Disclosure Statement

for

Masonic Village at Dallas

Dallas, Pennsylvania 18612

April 30, 2026

The issuance of a Certificate of Authority by the Commonwealth of Pennsylvania does not constitute approval, recommendation, or endorsement of the facility by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in the Disclosure Statement.

Masonic Village at Dallas

Disclosure Statement

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Masonic Village at Dallas
Disclosure Statement

As of April 30, 2026, the following items have been revised since the issuance of the previous Disclosure Statement dated December 27, 2025:

Page 1 #7
The current resident population information has been updated.

Pages 2 and 3 #8 and Page 8 (a) 7
Effective January 1, 2026, Masonic Village at Dallas removed the Guaranteed Appreciation Plan Refund option and replaced it with a Ninety Percent Refund Plan option.

Entrance Fee and Monthly Service Fees have been updated to the 2026 fees currently in place. Entrance Fee table replaced optional garage fee to two-car garage included in fees.

Page 7 (a) 4
Updated the years providing services.

Attachment I
Includes certified financial statements for the Masonic Villages of the Grand Lodge of Pennsylvania for the years ended December 31, 2025, and December 31, 2024.

Attachment II
Resident Agreement updated to remove the Guaranteed Appreciation Plan refund option and replace with a Ninety Percent refund option.

Section 151.7 Summary Information

(1) **Name and address of the facility:** Masonic Village at Dallas, 36 Ridgway Drive, Dallas, PA 18612.

(2) **Name and address of the licensed provider:** Masonic Villages of the Grand Lodge of Pennsylvania, One Masonic Drive, Elizabethtown, Pennsylvania 17022-2199. The Masonic Villages is a Pennsylvania nonprofit corporation, and a provider of continuing care owned and operated by the Grand Lodge of Free and Accepted Masons of Pennsylvania.

(3) **Name and address of person to contact regarding admissions:** Angela Rackleff, Manager of Sales and Marketing, Masonic Village at Dallas, 36 Ridgway Drive, Dallas, PA 18612. Telephone: (570) 675-1866 or Toll Free (866) 851-4243.

(4) **Description of the Physical Property of the Facility:**

(i) Masonic Village at Dallas, Dallas, Pennsylvania, is located in Dallas Township. This is a rural area.

(ii) The Masonic Village at Dallas is located on approximately (18) acres of land on the IREM Country Club Property located in Dallas, Pennsylvania.

(iii) The community consists of 45 apartments and 38 villas. All apartments and villas contain wall to wall carpeting, sheer curtains, appliances, smoke detection, emergency alarm system, and individually controlled heating and air-conditioning.

(5) **A specification of the minimum age for admission:** The minimum age for admission to Retirement Living is 60. For married couples, one spouse needs to be age 60 and the other at least age 55.

(6) **A disclosure of the provider's affiliation with religious organizations:** The Masonic Villages is not affiliated with any religious organization.

(7) **A statement of the current resident population:** The current population at the Masonic Village at Dallas is 112 residents. Of the current population, 61 residents are under the Entrance Fee Payment Plan, and 51 residents are under the Rental Fee or Lease Payment Plan. Masonic Village at Dallas offers a Retirement Living option only. There are no on-site nursing or personal care residents.

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(8) Description of Fees and Periodic Charges:

Entrance Fee

Unit Type	Gr. Sq. Ft.	2026 Entrance Fee Eight-Year Declining Balance	2026 Entrance Fee 90% Refundable
One Bedroom / One Bath Apt. (Unit A)	765	$113,000	$214,700
One Bedroom / One Bath / Balcony Apt. (Unit A1)	765**	$125,100	$237,690
One Bedroom / One Bath / Deluxe Apt. (Unit A2)	827**	$135,200	$256,880
Two Bedroom / Two Bath / Balcony Apt. (Unit B)	1068**	$174,500	$331,550
Two Bedroom / Two Bath / Deluxe Apt. (Unit B1)	1130**	$184,800	$351,120
Two Bedroom /1.5 Bath Villa (Unit C)	1156***	$187,700	$356,630
Two Bedroom / Two Bath / Sunroom Villa (Unit D)	1531***	$235,300	$447,070
Two Bedroom / Two Bath / Sunroom Villa- garage (Unit D)*	1531***	$ 261,400	$496,660
Two Bedroom / Two Bath / Sunroom Villa (Unit E)	1714***	$261,400	$496,660
Two Bedroom / Two Bath / Sunroom Villa- garage (Unit E)*	1714***	$292,200	$555,180
Two Bedroom /Two Bath / Den / Sunroom Villa (Unit F)	2123***	$318,000	$604,200
Two Bedroom /Two Bath / Den / Sunroom Villa- garage (Unit F)*	2123***	$348,900	$662,910

All dimensions are approximate **excludes balcony ***excludes garage
*Two-Car Garage included

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Monthly Service Fee

Unit Type	Gr. Sq. Ft.	2026 Single Occupancy	2026 Double Occupancy
One Bedroom / One Bath Apt. (Unit A)	765	$1,172	$1,130
One Bedroom / One Bath / Balcony Apt. (Unit A1)	765**	$1,172	$1,252
One Bedroom / One Bath / Deluxe Apt. (Unit A2)	827**	$1,190	$1,274
Two Bedroom / Two Bath / Balcony Apt. (Unit B)	1068**	$1,232	$1,318
Two Bedroom / Two Bath / Deluxe Apt. (Unit B1)	1130**	$1,251	$1,337
Two Bedroom /1.5 Bath Villa (Unit C)	1156***	$1,368	$1,449
Two Bedroom / Two Bath / Sunroom Villa (Unit D)	1531***	$1,449	$1,532
Two Bedroom / Two Bath / Sunroom Villa-garage (Unit D)*	1531***	$1,449	$1,532
Two Bedroom / Two Bath / Sunroom Villa (Unit E)	1714***	$1,549	$1,633
Two Bedroom / Two Bath / Sunroom Villa-garage (Unit E)*	1714***	$1,549	$1,633
Two Bedroom /Two Bath / Den / Sunroom Villa (Unit F)	2123***	$1,737	$1,818
Two Bedroom /Two Bath / Den / Sunroom Villa- garage (Unit F)*	2123***	$1,737	$1,818
One Bedroom Apt. Rental Fee Options	765 – 827**	$1,569 - $2,047	
Two Bedroom Apt. Rental Fee Options	1068** - 1130**	$2,479 - $2,653	
Optional Garage (rental apartments)	Standard (additional) $179 per month Deluxe (additional) $217 per month		

All dimensions are approximate **excludes balcony ***excludes garage

Entrance Fees are anticipated to increase at the rate of approximately 5% per year. They will reflect the general rate of inflation in the housing market generated by the forces of supply and demand. Monthly Service Fees can be increased annually, and these increases are based on projected increases in operating expenses.

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INFORMATION RELATED TO SECTION 7 OF THE ACT

(a) 1. **The name and business address of the provider, and a statement of whether the provider is a partnership, a corporation or other type of legal entity:** Masonic Villages of the Grand Lodge of Pennsylvania, One Masonic Drive, Elizabethtown, Pennsylvania 17022-2199. The Masonic Villages is a Pennsylvania nonprofit corporation and a provider of continuing care owned and operated by the Grand Lodge of Free and Accepted Masons of Pennsylvania.

(a) 2. **The names and business addresses of the officers, directors, trustees, managing or general partners**. The present directors of Masonic Villages are:

Robert D. Brink, Chairman of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Grand Master for the Masonic Fraternity for the Commonwealth of Pennsylvania. He is the president of Pennridge Development Enterprises, Inc. in Perkasie, PA. Mr. Brink has been a member of the Board of Directors of Masonic Villages since December 2019.

Paul J. Roup, Member of the Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Deputy Grand Warden for the Masonic Fraternity for the Commonwealth of Pennsylvania. Mr. Roup is the owner of Dreamscape Video Productions. He is also a magazine editor for the Supreme Council NMJ. Mr. Roup has been a member of the Board of Directors of Masonic Villages since December 2021.

Lynn B. Baker, Member of the Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Senior Grand Warden for the Masonic Fraternity for the Commonwealth of Pennsylvania. He is the owner/forester of Baker Forest Consulting LLC. Mr. Baker has been a member of the Board of Directors of Masonic Villages since December 2023.

Eric T. Downs, Member of the Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Junior Grand Warden for the Masonic Fraternity for the Commonwealth of Pennsylvania. He is a real estate agent for Springer Realty Group. Mr. Downs has been a member of the Board of Directors of Masonic Villages since December 2025.

Mr. Peter M. Kraus, Member of the Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Grand Secretary for the Masonic Fraternity for the Commonwealth of Pennsylvania. He is employed as the owner of Bridgeport USA, LLC. Mr. Kraus has been a member of the Board of Directors of Masonic Villages since December 2025.

Adam C. Heese, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is the Right Worshipful Grand Treasurer for the Masonic Fraternity for the Commonwealth of Pennsylvania. He is a Senior Tax Analyst with Kennametal Inc. in Latrobe, PA. Mr. Heese has been a member of the Board of Directors at the Masonic Villages since May 2012.

Robert C. Snyder II, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a partner at Robert Snyder Agency, McConnellsburg, PA. Mr. Snyder is a Chartered Property Casualty Underwriter and Certified Insurance Counselor. Mr. Snyder has been a member of the Board of Directors of Masonic Villages since December 2017.

Frederic C. Wheeler IV, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a Chief Investment Officer with Friedenthal Financial, LLC in Voorhees, NJ. Mr. Wheeler has been a member of the Board of Directors of Masonic Villages since July 2018.

Glenn David Miller, II, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a retired Cardiologist. Mr. Miller has been a member of the Board of Directors of Masonic Villages since December 2022.

Robert J. Cepielik, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a Consultant with Berkeley Research Group based in Washington DC. Mr. Cepielik has been a member of the Board of Directors of Masonic Villages since December 2023.

Thomas E. Bahney, Jr., Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a General Manager for United States Steel Corporation in Pittsburgh, PA. Mr. Bahney has been a member of the Board of Directors of Masonic Villages since April 2024.

Todd R. Ockovic, Member of Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a Senior Partner at 1847 Financial in Conshohocken, PA. Mr. Ockovic has been a member of the Board of Directors of Masonic Villages since December 2024.

Stanley E. Saylor, Member of the Board, One Masonic Drive, Elizabethtown, PA 17022-2199, is a consultant. Mr. Saylor has been a member of the Board of Directors of Masonic Villages since December 2025.

William L. Kingsbury, Masonic Village, One Masonic Drive, Elizabethtown, PA 17022-2199, is employed as Chief Executive Officer of the Masonic Villages of the Grand Lodge of Pennsylvania. Mr. Kingsbury earned his Bachelor of Science degree in business administration and finance from Villanova University and his juris doctorate from the university's School of Law. He joined the law firm of Peck, Young & VanSant, Philadelphia, in 1995 and was promoted to partner in 1997. In 2001, Peck, Young & VanSant merged into the national law firm of Montgomery, McCracken, Walker & Rhoads, LLP, where he served in various leadership positions, including on the Management Committee and as Chair of the Business Department. Mr. Kingsbury served as outside general counsel to the Grand Lodge of Pennsylvania and its charitable affiliates from 1995 – May 2019. He has served on various Grand Lodge committees, including as Chair of the Grand Lodge of Pennsylvania Consolidated Fund and the Grand Lodge of Pennsylvania Pension Plan from 2009 – 2019. He became a member of the LeadingAge PA Board in June 2020 and presently serves as its chairman.

Adrienne M. Staudenmayer, Masonic Village, One Masonic Drive, Elizabethtown, PA. 17022-2199, is employed as Chief Operating Officer of the Masonic Villages of the Grand Lodge of Pennsylvania. Adrienne joined Masonic Village in 1988. She has served as Chief Operating Officer since January 2021. She provides operational direction and strategic oversight for all service areas of the organization's five locations. She is also responsible for providing leadership, support and guidance to all Masonic Village Executive Directors and the Senior Vice President of Operations, who oversees the organization's home and community-based services, children's home and home for adults with developmental disabilities. Previously, Adrienne served as Executive Director for the Masonic Village at Lafayette Hill since 2001. Throughout her tenure, she led the community through extensive renovations, construction, service enhancements and growth. Adrienne earned her Bachelor of Science degree from Gwynedd Mercy College. An active member of LeadingAge and LeadingAge PA, Adrienne serves as Past Chairperson of the board of directors for the Masonic Communities & Services Association.

Pamela S. Formica, Masonic Village, One Masonic Drive, Elizabethtown, PA 17022-2199, is a Certified Public Accountant and is employed as Chief Financial Officer for Masonic Villages of the Grand Lodge of Pennsylvania. She joined Masonic Villages in 2015 as the vice president of mission development. She was previously employed by Masonic Village at Elizabethtown as assistant controller from 1992 until 2002. From 2002 until 2015, she was employed with Brethren Village as vice president of finance. Ms. Formica received her bachelor's degree from Elizabethtown College. She has been licensed as a Certified Public Accountant since 1991 and is a member of the Pennsylvania Institute of Certified Public Accountants. Ms. Formica serves as a board member and treasurer for PA Acacia Insurance Company, LTD (Vermont Captive) and Ashlar Home Health and Hospice Services, LLC. Additionally, she is a director of the board of Goodwill Keystone Area and is the treasurer for Elizabethtown Community Housing and Outreach.

Dr. Noah P. Davis, Masonic Village, 36 Ridgway Drive, Dallas, PA 18612, is employed as Executive Director of Masonic Village at Dallas. He received his bachelor's degree in hospitality management and dietetics from the Pennsylvania State University and his master's degree in public administration, health care policy from Binghamton University. Dr. Davis received his Doctor of Public Health from the University at Albany; he is a Northeast Public Health Leadership Institute Scholar and a licensed nursing home administrator. He is an Executive Committee member of Luzerne County Area Agency on Aging's advisory board and secretary of the Northeast Pennsylvania Council on Aging. Dr. Davis has worked in the long-term care field for more than 30 years. Before his employment with Masonic Village, he worked for the New York State Department of Health as the assistant administrator for the New York State Veterans' Home at Oxford and as a general manager for Sodexo Senior Services.

(a) 3. **A description of the business experience of the officers of the provider and the proposed manager of the facility:** The business experience of the present directors of Masonic Villages is noted in the previous paragraph. Because Masonic Villages draw on the expertise of its staff, Masonic Villages feel confident that a qualified management team has been assembled.

None of the directors or officers named above have an interest in any firm, association, trust, partnership or corporation which is intended to provide goods, leases or services to the facility of a value of $500 or more within any year.

None of the people named in the preceding paragraphs has anything to disclose with regard to paragraph (a) 3. (c) under Section 7. of the Continuing Care Provider Registration and Disclosure Act.

(a) 4. **A statement as to whether the provider is affiliated with a religious, charitable or other nonprofit organization, and the nature of the affiliation. Also, the extent to which the affiliate organization will be responsible for the financial contract obligations of the provider.** The Masonic Villages is owned and operated by the Grand Lodge of Free and Accepted Masons of Pennsylvania whose existence antedates both the Commonwealth of Pennsylvania and the United States of America. Masonic Villages is tax exempt under Section 501(c) (3) of the Federal Internal Revenue Code. Masonic Villages has been a provider of long-term care for the last 116 years.

(a) 5. **The location and description of the physical property**: The Masonic Village at Dallas is located on the IREM Country Club Property located in Dallas, Pennsylvania.

The community consists of 45 apartments and 38 villas. All apartments and villas contain wall to wall carpeting, sheer curtains, appliances, smoke detection, emergency alarm system, and individually controlled heating and air-conditioning. Residents have access to golf privileges at the IREM Country Club Golf Course and The Greens Restaurant and Pub at the Irem Clubhouse on a fee for service basis.

(a) 6. **The services provided or proposed to be provided under contracts for continuing care at the facility.**

Description of Services Offered

The following services are included in the Monthly Service Fee for the living accommodations:

- Water
- Sewer
- Trash removal
- Snow removal
- Exterior maintenance/ lawn care & landscaping
- Appliance maintenance and repair

- Necessary maintenance and repairs in the living unit
- Housekeeping of common areas in apartment building
- Emergency call system
- Real estate taxes (if applicable)

Description of Nursing Services

The Masonic Village will facilitate access to medical, personal care, and skilled nursing services through regional providers as needed or as desired for Masonic Village Residents on a fee-for-service basis. Residents of Masonic Village also have access upon availability to Personal Care or Skilled Nursing Facilities at other locations throughout the Commonwealth that are operated by the Masonic Villages. The costs of any and all such services are not included in the Entrance Fee or monthly Service Fee and will be billed separately to each resident.

The Masonic Village makes every effort to allow residents to function at their optimal level and meet the requirements of tenancy.

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(a) 7. Description of Fees and Periodic Charges:

Entrance Fee

Unit Type	Gr. Sq. Ft.	2026 Entrance Fee Eight-Year Declining Balance	2026 Entrance Fee 90% Refundable
One Bedroom / One Bath Apt. (Unit A)	765	$113,000	$214,700
One Bedroom / One Bath / Balcony Apt. (Unit A1)	765**	$125,100	$237,690
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All dimensions are approximate **excludes balcony ***excludes garage
*Two-Car Garage included

Monthly Service Fee

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Two Bedroom / Two Bath / Deluxe Apt. (Unit B1)	1130**	$1,251	$1,337
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Two Bedroom /Two Bath / Den / Sunroom Villa- garage (Unit F)*	2123***	$1,737	$1,818
One Bedroom Apt. Rental Fee Options	765 – 827**	$1,569 - $2,047	
Two Bedroom Apt. Rental Fee Options	1068** - 1130**	$2,479 - $2,653	
Optional Garage (rental apartments)	Standard (additional) $179 per month Deluxe (additional) $217 per month		

All dimensions are approximate **excludes balcony ***excludes garage

Entrance Fees are anticipated to increase at the rate of approximately 5% per year. They will reflect the general rate of inflation in the housing market generated by the forces of supply and demand. Monthly Service Fees can be increased annually, and these increases are based on projected increases in operating expenses. Over the past five years, the monthly fee for a one-bedroom standard apartment at other locations operated by Masonic Villages has been increased as follows:

Year	Monthly Fee	Increase Amount	Increase Percent
2026	$1,172	$42	3.60%
2025	$1,130	$43	4.00%
2024	$1,087	$95	9.50%
2023	$992	$56	6.00%
2022	$936	$34	3.75%

(a) 8. **The provisions that will be made to provide reserve funding.** When required by the Act, entrance fee payments will be deposited in a reserve which will be established through an Escrow Agreement. The entrance fee payments for new and existing units will be deposited in a reserve which has been established with US Bank, in accordance with the Act.

(a) 9. **Certified financial statements of the provider.**
Certified financial statements for the Masonic Villages of the Grand Lodge of Pennsylvania for the years ended December 31, 2025 and December 31, 2024 are attached and marked Attachment I.

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ATTACHMENT I

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Audited Consolidated Financial Statements

December 31, 2025

Masonic Villages of the Grand Lodge of Pennsylvania

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Masonic Villages of the
Grand Lodge of Pennsylvania
Elizabethtown, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Masonic Villages of the Grand Lodge of Pennsylvania (a not-for-profit organization) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Masonic Villages of the Grand Lodge of Pennsylvania and subsidiaries as of December 31, 2025 and 2024, and the results of their operations, 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.

We did not audit the financial statements of Pennsylvania Acacia Insurance Company, Ltd, a wholly-owned subsidiary, which statements reflect total assets of $ 20,185,208 and $ 18,051,460 as of December 31, 2025 and 2024, respectively, and total revenues of $ 2,250,340 and $ 1,739,190, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Pennsylvania Acacia Insurance Company, Ltd, is based solely on the report of the other auditors.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Masonic Villages of the Grand Lodge of Pennsylvania and subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Masonic Villages of the Grand Lodge of Pennsylvania and subsidiaries' 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 Masonic Villages of the Grand Lodge of Pennsylvania and subsidiaries' 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.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
April 29, 2026

MASONIC VILLAGES OF THE GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	$ 25,760,638	$ 22,512,010
Assets whose use is limited and that are required for current liabilities	5,557	984,862
Resident accounts receivable, net of estimated uncollectible of $1,321,900 in 2025 and $1,470,500 in 2024 (Note 4)	7,287,663	9,055,544
Accounts receivable - Grand Lodge	25,576	-
Investment income receivable	1,903,652	2,054,527
Inventory	2,575,729	3,397,435
Other current assets	4,831,977	4,475,145
Notes receivable (Note 6)	836,769	648,534
Contributions receivable (Note 5)	118,873	126,238
Total current assets	43,346,434	43,254,295
Contributions receivable, net of current portion (Note 5)	825,305	857,358
Minimum liquid reserve requirement (Notes 7, 20)	21,097,698	20,536,076
Investments (Note 7)	1,025,244,540	954,483,637
Property and equipment, net (Note 8)	346,386,233	350,815,634
Operating lease right-of-use assets (Note 23)	6,237,778	4,923,037
Other long-term assets	2,323	2,323
Total assets	$ 1,443,140,311	$ 1,374,872,360

MASONIC VILLAGES OF THE GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024

LIABILITIES AND NET ASSETS	2025	2024
Current liabilities:		
Current installments of long-term debt (Note 10)	$ 11,105,000	$ 10,655,000
Accrued expenses	20,318,728	19,593,024
Accounts payable:		
Trade	8,454,413	5,834,605
Grand Lodge	-	10,548
Grand Lodge of Pennsylvania Charity Foundation	-	23,418
Operating lease liabilities	1,705,857	792,738
Deferred revenue	560,668	303,667
Deposits - Residents	687,081	703,437
Deposits on unoccupied units	3,024,634	1,879,956
Annuities payable	1,241,992	1,268,380
Total current liabilities	47,098,373	41,064,773
Annuities payable, net of current portion	10,975,496	10,780,183
Refundable fees	107,943,807	107,932,869
Deferred revenue from entrance fees	134,104,823	134,874,986
Deferred revenue, net of current portion	709,446	676,798
Interest rate swap agreements (Note 9)	-	2,394,773
Operating lease liabilities, net of current portion	4,550,902	4,187,805
Long-term debt, net (Note 10)	110,746,744	121,241,036
Total liabilities	416,129,591	423,153,223
Net Assets:		
Without donor restrictions	597,603,337	547,398,138
With donor restrictions	429,407,383	404,320,999
Total Net Assets	1,027,010,720	951,719,137
Total liabilities and net assets	$ 1,443,140,311	$ 1,374,872,360

The accompanying notes are an integral part of these consolidated financial statements.

MASONIC VILLAGES OF THE
GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Years Ended December 31, 2025 and 2024

	2025			2024		
	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions
Operating revenues:						
Resident service revenue (Note 15)	$ 163,257,498	$ 163,257,498	$ -	$ 165,854,185	$ 165,854,185	$ -
Provision for expected credit losses	(678,885)	(678,885)	-	(498,015)	(498,015)	-
Net resident service revenue	162,578,613	162,578,613	-	165,356,170	165,356,170	-
Amortization of entrance fees	16,655,311	16,655,311	-	16,085,265	16,085,265	-
Other operating revenue	4,498,504	4,498,504	-	4,917,516	4,917,516	-
Investment income	15,734,040	15,734,040	-	15,863,704	15,863,704	-
Total operating revenues	199,466,468	199,466,468	-	202,222,655	202,222,655	-
Operating expenses:						
Wages, salaries, and benefits	126,373,526	126,373,526	-	122,133,999	122,133,999	-
Supplies	29,964,569	29,964,569	-	31,336,377	31,336,377	-
Purchased services	28,343,802	28,343,802	-	25,958,601	25,958,601	-
Energy and utilities	10,676,299	10,676,299	-	9,558,628	9,558,628	-
Depreciation and amortization	29,580,471	29,580,471	-	29,410,274	29,410,274	-
Interest	5,296,689	5,296,689	-	5,448,396	5,448,396	-
Other operating expenses	6,156,308	6,156,308	-	6,299,626	6,299,626	-
Total operating expenses	236,391,664	236,391,664	-	230,145,901	230,145,901	-
Loss from operations before change in fair value of derivative financial instruments	(36,925,196)	(36,925,196)	-	(27,923,246)	(27,923,246)	-
Unrealized appreciation of interest rate swap agreements	457,104	457,104	-	854,404	854,404	-
Loss from operations	(36,468,092)	(36,468,092)	-	(27,068,842)	(27,068,842)	-
Nonoperating gains (losses):						
Contributions, gifts, and bequests	7,239,697	4,828,639	2,411,058	14,964,799	7,686,130	7,278,669
Non-operating investment income	955,916	-	955,916	1,113,202	-	1,113,202
Contributions from Grand Lodge net assets with donor restrictions	2,000	2,000	-	28,000	28,000	-
Income from perpetual trusts held by third parties	2,254,742	2,122,977	131,765	2,257,060	2,163,514	93,546
Realized gains on sale of investments	46,331,342	28,071,516	18,259,826	42,486,878	26,303,094	16,183,784
Adjustments of actuarial liabilities of split-interest agreements	(1,237,096)	(1,253,850)	16,754	(732,838)	(751,832)	18,994
Gain on disposal of long term debt	1,322,277	1,322,277	-	-	-	-
Gain on disposal of property and equipment	178,928	178,928	-	259,445	259,445	-
Total nonoperating gains	57,047,806	35,272,487	21,775,319	60,376,546	35,688,351	24,688,195
Excess (deficiency) of revenues and gains over expenses and losses	20,579,714	(1,195,605)	21,775,319	33,307,704	8,619,509	24,688,195
Net assets released from restrictions:						
Satisfaction of program restrictions - Operations	-	17,526,147	(17,526,147)	-	14,816,188	(14,816,188)
Satisfaction of program restrictions - Purchase of property and equipment	-	1,493,327	(1,493,327)	-	518,014	(518,014)
Total net assets released from restrictions	-	19,019,474	(19,019,474)	-	15,334,202	(15,334,202)
Net unrealized appreciation on investments	52,691,904	31,401,892	21,290,012	33,099,734	19,333,499	13,766,235
Transfer of net assets from Grand Lodge of Pennsylvania Charity Foundation	2,019,966	979,439	1,040,527	-	-	-
Increase in net assets	75,291,584	50,205,200	25,086,384	66,407,438	43,287,210	23,120,228
Net assets at January 1	951,719,137	547,398,138	404,320,999	885,311,699	504,110,928	381,200,771
Net assets at December 31	$ 1,027,010,720	$ 597,603,338	$ 429,407,383	$ 951,719,137	$ 547,398,138	$ 404,320,999

The accompanying notes are an integral part of these consolidated financial statements.

MASONIC VILLAGES OF THE
GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

	2025			
	Program Services	Management and General	Fundraising	Total
Wages, salaries, and benefits	$ 109,316,617	$ 16,171,310	$ 885,599	$ 126,373,526
Supplies	29,670,521	276,486	17,562	29,964,569
Purchased services	19,284,957	8,935,136	123,709	28,343,802
Energy and utilities	10,575,638	100,473	188	10,676,299
Depreciation and amortization	27,989,181	1,585,997	5,293	29,580,471
Interest	5,130,080	166,609	-	5,296,689
Other operating expenses	5,448,008	594,899	113,401	6,156,308
Total operating expenses	$ 207,415,002	$ 27,830,910	$ 1,145,752	$ 236,391,664

	2024			
	Program Services	Management and General	Fundraising	Total
Wages, salaries, and benefits	$ 104,825,442	$ 16,337,813	$ 970,744	$ 122,133,999
Supplies	30,966,524	347,675	22,178	31,336,377
Purchased services	18,077,625	7,759,981	120,995	25,958,601
Energy and utilities	9,420,392	137,947	289	9,558,628
Depreciation and amortization	27,878,192	1,531,428	654	29,410,274
Interest	5,287,919	160,477	-	5,448,396
Other operating expenses	5,659,949	503,563	136,114	6,299,626
Total operating expenses	$ 202,116,043	$ 26,778,884	$ 1,250,974	$ 230,145,901

The accompanying notes are an integral part of these consolidated financial statements.

MASONIC VILLAGES OF THE GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities and Nonoperating Gains:		
Increase in net assets	$ 75,291,583	$ 66,407,438
Adjustments to reconcile increase in net assets to net cash provided by operating activities and nonoperating gains:		
Depreciation and amortization	29,580,471	29,410,274
Amortization of deferred financing costs	126,836	101,790
Loss on refunding of long-term debt	228,963	-
Provision for expected credit losses	678,885	498,015
Bond premium amortization	(390,209)	(410,783)
Bond discount amortization	36,457	52,983
(Gain) on disposal of property and equipment	(178,928)	(259,445)
Amortization of entrance fees	(16,655,311)	(16,085,265)
Initial contributions recognized from split-interest agreements	(198,421)	(1,058,513)
Actuarial adjustments for split-interest agreements	1,237,096	732,838
Contributions restricted for long-term investments	(2,542,823)	(7,372,214)
Net realized and unrealized (gains) on long-term investments	(99,023,246)	(75,586,612)
Payment of bond interest from bond proceeds	898,035	-
Increase in fair value of interest rate swap agreements	(457,104)	(854,404)
Decrease (increase) in receivables	1,253,714	(1,951,874)
Decrease (increase) in other current assets and inventory	464,875	(1,403,500)
Increase in accounts payable and accrued expenses	3,269,139	1,501,716
Increase in other current and noncurrent liabilities	1,424,851	601,924
Transfer of net assets from Grand Lodge of Pennsylvania Charity Foundation	(2,019,966)	-
Proceeds from entrance fees and deposits	26,292,527	30,828,528
Net cash provided by operating activities and nonoperating gains	19,317,424	25,152,896
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(24,972,142)	(14,790,691)
Decrease (increase) in assets whose use is limited	979,305	(18,781)
(Increase) decrease in notes receivable	(188,235)	2,404
Proceeds from the sale of investments	63,356,279	51,258,903
Purchases of investments	(35,655,555)	(45,121,623)
Net cash provided by (used in) investing activities	3,519,652	(8,669,788)

The accompanying notes are an integral part of these consolidated financial statements.

MASONIC VILLAGES OF THE GRAND LODGE OF PENNSYLVANIA
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Financing Activities:		
Refunds of entrance fees and deposits	(10,396,441)	(10,441,622)
Proceeds from contributions restricted for long-term investments	2,542,823	7,372,215
Proceeds from contributions under split-interest agreements	492,495	1,894,989
Net payments made on split-interest agreements	(1,362,246)	(820,523)
Payment of deferred financing fees	(583,918)	-
Proceeds from issuance of bonds	46,941,839	-
Payment of swap liability	(2,373,000)	-
Principal payments of long-term debt	(54,850,000)	(10,385,000)
Net cash provided by (used in) financing activities	(19,588,448)	(12,379,941)
Net increase in cash and cash equivalents	3,248,628	4,103,167
Cash and cash equivalents - Beginning of year	22,512,010	18,408,843
Cash and cash equivalents - End of year	$ 25,760,638	$ 22,512,010
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 5,791,151	$ 5,698,661

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: Summary of Significant Accounting Policies

Organization

Masonic Villages of the Grand Lodge of Pennsylvania (Masonic Villages) is a Pennsylvania not-for-profit corporation. The Grand Lodge of Free and Accepted Masons of Pennsylvania (Grand Lodge) is the sole member of Masonic Villages. Prior to January 1, 2013, Masonic Villages operated as an unincorporated unit of Grand Lodge known as Masonic Homes of the Grand Lodge of Free and Accepted Masons of Pennsylvania (Masonic Homes). Masonic Villages is considered the successor organization to Masonic Homes and has continued to operate Masonic Homes' services since January 1, 2013. Masonic Villages provides various services in Pennsylvania at its campuses located in Elizabethtown, Warminster, Sewickley, Lafayette Hill, and Dallas. These campuses are referred to, collectively and individually, as "Masonic Villages" for marketing and business purposes.

Services provided at the Elizabethtown campus as of December 31, 2025 include a 442-bed nursing facility providing nursing care (Nursing Home), 1,073 units of Retirement Living consisting of apartments and cottages, a 135 bed personal care facility (Personal Care), and an 8 bed Residential care program (Residential Care) for developmentally disabled individuals. A notice was issued on December 30, 2025 that authorized the transfer of eleven nursing licenses to the Warminster campus from the Elizabethtown campus. In addition to these residential services, the Elizabethtown location also offers an Outreach program, and hospice, home health care and home care services. The Elizabethtown location also includes meeting and conference facilities and a farm.

As of December 31, 2025, services provided at the Warminster campus include a 43-bed nursing facility. A notice was issued on December 30, 2025 that authorized the transfer of eleven nursing licenses to Warminster from the Elizabethtown campus, increasing nursing beds to 54.

As of December 31, 2025, services provided at the Sewickley campus include a 128-bed nursing facility, 64 beds of personal care, and 282 units of Retirement Living Apartments and Villas. In addition to these residential services, the Sewickley campus also offers home care services.

As of December 31, 2025, services provided at the Lafayette Hill campus include a 60-bed nursing facility, 38 beds of personal care, and 158 units of Retirement Living Apartments. In addition to these residential services, the Lafayette Hill campus also offers home care services.

As of December 31, 2025, services provided at the Dallas campus include 83 units of Retirement Living Apartments and Cottages.

In addition to the services provided at its campuses, Masonic Villages includes the following subsidiaries:

The Masonic Children's Home operates a 40-bed home for disadvantaged children on the Elizabethtown campus where children between the ages of 7 and 18 are offered the security and support necessary for healthy growth and development. The Masonic Children's Home operates as a Pennsylvania limited liability company (LLC). Masonic Villages is the sole member of the Masonic Children's Home. Pursuant to its LLC operating agreement, management of the Masonic Children's Home is vested in a board of managers.

NOTE 1: Summary of Significant Accounting Policies - Continued

Organization -Continued

The Masonic Library and Museum of Pennsylvania (Masonic Library and Museum) was established as a Pennsylvania not-for-profit corporation in 1990 to maintain and operate the library and museum located at the Masonic Temple in Philadelphia, Pennsylvania. The Masonic Library and Museum operates as a Pennsylvania LLC. Masonic Villages, pursuant to its LLC operating agreement, is the sole member of the LLC.

The Pennsylvania Masonic Youth Foundation (Foundation) was established as a Pennsylvania not-for-profit corporation in 1982 for the purpose of guiding youth in Pennsylvania in their mental, physical and religious or spiritual development through programs in the fields of physical education, sportsmanship, citizenship, morality, public speaking, and the arts, all designed to develop and promote an awareness of the principles of good citizenship, sportsmanship, respect for parents and fellowmen, and generally to assist in the development of a life philosophy that will sustain them in the future. The Foundation operates as a Pennsylvania LLC. Masonic Villages, pursuant to its LLC operating agreement, is the sole member of the LLC.

The Pennsylvania Acacia Insurance Company, Ltd. (PAIC) was established in December 2002 as a Vermont corporation for the purpose of insuring certain healthcare and professional liability risks of Masonic Villages through its operation as a captive insurance company. PAIC is exempt from federal income tax as a charitable organization under Section 501(c)(3) of the Internal Revenue Code. Masonic Villages is the sole member of PAIC.

Ashlar Home Health and Hospice Services, LLC (Ashlar) was established as a Pennsylvania LLC to provide home care, home health care, hospice care, and palliative care services to residents of the Masonic Village at Elizabethtown and surrounding communities. Masonic Villages is the sole member of Ashlar, which is a disregarded entity for federal tax purposes.

The Grand Lodge of Pennsylvania Charity Foundation (GLPCF), a Pennsylvania nonprofit corporation, was created in 1993 to distribute charitable donations to other charitable organizations. GLPCF solicits donations from Masonic Lodges, their members, and other related entities. Effective January 1, 2025, GLPCF was merged into Masonic Villages and all operations, assets and liabilities of GLPCF became the operations, assets and liabilities of Masonic Villages. Masonic Villages' Articles of Incorporation were unchanged as a result of this merger. As shown in the accompanying consolidated statement of changes in net assets, the financial impact of the merger of GLPCF into Masonic Villages was additional net assets totaling $ 2,019,966 as of the merger date.

Principles of Consolidation

The consolidated financial statements include the financial statements of Masonic Villages and its wholly owned subsidiaries, PAIC, Ashlar, Masonic Children's Home, Masonic Library and Museum, Foundation, and GLPCF after elimination of all significant interrelated balances and transactions.

Assets Whose Use is Limited

Assets whose use is limited include assets held by trustees under an indenture agreement.

NOTE 1: Summary of Significant Accounting Policies - Continued

Resident Accounts Receivable

Accounts receivable for services provided to residents consists of amounts owed directly from residents on a private pay basis and amounts owed from third-party payors on behalf of residents and are generally due 30 days after billed. Receivables from third-party payors are recorded at established rates, net of contractual adjustments specific to each payor. Receivables from private pay residents are recorded at established rates. Receivables are considered to be past due when payments have not been received by Masonic Villages within 90 days of their contractually stated due date. The provision for uncollectible private pay resident accounts receivable is based on management's assessment of the collectability of individual receivables and the aggregate aging of all of the private pay resident accounts receivable. Masonic Villages references an aging schedule segregated by payer and location to estimate expected credit losses relative to resident accounts receivable. The basis for this is expected credit losses for resident accounts receivable may be determined by the length of time a receivable has been outstanding. This is particularly true with payers requiring claim submissions within a specific period or look back period for eligibility. Each payer and location are carefully examined, noting accounts with greater risk of credit loss because of timeframe, challenges with county assistance office, non-responsiveness from guarantors, etc. An estimated reserve is associated with such accounts, which is aggregated into a total specific reserve. The total specific reserve is removed from the aging schedule totals. A general reserve is applied to the net aging schedule totals based on qualitative factors for economic, environmental, and other factors. Expected credit losses relative to resident accounts receivable include the specific reserve and the general reserve. Losses are charged against the allowance for uncollectible private pay resident accounts receivable when management believes the lack of collectability of a receivable is confirmed.

Inventory

Inventory consists of medical supplies and pharmaceutical products, livestock, and maintenance supplies and is valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis.

Notes Receivable and Allowance for Uncollectible Notes Receivable

Masonic Villages has provided short-term loans to residents entering its Retirement Living facilities. These loans are evidenced by a note which authorizes a judgment against the resident’s property to effect loan satisfaction and are recorded at the gross amount of the loan proceeds, reduced by an allowance for uncollectible notes receivable. Interest income from notes receivable is accrued on the straight-line method. Notes are considered to be due one year from the date of the note.

Nonaccrual notes receivable are those on which accrual of interest has ceased and where all previously accrued but not collected interest is reversed. Notes are placed on nonaccrual status when, in the opinion of management, full collection is doubtful. Interest accrued but not collected as of the date of placement on nonaccrual status is reversed and charged against current income. While a note receivable is on nonaccrual status, subsequent cash payments received are either applied to outstanding principal balance or recorded as interest income, depending on management’s assessment of the ultimate collection of principal and interest.

NOTE 1: Summary of Significant Accounting Policies - Continued

Notes Receivable and Allowance for Uncollectible Notes Receivable - Continued

The allowance for uncollectible notes receivable is evaluated on a regular basis by management and is based on historical experience, the nature and volume of the notes receivable portfolio, adverse conditions that may affect the borrower's ability to repay, and prevailing economic conditions. Notes are considered to be past due when principal and interest payments have not been received by Masonic Villages within 90 days of their contractually stated due date. Losses are charged against the allowance for uncollectible notes receivable when management believes the uncollectability of a note is confirmed.

Because of the limited number of notes receivable, Masonic Villages examined each note and evaluated its collectability and determined no allowance for credit losses are expected on the notes receivable at December 31, 2025 and 2024. Masonic Villages has not historically experienced credit losses which were materially in excess of estimates.

Contributions Receivable

Contributions receivable consist primarily of charitable lead trusts and promises to give.

Masonic Villages will be the recipient of specified funds over the terms of the charitable lead trusts upon the death of the beneficiaries. Contributions receivable are recorded at the net present value of the expected trust assets to be received based on the fair value of the trust assets, the contractual or risk-free rate of return (which ranges from 1.52% to 4.25%), and the life expectancy of the current beneficiary or term of the trust.

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 the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Investments and Investment Income

Masonic Villages carries investments at fair value. When available, fair value of the investments is determined using quoted market prices of a national securities exchange. In other instances, fair value is determined using other observable market data or Masonic Villages' own assumptions. Contributed investments are initially valued at the quoted fair value on the date received, which is then treated as cost.

Investment income on borrowed funds held by a trustee and investment income from all other investments without donor restrictions are reported as operating revenues. Investment income and gains (losses) on investments with donor restrictions are added to (deducted from) the appropriate net assets with donor restrictions.

Masonic Villages reviews the investment portfolio's performance at least quarterly, including evaluation of any available for sale debt securities in an unrealized loss position for possible impairment. A debt security is deemed impaired if the fair value of the investment is less than its amortized cost. In this evaluation, consideration is given to the issuer of the securities and their creditworthiness, any changes to the rating of the security and any adverse conditions specifically

NOTE 1: Summary of Significant Accounting Policies - Continued

Investments and Investment Income - Continued

related to the security, among other factors. Also, the business and financial outlook of the issuer, as well as broader economic performance indicators, may be evaluated. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than amortized cost. Any impairment that has not been recorded through an allowance for credit losses is recognized as unrealized losses in the consolidated statement of changes in net assets. Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the allowance when management believes the available for sale debt security is confirmed as uncollectible or when there is an intent or requirement to sell the security. Masonic Villages has elected to exclude accrued interest receivable on available for sale debt securities from the allowance for credit losses calculation. A debt security is placed on nonaccrual status at the time any principal or interest payments become 90 days past due. The receivable for interest income that is accrued but not collected is reversed against interest income when the debt security is placed on nonaccrual status. Estimating expected credit losses relative to investments requires a detailed analysis of the underlying investments, in particular debt securities. As of December 31, 2025 and 2024, Masonic Villages reviewed each debt security holding in the portfolio specifically noting the applicable rating of the issuer. This data was then summarized and ranked. Of the total portfolio, 98.5%of the debt securities were A or better rated. Based on this and the prior year evaluation, Masonic Villages determined it does not have any available for sale debt securities it considers to be impaired at December 31, 2025 and 2024, which would require an allowance for credit losses.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value at the date of receipt. Masonic Villages reviews all disbursements greater than $ 1,000 for capitalization as property and equipment. Expenditures for repairs which extend the useful life of the assets are capitalized and routine maintenance and repair costs are expensed as incurred.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Estimated useful lives are as follows: land improvements - 10 to 20 years, buildings and improvements - 20 to 40 years, and equipment - 3 to 20 years.

Deferred Financing Costs and Bond Discounts and Premiums

Deferred financing costs, bond discounts, and bond premiums are presented with the liability to which they relate and are amortized over the period the obligation is outstanding using the effective interest method.

Collections

Masonic Villages, directly or through its subsidiaries, owns or manages collections of Masonic memorabilia, paintings, antique furniture, farm equipment, and other artifacts related to the history of Masonic Villages and Freemasonry. These collections are located at the Elizabethtown, Pennsylvania campus and at the Masonic Temple in Philadelphia, Pennsylvania. The collections, which were primarily acquired through contributions since Masonic Villages' inception, are not recognized as assets in the consolidated balance sheets. Contributed collection items are not recognized as revenue in the consolidated statements of changes in net assets.

NOTE 1: Summary of Significant Accounting Policies - Continued

Retirement Living - Entrance Fee Units

Entrance Fees - Fees paid by a resident upon entering into a resident agreement for Retirement Living, net of the portion thereof that is expected to be refundable to the resident based on refundable contract choice (refundable fees). The fees are recorded as deferred revenue and are amortized to revenue using the straight-line method over the estimated remaining life expectancy of the resident. Contingent contracts are those that provide a minimum refund percentage greater than zero and state that re-occupancy is required prior to the payment of a refund. The refundable portion of a contingent contract is not amortized to revenue but remains as a liability until withdrawal. Some of Masonic Villages' Retirement Living resident agreements are contingent contracts because they include certain minimum guaranteed refund amounts to the residents.

Contractually Refundable Fees - Masonic Villages offers two types of contracts at its Elizabethtown, Dallas, Sewickley, and Lafayette Hill campuses. Under the terms of the first contract type, amounts refundable equal the contract amount less 5% for the first month of occupancy and 1% for each month of occupancy thereafter. As of January 1, 2014, new contracts for the Sewickley campus define amounts refundable as the contract amount less 6% for the first month of occupancy and 2% for each month of occupancy thereafter. As of January 1, 2025, new contracts for the Elizabethtown and Lafayette Hill campuses define amounts refundable as the contract amount less 6% for the first month of occupancy and 2% for each month of occupancy thereafter. Under the terms of the second contract type, amounts refundable equal 90% of the original contract amount whenever the resident chooses to permanently leave retirement living or the facility. In addition, a variation of the refundable contract type is available at the Dallas campus providing an annual 1% increase in the refundable percentage. At December 31, 2025, and 2024, entrance fees of $ 107,943,807 and $ 107,932,869, respectively, were refundable to residents (excluding deposits on unoccupied units) under the terms of the refundable contracts.

Obligation to Provide Future Services - Masonic Villages annually calculates the present value of the net cost of future services to be provided to Retirement Living residents. Costs of future services for Retirement Living residents at the Elizabethtown and Lafayette Hill campuses include the meals, housekeeping, maintenance, and facility costs that are provided under the terms of the Elizabethtown and Lafayette Hill contracts. Costs of future services for Retirement Living residents at the Sewickley campus who qualify for life care include the health care services, meals, housekeeping, maintenance, and facility costs that are provided under the terms of the Sewickley contract. Costs of future services for Retirement Living residents at the Dallas campus include the housekeeping, maintenance, and facility costs that are provided under the terms of the Dallas contract. The aggregate cost of future services is compared with the balance of deferred revenue from entrance fees. If the present value of the net cost for future services and use of facilities exceeds the deferred revenue from entrance fees, a liability will be recorded with a corresponding charge to expenses. Management's calculation resulted in an estimate of no liability for future services to be provided as of December 31, 2025 and 2024, using a discount rate of 5% for 2025 and 2024.

These agreements are regulated by the Commonwealth of Pennsylvania Department of Insurance. Masonic Villages is required to maintain liquid reserves to cover the future costs associated with these agreements.

Resident Personal Funds

Masonic Villages receives and holds personal funds of certain residents as an agent of those residents. Cash and cash equivalents include resident personal funds totaling $ 687,081 and $ 703,437 as of December 31, 2025, and 2024, respectively.

NOTE 1: Summary of Significant Accounting Policies - Continued

Worker's Compensation Claims

For the years ended December 31, 2025, and 2024, Masonic Villages was insured for workers compensation claims in a large risk-large deductible program with a $ 400,000 deductible for each injury/disease and a $ 2,400,000 aggregate for each injury/disease. Premiums paid, net of any performance-based refunds, are recorded in wages, salaries, and benefits in the consolidated statements of changes in net assets.

Professional and General Liability Insurance Claims

For the years ended December 31, 2025, and 2024, Masonic Villages was insured for general and professional liability insurance claims under a healthcare liability umbrella policy with varying policy limits as determined by level of service and location. Under the primary policy, premiums are assessed retrospectively based upon terms of the policy. Retrospective premiums assessed on prospective losses are recorded as prepaid insurance until claims are fully settled at which time the premium is recorded in purchased services in the consolidated statements of operations.

Annuities Payable

Masonic Villages has several charitable gift annuity and charitable remainder unitrust arrangements with donors. Annuities payable are recorded at the net present value of the expected annuity payments based upon the amount of the contribution, the contractual rate of return (which ranges from 4.0% to 11.7%), and the life expectancy of the beneficiary of the annuity.

Bond Discount/Premium

Bond discount/premium is amortized over the period the related long-term debt obligation is outstanding using the effective interest method.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those available for use in general operations and may be used at the discretion of management and the Board of Directors. The Board of Directors may designate net assets to fulfill certain purposes and remove designations from net assets at their discretion.

Net assets with donor restrictions include donor restrictions that may be temporary or where the donor has specified that resources be maintained in perpetuity. Net assets with temporary donor restrictions may be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the stipulated purpose for which the resource has been restricted has been fulfilled, when a stipulated time has elapsed, or both.

Support

Contributions received are measured at their fair values and are reported as an increase in net assets. Masonic Villages reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

NOTE 1: Summary of Significant Accounting Policies - Continued

Support - Continued

Gifts of goods and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Masonic Villages reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Masonic Villages is the beneficiary under various wills and trust agreements. Amounts received from such sources are recorded when clear title is established, and the proceeds are measurable.

Donated Services

A significant number of volunteers annually donate their services to Masonic Villages. Because the services provided do not require specialized skills, the value of these donated services is not reflected in the consolidated financial statements.

Resident Service Revenue

Resident service revenue is reported at the amount that reflects the consideration Masonic Villages expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors, including health insurers and government programs, and may include variable consideration for retroactive revenue adjustments under reimbursement programs. This consideration is recorded initially at Masonic Villages' established rates for the services, reduced when appropriate by contractual adjustments and charity allowances, to arrive at resident service revenue reported in the consolidated statements of changes in net assets.

Performance obligations are determined based on the nature of the services provided. Resident service fee revenue is recognized as performance obligations are satisfied. The performance obligations inherent within the services Masonic Villages provides are typically satisfied within specific measurable time periods or through the delivery of a service that is immediately consumed by a customer.

Nursing care, personal care, retirement living, and the residential care program for developmentally disabled individuals are considered to be senior living residency services. Under the senior living residency agreements, services are provided to residents for a stated daily or monthly fee. Masonic Villages has determined that the senior living services included under the daily or monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time.

In addition to senior living residency services, Masonic Villages also offers several ancillary service programs which include home care, home health care and hospice services. Masonic Villages enters into contracts to provide these ancillary services. Each service provided under these contracts is capable of being distinct. Accordingly, these services are considered individual and separate performance obligations which are satisfied as services are provided and revenue is recognized as services are provided.

Masonic Villages also provides goods and services to residents and non-residents that do not require specific contracts. This includes certain medical ancillary services, pharmacy, wellness center, beauty and barber services, meals, laundry, transportation, parking, and communications services. These goods and services are typically provided in a retail setting, where the performance obligations are satisfied, and the revenue recognized once the goods and services have been delivered to or consumed by the customer.

NOTE 1: Summary of Significant Accounting Policies - Continued

Resident Service Revenue - Continued

Masonic Villages' admissions process for senior living residency services includes a credit assessment of the prospective resident and obtaining an understanding of available third-party reimbursement from health insurers and government programs for the prospective resident. These evaluations typically occur prior to the provision of services. Acceptance of the prospective resident's credit status and applicable coverage from third party payors may require Masonic Villages to accept discounts from established billing rates. These discounts for senior living residency services represent explicit price concessions to the transaction price and are recorded as a reduction from resident service revenue.

Masonic Villages receives a significant portion of its revenue from Medicare, Medicaid and other third-party payors that receive discounts from established billing rates. Settlements with third party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing services. Masonic Villages estimates the transaction price based on terms of the contract with the payor, correspondence with the payor, and historical payment trends. Retroactive adjustments are recognized in future periods as final settlements are determined. Adjustments arising from a change in the transaction price were not significant for the years ended December 31, 2025, and 2024. Laws and regulations governing Medicare, Medicaid, and other third-party programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term.

Financing Component

Masonic Villages has elected the practical expedient allowed under generally accepted accounting principles for revenue recognition and does not adjust the promised amount of consideration from residents or third-party payors for the effects of a significant financing component due to Masonic Villages' expectation that the period between the time the service is provided to a resident and the time the resident or third-party payor pays for the service will be one year or less. Masonic Villages also enters into Retirement Living contracts which provide for payments at the time of inception and are amortized to revenue using the straight-line method over the estimated remaining life expectancy of the individual contract holders. In these instances, the financing component is not deemed to be significant to the contract.

Contract Costs

Masonic Villages has applied the practical expedient allowed under generally accepted accounting principles for contracts with residents. As a result, all incremental contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that Masonic Villages would have recognized is one year or less.

Balances of assets and liabilities for contracts with residents consisted for the following:

	December 31, 2025	December 31, 2024	December 31, 2023
Contract Receivables, Net	$ 7,287,663	$ 9,055,544	$ 7,588,861
Refundable Fee Liabilities	$ 107,943,807	$ 107,932,869	$ 106,582,904
Deferred Fee Revenue from Entrance Fee Liabilities	$ 134,104,823	$ 134,874,986	$ 131,923,308

NOTE 1: Summary of Significant Accounting Policies - Continued

Charity Care

Charity care is provided to residents who have demonstrated the inability to pay and who are not eligible for third party reimbursement. Residents who meet Masonic Villages' criteria for charity care are provided services without charge or at amounts less than established rates. Certain residents qualify for charity care upon admission or when their financial resources are depleted. Therefore, Masonic Villages has determined it has provided implicit price concessions to these residents. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to residents and the amounts Masonic Villages expects to collect based on its collection history with those residents. These implicit price concessions are recorded as charity care allowances. Because Masonic Villages provides charity care to residents who are unable to pay for these services, it is not reported as resident service revenue. Charity care may be provided to qualifying adult individuals for Personal Care, Retirement Living, Residential Care, and certain medical and nonmedical ancillary services. All services provided in the Children's Home are provided as charity care.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments (i.e. money market funds) with original maturities of three months or less.

Leases

Masonic Villages has entered into leasing arrangements for a parcel of land at the Dallas campus, the use of equipment at several locations, and a fleet of vehicles. Masonic Villages recognizes right-of-use assets and lease liabilities that arise from lease arrangements on the consolidated balance sheets at the commencement date of the lease. Right-of-use assets represent Masonic Villages' right to use the underlying asset for the lease term and are calculated as the sum of the lease liability and, as applicable, prepaid rent, initial direct costs, and any incentives received from the lessor. The value of lease liabilities is determined based on the present value of future payments over the lease term based on incremental borrowing rates to discount the cash flows.

Income Taxes

Masonic Villages is not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 509(a) of the Code and files a Form 990, "Return of Organization Exempt from Income Tax". Pennsylvania Acacia Insurance Company, Ltd. is a single member, tax-exempt corporation. The Foundation, Masonic Library and Museum, GLPCF and Ashlar are all single member, limited liability corporations and are included in Masonic Villages' Form 990.

Generally accepted accounting principles require organizations to disclose significant tax positions that are subject to uncertainty about the merits of the position taken or the amount of the position that may ultimately be sustained upon examination by the taxing authorities. The effects of tax positions are recognized in financial statements if, in the opinion of management, the tax position would more likely than not be sustained upon an examination by the taxing authorities, including the resolution of any applicable appeals or litigation. Masonic Villages' most significant tax position is that it is exempt from payment of federal and state income taxes. Accordingly, Masonic Villages has not reported any income tax expense in the consolidated statements of changes in net assets for the years ended December 31, 2025, and 2024. Masonic Villages has not recorded liabilities for income taxes or unrecognized income tax benefits in the consolidated balance sheets as of December 31, 2025, and 2024. Masonic Villages' Form 990 is generally subject to examination for a period of three years after the returns are filed.

NOTE 1: Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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.

Derivative Financial Instruments

Derivative financial instruments used by Masonic Villages consist of pay-fixed, receive variable interest rate swap agreements. The purpose of these interest rate swap agreements is to limit Masonic Villages' exposure to interest rate changes on its variable-rate debt. During the year ended December 31, 2025, the interest rate swaps were fully redeemed and settled (see Note 9).

Disclosure about Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, short-term investments, investment securities, resident accounts receivable, notes receivable, deposits, long-term debt, and interest rate swaps.

The fair value of cash and cash equivalents are deemed to be the same as their carrying value. The fair value of resident accounts receivable equals their carrying value since they are stated net of estimated uncollectible amounts. The fair value of the long-term debt is determined based on the quoted market price of the long-term debt at the consolidated balance sheet date. The fair values of interest rate swap agreements are based on quoted market prices if available or valuation techniques which consider the present value of estimated expected future cash flows. Disclosure of additional fair values is contained in the following notes.

NOTE 2: Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year consist of the following as of December 31, 2025, and 2024:

	2025	2024
Cash and Cash Equivalents Available for Operations	$ 22,549,457	$ 19,994,678
Investment Income Receivable without Donor Restrictions	1,221,967	1,180,399
Resident Accounts Receivable	7,287,663	9,055,544
Notes Receivable	836,769	648,534
Contributions Receivable	118,873	126,238
Investments without Donor Restrictions	607,319,579	561,820,659
	$ 639,334,308	$ 592,826,052

Under Masonic Villages' liquidity management strategy, financial assets are structured to be available as expenditures, liabilities and other obligations become due. Masonic Villages also invests cash in excess of daily requirements in short-term investments. Investments without donor restrictions are subject to an annual spending policy that is described in Note 7. Although Masonic Villages does not intend to spend from its investments without donor restrictions in excess of the maximum spending policy limit, amounts from these investments could be made available, if necessary.

NOTE 3: Cash and Cash Equivalents

Masonic Villages holds cash and cash equivalents that have been restricted by donors for certain purposes. Masonic Villages is not permitted to use restricted cash and cash equivalents for general operations. The components of Masonic Villages' cash and cash equivalents as of December 31, 2025, and 2024 are as follows:

	2025	2024
Available for Operations	$ 22,549,457	$ 19,994,678
Held for Resident Deposits	687,081	703,437
Total without Donor Restrictions	23,236,538	20,698,115
With Donor Restrictions	2,524,100	1,813,895
	$ 25,760,638	$ 22,512,010

NOTE 4: Resident Accounts Receivable

Masonic Villages' resident accounts receivable consists of amounts owed from individuals, insurance companies, and government agencies. As of December 31, 2025, and 2024, Masonic Villages' aggregate resident accounts receivable over 90 days past due totaled $ 2,600,957 and $ 3,886,839, respectively.

The changes in the allowance for uncollectible accounts receivable for the years ended December 31, 2025, and 2024 were as follows:

	2025	2024
Allowance at January 1	$ 1,470,500	$ 1,254,233
Provision for Expected Credit Losses	678,885	498,015
Accounts Receivable Written Off, Net of Recoveries	(827,485)	(281,748)
Allowance at December 31	$ 1,321,900	$ 1,470,500

NOTE 5: Contributions Receivable

Contributions receivable consisted of the following as of December 31, 2025, and 2024:

	2025	2024
Charitable Lead Annuity Trusts	$ 872,938	$ 983,596
Promises to Give	71,240	-
Total Contributions Receivable	944,178	983,596
Less:		
Current Portion of Charitable Lead Annuity Trusts	98,873	126,238
Current Portion of Promises to Give	20,000	-
Noncurrent portion	$ 825,305	$ 857,358

Promises to give consist of the following as of December 31, 2025, and 2024:

	2025	2024
Promises to Give Before Unamortized Discount and Allowance for Uncollectibles	$ 80,000	$ -
Unamortized Discount	(8,760)	-
	$ 71,240	$ -

The discount rate used for promises to give received during the years ended December 31, 2025, was 4.18%.

NOTE 6: Notes Receivable

Notes receivable with Masonic Villages' Retirement Living residents totaled $ 836,769 and $ 648,534 as of December 31, 2025 and 2024, respectively. Interest was charged at rates ranging from 0% to 5% per annum. There were no notes receivable outstanding beyond their due date, included in the aforementioned totals, as of December 31, 2025, and 2024. There were no notes receivable on nonaccrual status as of December 31, 2025, and 2024. Based on management's evaluation of the notes receivable portfolio, no provision for uncollectible notes receivable is required.

NOTE 7: Investments

Certain investments are pooled with related organizations and are referred to as "Consolidated Fund" investments. Consolidated Fund investments and certain short-term investments are administered by twenty-six different investment management firms and held in safekeeping by JPMorgan Chase Bank, N. A. and Brinker Capital Securities, Inc. Approximately 98% of the pooled investments are attributable to the Masonic Villages.

NOTE 7: Investments - Continued

The following table summarizes total Consolidated Fund investments held in safekeeping at JPMorgan Chase Bank, N. A. and Brinker Capital Securities, Inc.:

At December 31, 2025	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Domestic stocks	$ 257,038,304	$ 105,760,055	$ 9,930,394	$ 352,867,965
International stocks	45,841,732	17,100,841	1,629,506	61,313,067
U.S. Government and Agency Bonds	54,822,194	797,252	1,726,174	53,893,272
Domestic corporate bonds	82,543,374	991,260	2,734,374	80,800,260
Municipal bonds	4,038,392	104,349	383,382	3,759,359
Mutual funds - Equity	58,193,047	3,473,614	562,279	61,104,382
Exchange traded funds	86,672,196	20,130,279	-	106,802,475
Mortgage backed securities	41,536,298	241,875	1,370,372	40,407,801
Asset backs securities	7,899,120	98,535	101,700	7,895,955
Real estate investment trusts	4,116,178	161,126	259,841	4,017,463
Private equity investments	21,323,964	6,926,705	-	28,250,669
Limited partnerships	102,063,008	40,754,717	1,536,463	141,281,262
Money funds	55,930,915	-	-	55,930,915
Total Consolidated Fund	$ 822,018,722	$ 196,540,608	$ 20,234,485	$ 998,324,845

At December 31, 2024	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Domestic stocks	$ 207,086,581	$ 95,699,871	$ 7,717,834	$ 295,068,618
International stocks	42,863,538	10,586,360	4,347,119	49,102,779
U.S. Government and Agency Bonds	58,776,297	279,707	3,052,932	56,003,072
Domestic corporate bonds	96,039,613	305,585	6,033,629	90,311,569
Municipal bonds	5,983,638	83,290	756,154	5,310,774
Mutual funds - Equity	73,023,421	4,317,807	389,254	76,951,974
Exchange traded funds	79,495,780	6,663,962	880,794	85,278,948
Mortgage backed securities	45,387,354	172,020	2,067,327	43,492,047
Asset backs securities	14,741,262	155,523	265,652	14,631,133
Real estate investment trusts	11,516	798	-	12,314
Private equity investments	19,871,150	5,241,005	58,437	25,053,718
Limited partnerships	101,867,315	27,426,883	1,399,140	127,895,058
Money funds	59,489,092	-	-	59,489,092
Total Consolidated Fund	$ 804,636,557	$ 150,932,811	$ 26,968,272	$ 928,601,096

The amounts shown above as total reflect the total fair value of all investments within the Consolidated Fund, which includes portions of the portfolio not attributable to Masonic Villages.

NOTE 7: Investments - Continued

At December 31, 2025 and 2024, Masonic Villages' investments consisted of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Money Market Funds	$ 10,957,604	$ 10,957,604	$ 15,182,660	$ 15,182,660
Consolidated Fund	518,154,109	596,361,976	498,923,840	546,637,999
Lincoln Financial Group	1,688,747	1,688,747	1,456,714	1,456,713
Mill Creek Capital Advisors, LLC	9,646,625	11,891,652	11,825,684	13,155,007
Total Without Donor Restriction	540,447,085	620,899,979	527,388,898	576,432,379
Money Market Funds	$ 4,915,021	$ 4,915,021	$ 5,365,835	$ 5,365,835
Consolidated Fund	303,393,941	364,993,969	298,040,431	342,332,142
Real estate	391,007	391,007	416,007	416,007
Perpetual Trusts Held by Third Parties	26,424,442	55,142,262	25,893,232	50,473,350
Total With Donor Restriction	335,124,411	425,442,259	329,715,505	398,587,334
	$ 875,571,496	$ 1,046,342,238	$ 857,104,403	$ 975,019,713

Masonic Villages investments are presented in the consolidated balance sheets in the following categories as of December 31, 2025 and 2024:

	2025	2024
Minimum liquid reserve requirement	$ 21,097,698	$ 20,536,076
Investments at fair value	1,025,244,540	954,483,637
	$ 1,046,342,238	$ 975,019,713

NOTE 7: Investments - Continued

Masonic Villages has designated portions of its Consolidated Fund investments without donor restrictions to use for specific programs or functions. The composition of Masonic Villages' designated investments as of December 31, 2025 and 2024 is as follows:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Masonic Villages Reserve Fund	$ 187,326,962	$ 220,413,572	$ 192,085,923	$ 214,966,246
Children's Home Fund	6,708,525	7,609,724	6,606,588	7,117,707
Ilgen Trust	13,945,529	15,658,135	13,856,460	14,769,095
Charitable Gift Annuity Reserve Funds	4,425,158	5,138,213	5,377,310	5,884,907
Warminster Building and Improvement Fund	3,428,558	3,597,025	3,208,097	3,187,969
Masonic Eastern Star Endowment Fund	2,109,707	2,152,207	2,017,848	1,945,148
Elizabethtown Retirement Living Fund	40,626,569	44,961,904	37,705,440	39,676,553
Dallas Retirement Living Fund	3,690,635	4,162,168	3,450,634	3,701,735
Sewickley Retirement Living Fund	192,439,854	218,848,645	179,816,836	194,630,142
Lafayette Hill Funds	41,985,925	47,317,219	39,284,039	42,109,978
Pennsylvania Masonic Youth Foundation	11,604,681	13,548,524	11,835,544	13,137,803
The Masonic Library and Museum of Pennsylvania	2,102,957	2,361,329	1,969,133	2,110,291
Compassionate Care Fund	27,396	27,448	29,350	29,446
Pennsylvania Acacia Insurance Company	17,276,804	20,038,560	16,245,726	17,916,592
Grand Lodge of Pennsylvania Charity Foundation	479,853	499,285	-	-
Blood and Organ Donor Fund	932,600	985,621	617,572	637,047
	$ 529,111,713	$ 607,319,579	$ 514,106,500	$ 561,820,659

The Consolidated Fund investment policy includes specific guidance on the maximum amount that each organization participating in the Consolidated Fund may withdraw from its Consolidated Fund investments each year. The maximum amount that may be withdrawn and spent is equal to a percentage of the three-year average fair value of a participating organization’s Consolidated Fund investments. The investment policy permits withdrawals from investments without donor restrictions in excess of the spending policy maximum. For the years ended December 31, 2025, and 2024, the spending policy percentages recommended by the Grand Lodge Committee on Finance and elected by the Trustees of the Consolidated Fund was 7%. Masonic Villages reports the cumulative excess of the restricted spending maximum over amounts withdrawn from Consolidated Fund investments with donor restrictions as net assets with donor restrictions available to be appropriated for expenditure.

NOTE 7: Investments - Continued

Masonic Villages' performance in comparison with the spending maximum amounts is summarized in the following table:

	Without Donor Restrictions	With Donor Restrictions	Total
Masonic Villages' Consolidated Fund spending maximum amount for 2025	$ 25,504,308	$ 23,696,429	$ 49,200,737
Amounts withdrawn from Consolidated Fund	28,512,180	23,648,097	52,160,277
Excess (deficiency) of spending maximum amount over amounts withdrawn	$ (3,007,873)	$ 48,332	$ (2,959,540)

	Without Donor Restrictions	With Donor Restrictions	Total
Masonic Villages' Consolidated Fund spending maximum amount for 2024	$ 25,032,391	$ 24,389,172	$ 49,421,563
Amounts withdrawn from Consolidated Fund	17,944,779	24,314,124	42,258,903
Excess of spending maximum amount over amounts withdrawn	$ 7,087,612	$ 75,048	$ 7,162,660

NOTE 8: Property and Equipment

A summary of property and equipment at December 31, 2025 and 2024 follows:

	2025	2024
Land	$ 5,984,187	$ 5,984,187
Land Improvements	33,751,627	32,913,940
Buildings and Improvements	497,282,173	493,415,984
Equipment	352,873,205	354,001,252
	889,891,192	886,315,363
Less: Accumulated Depreciation	(554,809,900)	(538,045,221)
	335,081,292	348,270,142
Construction in Progress	11,304,941	2,545,492
Property and Equpment, net	$ 346,386,233	$ 350,815,634

Depreciation expense for the years ended December 31, 2025 and 2024 was $ 29,580,471 and $ 29,410,274, respectively.

NOTE 9: Interest Rate Swap Agreements

Masonic Villages entered into an interest rate swap agreement on its 1999 Bonds issuance. This agreement was set to expire on July 1, 2034. The swap agreement exchanged a fixed rate of 4.5925% on the outstanding principal of the 1999 Bonds for the variable interest rate Masonic Villages would have paid. Masonic Villages entered into this agreement to limit the exposure to interest rate changes on the 1999 Bonds. Masonic Villages repaid the 1999 Bonds with the issuance of 2008 Bonds. In conjunction with the issuance of the 2008 Bonds, the swap agreement continued to be used with the new 2008 variable rate demand bonds. The rate setting measure used on the 2008 Bonds was the Secured Overnight Financing Rate (SOFR) calculated at 67%.The interest rate swap is recognized as an asset or liability in the consolidated balance sheets at its fair value. Changes in fair value are recorded as a change in unrealized appreciation or depreciation in the consolidated statements of changes in net assets. As of December 31, 2024, the fair value of the interest rate swap liability was determined to be $ 2,394,773. In conjunction with the issuance of the 2025 Bonds (see Note 10), the 2008 Bonds and related interest rate swap were fully redeemed, which required a settlement payment of the swap agreement of $ 2,373,000. No liability related to the swap agreement remains at December 31, 2025.

At December 31, 2025 and 2024, the net interest payments associated with the terms of the swap agreement, excluding the settlement payment, totaled:

Fixed rate payments:				
1999 Bonds / 2008 Bonds (Series D) interest rate swap agreement	$	435,331	$	1,084,404
Variable rate payments:				
1999 Bonds / 2008 Bonds (Series D) interest rate swap agreement	$	(223,286)	$	(835,962)
Net payments to interest rate swap provider	$	212,045	$	248,442

NOTE 10: Long-Term Debt

Masonic Villages has various outstanding Variable Rate Demand and Fixed Rate Health Center Revenue Bonds. On June 2, 2025, the Lancaster County Hospital Authority issued Fixed Rate Health Center Revenue Bonds, Series A 2025 (2025 Bonds) for $ 43,395,000 and Series B 2025 (2025 Taxable Bonds) for $ 1,010,000. The proceeds were used to advance refund the outstanding principal of the 2008 D bonds and 2015 Bonds, to pay termination costs of an interest rate swap agreement related to the 2008 D Bonds (see Note 9), and to pay the issuance costs of the 2025 Bonds.

NOTE 10: Long-Term Debt - Continued

All of Masonic Villages' outstanding bonds are secured by a pledge of Masonic Villages' gross revenues. A summary of long-term debt at December 31, 2025 and 2024 is as follows:

	2025	2024
Lancaster County Hospital Authority (Series 2008 D) - variable rate demand bonds, maturing through 2034	$ -	$ 22,750,000
Lancaster County Hospital Authority (Series 2015) - 2.625% to 5.00% bonds, maturing through 2035	-	21,140,000
Lancaster County Hospital Authority (Series 2017) - 3.375% to 5.00% bonds, maturing through 2038	22,320,000	23,455,000
Lancaster County Hospital Authority (Series 2022) - 2.83% to 5.00% bonds, maturing through 2032	31,640,000	37,030,000
Lancaster County Hospital Authority (Series 2023) - 5.125% to 5.50% bonds, maturing through 2038	25,285,000	26,085,000
Lancaster County Hospital Authority (Series A 2025) - 5.00%, maturing through 2035	40,770,000	-
Total Long-Term Debt	120,015,000	130,460,000
Add: Premium on Bonds Payable	3,340,487	2,745,597
Less: Discounts on Bonds Payable	(144,243)	(164,089)
Less: Deferred Financing Costs	(1,359,500)	(1,145,472)
Less: Current Installments of Long-Term Debt	(11,105,000)	(10,655,000)
Total Long-Term Debt	$ 110,746,744	$ 121,241,036

Under the terms of the bond purchase agreements with the Lancaster County Hospital Authority, Masonic Villages is required to maintain certain deposits with the Trustee. Such deposits are included with assets whose use is limited in the consolidated financial statements. The loan agreements place limits on the incurrence of additional borrowing and require that Masonic Villages satisfy certain measures of financial performance as long as the debt is outstanding. For the years ended December 31, 2025 and 2024, Masonic Villages met the minimum debt service coverage ratio contained in the loan agreements.

A schedule of principal repayments on long-term debt for the next five years and thereafter follows:

Bond Series	2026	2027	2028	2029	2030	Thereafter	Total
2017	$ 1,180,000	$ 1,220,000	$ 1,410,000	$ 1,480,000	$ 1,555,000	$ 15,475,000	$ 22,320,000
2022	5,515,000	5,630,000	4,440,000	4,525,000	4,605,000	6,925,000	31,640,000
2023	845,000	890,000	1,930,000	2,020,000	2,120,000	17,480,000	25,285,000
2025	3,565,000	3,730,000	3,890,000	4,065,000	4,245,000	21,275,000	40,770,000
	$ 11,105,000	$ 11,470,000	$ 11,670,000	$ 12,090,000	$ 12,525,000	$ 61,155,000	$ 120,015,000

The fair value of Masonic Villages' total outstanding bonds, based on quoted market prices, at December 31, 2025 and 2024 was approximately $ 125,862,225 and $ 132,185,169, respectively.

NOTE 10: Long-Term Debt - Continued

A summary of interest costs on borrowed funds and investment income on funds held by the Trustee under the bond purchase agreement during the years ended December 31, 2025 and 2024 is as follows:

	Capitalized	Interest Expense	Investment Income	Total
2025				
Bond Premium Amortization	$ -	$ (390,209)	$ -	$ (390,209)
Bond Discount Amortization	-	36,457	-	36,457
Interest Cost	-	5,311,560	-	5,311,560
Net Payments to Interest Rate Swap Provider	-	212,044	-	212,044
Amortization of Deferred Financing Costs	-	126,837	-	126,837
Investment Income - Funds	-	-	(37,763)	(37,763)
	$ -	$ 5,296,689	$ (37,763)	$ 5,258,926
2024				
Bond Premium Amortization	$ -	$ (410,783)	$ -	$ (410,783)
Bond Discount Amortization	-	52,983	-	52,983
Interest Cost	-	5,455,964	-	5,455,964
Net Payments to Interest Rate Swap Provider	-	248,442	-	248,442
Amortization of Deferred Financing Costs	-	101,790	-	101,790
Investment Income - Funds	-	-	(42,066)	(42,066)
	$ -	$ 5,448,396	$ (42,066)	$ 5,406,330

On November 1, 2019, J.P. Morgan Chase Bank, NA., agreed to extend a letter of credit to support the 2008 D Bonds. This letter of credit was set to expire on October 3, 2024, but was extended by one year to October 3, 2025. Issuance of the 2025 Bonds effectively terminated the letter of credit.

NOTE 11: Endowments

Masonic Villages' endowment consists of several individual funds established for a variety of purposes, and includes both donor-restricted endowment funds and funds designated by Masonic Villages' Board of Directors to function as an endowment.

The Commonwealth of Pennsylvania has not adopted the Uniform Prudent Management of Institutional Funds Act of 2006. Guidance for the administration of endowment funds in Pennsylvania is provided in Act 141. Under Act 141, Pennsylvania not-for-profit organizations are permitted to elect an annual amount that may be used from their endowment funds based on an annual spending rate between 2% and 7%. Act 141 permits the spending of accumulated principal and income from an endowment fund if the amount withdrawn is less than or equal to the annually elected percentage. Masonic Villages' interpretation of Act 141 classifies interest income, dividends, and capital appreciation earned by donor-restricted endowment fund investments as donor restricted activity. All interest income, dividends, and capital appreciation in excess of the annual spending amount are reported as net assets with donor restrictions available to be appropriated for expenditure in future years. Masonic Villages intends to preserve 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, Masonic Villages classifies as net assets required to be maintained in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 11: Endowments - Continued

The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions available to be appropriated for expenditure by Masonic Villages in a manner consistent with the standard of prudence described by Act 141.

Masonic Villages considers several factors when making a determination to appropriate or accumulate donor-restricted endowment funds. These factors include the duration and preservation of the fund, the mission of the Masonic Villages, the purpose of the donor-restricted endowment fund, satisfaction of specific donor instructions, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of Masonic Villages, and the investment policy of the Consolidated Fund.

Masonic Villages has invested substantially all of its endowment assets in the Consolidated Fund. The Trustees of the Consolidated Fund have adopted an investment policy and strategies to achieve the greatest return possible for the amount of risk assumed by the Consolidated Fund. Under this policy, assets are invested in a manner intended to produce results that exceed the Consumer Price Index for the entire Consolidated Fund. There are also goals established for categories of fixed income and equity investments within the Consolidated Fund to meet or exceed the performance of appropriate generally recognized financial indices. Actual returns in any year may vary from these goals.

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

The Consolidated Fund investment policy includes specific guidance on the maximum amounts that each participating organization may withdraw from its Consolidated Fund investments each year (see Note 7).

An underwater endowment fund is defined as a donor-restricted endowment fund for which the fair value is less than either the original gift amount or the amount required to be maintained by the donors or by law that extends donor restrictions. Masonic Villages has interpreted Act 141 to permit spending from underwater endowments to the extent the donor-restricted endowment has net assets with donor restrictions available to be appropriated for expenditure. Masonic Villages did not have any underwater endowments as of December 31, 2025 and 2024.

NOTE 11: Endowments - Continued

Endowment net assets and the changes in endowment net assets consisted of the following as of and for the years ending December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at January 1, 2024	$ 14,110,127	$ 323,536,398	$ 337,646,525
Investment return, net	1,400,070	27,549,449	28,949,519
Contributions and bequests	-	5,324,711	5,324,711
Income from perpetual trusts held by third parties	23,642	89,682	113,324
Appropriation of endowment assets for expenditure	(450,888)	(14,445,085)	(14,895,973)
Endowment net assets at December 31, 2024	15,082,951	342,055,155	357,138,106
Investment return, net	860,845	35,576,789	36,437,634
Contributions and bequests	-	738,899	738,899
Income from perpetual trusts held by third parties	23,642	128,224	151,866
Transfers of funds from Grand Lodge of Pennsylvania Charity Foundation	-	393,242	393,242
Appropriation of endowment assets for expenditure	(450,888)	(16,834,264)	(17,285,152)
Endowment net assets at December 31, 2025	$ 15,516,550	$ 362,058,045	$ 377,574,595

The amounts reported as appropriation of endowment assets with donor restrictions for expenditure consist of two components. Income from donor restricted endowments recognized as investment income without donor restrictions in the consolidated statements of changes in net assets totaled $ 5,232,432 and $ 5,244,406, respectively, for the years ended December 31, 2025 and 2024. Amounts withdrawn from the endowments and reported as satisfaction of program restrictions in the consolidated statements of changes in net assets for the years ended December 31, 2025 and 2024 totaled $ 12,024,952 and $ 11,885,244, respectively.

NOTE 12: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2025 and 2024:

	2025	2024
Endowment net assets available to be appropriated for expenditure:		
Support of Masonic Villages and its activities	$ 4,467,666	$ 3,965,063
Support of Children's Home and its activities	22,976,650	18,041,749
Support of Residential programs for developmentally disabled individuals	1,468,005	1,094,243
Building renovations and construction projects	125,768	97,174
Scholarship awards	8,094,391	6,705,338
Care and support of eligible Masons and their families	29,828,212	26,252,623
General operations of Masonic Villages	73,017,622	65,441,776
	139,978,314	121,597,966
Endowment net assets to be maintained in perpetuity:		
Support of Masonic Villages and its activities	3,901,752	3,798,252
Support of Children's Home and its activities	28,947,031	28,721,227
Support of Residential programs for developmentally disabled individuals	2,713,341	2,532,986
Building renovations and construction projects	150,000	150,000
Scholarship awards	8,321,351	8,136,890
Care and support of eligible Masons and their families	6,691,198	6,691,198
General operations of Masonic Villages	171,355,058	170,426,636
	222,079,731	220,457,189
Total endowment net assets	362,058,045	342,055,155
Not subject to spending policy or appropriation: Perpetual trusts held by third parties	55,142,262	50,473,350
Subject to expenditure for specified purpose:		
Support of Masonic Villages and its activities	4,981	921,505
Support of Children's Home and its activities	402,606	444,416
Building renovations and construction projects	281,456	454,297
Care and support of eligible Retirement Living residents	5,018,368	4,571,465
Scholarship awards	452,079	378,623
Care and support of eligible Masons and their families	1,073,488	969,562
Employee assistance	214,873	252,679
General operations of Masonic Villages	4,759,225	3,799,947
	12,207,076	11,792,494
	$ 429,407,383	$ 404,320,999

Masonic Villages did not receive any donor restricted contributions that were subject to the passage of time during the years ended December 31, 2025, and 2024.

NOTE 13: Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors. The amounts released during the years ended December 31, 2025, and 2024 are as follows:

	2025	2024
Purpose restrictions accomplished:		
Support of Masonic Villages and its activities	$ (27,970)	$ 62,961
Support of Children's Home and its activities	(37,186)	(684,352)
Support of Residential programs for developmentally disabled individuals	(107,811)	(394,855)
General operations of Masonic Villages	16,457,877	14,875,261
Care and support of eligible Retirement Living residents	211,573	(122,192)
Care and support of eligible Masons and their families	434,519	493,295
Employee assistance	121,971	137,998
Scholarship awards	473,174	448,072
Satisfaction of restrictions - Operations	17,526,147	14,816,188
Satisfaction of restrictions - Purchase of Property and equipment	1,493,327	518,014
	$ 19,019,474	$ 15,334,202

During the years ended December 31, 2025 and 2024, assets totaling $ 573,121 and $ 930,251, respectively, were transferred from the designated Charitable Gift Annuity Reserve (a fund without donor restrictions) into a restricted fund in accordance with donor restrictions. These assets were transferred upon the deaths of the donors and the corresponding termination of charitable gift annuity arrangements.

NOTE 14: Retirement Plans

Masonic Villages sponsors a retirement plan established under Section 403 (b) of the Internal Revenue Code. This retirement plan is available to substantially all Masonic Villages' employees and is funded by contributions made by employees and Masonic Villages to a third-party administrator. Annual contributions by the employees are subject to maximum limits established by federal legislation. Masonic Villages made contributions to the defined contribution retirement plan totaling $ 3,952,623 and $ 3,676,122 during the years ended December 31, 2025 and 2024, respectively. Masonic Villages also incurred administrative costs related to the defined contribution retirement plan totaling $ 72,316 and $ 42,869 during the years ended December 31, 2025 and 2024, respectively.

In April 2012, Masonic Villages established a noncontributory retirement plan under Section 457 (b) of the Internal Revenue Code. This retirement plan is available to certain senior management employees of Masonic Villages and is funded solely by contributions made by employees to a third-party administrator. Annual contributions by the employees are subject to maximum limits established by federal legislation. Accumulated assets of this noncontributory retirement plan are included in Masonic Villages' investments with a corresponding liability reported in accrued expenses in the consolidated balance sheets. The accumulated assets and the corresponding liability totaled $ 1,688,746 and $ 1,456,714 as of December 31, 2025 and 2024, respectively. Masonic Villages incurred administrative costs related to this noncontributory retirement plan totaling $ 1,256 and $ 2,304 during the years ended December 31, 2025 and 2024, respectively.

NOTE 15: Resident Service Revenue

Masonic Villages has agreements with third-party payors that provide for reimbursement to Masonic Villages at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the billings at established rates for services and amounts reimbursed by third-party payors. Masonic Villages' major third-party payors are Medicare and Medicaid.

For the years ended December 31, 2025, and 2024, services rendered to Medicare program beneficiaries were reimbursed on a prospective payment system or fee schedule, depending on the medical services provided. Under the prospective payment system, Masonic Villages is reimbursed according to the beneficiaries' acuity level and services provided. Under the fee schedule, Masonic Villages is reimbursed the lesser of its charge or the allowable amount per the fee schedule.

Services rendered to Medicaid program beneficiaries are reimbursed based on a prospective case-mix payment system. Under this system, nursing facilities are categorized into peer groups based on geographic location and number of certified beds. The Commonwealth of Pennsylvania's Department of Human Services (Department) establishes per diem rates to reimburse nursing facilities using peer group data adjusted for each individual facility's resident acuity.

In January 2005, the Department implemented a nursing facility assessment program for nursing facilities operating in Pennsylvania. Under this program, the Department collects an assessment from nursing facilities operating in Pennsylvania based on each facility's assessment days. The payments received by the Department from this quarterly assessment are used to obtain federal matching funds to maintain reimbursement for those nursing facilities participating in the Medicaid program. Masonic Villages recognized nursing assessment costs of $ 1,480,165 and $ 1,538,890 for the years ended December 31, 2025 and 2024, respectively. Nursing assessment costs are reported as a component of other operating expenses by Masonic Villages in the consolidated statements of changes in net assets. Masonic Villages recognized decreased Medicaid reimbursement of $ 359,902 and $ 539,574 from the nursing assessment program for the years ended December 31, 2025 and 2024, respectively. Decreased Medicaid reimbursement from the nursing assessment program is reported as a component of contractual adjustments under third party programs.

Generally accepted accounting principles require organizations to disaggregate revenue from contracts with customers to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Masonic Villages disaggregates its resident service revenue from contracts with customers by payor source and by service type.

NOTE 15: Resident Service Revenue - Continued

Resident service revenue, net of contractual and charity care allowances provided (but before the provision for bad debts), recognized in the consolidated statements of changes in net assets for the years ended December 31, 2025 and 2024 from these major payor sources is as follows:

	2025			
	Medicare and Medicaid	Other Third Party Payors	Private Pay	Total
Gross resident service revenue	$ 60,205,769	$ 27,867,496	$ 119,839,276	$ 207,912,541
Less Provisions for:				
Contractual adjustments under third party reimbursement programs	24,251,954	7,877,912	-	32,129,866
Charity Care Allowance	-	-	12,525,177	12,525,177
Net resident service revenue before provisions for bad debts	$ 35,953,815	$ 19,989,584	$ 107,314,099	$ 163,257,498

	2024			
	Medicare and Medicaid	Other Third Party Payors	Private Pay	Total
Gross resident service revenue	$ 61,435,699	$ 28,256,987	$ 120,748,301	$ 210,440,987
Less Provisions for:				
Contractual adjustments under third party reimbursement programs	24,134,218	8,070,010	-	32,204,228
Charity Care Allowance	-	-	12,382,574	12,382,574
Net resident service revenue before provisions for bad debts	$ 37,301,481	$ 20,186,977	$ 108,365,727	$ 165,854,185

Resident service revenue by service type for the years ended December 31, 2025, and 2024 is as follows:

	2025	2024
Nursing Care	$ 62,343,724	$ 62,719,430
Medical Ancillary Clinics	3,311,503	4,877,364
Pharmacy	13,924,228	15,490,112
Personal Care	9,635,666	10,648,249
Retirement Living	59,655,377	57,862,404
Residential Care Program	499,489	469,625
Hospice	4,909,282	5,059,626
Wellness Center	279,302	306,042
Home Health Care Services	2,572,134	2,458,458
Home Care Services	1,628,739	1,519,338
Other	4,498,054	4,443,537
Net resident service revenue before provision for bad debt	$ 163,257,498	$ 165,854,185

NOTE 16: Charity Care and Community Service

Masonic Villages' mission has been to provide services to residents, regardless of their ability to pay, who have medical, social, or financial need. Masonic Villages maintains records to identify and monitor the level of charity care and community service it provides. These records include the amount of charges forgone based on established rates for the services and supplies furnished under its charity care policy. Charges forgone for charity care are excluded from net resident service revenue recorded by Masonic Villages. The cost to provide charity care is estimated on an annual basis for each service area providing charity care. Estimated charity care costs for an individual service area are determined by multiplying the individual service area's forgone charges by the ratio of the individual service area's direct and allocated indirect expenses to its gross charges. Masonic Villages' aggregate estimated cost of providing charity care is the sum of the charity care costs calculated for the individual service areas.

Charges forgone for charity care and the estimated costs of providing charity care for the years ended December 31, 2025, and 2024 were as follows:

	2025	2024
Charges forgone	$ 12,546,373	$ 12,382,574
Estimated cost to provide charity care	$ 12,172,069	$ 11,382,230

Masonic Villages has received contributions restricted for the care and support of Retirement Living residents eligible for charity care. These contributions are recorded as net assets with donor restrictions and periodically released from restriction to subsidize charges forgone to provide charity care to Retirement Living residents. Net assets released from donor restrictions to subsidize charity care provided to Retirement Living residents totaled $ 211,573 and $ (122,192) for the years ended December 31, 2025 and 2024, respectively.

Masonic Villages also participates in the Medicare and Medical Assistance programs which make payment for services provided to financially eligible residents at rates which are less than the cost of such services. Management estimates the unpaid costs of these programs are approximately $ 32,200,000 and $ 29,500,000 in 2025 and 2024, respectively.

Masonic Villages conducts two programs that benefit people not residing at one of the five locations. The Home Assistance program (Home Assistance) provides financial resources and other services to Pennsylvania Masons and their families in need. Home Assistance is provided in two forms: charity care and temporary assistance. The cost of providing Home Assistance totaled $ 266,621 and $ 224,815 for the years ended December 31, 2025 and 2024, respectively.

Masonic Villages has also established an Outreach program (Outreach) to assist individuals in their communities. People contacting Outreach receive information about various aspects of long-term care, including government programs available, selecting a long-term care facility, insurance, transportation, and counseling. The cost of Outreach totaled $ 79,316 and $ 46,797 for the years ended December 31, 2025 and 2024, respectively.

Masonic Villages made contributions of cash and in-kind services to not-for-profit organizations in the communities it serves. For the years ended December 31, 2025 and 2024, these contributions totaled $ 265,611 and $ 273,981, respectively. Masonic Villages also awarded scholarships to several individuals. Individuals receiving scholarships included graduating high school students based on academic achievement, financial need, and community service. Scholarship payments totaled $ 381,000 and $ 291,300 for the years ended December 31, 2025 and 2024, respectively.

NOTE 17: Transactions with Affiliated Organizations

Contributions from Affiliated Organizations

Masonic Villages receives contributions from certain Grand Lodge permanently restricted net assets. The contributions are made from trusts established by donors to benefit needy Masons, widows, and children. Contributions totaling $ 2,000 and $ 28,000, respectively, were received by Masonic Villages from various donor trusts for the years ended December 31, 2025 and 2024.

Administrative and Program Service Expenses

Masonic Villages has entered into a resource sharing and fiduciary agreement with Grand Lodge. Under the agreement, Masonic Villages has agreed to pay Grand Lodge a fiduciary services and management fee in the amount of $ 250,000 annually. In addition, as defined in the resource sharing and fiduciary agreement, Masonic Villages will no longer require Grand Lodge to reimburse Masonic Villages for costs associated with human resources, accounting, information technology and public relations. Grand Lodge waived the management fee for the years ended December 31, 2025 and 2024.

NOTE 18: Split-Interest Agreements

Masonic Villages has entered into several split-interest agreements with donors. These split-interest agreements include charitable gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead trusts, and perpetual trusts held by third parties. Under split-interest agreements, a donor makes an initial gift to a trust or directly to Masonic Villages in which Masonic Villages has a beneficial interest. Donated assets are maintained by a trust or Masonic Villages and distributions are made to a beneficiary or beneficiaries during the term of the agreement.

At the end of the agreement's term, any remaining assets covered by the agreement are distributed to Masonic Villages.

Assets received under split-interest agreements are recorded at the fair value of the assets on the date received. Liabilities to beneficiaries are recorded at the net present value of expected payments based upon the amount of the contribution, any contractual rate of return, and the life expectancy of the beneficiary. Contribution revenue is classified as either without donor restrictions or with donor restrictions based on the existence of any donor-imposed conditions in the split-interest agreement.

As of December 31, 2025 and 2024, the fair value of assets recognized under split-interest agreements by Masonic Villages, consisting principally of cash and investments, was as follows:

	2025	2024
Perpetual trusts held by third parties	$ 55,142,262	$ 50,473,350
Charitable gift annuities	5,122,118	5,884,906
Charitable remainder annuity trust	330,466	300,892
Charitable remainder unitrusts	11,561,186	12,854,115
	$ 72,156,032	$ 69,513,263

NOTE 18: Split-Interest Agreements - Continued

Contribution revenues recognized by Masonic Villages under split-interest agreements for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Without donor restrictions -		
Charitable gift annuities	$ 198,421	$ 653,650
Charitable remainder unitrusts	-	404,863
	$ 198,421	$ 1,058,513

Masonic Villages is an income beneficiary of several perpetual trusts held by third parties. Distributions of income are made at the discretion of the trustees. Income distributed to the Masonic Villages by perpetual trusts held by third parties amounted to $ 2,254,742 and $ 2,257,060 for the years ended December 31, 2025 and 2024, respectively.

NOTE 19: Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

Level 3: Inputs that are unobservable inputs for the asset or liability.

NOTE 19: Fair Value Measurements - Continued

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Domestic and International Common Stock, Mutual Funds – Equity Securities, Exchange Traded Funds, Royalty Trusts and Real Estate Investment Trusts

Valued at end of day quoted prices in active markets for identical assets, if available (Level 1). If the market is not active, they are valued using quoted prices for similar assets in active markets or identical assets in inactive markets (Level 2).

U.S. Government Securities, Domestic Corporate Bonds, Municipal Securities, Mortgage-Backed Securities, Assets Backed Securities and Demand Notes

Valued at end of day pricing using quoted prices for similar assets in active markets or identical assets in inactive markets.

Money Market Mutual Funds

These funds are valued at the end of day closing price based on net asset value (NAV). The value is based on quoted prices for similar assets in active markets or identical assets in inactive markets.

Perpetual Trust Held by Third Parties

The value of perpetual trusts is determined based on the end of day value of the underlying investments. The investments are valued using quoted prices in active markets or quoted prices for similar assets in active markets or identical assets in inactive markets.

Private Equity Investments

Valued at the bid price of the investment or if there is no price for the investment in question, the value is the amount which would be paid to a seller for an immediate transfer to another plus any charges for the transfer. The value of an investment which has no price is determined using comparable assets of public markets, private transactions or valuations of comparable companies or assets.

As described in Note 7, Masonic Villages' most significant investment is its share of the Consolidated Fund.

NOTE 19: Fair Value Measurements - Continued

The fair values of the Consolidated Fund's assets measured on a recurring basis as of December 31, 2025 and 2024 are as follows:

At December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Domestic and international common stocks:				
Consumer staples and discretionary	$ 100,669,187	$ 100,605,329	$ 63,858	$ -
Energy	13,960,245	13,960,245	-	-
Financial	57,706,611	56,971,592	525,275	209,744
Industrials	58,787,266	58,728,204	22,830	36,232
Information Technology	89,730,237	89,488,177	69,861	172,199
Materials	63,939,902	63,848,445	91,457	-
Transportation	23,774,554	23,767,763	6,791	-
Telecommunications services	5,613,030	5,613,030	-	-
Total domestic and international common stocks	414,181,032	412,982,785	780,072	418,175
U.S. Government securities	53,893,272	-	53,893,272	-
Domestic corporate bonds:				
Aaa credit rating	579,034	-	579,034	-
Aa credit rating	4,934,810	-	4,934,810	-
A credit rating	36,451,957	-	36,451,957	-
Bbb credit rating	38,268,802	-	38,268,802	-
Unrated	565,657	-	565,656	-
Total domestic corporate bonds	80,800,260	-	80,800,259	-
Municipal bonds:				
Aaa credit rating	948,765	-	948,765	-
Aa credit rating	2,030,079	-	2,030,079	-
A credit rating	106,700	-	106,700	-
Unrated	673,815	-	673,815	-
Total municipal bonds	3,759,359	-	3,759,359	-
Mutual funds - equity securities	47,345,320	11,273,806	36,071,514	-
Exchange traded funds	106,802,475	106,802,475	-	-
Mortgage backed securities	40,407,801	-	40,407,801	-
Asset backed securities	7,895,955	-	7,895,955	-
Real estate investment trusts	4,017,463	4,017,463	-	-
Money market funds	55,930,915	-	55,930,915	-
Private equity investments	28,250,669	-	-	28,250,669
Investments measured at net asset value:				
Limited partnerships	141,281,262	-	-	-
Mutual funds - equity securities	13,759,062	-	-	-
Total investments measured at net asset value	155,040,324	-	-	-
Total - All Investment Types	$ 998,324,845	$ 535,076,529	$ 279,539,147	$ 28,668,844

The amounts shown above as total reflect the total fair value of all investments within the Consolidated Fund, which includes portions of the portfolio not attributable to Masonic Villages.

NOTE 19: Fair Value Measurements - Continued

At December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Domestic and international common stocks:				
Consumer staples and discretionary	$ 95,003,448	$ 94,973,253	$ 30,195	$ -
Energy	17,312,902	17,312,902	-	-
Financial	44,857,550	44,822,571	34,979	-
Industrials	43,726,550	43,665,817	24,501	36,232
Information Technology	87,824,098	87,630,480	80,971	112,647
Materials	32,044,771	31,959,956	84,815	-
Transportation	16,277,440	16,274,119	3,321	-
Telecommunications services	7,124,638	7,123,578	1,060	-
Total domestic and international common stocks	344,171,397	343,762,676	259,842	148,879
U.S. Government securities	56,003,072	-	56,003,072	-
Domestic corporate bonds:				
Aaa credit rating	257,492	-	257,492	-
Aa credit rating	7,857,050	-	7,857,050	-
A credit rating	34,106,822	-	34,106,822	-
B credit rating	-	-	-	-
Bb credit rating	640,621	-	640,621	-
Bbb credit rating	47,331,206	-	47,331,206	-
Unrated	118,378	-	118,378	-
Total domestic corporate bonds	90,311,569	-	90,311,569	-
Municipal bonds:				
Aaa credit rating	1,444,167	-	1,444,167	-
Aa credit rating	2,953,350	-	2,953,350	-
A credit rating	285,801	-	285,801	-
Unrated	627,456	-	627,456	-
Total municipal bonds	5,310,774	-	5,310,774	-
Mutual funds - equity securities	59,584,100	20,747,608	38,836,492	-
Exchange traded funds	85,278,948	85,278,948	-	-
Mortgage backed securities	43,492,047	-	43,492,047	-
Asset backed securities	14,631,133	-	14,631,133	-
Real estate investment trusts	12,314	12,314	-	-
Money market funds	59,489,092	-	59,489,092	-
Private equity investments	25,053,718	-	-	25,053,718
Investments measured at net asset value:				
Limited partnerships	127,895,058	-	-	-
Mutual funds - equity securities	17,367,874	-	-	-
Total investments measured at net asset value	145,262,932	-	-	-
Total - All Investment Types	$ 928,601,096	$ 449,801,546	$ 308,334,021	$ 25,202,597

The amounts shown above as total reflect the total fair value of all investments within the Consolidated Fund, which includes portions of the portfolio not attributable to Masonic Villages.

NOTE 19: Fair Value Measurements - Continued

The Consolidated Fund has investments in certain financial instruments whose fair values are measured as a practical expedient by using the net asset value per share of the investment. This feature may limit the ability of the Consolidated Fund to liquidate these financial instruments quickly, if necessary. Financial instruments whose fair values are determined as a practical expedient by using the net asset value per share of the investment and their redemption features are as follows as of December 31, 2025 and 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
At December 31, 2025				
Mutual fund-Equity securities	$ 10,603,834	$ -	Quarterly	60 Days
Mutual fund-Equity securities	3,155,228	-	Monthly	30 Days
Limited partnerships	13,824,068	-	Quarterly	180 Days
Limited partnerships	25,372,032	-	Annual	60 Days
Limited partnerships	43,606,992	-	Quarterly	60 Days
Limited partnerships	55,978,170	-	Weekly	5 Days
Limited partnerships	2,500,000	-	Illiquid	Not Applicable
	$ 155,040,324	$ -		

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
At December 31, 2024				
Mutual fund-Equity securities	$ 10,245,744	$ -	Quarterly	60 Days
Mutual fund-Equity securities	7,122,130	-	Monthly	30 Days
Limited partnerships	12,567,804	-	Quarterly	180 Days
Limited partnerships	23,293,413	-	Annual	60 Days
Limited partnerships	42,966,486	-	Quarterly	60 Days
Limited partnerships	46,567,355	-	Weekly	5 Days
Limited partnerships	2,500,000	-	Illiquid	Not Applicable
	$ 145,262,932	$ -		

The redemption restrictions for these financial instruments are included in the contracts with the investment management firms responsible for these investments.

Changes in the Consolidated Fund's investments in financial instruments whose fair values are determined using significant unobservable inputs were as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Fair value at January 1	$ 25,202,597	$ 23,837,855
Unrealized gains	2,155,809	864,874
Sales	(987,850)	(2,202,774)
Purchases	2,298,288	2,702,642
Fair value at December 31	$ 28,668,844	$ 25,202,597

NOTE 19: Fair Value Measurements - Continued

The fair values of Masonic Villages' assets are measured using different techniques. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values of perpetual trusts held by third parties are measured by applying known beneficiary percentages to the fair values of the trust's assets which consists of a combination of actively traded securities and other securities which are valued using significant other observable inputs. When unable to obtain a fair value for a perpetual trust, the fair value is estimated by calculating the present value of income received from the trust under a reasonable rate of return percentage.

Fair value for contributions receivable from beneficial interests in charitable lead annuity trusts is determined by calculating the present value of the annuity using published life expectancy tables and discount rates ranging from 1.52% to 4.25%. Fair values for unconditional promises to give are determined by calculating the present value of the future cash flows expected to be received, using the stated terms of the promise to give and applicable discount rate of 1.51%.

The fair values of assets measured on a recurring basis as of December 31, 2025 and 2024 are as follows:

At December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Investments (excluding consolidated fund)				
Equity Funds	$ 13,580,398	$ 13,580,398	$ -	$ -
Real Estate	391,007	-	391,007	-
Perpetual Trusts Held by Third Parties	55,142,262	-	55,142,262	-
Contributions receivable:				
Charitable lead annuity trusts	872,937	-	872,937	-
Promises to give	71,240	-	-	71,240
	$ 70,057,844	$ 13,580,398	$ 56,406,206	$ 71,240

At December 31, 2024				
Investments (excluding consolidated fund)				
Equity Funds	$ 14,611,720	$ 14,611,720	$ -	$ -
Real Estate	416,007	-	416,007	-
Perpetual Trusts Held by Third Parties	50,473,350	-	50,473,350	-
Contributions receivable:				
Charitable lead annuity trusts	983,596	-	983,596	-
Promises to give	-	-	-	-
	$ 66,484,673	$ 14,611,720	$ 51,872,953	$ -

The changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows for the years ended December 31, 2025 and 2024:

Fair value as of January 1	$ -	$ 24,628
Promises to give received	80,000	-
Cash payments received	-	(24,628)
Actuarial adjustment of fair value based on remaining terms of promises to give and risk free-interest rates	(8,760)	-
Fair value as of December 31	$ 71,240	$ -

NOTE 19: Fair Value Measurements - Continued

The fair values of Masonic Villages' liabilities are measured using different techniques. Fair values for annuities payable resulting from charitable gift annuity agreements and charitable remainder unitrust agreements with donors are determined by calculating the present value of the annuity using published life expectancy tables and the contractual discount rates. Fair values for interest rate swap agreements are determined based on the terms of each agreement and valuation techniques which consider the present value of estimated expected future cash flows.

The fair values of liabilities measured on a recurring basis as of December 31, 2025 and 2024 are as follows:

At December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Annuities payable	$ 12,217,488	$ -	$ 12,217,488	$ -
	$ 12,217,488	$ -	$ 12,217,488	$ -

At December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Annuities payable	$ 12,048,563	$ -	$ 12,048,563	$ -
Interest rate swap agreements	2,394,773	-	2,394,773	-
	$ 14,443,336	$ -	$ 14,443,336	$ -

Masonic Villages meets the requirements for disclosure of fair value information about financial instruments, whether or not recognized in the consolidated balance sheets. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Certain financial instruments and all non-financial instruments are excluded from disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of Masonic Villages.

NOTE 20: Minimum Liquid Reserve Requirement

Masonic Villages is licensed as a continuing care provider by the Commonwealth of Pennsylvania's Insurance Department (Insurance Department). In accordance with this licensure, Masonic Villages must establish and maintain certain minimum liquid reserves. Masonic Villages' minimum liquid reserve amount equals the greater of the next twelve months long-term debt service (Debt Service Method) or 10% of the annual budgeted operating expenses excluding depreciation (Operating Expense Method). Masonic Villages' governing body, the Board of Directors, has designated a portion of the Masonic Villages Reserve Fund to satisfy this minimum liquid reserve requirement. On October 31, 1996, the Insurance Department approved this approach to comply with the minimum reserve requirement.

NOTE 20: Minimum Liquid Reserve Requirement - Continued

The minimum required reserve amounts for the years ended December 31, 2025 and 2024 were determined using projected expense and principal payment amounts for the years then ending. The required reserve is the greater of the amounts calculated under the operating expense and debt service methods. The minimum required reserve amounts calculated under the two methods were as follows:

	2025	2024
Operating Expense Method		
Operating Expenses	$ 241,624,553	$ 235,329,536
Less: Depreciation Expense	30,647,571	29,968,780
Cash Expenses for Minimum Liquid Reserve	210,976,982	205,360,756
Percentage of Cash Expenses to be Held in Reserve	10%	10%
Minimum Liquid Reserve Requirement Under Operating Expense Method	$ 21,097,698	$ 20,536,076
Debt Service Method		
Interest Expense	$ 4,811,757	$ 5,084,256
Principal Payments	11,105,000	10,655,000
Minimum Liquid Reserve Requirement Under Debt Service Method	$ 15,916,757	$ 15,739,256

The fair value of the Masonic Villages Reserve Fund at December 31, 2025 and 2024 totaled $ 220,413,473 and $ 214,966,246, respectively. Masonic Villages met the minimum liquid reserve required by the Insurance Department for the years ended December 31, 2025 and 2024.

NOTE 21: Commitments and Contingencies

Masonic Villages has signed contracts for various construction projects approximating $ 25,696,630. Approximately $ 13,137,037 has been paid or accrued on these contracts as of December 31, 2025.

Masonic Villages is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Masonic Villages' financial position.

During the year ended December 31, 2008, Masonic Villages negotiated an agreement with the Elizabethtown Area School District (School District), Elizabethtown Borough (Borough), West Donegal Township (Township), and Lancaster County (County) for annual payments in lieu of taxes for all properties located at the Elizabethtown campus. This agreement became effective in 2008 and will expire on June 30, 2029. The agreement includes a specific annual payment schedule for lieu of tax payments to the School District, the Borough, the Township, and the County for the 20-year term of the agreement. The agreement also contains provisions for an annual contribution of $ 15,000 from Masonic Villages to the School District's Education Foundation. Masonic Villages will also annually fund up to six $ 2,500 college scholarships for qualified students from the School District. Masonic Villages paid $ 1,361,457 and $ 1,347,976 in lieu of tax payments under this agreement for the years ended December 31, 2025 and 2024, respectively. For the year ending December 31, 2026, Masonic Villages' commitment under the agreement is approximately $ 1,375,071.

NOTE 21: Commitments and Contingencies - Continued

During the year ended December 31, 2004, Masonic Villages negotiated an agreement with Aleppo Township (Aleppo), the Quaker Valley School District (Quaker Valley), and the County of Allegheny (Allegheny) for annual payments in lieu of taxes for certain tax-exempt properties at the Sewickley campus. This agreement became effective in 2004 and expired December 31, 2025. The agreement includes a specific annual payment schedule for lieu of tax payments to Aleppo, Quaker Valley, and Allegheny for the 21-year term of the agreement. The agreement also includes provisions for an annual contribution from Masonic Villages to the Sewickley Public Library. Masonic Villages is also required to fund annually a minimum amount for college scholarships for Quaker Valley students. Masonic Villages paid $ 112,604 and $ 906,291 under this agreement for the years ended December 31, 2025 and 2024, respectively. Masonic Villages reverted to a full tax-exempt status upon expiration of the agreement. The Quaker Valley School District filed a challenge of our full tax-exemption with the appropriate parties within the required time frames. In January 2026, Masonic Villages and the taxing authorities (Aleppo, Quaker Valley, and Allegheny) reached an agreement for annual payments in lieu of taxes for certain tax-exempt properties. This agreement became effective in 2025 and runs for a 10 year term. Masonic Villages paid $ 510,000 for 2025 and will pay $ 515,100 in 2026.

Masonic Villages' Lafayette Hill campus has two agreements with Whitemarsh Township (Whitemarsh) for annual payments in lieu of taxes for the tax-exempt Masonic Villages property. The first agreement, for gross receipts tax, requires a minimum annual payment to Whitemarsh of $ 10,000, adjusted for an inflation factor based on the Consumer Price Index for the Philadelphia region. The second agreement, for real estate taxes, requires an annual payment to Whitemarsh based on the assessed value of the Lafayette Hill campus and Whitemarsh's current millage rate. Masonic Villages paid Whitemarsh $ 61,957 and $ 61,927 under these two agreements for the years ended December 31, 2025 and 2024, respectively.

During the year ended December 31, 2012, Masonic Villages negotiated an agreement with Dallas Township, Dallas Area School District, and Luzerne County for annual payments in lieu of taxes for certain tax-exempt properties at the Dallas campus. This agreement became effective retroactive to 2011 and will expire December 31, 2030. The agreement includes a specific payment schedule for lieu of tax payments to Dallas Township, Dallas Area School District, and Luzerne County for the 20-year term of the agreement. The agreement also includes provisions for an annual contribution from Masonic Villages to Dallas Township to support the local fire and ambulance organizations. Masonic Villages paid $ 38,549 and $ 38,187 under this agreement for the years ended December 31, 2025 and 2024, respectively. For the year ending December 31, 2026, Masonic Villages' commitment under the agreement is approximately $ 38,914.

NOTE 22: Risks

Financial instruments which subject Masonic Villages to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments (i.e. certificates of deposit), fixed income securities, common stocks, and resident accounts receivable.

Masonic Villages typically maintains cash and cash equivalents which, at times, exceed $ 250,000 in banks. Cash and cash equivalents and certain short-term investments are insured by the Federal Deposit Insurance Corporation up to a limit of $ 250,000 per bank. Fixed income securities and common stocks are uninsured.

Masonic Villages grants credit to its residents and other third-party payors, primarily Medicare, Medical Assistance, and various commercial insurance companies. Masonic Villages maintains reserves for potential credit losses and such losses have historically been within management's expectations.

NOTE 22: Risks - Continued

Investments of Masonic Villages are exposed to various risks, such as interest rate, market, currency and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment assets reported in the financial statements.

NOTE 23: Leases

Masonic Villages has various operating leases, consisting of equipment leases, vehicle leases, and one land lease. Certain of these leases offer the option to extend the lease term and the Masonic Villages has included such extensions in its calculation of the lease liabilities to the extent the options are reasonably certain to be exercised. The lease agreements do not provide for residual value guarantees and have no restrictions or covenants that would require incurring additional financial obligations. There are no variable or short-term lease costs for the year ended December 31, 2025.

Lease expense totaled $ 1,669,617 and $ 978,103, respectively, for the years ended December 31, 2025 and 2024.

Information related to cash flows, assets obtained, weighted average remaining lease terms, and weighted-average discount rates are as follows at December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 1,352,154	$ 431,668
ROU assets obtained in exchange for new operating lease liabilities	2,618,912	5,213,140
Weighted-average remaining lease term (in years) for operating leases	9.93	12.61
Weighted-average discount rate for operating leases	6.679%	6.650%

Future payments due under lease obligations are as follows at December 31, 2025:

	Operating
2026	$ 1,703,857
2027	1,667,471
2028	1,661,948
2029	1,339,049
2030	491,522
Thereafter	2,531,569
Total undiscounted cash flows	9,395,416
Less: present value discount	(3,138,657)
Total lease liabilities	6,256,759
Less: current portion	(1,705,857)
Long-term lease liabilities	$ 4,550,902

NOTE 24: Subsequent Events

Masonic Villages has evaluated events and transactions subsequent to December 31, 2025, through April 29, 2026, the date these consolidated financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles, Masonic Villages determined that the following subsequent event requires disclosure in the consolidated financial statements.

Masonic Villages Pharmacy (Pharmacy)

Masonic Villages received a letter dated April 7, 2026, from the U.S. Department of Justice, United States Attorney, Eastern District of Pennsylvania (US Attorney) concerning violations of the Controlled Substances Act (Act). The letter indicates that the US Attorney is considering a civil enforcement action for the Pharmacy's noncompliance with certain provisions of the Act, based on a review of the Pharmacy conducted by the Drug Enforcement Agency (DEA) in 2024 (DEA Review). The Pharmacy fully cooperated with the DEA during the DEA Review and, with the assistance of special regulatory counsel and experienced compliance consultants, Masonic Villages believes that it voluntarily corrected the issues identified in the DEA Review in 2024 and that it has been in full compliance with the Act since the implementation of the corrective measures. The letter specifies a response date of May 7, 2026. Masonic Villages has engaged special legal counsel and will provide a response before the due date. As of April 29, 2026, the outcome of the US Attorney's inquiry cannot be reasonably estimated.

ATTACHMENT II

RESIDENT AGREEMENT

MASONIC VILLAGE AT DALLAS

RETIREMENT LIVING

RESIDENT AGREEMENT

(ENTRANCE FEE PAYMENT PLAN)

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MASONIC VILLAGE AT DALLAS

RETIREMENT LIVING RESIDENT AGREEMENT

(ENTRANCE FEE PAYMENT PLAN)

This Masonic Village at Dallas Retirement Living Resident Agreement (this "Resident Agreement") is entered on _____, 20__ by and between Masonic Villages of the Grand Lodge of Pennsylvania, a Pennsylvania non-profit corporation ("Masonic Villages") and [_____ in Single Occupancy ("you")] [_____ and _____ in Double Occupany (each resident or both residents as context requires, "you")].

You and Masonic Villages are sometimes referred to in this Resident Agreement individually as a "party" or collectively as the "parties."

If this Resident Agreement is for Double Occupancy, each of you and the Dual Occupant is jointly and severally liable for the obligations set forth in this Resident Agreement.

A. Masonic Villages provides retirement living and continuing care services to residents of the Masonic Village at Dallas, in Dallas, Pennsylvania (the "Community") and at other locations throughout the Commonwealth of Pennsylvania on the terms and subject to the conditions set forth in this Resident Agreement.

B. You desire to Occupy the Living Accommodation and receive the services available at the Community on the terms and subject to the conditions set forth in this Resident Agreement.

NOW, THEREFORE, you and Masonic Villages, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS AND CONVENTIONS

1.1 DEFINED TERMS. When used in this Resident Agreement, the following capitalized terms will have the meanings given to them in this Article 1.

"ACT" means the Pennsylvania Continuing-Care Provider Registration and Disclosure Act, No. 82, P.L. 391, 40 P.S. 3201-3225 (1984). The statutory provisions of the Act cannot be waived by Resident or Masonic Villages.

"APPLICABLE LAW" means all federal, state and local laws, rules and regulations applicable to the performance of the parties under this Resident Agreement.

"APPLICATION DEPOSIT" has the meaning set forth in Section 2.1.

"CHARGES" means the Service Fee and any other amounts properly billed to you for services rendered by or through Masonic Villages, including or related to nursing care or personal care services at another location throughout the Commonwealth that is operated by Masonic Villages.

"COMMUNITY" has the meaning set forth in the recitals.

"DOUBLE OCCUPANCY" means the Occupancy of the Living Accommodation by you and Dual Occupant.

"DUAL OCCUPANT" means the other resident residing with you in Double Occupancy.

"ENTRANCE FEE" has the meaning set forth in Section 2.2.

"FINANCIAL RESPONSIBILITY" has the meaning set forth in Section 2.4.4.

"FUTURE CARE AGREEMENT" means any future agreement between you and Masonic Villages for personal care or skilled nursing care services at another location throughout the Commonwealth that is operated by Masonic Villages.

"HEALTH CENTER" means the facility at another location throughout the Commonwealth that is operated by Masonic Villages in which personal care and skilled nursing care services are provided to residents.

"LIVING ACCOMMODATION" means the particular living accommodation provided for Occupancy by you and, in Double Occupancy, Dual Occupant, as set forth in this Resident Agreement.

"MASONIC VILLAGES" has the meaning set forth in the recitals.

"MEDICAL CARE" means general medical and health care services including emergency, hospital, surgical services and care, hospital care, and nursing care in facilities at other locations throughout the Commonwealth that are operated by Masonic Villages.

"OCCUPANCY" means possession or use, or having the right to possess or use, the Living Accommodation.

"PARTY" or "PARTIES" has the meaning set forth in the heading.

"RECSISSION PERIOD" means the seven (7) day period commencing on the date you or in Double Occupancy, Dual Occupant, whichever is later, sign and deliver this Resident Agreement and pay the Application Deposit.

"REFUND" means the entitlement to receive a repayment of all or a portion of the Entrance Fee as set forth in this Resident Agreement, and as applicable in context, the act of paying the Refund.

"REFUND OPTION" means the Ninety Percent Refund Option or the Declining Balance Refund Option, as more fully described in this Resident Agreement.

"REMAINING RESIDENT" means, in Double Occupancy, either you or the Dual Occupant if you or the Dual Occupant continue to Occupy the Living Accommodation after the other ceases to do so for any reason, including death, transfer to nursing care or personal care at a Health Center or discharge from the Community.

"REQUIREMENTS OF TENANCY" means that you must be able to care for your living accommodation, manage your affairs, including finances, etc., with or without third party assistance. Further, you must be able to arrange for, as needed, such third-party services or designate an individual who can make such arrangements. If it is determined that you cannot meet the Requirements of Tenancy, reasonable accommodations will be evaluated and considered to meet your needs. If you cannot meet the Requirements of Tenancy with reasonable accommodations, the Masonic Villages reserves the right to transfer you to an appropriate level of care that meets your needs.

"RESIDENT AGREEMENT" has the meaning set forth in the heading.

"RESIDENT HANDBOOK" means that document received with this Agreement that outlines the rules, regulations, procedures, and other pertinent information for Residents.

"RULES AND REGULATIONS" means the rules and regulations for the Community as reasonably determined and adopted by Masonic Villages from time to time during your Occupancy.

"SERVICE FEE" has the meaning set forth in Section 2.4.

"SINGLE OCCUPANCY" means the Occupancy of the Living Accommodation by you alone.

"SURRENDER" means to (i) cease to Occupy the Living Accommodation, (ii) remove all possessions from the Living Accommodation, (iii) broom clean the Living Accommodation, and (iv) return to Masonic Villages all keys to the Living Accommodation.

"TRANSFER ASSETS" means a transfer, gift, sale, lease, loan, assignment, pledge or encumbrance of any asset or any right or interest in property, including in, to or by virtue of any trust, installment arrangement, annuity or similar vehicle or mechanism in which the transferor does not receive fair market, arms-length consideration in cash or other marketable securities that can be readily liquidated to pay Charges as and when due.

"YOU" has the meaning set forth in the heading.

1.2 CONVENTIONS: The descriptive headings used for Articles and Sections of this Resident Agreement are inserted for convenience only and do not constitute substantive material in the construction or interpretation of this Resident Agreement. Any reference in this Resident Agreement to an "Article" or a "Section" means the relevant Article or Section of this

Resident Agreement only, unless indicated otherwise. As used in this Resident Agreement unless the context dictates otherwise, (a) pronouns of any gender include the masculine, feminine, and neuter genders as appropriate; (b) singular words include the plural, and the plural the singular; (c) the word "or" is disjunctive but not exhaustive; (d) the words "any" and "all" both have the inclusive meaning "any and all"; and (e) the word "including" means "including, but not limited to" the specific items or matters listed. Any reference in this Resident Agreement to an "Exhibit" means the referenced Exhibit attached to this Resident Agreement. Any reference in this Resident Agreement to a number of days means a number of calendar days, unless stated otherwise. Any reference to an amount of money means such amount in United States dollars, unless stated otherwise. The words "hereof," "herein," "hereunder" and words of similar import refer to this Resident Agreement as a whole and not to any particular section or provision of this Resident Agreement. Definitions will be equally applicable to both nouns and verbs and the singular and plural forms of the terms defined.

ARTICLE 2

FINANCIAL MATTERS

2.1 APPLICATION DEPOSIT. When you submitted your preliminary application for admission, you paid Masonic Villages a deposit (the "Application Deposit") in the amount of $2,000.00. The Application Deposit will be credited toward the Entrance Fee. The Application Deposit will only be refunded to you if you exercise your right to rescind this Resident Agreement during the Rescission Period as set forth in this Resident Agreement.

2.2 ENTRANCE FEE

2.2.1 AMOUNT. You will pay an entrance fee ("Entrance Fee") in the amount of $_____.

2.2.2 PAYMENT FOR EXISTING UNITS. You will pay the Entrance fee as follows:

Ten percent (10%), $_____, when you sign this Resident Agreement;

Ninety percent (90%), $_____, within sixty (60) days following your signing of this Resident Agreement or upon Occupancy, whichever is sooner.

2.2.3 PAYMENT FOR NEW CONSTRUCTION. If the Living Accommodation is not constructed on the date of this Resident Agreement, you will pay an Entrance fee as follows:

Ten Percent (10%) $_____, when you sign this Resident Agreement

Twenty-five percent (25%) $_____, thirty (30) days prior to the start of construction of the Living Accommodation

Sixty-Five percent (65%) $_____, within thirty (30) days following the date on which the Living Accommodation is ready for Occupancy, or upon Occupancy,

whichever is sooner. Masonic Villages will give you thirty (30) days written notice of the date on which the Living Accommodation will be ready for occupancy.

2.3 ENTRANCE FEE REFUNDS

2.3.1 REFUND OPTION SELECTION. You, together with Dual Occupant in Double Occupancy, have selected the following Refund Option:

Ninety Percent (90%) Refund Option _____

Declining Balance Refund Option _____

You understand that the Refund Option you selected will affect the amount and terms of the Refund.

2.3.2 REFUND DUE ON TERMINATION BEFORE OCCUPANCY

(a) TERMINATION DURING RESCISSION PERIOD. If you or Dual Occupant in Double Occupancy terminate this Resident Agreement within the Rescission Period, Masonic Villages will, within thirty (30) days of receiving written notice of termination, pay the Refund as set forth in this Resident Agreement.

(b) TERMINATION BEFORE OCCUPANCY BUT AFTER THE RESCISSION PERIOD EXPIRES. If you or Dual Occupant terminate this Resident Agreement before Occupancy but after the expiration of the Rescission Period, Masonic Villages will, within thirty (30) days of receiving written notice of termination, pay the Refund less the Application Deposit as set forth in this Resident Agreement.

2.3.3 REFUND DUE ON TERMINATION AFTER OCCUPANCY

(a) NINETY PERCENT REFUND OPTION. Under the Ninety (90%) Percent Refund Option, upon the termination of this Resident Agreement, subject to the satisfaction of the conditions set forth in Section 2.3.3(d), Masonic Villages will Refund Ninety (90%) Percent of the Entrance Fee to you or your designee named in a separate addendum at the time you enter this Resident Agreement, reduced by any outstanding Charges and the expenses incurred by Masonic Villages as set forth in the Third Addendum.

(b) DECLINING BALANCE REFUND OPTION

(i) Under the Declining Balance Refund Option, the Refund will depreciate by five percent (5%) of the original Entrance Fee in the first month of Occupancy or fraction thereof, and by an additional one percent (1%) of the original Entrance Fee in each succeeding month of Occupancy or fraction thereof. Once fully depreciated, there will be no Refund due upon termination of this Resident Agreement.

(ii) Under the Declining Balance Refund Option, upon the termination of this Resident Agreement, subject to the satisfaction of the conditions set forth in Section

2.3.3(d), Masonic Villages will Refund the un-depreciated portion of the Entrance Fee, if any, to you or your designee named in a separate addendum at the time you enter this Resident Agreement, reduced by the any outstanding Charges and the expenses incurred by Masonic Villages as set forth in the Third Addendum, if any.

(c) DOUBLE OCCUPANCY

(i) FINANCIAL ARRANGEMENTS FOR DOUBLE OCCUPANCY. Masonic Villages may approve the admission of you and a Dual Occupant in Double Occupancy if each of you and Dual Occupant meet the Requirements of Tenancy or make financial arrangements satisfactory to Masonic Villages to ensure the ability of each of you and Dual Occupant to independently satisfy the obligations under this Resident Agreement as a Remaining Resident. In Double Occupancy, each of you and Dual Occupant are jointly and severally liable for the obligations set forth in this Resident Agreement.

(ii) TIMING. No Refund will be payable so long as there is a Remaining Resident. While this Resident Agreement terminates upon the death of any Dual Occupant as to the Dual Occupant, it remains in effect as to the Remaining Resident. Masonic Villages will pay the Refund as set forth in this Resident Agreement only upon termination of this Resident Agreement as to Remaining Resident.

(iii) ALLOCATION. Except as otherwise specifically provided in a written agreement among the parties, so long as you and the Dual Occupant are living at the time a Refund becomes due, Masonic Villages will pay such Refund in equal amounts to you and the Dual Occupant. In the event that you or the Dual Occupant continues to Occupy the Living Accommodation following the other's death, then Masonic Villages will thereafter pay any Refund that becomes due to such Remaining Resident, the Remaining Resident's estate or Remaining Resident's named designee, as the case may be.

(d) CONDITIONS TO REFUNDS AFTER OCCUPANCY

(i) Subject to reduction as set forth above, Masonic Villages will pay the Refund due (x) under the Ninety (90%) Percent Refund Option, within sixty (60) days of the date on which the conditions (1) – (4) set forth below have been satisfied, or (y) under the Declining Balance Refund Option, within sixty (60) days of the date on which the conditions (1) – (2) set forth below have been satisfied.

(1) You, if then living, and the Dual Occupant in a Double Occupancy, if then living, no longer Occupy the Living Accommodation.

(2) The Living Accommodation has been Surrendered.

(3) A new resident has paid the Entrance Fee to Occupy the Living Accommodation.

(4) The Rescission Period for such new resident has lapsed.

(e) REFUND UPON PERMANENT TRANSFER OF RESIDENT. Should your transfer to a Health Center or other facility authorized under this Resident Agreement become permanent, in the sole opinion of the Masonic Villages, then a Refund will be made under the same terms as if you had elected to Surrender your Living Accommodation.

(f) RELEASE OF OBLIGATION. Upon termination of this Resident Agreement, Masonic Villages will be released from any further obligation to you except for the payment of any Refund under this Section.

2.4 SERVICE FEE AND OTHER CHARGES

2.4.1 SERVICE FEE

(a) AMOUNT AND PAYMENTS

(i) You will pay to Masonic Villages in advance a monthly service fee of $_____ (the "Service Fee").

(ii) Your obligation to pay the Service Fee will commence on the earlier of (x) sixty (60) days after the date this Resident Agreement is signed; (y) on the date you take Occupancy of the Living Accommodation; or (z) thirty (30) days following the date the Living Accommodation is available for Occupancy if this Resident Agreement is signed more than ninety (90) days prior to the date the Living Accommodation is available. The Service Fee must be paid to Masonic Villages in advance on the date the obligation to pay the Service Fee commences, as described above, and thereafter in each month on or before the last day of the month.

(iii) Your obligation to pay the Service Fee will end when (x) this Resident Agreement has been terminated, and (y) the Living Accommodation has been Surrendered.

(b) SERVICE FEE REFUND FOR TERMINATION. If termination of this Resident Agreement occurs due to your death, your estate will be entitled to a refund of the prorated balance of any unused portion of the Service Fee after all outstanding debts to Masonic Villages have been paid. In all other cases, the Service Fee remainder will be refunded to you.

(c) SERVICE FEE ADJUSTMENTS. The Service Fee may be adjusted from time to time by Masonic Villages to anticipate increased costs to Masonic Villages in providing the services for which it is responsible under this Resident Agreement. Such adjustment is effective thirty (30) days after written notice is given to you. Adjustments due to changes in fees, charges, or scope of care or services by state or federal assistance programs which will be effective immediately.

(d) CHANGE IN SCOPE OF SERVICES. The Masonic Villages will provide you with at least thirty (30) days notice if there is a change in the scope of services covered under this Resident Agreement.

2.4.2 OTHER CHARGES. Masonic Villages will invoice you monthly for other Charges. Due to variations in billing cycles, some Charges may appear on statements issued after the statement immediately following the date on which you incurred the Charges.
NOTE: All residents of the apartment building are assessed a monthly common area fee.

2.4.3 STATEMENTS AND PAYMENT TERMS

(a) STATEMENTS. Masonic Villages will issue you regular statements reflecting the Service Fee and other Charges.

(b) PAYMENT TERMS. Unless otherwise indicated in a statement, you will remit payment by the end of the month in which the monthly statement is received.

(c) FAILURE TO PAY. Your failure to pay Charges as and when due will be a material breach of this Resident Agreement. If you fail to pay any outstanding Charges within thirty (30) days of receiving notice of delinquency, Masonic Villages may terminate this Resident Agreement and, in accordance with Applicable Law, discharge you from the Community; provided, however, that Masonic Villages will not terminate this Resident Agreement or discharge you from the Community solely because of your financial inability to pay so long as you have exercised Financial Responsibility as defined in Section 2.4.4.

(d) ATTORNEY'S FEES. You will be responsible for the payment of any attorney's fees charged to Masonic Villages that are made necessary by your failure to timely pay Charges.

2.4.4 MASONIC VILLAGES CARE COMMITMENT AND RESIDENT FINANCIAL RESPONSIBILITY

(a) MASONIC VILLAGES CARE COMMITMENT. So long as you exercise Financial Responsibility during the term of this Resident Agreement and any Future Care Agreement, Masonic Villages will not terminate this Resident Agreement or discharge you from the Community due to your inability to pay Charges; provided, however, that, in such event, Masonic Villages, after consultation with you, may in its discretion move you to another Living Accommodation. For the avoidance of doubt, nothing in this Section 2.4.4(a) will prohibit Masonic Villages' from terminating this Resident Agreement and, in accordance with applicable Law, discharge you from the Community for reasons other than your inability to pay as otherwise set forth in this Resident Agreement.

(b) RESIDENT FINANCIAL RESPONSIBILITY

(i) In consideration of Masonic Villages' commitment to care for you notwithstanding your future inability to pay Charges, you will exercise Financial Responsibility so long as this Resident Agreement or any Future Care Agreement is in effect.

(ii) "Financial Responsibility" means:

(1) The information provided in the financial disclosures you made at the time of application are complete, truthful, accurate and not misleading.

(2) During the term of this Resident Agreement, or any Future Care Agreement, without Masonic Villages' prior written approval, you will not Transfer Assets or otherwise engage in any transaction or plan that is intended or could reasonably be foreseen to (x) impair the ability of you or Dual Occupant, if any, to pay Charges at Masonic Villages' private pay rates, including by disqualifying you or the Dual Occupant for Medical Assistance or other government or private benefits or entitlements for any period of time, or (y) accelerate your or Dual Occupant's qualification for Medical Assistance or other government or private benefits or entitlements. For the avoidance of doubt, your obligation to exercise Financial Responsibility prohibits you from establishing Single Premium Immediate Annuities (SPIAs) and other similar forms of Medical Assistance planning.

(3) From time to time during your Occupancy, at the request of Masonic Villages, you will cooperate in good faith with Masonic Villages' review of your assets and financial transactions to ensure that you have exercised Financial Responsibility.

(c) RELIANCE / FAILURE TO EXERCISE FINANCIAL RESPONSIBILITY. You understand and acknowledge that Masonic Villages has relied on your promise to exercise Financial Responsibility in determining to accept your application, admit you to the Community and perform its obligations under this Resident Agreement and any Future Care Agreement. Your failure to exercise Financial Responsibility during the term of this Resident Agreement or any Future Care Agreement will be a material breach of this Resident Agreement giving Masonic Villages the right, in its discretion, to terminate this Resident Agreement or any Future Care Agreement and, in accordance with Applicable Law, discharge you from the Community.

(d) NO OBLIGATION ON MASONIC VILLAGES TO REVIEW YOUR COMPLIANCE. For the avoidance of doubt, your obligation to cooperate with Masonic Villages does not impose an obligation on Masonic Villages to review your compliance with this Resident Agreement or evaluate your exercise of Financial Responsibility at any particular time or at any particular intervals. The fact that Masonic Villages' does not conduct a review or evaluation of your compliance with this Resident Agreement will in no way limit your obligation to exercise Financial Responsibility or Masonic Villages' remedies upon its discovery of your failure to exercise Financial Responsibility.

(e) NO DEEMED WAIVER OF YOUR OBLIGATION. You understand and acknowledge that Masonic Villages may not discover or be made aware of your failure to exercise Financial Responsibility until a future time, including, in connection with your application for or need of a Health Center under a Future Care Agreement. There will be no deemed waiver or acquiescence of your obligation to exercise Financial Responsibility. As a result of your failure, or the failure of your agent, power of attorney or legal guardian, to exercise Financial Responsibility at any time during the term of this Resident Agreement or any Future Care Agreement, Masonic Villages may at any future date terminate this Resident Agreement and, in accordance with Applicable Law, discharge you from the Community.

(f) ESTABLISHMENT OF RESERVE FUND. If your current income is insufficient to pay Charges timely, you will take reasonable steps to liquidate capital assets in order to meet your financial obligations under this Resident Agreement or any Future Care Agreement. Consistent with the Deficit Reduction Act of 2005, your refundable Entrance Fee, if any, is a capital asset and any unpaid Charges may be satisfied by a dollar-for-dollar reduction of any Refund.

(g) LONG TERM NURSING CARE. In Double Occupancy by a married couple, if a Dual Occupant requires long term nursing care in a Health Center, you agree that your assets will be divided in accordance with the present medical assistance rules and regulations as they apply to marital assets. A spouse entering a Health Center agrees to comply with the Resident Agreement applicable to that level of care, and the spouse remaining in Retirement Living agrees to pay Charges in accordance with the then, existing rules, regulations, and policies of the Masonic Villages.

(h) SPECIAL CONSIDERATIONS AND SUBSIDIES. Masonic Village may, at its sole discretion and on an individual basis, taking into account factors such as but not limited to your good faith efforts to pay for services, choose to accept reduced payment for services provided or to subsidize such services. Any decision to reduce payment or subsidize services will not, in any way, limit or qualify the right of Masonic Villages to enforce any provision of this Resident Agreement including provisions for termination.

ARTICLE 3

RESIDENT OCCUPANCY OBLIGATIONS

3.1 BEFORE OCCUPANCY

3.1.1 APPLICATION MATERIALS. You represent and warrant that the final, approved application and financial disclosure you submitted to Masonic Villages, were true, correct and complete at the time of submission. In addition, and without limiting the generality of the foregoing, you represent and warrant that you have not Transferred Assets and there has not been any material changes in your finances since the submission of your final financial disclosure.

3.1.2 CARE EVALUATION. You acknowledge that a condition of your Occupancy is that you do not pose a danger to yourself or the person or property of others. If Masonic Villages reasonably determines it to be necessary or advisable, you will have a medical examination by a physician contracted by Masonic Villages for the purposes of determining your ability to meet the Requirements of Tenancy. Based on the results of such examination, Masonic Villages may, in its discretion, decline your Occupancy of the Living Accommodation or condition such Occupancy on reasonable requirements designed to protect you and the person and property of others.

3.2 AFTER OCCUPANCY

3.2.1 LIVING ACCOMMODATION AND CHANGES

(a) LIVING ACCOMMODATION. You are granted Occupancy of the Living Accommodation on the terms and subject to the conditions of this Resident Agreement. No person other than you and Dual Occupant in Double Occupancy will have the right of Occupancy in the Living Accommodation without the prior written approval of Masonic Villages. The Living Accommodation to be occupied by you is:

Facility:_____
Unit Number:_____
Type of Unit:_____
Date Available:_____

You will have no right of occupancy to any other Living Accommodation, other than that listed above, without the execution of a further writing by both parties to this Resident Agreement.

(b) CHANGES AT YOUR REQUEST

(i) You may request in writing a move to another Living Accommodation. Masonic Villages will consider all requests in good faith but may grant or deny your request in its sole discretion based on availability and other operational considerations. If Masonic Villages grants your request after Occupancy, you will be charged a refurbishment fee. If Masonic Villages grants your request prior to Occupancy, you will not be charged a refurbishment fee. In either event, you may be charged for expenses incurred by Masonic Villages to facilitate your move.

(ii) If Masonic Villages approves your move to a Living Accommodation with a current Entrance Fee that is more than the Entrance Fee you originally paid, you will be required to pay the excess amount in full to Masonic Villages prior to Occupancy of the alternate Living Accommodation, in addition to the refurbishment fee and other expenses incurred by Masonic Villages. Your Service Fee will be adjusted to reflect the new Living Accommodation upon your Occupancy.

(iii) If Masonic Villages approves your move to a Living Accommodation with an Entrance Fee that is less than the Entrance Fee you originally paid, or to a Living Accommodation with no Entrance Fee, you may be entitled to a Refund of a portion of any unamortized Entrance Fee. Any such Refund will be determined by multiplying the difference between the Entrance Fee you originally paid and the Entrance Fee for the alternate Living Accommodation, if applicable, by the undepreciated percentage of your current Entrance Fee. You will also be required to pay the refurbishment fee and other expenses incurred by Masonic Villages. Your Service Fee will be adjusted to reflect the new Living Accommodation upon your Occupancy.

(iv) You retain the option to upgrade your Living Accommodation at any time. Should you elect such an option, you must meet all the financial requirements and

other requirements. At the time that you occupy your new Living Accommodation, this Resident Agreement will automatically terminate.

(c) CHANGES BY MASONIC VILLAGES

(i) Masonic Villages may deem it necessary that you relocate to a different Living Accommodation if (1) Masonic Villages reasonably determines that you no longer meet the Requirements of Tenancy or other requirements of your occupancy, (2) your Occupancy poses a threat to your health and safety or the person or property of others, (3) to facilitate the proper operation of the Community, (4) to satisfy the requirements of Applicable Law, or (5) you become unable to pay the applicable Charges.

(ii) Masonic Villages may declare the Living Accommodation vacant if there is not a Remaining Resident and you are transferred to a personal care or nursing care facility, or to a hospital or other facility or residence and, in the reasonable opinion of Masonic Villages, your absence will be permanent or for a prolonged indefinite period of time; provided, however, that Masonic Villages will not declare your Living Accommodation vacant if you continue to timely pay the Service Fee and any other Charges, including those associated with care in the facility to which you are relocated.

(iii) In the event the Living Accommodation is declared vacant, Masonic Villages may accept an Entrance Fee and execute a Resident Agreement with a new resident for your vacated Living Accommodation. In such circumstances, you must Surrender the Living Accommodation. If in Masonic Villages' reasonable determination, you are subsequently able to return to retirement living, Masonic Villages will, to the extent possible, make the next suitable Living Accommodation available to you.

3.2.2 RULES AND REGULATIONS. You will comply with the Rules and Regulations of Occupancy, which are contained in your Resident Handbook, and which may be amended from time to time.

3.2.3 FURNISHINGS. Masonic Villages will provide limited furnishings and certain other permanent fixtures in the Living Accommodation. All other furnishings must be provided by you at your sole cost and expense and such furnishings will remain your personal property.

3.2.4 UTILITIES - You will be billed separately for phone, cable, heat, and electricity.

3.2.5 COMMON FACILITIES. You may use the common facilities of the Community in accordance with the Rules and Regulations.

3.2.6 DAMAGE CAUSED BY YOU

(a) Masonic Villages will charge you for any loss or damage to the real or personal property of Masonic Villages caused by your negligence or intentional misconduct.

(b) You will be solely responsible for the injury or damage that you cause to the person or property of others, and you will defend, indemnify and hold harmless Masonic

Villages in connection with any claims or liability incurred by Masonic Villages for such injury or damage.

3.2.7 PERSONAL PROPERTY

(a) Masonic Villages will not be responsible for the loss of any property belonging to you, due to theft, disappearance, fire, breakage, or any other cause, unless the care and custody of such property was specifically accepted in writing by Masonic Villages, and then only due to Masonic Villages' failure to exercise ordinary care to safeguard such property.

(b) You or your personal representative will remove your personal property from the Living Accommodation within ten (10) days after the termination of this Resident Agreement. During this period, Masonic Villages will hold such property at the risk of you or your estate, provided that Masonic Villages will exercise reasonable care during such period to prevent unauthorized access to the Living Accommodation.

(c) If you or your personal representative fails to remove your personal property during such ten (10) day period, Masonic Villages, at your cost, may remove your property from the Living Accommodation to a temporary storage facility, at your or your estate's risk of loss or damage.

(d) Any personal property remaining in possession of Masonic Villages, whether in the Living Accommodation or in temporary storage, will be deemed abandoned after thirty (30) days following the termination of this Resident Agreement. Thereafter, Masonic Villages may dispose of such property in any manner that it chooses and will be entitled to retain the proceeds, if any, from any sale or disposition of such property.

(e) You must, at your sole expense, purchase and maintain tenant or renter's insurance in accordance with the terms set forth in Section 3.2.14.

3.2.8 RIGHT OF ENTRANCE. You acknowledge that Masonic Villages may enter the Living Accommodation in order to carry out the purpose and intent of this Resident Agreement, including performing scheduled cleaning and housekeeping duties, respond to the response call system, respond to fire alert system, investigate non-responsiveness or reports concerning your health or well-being, perform emergency maintenance and inspect the Living Accommodation. Notwithstanding the foregoing, Masonic Villages recognizes your right to privacy and will endeavor to limit entrance to the Living Accommodation to legitimate emergencies and scheduled work as set forth in this Section.

3.2.9 GUESTS

(a) You may have overnight guests in the Living Accommodation for up to eight (8) consecutive days, provided that no person will reside for more than eight (8) days in any one month or more than forty (40) days in any year. Guests will at all times assume the risk of staying with you in your Living Accommodations or at the Community.

(b) You must carefully supervise your guests, including children, to ensure that they do not disrupt other residents or employees of Masonic Villages.

(c) For the avoidance of doubt, this Section 3.2.9 does not apply to the provision of home care, home health care or hospice care in the Living Accommodation. You will comply with Masonic Villages' policies in effect from time to time during your Occupancy concerning home care, home health care and hospice care services in the Living Accommodation.

3.2.10 PETS. With Masonic Villages' prior approval, you may care for up to two (2) domesticated pets in the Living Accommodation. You will notify Masonic Villages of the death of any approved pet and obtain the approval of Masonic Villages prior to caring for a new pet in the Living Accommodation. You will comply with all policies adopted by Masonic Villages from time to time concerning the care and maintenance of pets at the Community. Without limiting the generality of the foregoing, (i) no exotic pets will be permitted; (ii) Masonic Villages, in its sole discretion, may require you to remove a pet from the Living Accommodation and the Community if Masonic Villages' determines it to be a nuisance; and (iii) you will be responsible for any loss, damage or injury caused by your pet or pets to the person or property of others, and will defend, indemnify and hold harmless Masonic Villages therefor.

3.2.11 RESIDENTS' ASSOCIATION. You will be entitled, upon meeting the requirements, to be a voting member of the Retirement Living Residents' Association. The Association will have resident representatives who will be nominated and elected by the resident members. Retirement Living Residents' Association meetings will be held on a regular basis, but not less frequently than quarterly, and Masonic Villages will provide seven (7) days' notice of such meetings.

3.2.12 SUBSEQUENT COHABITATION. You will not have a non-resident or other resident move into the Living Accommodation with you following Occupancy, except with the prior written approval of Masonic Villages. As a condition to Masonic Villages granting approval, you and the proposed Dual Occupant must together comply with Masonic Villages' requirements for Double Occupancy as may then be in effect. If you and the proposed Dual Occupant cannot comply with such requirements, then you may terminate this Resident Agreement and may thereafter be entitled to a Refund as set forth in this Resident Agreement. If you and the proposed Dual Occupant qualify for Double Occupancy, then you and the proposed Dual Occupant will be required to enter an amendment to this Resident Agreement or a new Resident Agreement reflecting the Double Occupancy. Except as provided in this section, it will be a material breach for you to allow any person to cohabitate with you in the Living Accommodation.

3.2.13 HEALTH CARE

(a) HEALTH CARE SERVICES GENERALLY

(i) You are eligible (but not obligated) to use the medical care and ancillary health care services provided at a Health Center. Alternatively, in your sole discretion, you may elect to use the medical and ancillary services provided by third parties.

(ii) Except as otherwise specifically provided in this Resident Agreement or any Future Care Agreement, Masonic Villages provides Medical Care and ancillary health care services strictly on a fee-for-service basis and you will be responsible for all Charges relating to such services. For the avoidance of doubt, no portion of the costs of such services are paid as part of your Entrance Fee or Service Fee, and such Charges may appear on your monthly statement.

(iii) You will be responsible for the cost of all medical and ancillary health care services provided by third party health care providers.

(iv) If Medical Care or ancillary services are provided by or through Masonic Villages, Masonic Villages will bill you for such services separately or on your monthly statement. If you use third party providers, you will be billed by such third parties.

(b) MENTAL ILLNESS, CONTAGIOUS DISEASE, ALCOHOL OR DRUG ADDICTION OR ABUSE. Masonic Villages is not equipped to care for persons suffering from certain levels of mental illness, contagious disease, alcohol or drug addiction or similar illnesses and dependencies. If Masonic Villages reasonably determines that you suffer from one or more of these conditions or illnesses, and that Masonic Villages is not equipped to care for you, Masonic Villages may arrange for your discharge from the Community and transfer to an outside facility that Masonic Villages reasonably believes is equipped to care for you. You will be responsible for the payment for any care or services received at such facility. Masonic Villages will not be liable or responsible for any claims or losses that you incur in connection with the discharge from the Community or your admission to and care received at another facility. Upon such transfer, (i) this Resident Agreement will automatically and immediately terminate, (ii) you will no longer be required to pay the Service Fee after Surrender, (iii) Masonic Villages will pay any Refund due you as set forth in this Resident Agreement, and (iv) Masonic Villages will reimburse you for the prorated amount of any Service Fee it has received for the month in which the Living Accommodation was Surrendered. Notwithstanding the foregoing, Masonic Villages will cooperate with you and your agent in good faith to seek your discharge to a facility selected by you and your agent.

(i) Any and all psychotherapy and psychiatric consultations needed by you will be at your sole expense

(c) ACCIDENT OR ILLNESS AWAY FROM COMMUNITY. So long as this Resident Agreement is in effect, you will endeavor to promptly notify Masonic Villages if you suffer an accident or illness while away from the Community.

(d) HEALTH CENTER

(i) If, in the reasonable determination of Masonic Villages, you require nursing care or personal care services and, after consultation with you, Masonic Villages directs your transfer to either personal care or nursing care at a Health Center, you will enter and comply with the Future Care Agreement for the level of care required. The determination to transfer you to personal care or nursing care will be made only after consultation with you and reasonable efforts are made to rehabilitate you to function at your highest level, as it is the

philosophy of Masonic Villages to maintain each resident at the highest level of functioning of which he or she is capable in order to meet the Requirements of Tenancy. For the avoidance of doubt, the final decision to transfer you to personal care or skilled nursing, will be within the sole discretion of the Masonic Villages.

(ii) Your default or breach under any Future Care Agreement will automatically be a material breach under this Resident Agreement so long as this Resident Agreement is in effect. Accordingly, your breach of a Future Care Agreement would permit Masonic Villages to terminate this Resident Agreement with respect to you and, if applicable, a Remaining Resident.

(iii) If you are in Double Occupancy, commencing immediately after Masonic Villages' reasonable determination that a transfer of you or Dual Occupant in Double Occupancy is permanent, the Remaining Resident will be charged the Service Fee for single Occupancy of the Living Accommodation.

(iv) If you are in Single Occupancy, in the event you are transferred to a Health Center or to another facility for long term care, you are encouraged to Surrender the Living Accommodation to preserve your financial resources. You will be relieved of your obligation to pay the Service Fee following the date of Surrender, but not the obligation to pay outstanding Charges.

(e) HOME CARE, HOME HEALTH CARE AND HOSPICE CARE SERVICES. Masonic Villages will provide you with a list of pre-approved, unaffiliated providers of such services. If available, you will be eligible (but not obligated) to use on a strictly fee-for-service basis Masonic Villages' palliative and hospice care services after a transfer to a Health Center.

(f) EMERGENCY SERVICES. Your Living Accommodation will have a Response Call System that alerts local emergency medical service of the need for help. Medical emergencies will be serviced through utilization of local medical emergency and ambulance companies and their paramedics and support personnel as needed. Masonic Villages does not provide EMS or EMT staff.

(g) COOPERATION. You will cooperate with Masonic Villages in securing reimbursement from any governmental or other third-party payors for the cost for Medical Care and any ancillary health care and nursing services provided by Masonic Villages. Your failure to reasonably cooperate with Masonic Villages to secure such reimbursement will constitute a material breach of this Resident Agreement giving Masonic Villages the right to terminate this Resident Agreement and, in accordance with Applicable Law, discharge you from the Community.

3.2.14 INSURANCE

(a) HEALTH INSURANCE. You must have and maintain at all times during the term of this Resident Agreement and any Future Care Agreement, Medicare Parts A, B and D or a program or programs of equivalent benefits accepted by Masonic Villages. You must also

have and maintain a standardized Medicare supplemental plan such as Plan C through N or such other plan or coverage accepted by Masonic Villages.

(i) You will be solely responsible for ensuring that your insurance coverage is accepted by Masonic Villages and be responsible for the payment of all premiums for such insurance and for any co-payments or deductibles not paid by insurance. Failure to obtain and maintain insurance will result in declined admission to a Health Center.

(ii) To the extent permissible under Applicable Law, you authorize Masonic Villages, in its sole discretion and on your behalf, to (1) make application and procure for coverage under any federal, state, or municipal insurance plan or program for which you are eligible, (2) pay all premiums in connection with such insurance, (3) submit claims to your insurance carriers, and (4) invoice you for the actual costs incurred by Masonic Villages in connection with the foregoing.

(iii) If you do not have or maintain the required insurance or alternative insurance acceptable to Masonic Villages, Masonic Villages may, in its discretion, require you to establish and maintain a reserve fund in an amount and on terms reasonably satisfactory to Masonic Villages to ensure the timely payment of Charges.

(iv) You will be solely responsible for all co-pays or deductibles not paid by insurance.

(b) AUTOMOBILE. If you have an automobile, you must maintain automobile insurance coverage with limits and terms that comply with Applicable Laws.

(c) TENANT. You must obtain and maintain tenant liability and Living Accommodation contents coverage with liability limits not less than $300,000 per occurrence and contents coverage limits at least sufficient to cover the value of your personal property in the Living Accommodation. Masonic Villages will not be responsible for any losses that you incur with respect to your personal property.

(d) PAYMENT FOR INSURANCE. You will pay the charges for all insurance required by Section 3.2.14 in addition to the Service Fee and other applicable Charges.

(e) FAILURE TO MAINTAIN INSURANCE. Failure to maintain the required insurances which leads to your inability to pay for your Living Accommodations and Services, or to otherwise comply with the terms of this Resident Agreement, will be considered a material breach of this Resident Agreement.

3.2.15 YOUR AGENTS AND FIDUCIARIES

(a) POWER OF ATTORNEY. You have or will execute a general durable power of attorney, compliant with the laws of the Commonwealth of Pennsylvania, to appoint an agent to carry out the terms of this Resident Agreement on your behalf. At all times during the term of this Resident Agreement or any Future Care Agreement, you will maintain such power of attorney in effect, or promptly establish a new qualifying power of attorney if it is revoked or

rescinded, or your agent has died, become incapacitated or will otherwise be unable to serve for any other reason. You will ensure that Masonic Villages has a copy of your power of attorney and any substitute or replacement powers of attorney that you enter from time to time during the term of this Resident Agreement or any Future Care Agreement. If Masonic Villages reasonably determines that the power of attorney as written is insufficient, you will cooperate in establishing a new power of attorney that satisfies the reasonable requirements of Masonic Villages. You will advise your agent under your power of attorney concerning your obligation to exercise Financial Responsibility and will direct your agent to do so on your behalf at all times during the term of this Resident Agreement or any Future Care Agreement.

(b) FIDUCIARY DESIGNATIONS. In the Second Addendum to this Resident Agreement, you provide the contact information for your agent under your general durable financial power of attorney, personal representative(s) under your will, your agent(s) and/or surrogate(s) under any health care powers of attorney and/or advance health care directives, and any other fiduciaries, such as trustees of trusts in which you have an interest. You will promptly notify Masonic Villages of any changes to your fiduciaries.

(c) LEGAL GUARDIAN. If you become unwilling or unable to properly care for your person or property and your agent(s) under your power of attorney fail or cease to properly care for your person or property, you authorize Masonic Villages to nominate a legal guardian to serve on your behalf following the approval by a court in accordance with Applicable Law, and you release Masonic Villages from any liability in connection with such nomination, proceeding or appointment.

ARTICLE 4

MASONIC VILLAGES' OBLIGATIONS

4.1 CARE AND SERVICES GENERALLY. On the terms and subject to the conditions set forth in this Resident Agreement, Masonic Villages will provide you Occupancy in the Living Accommodation and the facilities and services described in this Resident Agreement.

4.2 DISTRIBUTION OF DISCLOSURE STATEMENTS. Each year during your Occupancy, Masonic Villages will make available to you a copy of the disclosure statement that it files in accordance with the Act.

4.3 INSURANCE. Masonic Villages will procure and maintain casualty and liability insurance coverage on the buildings, grounds, and common areas of the Community in such amounts as it deems advisable and consistent with industry practices.

4.4 UTILITIES AND SERVICES. Masonic Villages will provide water, sewer, trash removal, snow removal and lawn maintenance for the Community and the Living Accommodation.

4.5 HOUSEKEEPING. Masonic Villages will provide housekeeping services in all public areas.

4.6 MAINTENANCE AND REPAIR. Masonic Villages will perform and provide necessary repairs and maintenance services to the Living Accommodation and the Community. For the avoidance of doubt, repairs, maintenance, and replacement of your personal property will be the responsibility of, and at the expense of, you.

4.6.1 STRUCTURAL CHANGES. You must obtain the written approval of Masonic Villages before you make any structural or physical change to the Living Accommodation or to any fixtures. Masonic Villages' approval of any change requested by you may be conditioned upon your agreement to bear the expense of the change and any later restoration of the Living Accommodation to its original condition. Unless otherwise agreed to in writing by Masonic Villages, title to any change or replacement will vest in Masonic Villages.

4.6.2 LIVING ACCOMMODATION RENOVATIONS OR UPGRADES. It may become necessary or desirable during your Occupancy to perform renovations, enhancements, or upgrades to the Living Accommodation or other facilities at the Community. Masonic Villages reserves the right to move you to alternate living accommodations in order to facilitate the completion of these renovations, enhancements, or upgrades. In such instances, every effort will be made to relocate you to a living accommodation that is substantially similar to the Living Accommodation. Any reasonable moving costs to the new living accommodation, if initiated by Masonic Villages and excluding the provision of new carpeting or paint, will be paid by Masonic Villages. During the temporary move, you will continue to pay the monthly Service Fee designated under this Resident Agreement, unless the living accommodation that you are relocated to has a lower monthly service fee, in which case you will pay the lower fee. After renovations, enhancements, or upgrades are complete, should Masonic Villages offer, and you accept, the opportunity to remain in the living accommodation that you have occupied on a temporary basis, you must pay any upcharge in fees for that living accommodation.

4.6.3 REDECORATION. Any redecoration of the Living Accommodation, by you, other than that scheduled and/or performed by the Masonic Villages, will be made only upon the written approval and will be at your sole expense. Any addition of permanent fixtures, by you, will become the property of the Masonic Villages when the Living Accommodation is surrendered.

4.7 PHONE SERVICE. You will be required to install phone service and elect a service provider compatible with Masonic Villages' emergency call system. On a limited basis, Masonic Villages may, upon your signing of a waiver, and at its sole discretion, allow you to decline phone service.

4.8 CABLE TELEVISION. If you desire to have cable television in the Living Accommodation, this service is available through the local cable provider. All costs of installation, outlet changes/additions, and monthly service fees will be your responsibility.

4.9 REAL ESTATE TAXES. Masonic Villages will pay all real estate taxes assessed to the Community.

4.10 SERVICES AVAILABLE FOR EXTRA CHARGE. You may use various services offered by Masonic Villages at an additional charge. A list of services that are currently available and their charges is attached as Exhibit A.

4.11 ANNUAL AVERAGE COST OF CARE. Based upon the experience of other continuing care providers with residents requesting the same or similar services and based upon financial information contained in recent Masonic Villages' projected financial statements, as adjusted for foreseeable increases in costs and assuming the ratio of Residents to staff in Retirement Living remains constant, the annual average cost to Masonic Villages for the services to be provided to you hereunder is estimated to be the amount specified on the First Addendum attached hereto. **This estimate does not include costs for personal care or healthcare services.**

4.12 NO DISCRIMINATION. Decisions concerning admission, the provision of services and referrals of residents are not based upon the applicant's race, color, religion, disability, ancestry, national origin, familial status, age, sex, limited English proficiency (LEP) or any other protected status.

ARTICLE 5

TERMINATION OF AGREEMENT

5.1 PRIOR TO OCCUPANCY

5.1.1 RIGHT TO RESCIND. You may rescind this Resident Agreement at any time within a seven (7) day period beginning on the date you sign this Resident Agreement and pay the Application Deposit. You must provide Masonic Villages with written notice of your rescission during the Rescission Period. For your convenience, a form of rescission is attached as Exhibit B.

5.1.2 DEATH OR INCAPACITY. If you die prior to Occupancy of the Living Accommodation, or through illness, injury, or incapacity are unable to meet the Requirements of Tenancy, this Resident Agreement will automatically be terminated. However, where either you or Dual Occupant in Double Occupancy Living Accommodation dies before Occupancy, the Remaining Resident will have the same options as if an individual application had been submitted.

5.1.3 BY MASONIC VILLAGES. Masonic Villages may terminate this Resident Agreement by giving you written notice prior to Occupancy if:

(a) You will have made any material misrepresentation or omission in the application, or any other document or information required to be given to Masonic Villages by you;

(b) You fail to follow the Rules and Regulations, procedures, and policies of the Masonic Villages;

(c) There is a change in your health or medical condition at any time after you have submitted an application for admission which, in the opinion of Masonic Villages, makes you unable to meet the Requirements of Tenancy;

(d) It is determined, for any reason, that you pose a threat to the health, safety, or welfare of staff or residents;

(i) If Masonic Villages makes a good faith determination in writing that your Occupancy of the Living Accommodation creates a serious threat to the life, health, safety, or peace of you or other persons, Masonic Villages may terminate this Resident Agreement immediately notwithstanding the thirty (30) day notice period set forth in the prior sentence. On or before the effective date of termination, you must surrender the Living Accommodation.

(e) If your financial situation changes in such a way that you would no longer qualify for admission; and

(f) You otherwise fail to exercise Financial Responsibility.

5.2 AFTER OCCUPANCY

5.2.1 BY YOU. You may terminate this Resident Agreement after Occupancy by giving Masonic Villages at least thirty (30) days written notice thereof. You must surrender the Living Accommodation on or before the effective termination date.

5.2.2 BY MASONIC VILLAGES. Masonic Villages may terminate this Resident Agreement at any time after Occupancy by giving you at least thirty (30) days prior written notice if:

(a) You will have made any material misrepresentation or omission in the application or any other document or information required to be given to Masonic Villages by you;

(b) You fail to make any payment hereunder, including payment for charges rendered for personal care or healthcare services, and such failure continues for thirty (30) days after written notice thereof;

(c) You fail to abide by any other term or condition of this Resident Agreement after ten (10) days written notice of such failure and you have not corrected such failure or commenced the correction of such failure,

(d) You fail to follow the rules and regulations, procedures, and policies of the Masonic Villages;

(e) It is determined in writing that your continued occupancy creates a serious threat or danger to the life, health, safety or peaceful enjoyment of yourself or other residents of the Masonic Villages; and

(i) If Masonic Villages makes a good faith determination in writing that your continued Occupancy of the Living Accommodation creates a serious threat to the life, health, safety, or peace of you or other persons, Masonic Villages may terminate this Resident Agreement immediately notwithstanding the thirty (30) day notice period set forth in the prior sentence. On or before the effective date of termination, you must surrender the Living Accommodation.

(f) You otherwise fail to exercise Financial Responsibility.

5.2.3 BY DEATH

(a) SINGLE OCCUPANCY. In Single Occupancy, this Resident Agreement will terminate upon your death, provided, however, that your estate will be responsible for Charges until the Living Accommodation is Surrendered.

(b) DOUBLE OCCUPANCY. In Double Occupancy, this Resident Agreement will be terminated by the death of either you or Dual Occupant, but only as to that deceased Resident. The Remaining Resident may elect to move to a smaller Living Accommodation or may elect to remain in the same Living Accommodation. In either case, the Service Fee will be adjusted for single Occupancy, but otherwise this Resident Agreement will remain in full force and effect as to the Remaining Resident. The Remaining Resident will be responsible for all outstanding Charges for the deceased Resident.

ARTICLE 6

MISCELLANEOUS

6.1 NOTICE. Any notices to be given under this Resident Agreement will be deemed to have been properly given when delivered personally or sent by first class mail, postage prepaid, addressed as follows:

If to Masonic Villages:
If to you before taking Occupancy:
If to you after taking Occupancy: At your Living Accommodation.

6.2 COMPLETE AGREEMENT. This Resident Agreement, together with your application, financial statement and disclosures, personal health, and physician's report, and any Addenda, Exhibits or signed Schedules to this Resident Agreement, constitutes the entire agreement between Masonic Villages and you, and may not be amended or modified except in writing signed by the parties.

6.3 NON-WAIVER. The failure by the Masonic Villages to enforce at any time any of the provisions of this Resident Agreement, or to require at any time performance by the other party of any of the provisions hereof will in no way be construed to be a waiver of such provisions or to affect either the validity of this Resident Agreement, or any part thereof, or the right of the Masonic Villages to enforce each and every provision in accordance with the terms of this Resident Agreement.

6.4 DESCRIPTIVE HEADINGS. The descriptive section headings used in this Resident Agreement are for convenience of reference only and do not constitute binding terms of this Resident Agreement.

6.5 TRANSFERABILITY. Your rights and privileges under this Resident Agreement, facilities, services, and medical care are personal to you and cannot be transferred or assigned by act of you, or by any proceeding of law, or otherwise.

6.6 SEVERABILITY. If any one or more of the provisions of this Resident Agreement should be finally determined to be contrary to law, then such provision or provisions will be severable from the remaining provisions and will in no way affect the validity of the other provisions of this Resident Agreement.

6.7 GOVERNING LAW. This Resident Agreement will be construed and enforced in accordance with, and the rights of the parties hereto will be governed by, the laws of the Commonwealth of Pennsylvania.

6.8 MANDATORY ARBITRATION. Any claim, controversy or dispute relating directly or indirectly to this Resident Agreement will be resolved by a single arbitrator in an arbitration proceeding conforming to the rules of the American Arbitration Association. The arbitrator will be appointed by mutual agreement of you and Masonic Villages. If you and Masonic Villages cannot agree as to the identity of the arbitrator, the arbitrator will be appointed by the American Arbitration Association. The arbitration will be held in Luzerne County, Pennsylvania. The decision of the arbitrator will be final and conclusively binding on the parties in any court of competent jurisdiction. You and Masonic Villages will each pay one-half of the fees and expenses of the arbitrator and the American Arbitration Association. You and Masonic Villages will each be responsible for the entire cost of their own attorney and witnesses.

6.9 VENUE. Any dispute not finally and conclusively resolved through arbitration pursuant to Section 6.8, or arising from or related to any matter not subject to arbitration for any reason, including any determination to not enforce Section 6.8, will be brought before and adjudicated by the Court of Common Pleas of Luzerne County, Pennsylvania.

6.10 COUNTERPARTS. This Resident Agreement may be signed in any number of counterparts and by the parties, and each counterpart when so signed and delivered will be deemed an original and all such counterparts together will constitute one and the same instrument.

6.11 RIGHTS TO PROPERTY. The rights and privileges granted to you in this Resident Agreement do not include any right, title, or interest in or to any part of the personal property, land, buildings, and improvements owned or administered by Masonic Villages. Your rights under this Resident Agreement are for services with a right of Occupancy. Any service or occupancy rights, privileges, or benefits, will be subordinate to any mortgage, deed of trust, or other obligation on any of the premises or real or personal property of the Masonic Villages.

IN WITNESS WHEREOF, Masonic Villages and you (and Dual Occupant, if applicable) have executed and delivered this Resident Agreement as of the date first above written.

THE UNDERSIGNED READ AND UNDERSTAND THE CONTENTS OF THE FOREGOING AGREEMENT AND HAD THE OPPORTUNITY TO CONSULT WITH LEGAL AND OTHER ADVISORS PRIOR TO SIGNING THIS RESIDENT AGREEMENT.

Witnesses:

_____

_____

_____

Masonic Villages of the Grand Lodge of Pennsylvania

By:_____
Name:
Title:

_____
Resident

_____
Resident

FIRST ADDENDUM

The estimated projected annual average cost(s) of care to be provided to you by Masonic Villages under the foregoing Resident Agreement, based upon the factors set forth in subsection 4.11 including, without limitation, experience with residents requesting the same or similar services to that of resident(s) in other facilities is/are:

$ ___ per month for Resident

$ ___per month for Resident

SECOND ADDENDUM

Personal Representative(s): (person(s) named in your will to administer your estate)

Name: _____

Address: _____

_____

Name: _____

Address: _____

_____

THIRD ADDENDUM

You agree that Masonic Villages has incurred the following costs at your request prior to the date of Occupancy and agree that you will not be subject to Refund after the end of the Rescission Period:

COSTS	ITEM/SERVICE

FOURTH ADDENDUM

ADMISSIONS POLICY

Admissions to the Community are governed by the Board of Directors of Masonic Villages, members of which are elected by the Grand Lodge of Pennsylvania and serve without compensation. Our Admissions Policies are governed by non-discrimination on the basis of race, religion, color, national origin, ancestry, age (where minimum age for admission is met), sex, sexual orientation, marital status, disability, limited English Proficiency (LEP) or any other protected status.

EXHIBIT A

ADDITIONAL SERVICES

Type of Service	Charge
Additional Maintenance Services	Reference Resident Handbook and Current Rate Sheet
Optional Garage Parking (if available)	Reference Resident Handbook and Current Rate Sheet

EXHIBIT B

NOTICE OF RIGHT TO RESCIND

Date Rescission Period begins

You may rescind and terminate your Resident Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into the continuing care facility before the expiration of this seven (7) day period. No other agreement or statement you sign will constitute a waiver of your right to rescind this Resident Agreement within the seven (7) day period.

To rescind your Resident Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to: Masonic Village at Dallas, 36 Ridgway Drive, Dallas, Pennsylvania 18612, Attention: Executive Director, not later than midnight of _____, 20___.

Pursuant to this notice, I hereby cancel my Resident Agreement.

FORM ONLY -- DO NOT SIGN

_____ _____

Date Prospective Resident's Signature

EXHIBIT C

MANDATORY ARBITRATION AGREEMENT

PLEASE READ CAREFULLY!!

MANDATORY ARBITRATION. Any claim, controversy or dispute relating directly or indirectly to this Resident Agreement will be resolved by a single arbitrator in an arbitration proceeding conforming to the rules of the American Arbitration Association. The arbitrator will be appointed by mutual agreement of you and Masonic Villages. If you and Masonic Villages cannot agree as to the identity of the arbitrator, the arbitrator will be appointed by the American Arbitration Association. The arbitration will be held in Luzerne County, Pennsylvania. The decision of the arbitrator will be final and conclusively binding on the parties in any court of competent jurisdiction. You and Masonic Villages will each pay one-half of the fees and expenses of the arbitrator and the American Arbitration Association. You and Masonic Villages will each be responsible for the entire cost of their own attorney and witnesses.

By affixing my signature below, I acknowledge that I have read and understand the limitations on my ability to separately seek damages in a court of law that is imposed by this arbitration agreement.

THE UNDERSIGNED READ AND UNDERSTAND THE CONTENTS OF THE FOREGOING AGREEMENT AND HAD THE OPPORTUNITY TO CONSULT WITH LEGAL AND OTHER ADVISORS PRIOR TO SIGNING THIS RESIDENT AGREEMENT.

_____ _____

Resident Signature **Date**

_____ _____

Resident Signature **Date**

_____ _____

Resident Representative **Date**