobile Insurance is primary payer. _____ Other.

2. Was another party responsible for this accident?

- If No – Go to Part III If Yes: Name and Address of any Liability Insurer: _____

PART III

Is the patient 70 years or older?

- If No – Go to Part IV If Yes: **STOP – Medicare is primary payer**

Part IV

1. Is the patient aged 65 through 69?

- If No – Go to Part V If Yes: Go to question 2

2. Is the patient undergoing kidney dialysis or ESRD?

- If No – Go to question 3 If Yes: **STOP – Medicare is primary payer**

3. Is the patient employed and covered by an Employer Group Health Plan?

- If No – Go to question 4 If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – EGHP is primary payer**

4. Is the patient's spouse employed and under age 70?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 5

5. Is the patient covered under the group health plan of the spouse's employer?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____



BAPTIST RETIREMENT HOMES

PART V

1. Is the patient entitled to benefits solely on the basis of End Stage Renal Disease?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 2

2. Is the patient covered by an Employer Group Health Plan?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's

ID#: _____

Name and Address of EGHP: _____ **STOP – Medicare is primary payer**

3 Has the patient been undergoing kidney dialysis for more than 12 months or been entitled to Medicare for more than 12 months?

- If No – Go to question 4 If Yes: **STOP – Medicare is primary payer**

4. Is the patient within 1 12-month period as defined in 282.4?

- If No – **STOP – Medicare is primary payer** If Yes: **STOP – EGHP is primary payer Does the patient have any other health insurance that will pay for nursing home benefits?**

If Yes: Name and Address of Insurance Company: _____



BAPTIST RETIREMENT HOMES

Addendum (community name)

Bedrail Policy

It is the policy of this community not to use bedrails. This is due to the possible risk and negative outcomes that can be involved with utilization. Bedrails may involve risk such as getting caught in the rail, getting caught between the rail and mattress, strangulation, suffocation, hitting against the rail causing bruising and/or skin tears and crawling over the top of the rail risking a fall from a higher level with a risk for greater injury or death. Other negative outcomes may still occur regardless of bedrail use.

If you request a bedrail, an interdisciplinary team will evaluate your care and request and educate you on the risk vs benefits of bedrail utilization.

___ I understand the risk described above and do not request a bedrail.

___ I would like for an interdisciplinary team to evaluate and consider use of a bedrail despite the risk described above.

Lost/Damaged Dentures

The community will assume responsibility for replacing/repairing lost or damaged dentures if after a thorough investigation the faculty determines the community staff were responsible for not properly storing, caring for and/or handling the resident's dentures.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian
Printed Name

_____ Date
Signature



BAPTIST RETIREMENT HOMES



F32

Resident Information (Please Print):

Resident Name: _____ Facility Name: _____

Date of Birth: _____ Soc. Sec. #: _____ Medicare #: _____

Please attach copies of resident's active insurance cards.

Check ANY that apply:

- No Pharmacy Insurance
- Medicaid Pending
- I will provide my own OTCs
- I use another pharmacy (VA, mail order, etc.)

Billing Information (Please Print):

Name (if not resident): _____ Relationship: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Email Address: _____

Additional parties with whom SPS may discuss billing matters: _____

Pharmacy Admission Agreement

All accounts are due and payable 25 days after the statement date. All payments are to be made directly. Should the account be referred to collection, the undersigned agrees to pay reasonable costs in such a collection effort. Southern Pharmacy Services reserves the right to discontinue providing services for those accounts that are in excess of 90 days delinquent. Should the patient need help enrolling in Medicare Part D, Southern Pharmacy can assist in that process.

I understand that the use of Southern Pharmacy Services as a provider of pharmaceuticals and other necessities is optional. I also understand that Patient Inserts are available upon request.

I agree to the following for all purchases:

1. I will pay the entire amount within 25 days of the statement date.
2. I will pay for any purchases not payable by Insurance, Medicaid or Medicare.
3. I agree that in order for the account to remain active, the account must remain current.
4. I authorize facility personnel to make purchases on this account on behalf of the named resident.
5. I understand that this document is to be submitted to the pharmacy within 72 hours of admission.

Signature below is indication that you wish to use pharmacy services provided by Southern Pharmacy Services. If you do NOT wish to use SPS for pharmacy services, please opt out below:

I DO NOT wish to use pharmacy services provided by SPS for primary prescription services.

Acknowledgement of Notice of Privacy Practices

The undersigned acknowledges that he/she has received a copy of Southern Pharmacy Services Notice of Privacy Practices. In addition to the attached document, the notice can be found at www.southrx.com.

Signature of Responsible Party: _____ Date _____

Print Name _____

ATTACHMENT VI

Nursing Care Agreement



Why You Should Use Southern Pharmacy to Provide Resident's Medication

▶ Advantages for a resident to use Southern Pharmacy

- ▶ Medical Records/eMAR continuity with orders versus packaged product
- ▶ Consistent medication packaging
- ▶ No family delivery or pickup
- ▶ All RX labeling requirements met
- ▶ Consulting RPh chart reviews
- ▶ Improved efficiency of med order placement and timely pharmacy delivery
- ▶ 24/7 availability
- ▶ Knowledge of DHHS regulations

▶ Experts in LTC processes – procedures

- ▶ Refill due reports
- ▶ Therapeutic substitution
- ▶ Insurance billing and authorization
- ▶ Communication to staff
- ▶ Survey assistance
- ▶ Yearly assistance with Medicare Part D resident assignments



BAPTIST RETIREMENT HOMES

FINANCIAL AND ADMISSION AGREEMENT

The Baptist Retirement Home Community and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident).

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and nursing care as may be required for the health, safety and well being of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Community shall obtain the services of a licensed physician of the Residents' choosing whenever necessary, or the services of another licensed physician if Resident's personal physician is not available.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.
6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by Community, the Community reserves the right to refer the account to an attorney or professional collection agency and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.



BAPTIST RETIREMENT HOMES

STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost missing or damages personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, Community does not represent, claim or promise that someone a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this agreement with an appropriate notice. A five (5) day notice is requested in order to give the community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, it will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by Community or resident's needs can no longer be met by community or the safety of individuals in the community is endangered, or the health of the individuals in the community would otherwise be endangered, or failure to pay for services provided.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except is special circumstances, residents are not normally re-admitted on weekend or holidays.

Out of Community Visits

Residents may leave the community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.



BAPTIST RETIREMENT HOMES

The Baptist Retirement Home Community (community name) and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident)

PAYMENT GUARANTEE

The Community will not require that the legal representative of the resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that I have the right to object in writing to the release of information or review of records pertaining to me or the care and services provided to me and that by an objection in writing I may prohibit the inspection or release of the records, except when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: _____

_____ Resident Responsible Party POA
Printed Name

Legal Representative Guardian of Person

Signature

Date

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above community.

Signature _____ (sealed) Date _____



BAPTIST RETIREMENT HOMES

ADMISSION PACKET

This packet includes a list of all policies and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines

- a. Grievance Resolution Program
- b. Declaration of NC Patient’s Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
- c. Federal Residents’ Rights (HCFA 42CFR Part 483.10 through 483.15 “Medicare and Medicaid Requirements for Long Term Care Facilities”)
- d. Privacy Act Notification Statement.
- e. Smoking Policy
- f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines

- a. Advanced Directives Policy
- b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident’s rights under NC law to direct the course of their medical care and to execute Advanced Directives.
- c. Brochure “Advance Directives – What you should know”
- d. Patient Care Review Committee
- e. Restraint Policy
- f. Abuse Prohibition Protocol
- g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines

- a. Health Care Community Financial and Admission Agreement
- b. Room-Hold Policy
- c. Daily Room Rates (Rates and Charges Sheet)
- d. Charges Not covered
- e. Medicare & Medicaid Basic Information Received

_____ Resident ___ Responsible Party ___ POA

Printed Name

_____ Legal Representative ___ Guardian of Person

_____ Signature

_____ Date

Signature of Witness (if applicable): _____ Date: _____



BAPTIST RETIREMENT HOMES

Advance Directive and Self Administration of Medication

_____ I request to be evaluated for self-administration of Medication.

_____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_____ No Code _____ Full Code

_____ ___ Resident ___ Responsible Party ___ POA
Printed Name

_____ ___ Legal Representative ___ Guardian of Person

Signature

Date

Unable to sign:

_____ Medical Incapacity ___ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):
Person contacted: _____ Date: _____

Person Receiving Consent Signature: _____



BAPTIST RETIREMENT HOMES

Policy Title: Resident Pneumococcal Vaccination Consent Record

Section 1: Information regarding Resident

MR#: MR#

Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Circle the correct answers.

If yes is answered to any of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any serious allergies? Yes No Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? Yes No
3. Have you ever received the Pneumonia vaccine? Yes No If yes, please provide the dates.
Date received PCV13 _____ Date received PPSV23 _____
_____ check if unknown.

Section 3: Consent or Declination

I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I GIVE CONSENT to this community and its staff to administer the Pneumococcal vaccine.

OR

I DO NOT GIVE CONSENT to this community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

_____ Resident ___ Responsible Party___ POA___ Legal Representative___ Guardian

Printed Name

Signature: _____ Date: _____



BAPTIST RETIREMENT HOMES

Policy Title: Resident Pneumococcal Vaccination Consent Record

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: _____

Employee Witness: _____ Date: _____

For Health Professional use below

Medical provider decision regarding any yes or unknown answers in section 2.

Date of notification: _____

Administer the following vaccine: PCV13 or PPSV23

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES

Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headedness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD.**

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: _____
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

Consent Signature:

I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.



BAPTIST RETIREMENT HOMES

R

Resident Influenza Vaccination Consent Record

Declination Signature

_____ I DO NOT GIVE CONSENT to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature: _____ Date: _____

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: ___/___/___

Employee Witness: _____ Date: ___/___/___

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ___/___/___

Administer flu vaccine: (Circle one) Yes No

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES

COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

Form with fields for Resident's Name, Date of Birth, Authorized Power of Attorney, City, State, ZIP, Primary Care Provider, Facility Name, Room Number, Medicare/Medicaid numbers, and Employee Insurance details.

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES [] NO []

Box containing questions about COVID-19 vaccine brand and dates of doses.

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

[] I GIVE CONSENT to the [] NAME OF ORGANIZATION CONDUCTING CLINIC and its staff for my person named at the top of this form to be vaccinated with this vaccine.

[] I DO NOT GIVE CONSENT to the [] NAME OF ORGANIZATION CONDUCTING CLINIC and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (sign & print name & credentials)

Date: Month [] Day [] Year []



BAPTIST RETIREMENT HOMES

Services Offered

Field Trips and Appointments for Residents

___ I do ___ do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___ do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.

If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

___ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

___ If community provides these services directly, I elect to have:

_____ Telephone service at a cost of _____ per _____

_____ TV/Cable service at a cost of _____ per _____ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___ I do ___ do not request the community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.



BAPTIST RETIREMENT HOMES

Release of Photographs and General Information

___ I do ___ do not agree that photographs and general information may be released at the discretion of the community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of NC and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as "BRH") to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: _____

Date: _____



BAPTIST RETIREMENT HOMES

Resident Directory Instructions

I do do not want my name included as part of the community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

I do do not want my location included as part of the community's directory Resident Directory.

I do do not want my name posted outside my door at the Nursing Home/Assisted Living.

I do do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me. **Residents Rights**

I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:
All new admits are given a copy of this policy on admission.
If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

I have been informed that this is a **TOBACCO FREE CAMPUS**

Printed Name

Resident Responsible Party POA Legal Representative Guardian of Person

Signature

Date



BAPTIST RETIREMENT HOMES

Personal Funds Account

I do ___ do not ___ request the Community to keep my spending money in a personal fund account for me. I understand I can add to or withdraw my funds any time during office hours and will receive a monthly statement of this account if I choose this service. I understand that my account, it will accumulate interest. Furthermore, I also understand that in the event of my discharge or death any remaining balance in my personal fund will be issued to the applicable County Clerk of Court, or the Executor of my estate upon presenting valid legal documentation of being named such Executor within 30 days.

There is no charge for this service. If I choose to have a personal fund account, I may give the community permission to pay certain, agreed upon reoccurring charges from my account (i.e. Beauty/Barber services, Cable, Phone, and Insurance Premiums, etc.) as listed below. The community will have available hair care services. The CNAs will provide basic hair care (shampoo and conditioning with the routine bathing schedule). If the resident elects other services from the beauty shop, these charges will be charged to the patient. (Medicaid residents' cost of hair trim from the beauty shop will be charged directly to the community by the beauty shop (typically no more than 1 per month). Services will be scheduled on an individual basis with the community (generally through the activity department). (See List of Services offered by Beautician)

Authorization for Reoccurring Charges
To be deducted from Personal Fund Account

Table with 2 columns: Company/Bill to be paid, Estimated amount of charges monthly/per incident. Rows include Beauty & Barber Services, Patient Monthly Liability, Insurance Premiums, Telephone, Cable.

I authorize the above bills to be paid from my patient personal fund account, as long as I have funds available. I understand, if funds are not available in my account, I will be notified and will be responsible to bring in funds to cover or pay the bills of my own accord. Any charges or withdrawals that are not listed above will have to have individual permission from myself, my POA or financial guardian for funds to be withdrawn from my patient personal fund account. All receipts and documentation of payments will be kept on file for review. By initialing above for Social Security Check, I certify that I receive the Social Security Check and am responsible for disbursement of funds.

Printed Name

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature

Date

Witness

Date



BAPTIST RETIREMENT HOMES

Does Resident Representative receive Social Security Check? YES NO

If Yes: I, _____ receive monthly Social Security check for (patient/resident) and have the authority to utilize those funds on his/her behalf, thus relieving (name of community) of any responsibility for funds received from Social Security

Signature _____

If No: Where does Social Security check go? Rep. Payee: _____

Address _____

Direct Deposit? Bank Name _____

Do you want the community to be Representative Payee for Social Security Check? Yes No

Would you like for an address change only be submitted for check to be mailed to community? Yes No

Designation of Authorized Representative for DSS (Medicaid Applicants/Recipients)

_____ County

I, (patient/resident) give permission for a financial agent of (community name) to act as an Authorized Representative in my behalf. This person knows my circumstances well enough to answer any questions for the Medicaid program purposes.

I understand I and my authorized representative are responsible for incorrect or incomplete information provided.

I understand that signing this form gives my representative authority to:

1. Make an application or complete a redetermination of eligibility for Medicaid for me;
2. Sign any forms necessary to determine my eligibility for Medicaid;
3. View and/or discuss any information contained in my file (other than information from another source specifically designated as "Confidential" or "Do Not Release") or concerning my case to determine eligibility for assistance.

I understand that I may revoke this designation of Authorized Representative at any time.

No, I am a Short Term Resident.

_____ Resident Responsible Party POA Legal Representative Guardian

Printed Name

Signature _____

Date _____



BAPTIST RETIREMENT HOMES

RESIDENT AND COMMUNITY ARBITRATION AGREEMENT

PLEASE READ CAREFULLY

Read the following arbitration provision carefully. It limits certain of your rights, including your right to obtain redress through court action.

It is understood and agreed by (community name) and (patient/resident) ("resident" or "Resident's Authorized Representative," hereinafter collectively the "Resident") that any controversy or claim arising out of the Resident Admission Agreement or any service or health care provided by the Community to the Resident, shall be resolved by **binding arbitration**, which shall be conducted in North Carolina by a panel of three arbitrators and in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration ("AHLA rules of Procedure"), and not by a lawsuit or resort to court process except to the extent that applicable state and federal law provides for judicial enforcement of arbitration awards.

Notwithstanding the provisions of the AHLA Rules of Procedure, BRH agrees to pay the American Health Lawyers Association Alternative Dispute Resolution Service Administration Fees. All other costs, expenses and fees will be borne by the parties in accordance with the AHLA Rules of Procedure.

Claims that are subject to this Arbitration Agreement include, but are not limited to, any claim for payment, nonpayment or refund for services rendered to the Resident by the Community, violations of any right granted to the Resident by law or by the Resident Admission Agreement, breach of contract, fraud or misrepresentation, negligence, gross negligence, malpractice, or any other claim based on any departure from accepted standards of medical health or health care or safety whether sounding in tort or in contract.

The parties agree that damages awarded, if any, in an arbitration conducted pursuant to this Arbitration Agreement shall be determined in accordance with the AHLA Rules of Procedure. The parties further agree that the statute of limitations as provided in the North Carolina General Statutes apply to any claim that is subject to arbitration under this Arbitration Agreement.

It is the intention of the parties to this Arbitration Agreement that it shall inure to the benefit of and bind the parties, their successors and assigns, including the agents, employees and servants of the Community and all persons whose claim is derived through or on behalf of the Resident, including any parent, spouse, child, relative, guardian, executor, administrator, legal representative, or heir to the Resident.

All claims based in whole or in part on the same incident, transaction or related course of care or services provided by the community to the Resident shall be arbitrated in one proceeding. A claim shall be waived and forever barred if it arose prior to the date upon which notice of the arbitration proceedings.

The parties understand and agree that by entering this Arbitration Agreement they are giving up and waiving their right to have any claim decided in a court of law before a judge and jury.

The resident understand that (1) he/she has the right to seek legal counsel concerning this Arbitration agreement, (2) he/she has the right to revoke this Arbitration Agreement by written notice delivered and received by the Community within fourteen (14) days of signing this Arbitration Agreement, (3) his or her admission to the Community is not conditioned on his or her signing of this Arbitration Agreement, and (4) this Arbitration Agreement shall remain in effect for all care and services subsequently rendered at the Community, even if such care and services are rendered following the Resident's discharge and readmission to the Community.

The Resident agrees that (1) he/she has read and understands this Arbitration Agreement, (2) the Arbitration Agreement has been explained to the Resident to his or her satisfaction, (3) he/she does not have any unanswered questions about the Arbitration Agreement, (4) he/she has executed the Arbitration Agreement of his or her own free will and not under any duress, and (5) he/she has received a copy of the Arbitration Agreement.

If any provision of this Arbitration Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and shall not be affected by the invalidity of the other provisions.

I do ___ or do not ___ wish to participate in Arbitration.

Printed Name Resident/Legal Representative

Printed Community Agent

Resident or Legal Representative Signature

Community Agent Signature

Date

Date



BAPTIST RETIREMENT HOMES

Community: **(community name)**

Resident Name: (Patient/resident)

MR: MR#

Medicare Secondary Payer Questionnaire

PART I

Was illness due to a work related accident/condition and covered by a worker's compensation plan or the Federal Black Lung Program?

- If No – Go to Part II If Yes: Patient's Policy or ID#: _____

Name and Address of Worker's compensation plan or Federal Black Lung Program

STOP – Worker's Compensation or Federal Black Lung Program is primary payer.

PART II

1. Was illness/injury due to a non-work related accident?

- If No – Go to Part III If Yes: What type of accident caused illness/injury? _____

Name and address of Automobile Insurer: _____

STOP – Automobile Insurance is primary payer. _____ Other.

2. Was another party responsible for this accident?

- If No – Go to Part III If Yes: Name and Address of any Liability Insurer: _____

PART III

Is the patient 70 years or older?

- If No – Go to Part IV If Yes: **STOP – Medicare is primary payer**

Part IV

1. Is the patient aged 65 through 69?

- If No – Go to Part V If Yes: Go to question 2

2. Is the patient undergoing kidney dialysis or ESRD?

- If No – Go to question 3 If Yes: **STOP – Medicare is primary payer**

3. Is the patient employed and covered by an Employer Group Health Plan?

- If No – Go to question 4 If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – EGHP is primary payer**

4. Is the patient's spouse employed and under age 70?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 5

5. Is the patient covered under the group health plan of the spouse's employer?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____



BAPTIST RETIREMENT HOMES

PART V

1. Is the patient entitled to benefits solely on the basis of End Stage Renal Disease?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 2

2. Is the patient covered by an Employer Group Health Plan?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – Medicare is primary payer**

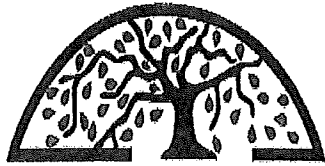
3 Has the patient been undergoing kidney dialysis for more than 12 months or been entitled to Medicare for more than 12 months?

- If No – Go to question 4 If Yes: **STOP – Medicare is primary payer**

4. Is the patient within 1 12-month period as defined in 282.4?

- If No – **STOP – Medicare is primary payer** If Yes: **STOP – EGHP is primary payer Does the patient have any other health insurance that will pay for nursing home benefits?**

If Yes: Name and Address of Insurance Company: _____



BAPTIST RETIREMENT HOMES



F32

Pharmacy Admission Form

Resident Information (Please Print):

Resident Name: _____ Facility Name: _____

Date of Birth: _____ Soc. Sec. #: _____ Medicare #: _____

Please attach copies of resident's active insurance cards.

Check ANY that apply:

No Pharmacy Insurance Medicaid Pending

Billing Information (Please Print):

Name (if not resident): _____ Relationship: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Email Address: _____

Additional parties with whom SPS may discuss billing matters: _____

Pharmacy Admission Agreement

All accounts are due and payable 25 days after the statement date. All payments are to be made directly. Should the account be referred to collection, the undersigned agrees to pay reasonable costs in such a collection effort. Southern Pharmacy Services reserves the right to discontinue providing services for those accounts that are in excess of 90 days delinquent. Should the patient need help enrolling in Medicare Part D, Southern Pharmacy can assist in that process.

I understand that the use of Southern Pharmacy Services as a provider of pharmaceuticals and other necessities is optional. I also understand that Patient Inserts are available upon request.

I agree to the following for all purchases:

1. I will pay the entire amount within 25 days of the statement date.
2. I will pay for any purchases not payable by Insurance, Medicaid or Medicare.
3. I agree that in order for the account to remain active, the account must remain current.
4. I authorize facility personnel to make purchases on this account on behalf of the named resident.
5. I understand that this document is to be submitted to the pharmacy within 72 hours of admission.

Acknowledgement of Notice of Privacy Practices

The undersigned acknowledges that he/she has received a copy of Southern Pharmacy Services Notice of Privacy Practices. In addition to the attached document, the notice can be found at www.southrx.com.

Signature of Responsible Party: _____ Date _____

Print Name _____



Why You Should Use Southern Pharmacy to Provide Resident's Medication

- ▶ **Advantages for a resident to use Southern Pharmacy**
 - ▶ Medical Records/eMAR continuity with orders versus packaged product
 - ▶ Consistent medication packaging
 - ▶ No family delivery or pickup
 - ▶ All RX labeling requirements met
 - ▶ Consulting RPh chart reviews
 - ▶ Improved efficiency of med order placement and timely pharmacy delivery
 - ▶ 24/7 availability
 - ▶ Knowledge of DHHS regulations
- ▶ **Experts in LTC processes – procedures**
 - ▶ Refill due reports
 - ▶ Therapeutic substitution
 - ▶ Insurance billing and authorization
 - ▶ Communication to staff
 - ▶ Survey assistance
 - ▶ Yearly assistance with Medicare Part D resident assignments

LIFE EXPECTANCY IN YEARS

<u>AGE</u>	<u>MALE</u>	<u>FEMALE</u>
60	24.60	27.40
61	23.70	26.50
62	22.90	25.60
63	22.10	24.80
64	21.30	23.90
65	20.40	23.00
66	19.60	22.20
67	18.90	21.30
68	18.10	20.50
69	17.30	19.60
70	16.60	18.80
71	15.90	18.00
72	15.20	17.20
73	14.50	16.40
74	13.80	15.60
75	13.20	14.90
76	12.50	14.10
77	11.90	13.40
78	11.30	12.70
79	10.80	12.00
80	10.20	11.30
81	9.70	10.70
82	9.20	10.10
83	8.70	9.50
84	8.20	8.90
85	7.80	8.40
86	7.30	7.90
87	6.90	7.40
88	6.50	6.90
89	6.20	6.50
90	5.80	6.10
91	5.50	5.70
92	5.20	5.40
93	4.90	5.10
94	4.60	4.80
95	4.30	4.50
96	4.10	4.20
97	3.80	4.00
98	3.60	3.80
99	3.40	3.50
100	3.10	3.30

ATTACHMENT VIII

Interim Financial Statements

As of December 2023

ThriveMore
Consolidated Income Statement-Summary YTD Budget to Actual
For the Period Ending December 31, 2023

Description	YTD Actual 12/31/2023	YTD Budget 12/31/2023	\$ Variance	% Variance
Resident Services Revenue				
Medicare Standard Rate	284,312	325,952	(41,640)	-13%
Medicaid	593,993	608,531	(14,538)	-2%
Special Assistance	75,022	58,855	16,167	27%
Commerical Insurance	665,066	472,793	192,274	41%
Ancillary-HMO/Managed Care A	48,402	101,324	(52,923)	-52%
Ancillary-HMO/Managed Care B	180,113	258,374	(78,261)	-30%
Private Pay	6,996,673	6,711,349	285,324	4%
Other Ancillary	113,255	83,277	29,978	36%
Medicare A-Ancillary	620,686	605,687	14,999	2%
Medicare B-Ancillary	375,963	316,695	59,268	19%
Medicaid-Ancillary	17,814	21,176	(3,363)	-16%
Medicaid-Hospice Ancillary	459	671	(212)	-32%
Total Resident Services Revenue	9,971,759	9,564,687	407,072	4%
Less: Contractual Adjustments				
Medicare Room & Board - Rug	296,179	341,736	(45,557)	-13%
Medicare A-Ancillary	(622,743)	(631,067)	8,324	-1%
Medicare B-Ancillary	(43,227)	(72,684)	29,457	-41%
Medicaid Room & Board - Rug	(66,664)	(40,530)	(26,135)	64%
Medicaid-Ancillary	(17,814)	(19,565)	1,752	-9%
Medicaid Monthly Assessment	-	-	-	
Medicaid-Hospice Ancillary	(238)	(714)	476	-67%
Benevolent Care-Special Assistance	(46,412)	(34,367)	(12,045)	35%
HMO/Managed Care Room & Board	124,824	95,447	29,377	31%
HMO/Managed Care A-Ancillary	(400,775)	(340,960)	(59,816)	18%
Contractual HMO/Managed(A Contract Rate)	-	355	-	0%
Private Pay Contractual Adjustment	(6,894)	(2,543)	(4,352)	171%
Benevolent Care	(155,957)	(152,679)	(3,278)	2%
Total Less: Contractual Adjust	(939,723)	(857,571)	(82,152)	10%
Total Net Resident SVS Rev	9,032,036	8,707,116	324,920	4%
Operating Expenses				
Salary, Wages & Benefits-Resident Care	2,355,866	2,408,444	(52,578)	-2%
Salary, Wages & Benefits-Dietary	772,432	815,596	(43,164)	-5%
Salary, Wages & Benefits-Facility Serv	854,003	861,777	(7,774)	-1%
Salary, Wages & Benefits-Administration	1,280,280	1,435,025	(154,745)	-11%
Contract Services	694,431	574,087	120,345	21%
Food	416,733	391,055	25,678	7%
Medical Supplies & Other Ancillary Serv	197,747	171,362	26,386	15%
Insurance	123,400	135,732	(12,332)	-9%
Leases & Minor Equipment	67,258	82,456	(15,199)	-18%
Auto & Travel	61,971	50,088	11,883	24%
Repairs & Maintenance	379,910	414,115	(34,205)	-8%
Telephone	49,836	54,776	(4,941)	-9%
Utilities	320,166	360,306	(40,140)	-11%
Professional Fees	554,692	282,810	271,882	96%
Office & Other Supplies	61,476	53,982	7,493	14%
Paper Products	41,520	43,477	(1,958)	-5%
Chemicals	27,342	23,950	3,392	14%
Advertising	198,483	208,137	(9,654)	-5%
Other Expenses	179,734	226,334	(46,600)	-21%
Provision for Bad Debt	102,000	10,000	92,000	920%
Total Operating Expenses	8,739,280	8,603,510	135,770	2%

ThriveMore
Consolidated Income Statement-Summary YTD Budget to Actual
For the Period Ending December 31, 2023

Description	YTD Actual 12/31/2023	YTD Budget 12/31/2023	\$ Variance	% Variance
Home Office Allocation				
Facility A&G Allocation	(1,089,478)	(866,993)	(222,485)	26%
Home Office Allocation	1,089,478	978,373	111,106	11%
Total Home Office Allocation	-	111,379	(111,379)	-100%
Total Allocations & Op. Exps.	8,739,280	8,714,889	24,391	0%
Net Operating Income (Loss)	292,756	(7,773)	300,530	-3866%
Non Operating Revenue				
Deferred Revenue Earned-Entrance Fees	854,476	841,675	12,800	2%
Special Offering & Memorials	65,679	86,057	(20,378)	-24%
Grants, Trusts & Estates	17,393	220,048	(202,655)	-92%
Direct from Churches	22,429	32,353	(9,925)	-31%
Church Gifts-Baptist State Convention	13,161	19,415	(6,254)	-32%
Church Gifts-Cooperative Baptist Fellows	8,800	15,410	(6,610)	-43%
Interest Income	37,872	725	37,146	5120%
Investment Income	588,037	488,815	99,223	20%
Realized Gains/Losses on Investment	154,299	-	154,299	
Unrealized Gains/Losses on Investment	4,952,944	-	4,952,944	
Other Income	19,983	27,618	(7,635)	-28%
Cost Report Settlements	-	-		
Total Non Operating Revenue	6,735,073	1,732,117	5,002,956	289%
Non Operating Expenses				
Other Expenses				
Interest Expense	516,063	501,325	14,738	3%
Loan Fee / Acquisition Cost Expense	165,505	6,375	159,130	2496%
Depreciation & Amortization	2,445,764	1,414,985	1,030,779	73%
Total Non Operating Expenses	3,127,332	1,922,686	1,204,647	63%
Net Non Operating Rev (Loss)	3,607,740	(190,569)	3,798,309	-1993%
Net Income (Loss)	3,900,497	(198,342)	4,098,839	-2067%

YTD Income Statement Prior Year to Current Year
Consolidated
For the Period Ending December 31, 2023

	Brookridge Retirement	Western North Carolina	The Taylor House	The Gardens of Taylor Glen	ThriveMore	Ardenwoods	Blanton Center & Foundation	Actual YTD 12/31/2023 Total	Budget YTD 12/31/2023 Total	Prior Year YTD 12/31/2022
Gross Resident Revenue	5,092,856	-	223,779	3,004,950	-	1,650,174	-	9,971,759	9,564,687	9,928,708
Less Contractual Adjust./Benevolent Care	(703,481)	-	(71,684)	(164,558)	-	-	-	(939,723)	(857,571)	(1,743,886)
Net Resident Revenues	4,389,375	-	152,095	2,840,392	-	1,650,174	-	9,032,036	8,707,116	8,184,821
Operating Expense (Excludes Interest & Depreciation)	3,572,553	-	276,148	2,153,433	83,032	1,406,357	1,247,757	8,739,280	8,603,510	8,940,179
Total Home Office Expense	511,559	-	37,674	372,351	18,436	149,458	(1,089,478)	-	111,379	-
Total Operating Expenses	4,084,112	-	313,823	2,525,784	101,468	1,555,814	158,279	8,739,280	8,714,889	8,940,179
Net Income from Operations	305,263	-	(161,727)	314,608	(101,468)	94,359	(158,279)	292,756	(7,773)	(755,358)
Non Operating Revenue	318,016	-	-	551,105	-	5,436	5,860,516	6,735,073	1,732,117	4,481,480
Interest & Loan Fees	184,853	-	-	116,291	-	358,399	22,026	681,568	507,700	245,902
Depreciation & Amortization	785,908	-	22,666	677,996	-	511,135	448,058	2,445,764	1,414,985	1,250,963
Net Income/(Loss)	(347,482)	-	(184,393)	71,426	(101,468)	(769,739)	5,232,153	3,900,497	(198,342)	2,229,257

**ThriveMore
Balance Sheet**

	12/31/2023 (Unaudited)	9/30/2023 (Draft Audit)
Assets		
Current Assets		
Cash & Cash Equivalents	3,552,535	13,058,214
Resident Accounts Receivable, net of all	3,456,879	2,621,884
Contributions Receivable	-	157,500
Prepaid Expenses & Other Current Asset	1,081,151	861,172
Investments	47,783,871	45,081,775
Other Assets	2,500,000	2,500,000
Total Current Assets	58,374,437	64,280,545
 Assets Whose Use is Limited		
Internally Designated for Capital Develo		-
Internally Designated for State Operatin	9,344,000	9,344,000
Total Assets Whose Use is Limi	9,344,000	9,344,000
 Investments, Deferred Costs and Other Assets		
Charitable Remainder Trusts	1,070,815	1,066,407
Beneficial Interest in Perpetual Trusts	7,204,443	6,886,924
Other Assets	16,377,833	20,000
Total Investments, Deferred Co	24,653,092	7,973,331
 Property and Equipment, Net of Accumulated Depreciation		
Property & Equipment	81,062,969	55,227,495
Total Property and Equipment	81,062,969	55,227,495
 Total Assets		
	173,434,498	136,825,371

**ThriveMore
Balance Sheet**

	12/31/2023 (Unaudited)	9/30/2023 (Draft Audit)
Liabilities and Equity		
Current Liabilities		
Accounts Payable	1,442,870	2,602,749
Accrued Expenses	562,340	517,793
Accrued Employee Compensation	578,501	615,559
Other Current Liabilities	17,600	29,667
Line of Credit	5,000,000	3,775,000
Current Maturities of Long Term Debt	1,869,540	1,869,540
Refundable Fees	229,073	229,073
Total Current Liabilities	9,699,926	9,639,381
 Long-Term Debt, Less Current Maturities		
Long Term Debt, Less Current Maturities	24,668,263	8,503,402
Long Term Debt Payable	15,164,324	15,456,941
Total Long-Term Debt, Less Cur	39,832,588	23,960,343
 Deferred Revenue and Other Liabilities		
Deferred Revenue & Other Liabilities	34,958,822	18,410,945
Deposits on Occupied Units	7,141,003	6,913,040
Total Deferred Revenue and Oth	42,099,826	25,323,985
 Total Liabilities	91,632,339	58,923,708
 Net Assets		
Unrestricted	55,210,069	45,988,827
Temporarily Restricted	9,579,778	9,579,778
Permanently Restricted	13,111,816	13,111,816
Net Income (Loss)	3,900,497	9,221,242
Total Net Assets	81,802,159	77,901,663
 Total Liabilities and Net Assets	173,434,498	136,825,371

ThriveMore
Statement of Cash Flows
For the Three Months Ending December 31, 2023 + Prior Year

	12/31/2023	9/30/2023
Cash Flows from Operating Activities		
Net Income	3,900,497	9,221,242
Depreciation	2,046,208	5,725,754
Amortization of Goodwill	399,556	
Change in Net Unrealized (Gains)/Losses	(4,952,944)	(5,585,417)
Change in Net Realized (Gains)/Losses	(154,299)	(82,979)
Change in Change in Unrealized (Gains)/Losses on B	(317,520)	(677,263)
Change in Amortization of Deferred Revenue from Ad	(854,476)	(2,792,241)
Change in Advanced Fees Received (Net of Refunds)	1,622,323	6,960,545
Change in Accounts Receivable	(834,996)	2,557,218
Change in Contributions Receivable	157,500	(12,500)
Change in Prepaid Expenses and Other Current Asset	(194,374)	92,228
Change in Charitable Remander Trust	(4,408)	(215,107)
Change in Other Assets	-	(2,499,082)
Change in Accounts Payable, Accrued exp, accrued c	60,545	1,459,713
Change in Lease Liability	-	(918)
Net cash provided by Operating Activities	873,613	14,151,192
Cash Flows from Investing Activities		
Change in Purchases of Property and Equipment	(28,656,682)	(7,839,935)
Change in Investments	2,405,147	3,216,229
Net cash used by Investing Activities	(26,251,536)	(4,623,707)
Cash Flows from Financing Activities		
Change in Payments of long-term debt	15,872,245	(1,783,113)
Change in Change in Equity	-	(41,201)
Net cash used by Financing Activities	15,872,245	(1,824,314)
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Net decrease in cash	(9,505,678)	7,703,171
Cash at the beginning of the Year	13,058,214	5,355,043
Cash at month end	3,552,535	13,058,214