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|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Form 990<br><br><br>Department of the Treasury<br>Internal Revenue Service | <b>Return of Organization Exempt From Income Tax</b><br><br><b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b><br><br>The organization may have to use a copy of this return to satisfy state reporting requirements | OMB No 1545-0047<br><br><b>2010</b><br><br><b>Open to Public Inspection</b> |
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|                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011</b>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                      |
| <b>B</b> Check if applicable<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br>THE FOREST AT DUKE INC<br><br>Doing Business As<br><br>Number and street (or P O box if mail is not delivered to street address) Room/suite<br>2701 PICKETT ROAD<br><br>City or town, state or country, and ZIP + 4<br>DURHAM, NC 27705 | <b>D Employer identification number</b><br><br>56-1630158<br><br><b>E Telephone number</b><br><br>(919) 490-8000<br><br><b>G</b> Gross receipts \$ 37,155,731                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                              | <b>F</b> Name and address of principal officer<br>STEVE FISHLER<br>2701 PICKETT ROAD<br>DURHAM, NC 27705                                                                                                                                                                 | <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><br><b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list (see instructions)<br><b>H(c)</b> Group exemption number ▶ |
|                                                                                                                                                                                                                                                                                              | <b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527                                                                          |                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                              | <b>J Website:</b> ▶ WWW.FORESTDUKE.ORG                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                              | <b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶                                                                                       |                                                                                                                                                                                                                                                                                                                      |
| <b>L</b> Year of formation 1988                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                          | <b>M</b> State of legal domicile NC                                                                                                                                                                                                                                                                                  |

|               |                |
|---------------|----------------|
| <b>Part I</b> | <b>Summary</b> |
|---------------|----------------|

|                                                                                          |                                                                                                                                                                            |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Activities & Governance                                                                  | <b>1</b> Briefly describe the organization's mission or most significant activities<br>TO PROVIDE A CARING, RESPONSIBLE RETIREMENT COMMUNITY BY ENHANCING RESIDENTS' LIVES |
|                                                                                          |                                                                                                                                                                            |
|                                                                                          |                                                                                                                                                                            |
|                                                                                          |                                                                                                                                                                            |
|                                                                                          | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets                            |
|                                                                                          | <b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .                                                                                       |
|                                                                                          | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .                                                                           |
|                                                                                          | <b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .                                                                            |
| <b>6</b> Total number of volunteers (estimate if necessary) . . . . .                    |                                                                                                                                                                            |
| <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . |                                                                                                                                                                            |
| <b>7b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .       |                                                                                                                                                                            |
| Revenue                                                                                  | <b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .                                                                                                           |
|                                                                                          | <b>9</b> Program service revenue (Part VIII, line 2g) . . . . .                                                                                                            |
|                                                                                          | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .                                                                                         |
|                                                                                          | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)                                                                                         |
|                                                                                          | <b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .                                                                       |
|                                                                                          | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .                                                                                      |
| Expenses                                                                                 | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .                                                                                          |
|                                                                                          | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)                                                                                |
|                                                                                          | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .                                                                                         |
|                                                                                          | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>                                                                                          |
|                                                                                          | <b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .                                                                                           |
|                                                                                          | <b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)                                                                                         |
|                                                                                          | <b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .                                                                                                    |
|                                                                                          | Net Assets or Fund Balances                                                                                                                                                |
| <b>21</b> Total liabilities (Part X, line 26) . . . . .                                  |                                                                                                                                                                            |
| <b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .            |                                                                                                                                                                            |

|                |                        |
|----------------|------------------------|
| <b>Part II</b> | <b>Signature Block</b> |
|----------------|------------------------|

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

|                        |                                                                  |                                |      |                                                 |                           |
|------------------------|------------------------------------------------------------------|--------------------------------|------|-------------------------------------------------|---------------------------|
| Sign Here              | *****<br>Signature of officer                                    | 2012-03-01<br>Date             |      |                                                 |                           |
|                        | STEVE FISHLER EXECUTIVE DIRECTOR<br>Type or print name and title |                                |      |                                                 |                           |
| Paid Preparer Use Only | Print/Type preparer's name AMY BIBBY                             | Preparer's signature AMY BIBBY | Date | Check if self-employed <input type="checkbox"/> | PTIN                      |
|                        | Firm's name ▶ DIXON HUGHES GOODMAN LLP                           |                                |      |                                                 | Firm's EIN ▶              |
|                        | Firm's address ▶ 500 RIDGEFIELD COURT<br>ASHEVILLE, NC 28806     |                                |      |                                                 | Phone no ▶ (828) 254-2254 |

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☒ Yes ☐ No

Check if Schedule O contains a response to any question in this Part III ☒

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**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

| 4a | (Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (Expenses \$ | 16,538,414 | including grants of \$ | 72,433 ) | (Revenue \$ | 18,254,624 ) |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|------------------------|----------|-------------|--------------|
|    | <p>THE FOREST AT DUKE WELCOMED ITS FIRST RESIDENTS IN 1992 WITH A MISSION TO PROVIDE A CARING, RESPONSIBLE COMMUNITY THAT FOSTERS THE INDEPENDENCE OF RESIDENTS OF RETIREMENT AGE BY ENHANCING THEIR ABILITY TO LEAD PURPOSEFUL, ACTIVE, HEALTHY AND SECURE LIVES THE 47-ACRE CAMPUS IS HOME TO OVER 400 RESIDENTS AND INCLUDES 240 INDEPENDENT LIVING RESIDENCES, 34 ASSISTED LIVING SUITES AND 58 SKILLED NURSING RESIDENCES SINCE 2002, THE FOREST HAS BEEN CERTIFIED AS AN OSHA STAR FACILITY, RECOGNIZING VOLUNTARY SAFETY EXCELLENCE IN THE WORKPLACE THE FOREST WAS THE FIRST HEALTHCARE PROVIDER IN THE COUNTRY TO ACHIEVE THIS OSHA CERTIFICATION IN 2007, THE FOREST WAS AWARDED A BBB+ CREDIT RATING BY FITCH RATINGS, ACHIEVED NATIONAL COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES/CONTINUING CARE ACCREDITATION COMMISSION (CARF-CCAC) ACCREDITATION, AND RECEIVED ANOTHER HEALTH CENTER DEFICIENCY FREE SURVEY FROM THE NC DEPARTMENT OF HEALTH REGULATORS IN 2007, THE FOREST ALSO CHOSE TO PARTICIPATE IN THE MEDICARE PART A PROGRAM AND GAINED CERTIFICATION UNDER MEDICARE THE FOREST AT DUKE TAKES SERIOUSLY ITS COMMITMENT TO SOCIAL RESPONSIBILITY AND LEADERSHIP OUTREACH INCLUDES MAJOR ANNUAL CORPORATE FINANCIAL ASSISTANCE TO THE DURHAM COUNCIL FOR SENIOR CITIZENS, THE DURHAM CENTER FOR SENIOR LIFE, THE SENIOR PHARMASSIST PROGRAM, AND ROGERS-HERR MIDDLE SCHOOL THROUGHOUT THE YEAR, OTHER LOCAL NON-PROFITS ARE HELPED WITH CASH, IN-KIND AND VOLUNTEER DONATIONS AS WELL MORE THAN 75,000 RESIDENT VOLUNTEER HOURS PER YEAR BENEFIT LOCAL SCHOOLS, CHURCHES, DUKE HOSPITALS AND OTHER AREA SERVICE ORGANIZATIONS THE FOREST EMPLOYEE EDUCATIONAL ASSISTANCE FUND CONTINUES TO AWARD MONIES TO OVER 20 FOREST STAFF EACH YEAR TO FURTHER THEIR EDUCATION THE FOREST CONTINUES TO HAVE STRONG ASSOCIATIONS WITH EDUCATIONAL AND LICENSING INSTITUTIONS THE COMMUNITY SERVES AS A TRAINING SITE FOR - GERIATRIC FELLOWS DUKE UNIVERSITY MEDICAL CENTER- INTERNAL MEDICINE RESIDENTS DUKE UNIVERSITY MEDICAL CENTER- GRADUATE MEDICAL TRAINEES IN THE DEPARTMENT OF PSYCHIATRY, PROGRAM OF GEROPSYCHIATRY DUKE UNIVERSITY MEDICAL CENTER- NURSING STUDENTS WATTS SCHOOL OF NURSING- INTERNS IN THE LEADERSHIP IN AGING PROGRAM DUKE UNIVERSITY- INTERNS IN HEALTH CARE ADMINISTRATION UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL, SCHOOL OF PUBLIC HEALTH- THERAPEUTIC RECREATION INTERNS FROM SURROUNDING UNIVERSITIES- NURSING HOME ADMINISTRATORS THE NORTH CAROLINA BOARD OF LICENSING OF NURSING HOME ADMINISTRATORS- CHAPLAINCY PROGRAM DIVINITY SCHOOL OF DUKE UNIVERSITY- GRADUATE MBA STUDENTS DUKE UNIVERSITY FUQUA SCHOOL OF BUSINESS THE FOREST ACTIVELY PARTICIPATES WITH ITS PEERS IN THE INDUSTRY THROUGH ASSOCIATION INVOLVEMENT FOREST EMPLOYEES OFTEN SERVE IN LEADERSHIP AND AS PRESENTERS AT STATE AND NATIONAL EDUCATIONAL SESSIONS THE FOREST MAINTAINS MEMBERSHIPS IN THE FOLLOWING PROFESSIONAL ASSOCIATIONS - NORTH CAROLINA ASSOCIATION OF NON-PROFIT HOMES FOR THE AGING- AMERICAN ASSOCIATION OF NON-PROFIT HOMES FOR THE AGING- NORTH CAROLINA HEALTH CARE ASSOCIATION- AMERICAN HEALTH CARE ASSOCIATION- DURHAM CHAMBER OF COMMERCE- NORTH CAROLINA COALITION FOR LONG TERM CARE ENHANCEMENT- SOCIETY FOR THE ADVANCEMENT OF GERONTOLOGICAL ENVIRONMENTS</p> |              |            |                        |          |             |              |

[illegible][illegible]

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )

|           |                                       |                      |
|-----------|---------------------------------------|----------------------|
| <b>4e</b> | <b>Total program service expenses</b> | <b>\$ 16,538,414</b> |
|-----------|---------------------------------------|----------------------|

Part IV

Checklist of Required Schedules

|     |                                                                                                                                                                                                                                                                                                                                               | Yes | No  |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| 1   | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>                                                                                                                    | 1   | Yes |
| 2   | Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?                                                                                                                                                           | 2   | Yes |
| 3   | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>                                                                                                                                                  | 3   | No  |
| 4   | <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>                                                                                                                                   | 4   | No  |
| 5   | Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>                                                                                                           | 5   |     |
| 6   | Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>   | 6   | No  |
| 7   | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>                                      | 7   | No  |
| 8   | Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>                                                                                                    | 8   | No  |
| 9   | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>  | 9   | No  |
| 10  | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>                                                                                         | 10  | No  |
| 11  | If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable                                                                                                                                                                                                |     |     |
| a   | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>                                                                                                                  | 11a | Yes |
| b   | Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>                                              | 11b | No  |
| c   | Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>                                             | 11c | No  |
| d   | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>                                                               | 11d | No  |
| e   | Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>                                                                                                                            | 11e | No  |
| f   | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>     | 11f | Yes |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>                                                                                            | 12a | Yes |
| b   | Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>              | 12b | No  |
| 13  | Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>                                                                                                                                                                                                                                     | 13  | No  |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States?                                                                                                                                                                                                                                                   | 14a | No  |
| b   | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>                                                                                                       | 14b | No  |
| 15  | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>                                                                                                                           | 15  | No  |
| 16  | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>                                                                                                                               | 16  | No  |
| 17  | Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>                                                                                                                        | 17  | No  |
| 18  | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>                                                                                                                                                        | 18  | No  |
| 19  | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>                                                                                                                                                                                  | 19  | No  |
| 20a | Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>                                                                                                                                                                                                                                                     | 20a | No  |
| b   | If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).                                                                                                           | 20b |     |

Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                        |     |     |    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                      | 21  | Yes |    |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                       | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .            | 23  | Yes |    |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . . | 24a | Yes |    |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                              | 24b |     | No |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                   | 24c |     | No |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                        | 24d |     | No |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                  | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .   | 25b |     | No |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .        | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                          |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                               | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                            | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                | 28c |     | No |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>                                                                                                                                                                        | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                              | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                    | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                  | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                  | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .                                                                                                                                     | 34  |     | No |
| 35  | Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .                                                                                                                                                                                    | 35  |     | No |
| a   | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No       |     |     |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                       | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>                                                   | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .                                                                                           | 38  | Yes |    |

| Part V Statements Regarding Other IRS Filings and Tax Compliance                                                                                                                                                                                                        |                                                                                                                                                                                                                                            |     |     |    |    |     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|----|-----|
| Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>                                                                                                                                                                         |                                                                                                                                                                                                                                            |     |     |    |    |     |
|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                            |     | Yes | No |    |     |
| 1a                                                                                                                                                                                                                                                                      | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.                                                                                                                                                              | 1a  | 44  |    |    |     |
| b                                                                                                                                                                                                                                                                       | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                                                                                           | 1b  | 0   |    |    |     |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                              |                                                                                                                                                                                                                                            |     | 1c  |    |    | Yes |
| 2a                                                                                                                                                                                                                                                                      | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.                                                       | 2a  | 343 |    |    |     |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?                                                                                                                                                        |                                                                                                                                                                                                                                            |     | 2b  |    |    | Yes |
| Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                                                                                                                                              |                                                                                                                                                                                                                                            |     |     |    |    |     |
| 3a                                                                                                                                                                                                                                                                      | Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                              | 3a  |     |    | No |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.                                                                                                                                          | 3b  |     |    |    |     |
| 4a                                                                                                                                                                                                                                                                      | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a  |     |    | No |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," enter the name of the foreign country:<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.                                                                         |     |     |    |    |     |
| 5a                                                                                                                                                                                                                                                                      | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                      | 5a  |     |    | No |     |
| b                                                                                                                                                                                                                                                                       | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                           | 5b  |     |    | No |     |
| c                                                                                                                                                                                                                                                                       | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                          | 5c  |     |    |    |     |
| 6a                                                                                                                                                                                                                                                                      | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?                                                                | 6a  |     |    | No |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                              | 6b  |     |    |    |     |
| 7 Organizations that may receive deductible contributions under section 170(c).                                                                                                                                                                                         |                                                                                                                                                                                                                                            |     |     |    |    |     |
| a                                                                                                                                                                                                                                                                       | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                            | 7a  |     |    | No |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                            | 7b  |     |    |    |     |
| c                                                                                                                                                                                                                                                                       | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                       | 7c  |     |    | No |     |
| d                                                                                                                                                                                                                                                                       | If "Yes," indicate the number of Forms 8282 filed during the year.                                                                                                                                                                         | 7d  |     |    |    |     |
| e                                                                                                                                                                                                                                                                       | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                            | 7e  |     |    | No |     |
| f                                                                                                                                                                                                                                                                       | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                               | 7f  |     |    | No |     |
| g                                                                                                                                                                                                                                                                       | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                           | 7g  |     |    |    |     |
| h                                                                                                                                                                                                                                                                       | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                         | 7h  |     |    |    |     |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |                                                                                                                                                                                                                                            |     |     |    |    |     |
| 8                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                            |     |     |    |    |     |
| 9 Sponsoring organizations maintaining donor advised funds.                                                                                                                                                                                                             |                                                                                                                                                                                                                                            |     |     |    |    |     |
| a                                                                                                                                                                                                                                                                       | Did the organization make any taxable distributions under section 4966?                                                                                                                                                                    | 9a  |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | Did the organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                                     | 9b  |     |    |    |     |
| 10 Section 501(c)(7) organizations. Enter                                                                                                                                                                                                                               |                                                                                                                                                                                                                                            |     |     |    |    |     |
| a                                                                                                                                                                                                                                                                       | Initiation fees and capital contributions included on Part VIII, line 12.                                                                                                                                                                  | 10a |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.                                                                                                                                               | 10b |     |    |    |     |
| 11 Section 501(c)(12) organizations. Enter                                                                                                                                                                                                                              |                                                                                                                                                                                                                                            |     |     |    |    |     |
| a                                                                                                                                                                                                                                                                       | Gross income from members or shareholders.                                                                                                                                                                                                 | 11a |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).                                                                                                               | 11b |     |    |    |     |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                          |                                                                                                                                                                                                                                            |     |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.                                                                                                                                                     | 12b |     |    |    |     |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers.                                                                                                                                                                                                     |                                                                                                                                                                                                                                            |     |     |    |    |     |
| a                                                                                                                                                                                                                                                                       | Is the organization licensed to issue qualified health plans in more than one state?<br>Note. See the instructions for additional information the organization must report on Schedule O.                                                  | 13a |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.                                                                                 | 13b |     |    |    |     |
| c                                                                                                                                                                                                                                                                       | Enter the amount of reserves on hand.                                                                                                                                                                                                      | 13c |     |    |    |     |
| 14a Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                                          |                                                                                                                                                                                                                                            |     |     |    |    |     |
| b                                                                                                                                                                                                                                                                       | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.                                                                                                                                 | 14b |     |    | No |     |

Part VI

**Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI ☒

| Section A. Governing Body and Management |                                                                                                                                                                                                                               |              | Yes | No |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----|----|
| <b>1a</b>                                | Enter the number of voting members of the governing body at the end of the tax year . . . . .                                                                                                                                 | <b>1a</b> 17 |     |    |
| <b>b</b>                                 | Enter the number of voting members included in line 1a, above, who are independent . . . . .                                                                                                                                  | <b>1b</b> 17 |     |    |
| <b>2</b>                                 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .                                               | <b>2</b>     |     | No |
| <b>3</b>                                 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . | <b>3</b>     |     | No |
| <b>4</b>                                 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .                                                                                                    | <b>4</b>     |     | No |
| <b>5</b>                                 | Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .                                                                                                          | <b>5</b>     |     | No |
| <b>6</b>                                 | Does the organization have members or stockholders? . . . . .                                                                                                                                                                 | <b>6</b>     |     | No |
| <b>7a</b>                                | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .                                                                                         | <b>7a</b>    |     | No |
| <b>b</b>                                 | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .                                                                                                             | <b>7b</b>    |     | No |
| <b>8</b>                                 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .                                                                                    |              |     |    |
| <b>a</b>                                 | The governing body? . . . . .                                                                                                                                                                                                 | <b>8a</b>    | Yes |    |
| <b>b</b>                                 | Each committee with authority to act on behalf of the governing body? . . . . .                                                                                                                                               | <b>8b</b>    | Yes |    |
| <b>9</b>                                 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .        | <b>9</b>     |     | No |

| Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.) |                                                                                                                                                                                                                                                                                                          |            | Yes | No |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----|----|
| <b>10a</b>                                                                                                          | Does the organization have local chapters, branches, or affiliates? . . . . .                                                                                                                                                                                                                            | <b>10a</b> |     | No |
| <b>b</b>                                                                                                            | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .                                                                             | <b>10b</b> |     |    |
| <b>11a</b>                                                                                                          | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .                                                                                                                                                                             | <b>11a</b> | Yes |    |
| <b>b</b>                                                                                                            | Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .                                                                                                                                                                                                   |            |     |    |
| <b>12a</b>                                                                                                          | Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .                                                                                                                                                                                                       | <b>12a</b> | Yes |    |
| <b>b</b>                                                                                                            | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .                                                                                                                                                              | <b>12b</b> | Yes |    |
| <b>c</b>                                                                                                            | Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .                                                                                                                                             | <b>12c</b> | Yes |    |
| <b>13</b>                                                                                                           | Does the organization have a written whistleblower policy? . . . . .                                                                                                                                                                                                                                     | <b>13</b>  | Yes |    |
| <b>14</b>                                                                                                           | Does the organization have a written document retention and destruction policy? . . . . .                                                                                                                                                                                                                | <b>14</b>  | Yes |    |
| <b>15</b>                                                                                                           | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? . . . . .                                                                           |            |     |    |
| <b>a</b>                                                                                                            | The organization's CEO, Executive Director, or top management official . . . . .                                                                                                                                                                                                                         | <b>15a</b> | Yes |    |
| <b>b</b>                                                                                                            | Other officers or key employees of the organization . . . . .                                                                                                                                                                                                                                            | <b>15b</b> | Yes |    |
|                                                                                                                     | If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions) . . . . .                                                                                                                                                                                                             |            |     |    |
| <b>16a</b>                                                                                                          | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .                                                                                                                                          | <b>16a</b> |     | No |
| <b>b</b>                                                                                                            | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . | <b>16b</b> |     |    |

| Section C. Disclosure |                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>17</b>             | List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                     |
| <b>18</b>             | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.<br><input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request |
| <b>19</b>             | Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.                                                                                                                                                         |
| <b>20</b>             | State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input checked="" type="checkbox"/><br>KAREN HENRY<br>2701 PICKETT ROAD<br>DURHAM, NC 27705<br>(919) 490-8000                                                                                                                         |

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors , institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

| (A)<br>Name and Title                 | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                       |                                                                                        | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| (1) DR HENDERSON ROURK JR<br>CHAIRMAN | 4 00                                                                                   | X                                      |                       | X       |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (2) SETH JERNIGAN<br>VICE CHAIRMAN    | 4 00                                                                                   | X                                      |                       | X       |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (3) BEN REESE<br>SECRETARY            | 4 00                                                                                   | X                                      |                       | X       |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (4) BETH MAXWELL<br>DIRECTOR          | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (5) BRUCE RUBIDGE<br>DIRECTOR         | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (6) CHARLIE WILSON<br>DIRECTOR        | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (7) DR ANTHONY GALANOS<br>DIRECTOR    | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (8) ELLIE MCCONNELL<br>DIRECTOR       | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (9) GRETCHEN SLICK COOLEY<br>DIRECTOR | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (10) JOHN MALLARD<br>DIRECTOR         | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (11) KAY GRESHAM<br>DIRECTOR          | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (12) KENNETH GIBBS<br>DIRECTOR        | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (13) LA TANYA AFOLAYAN<br>DIRECTOR    | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (14) ROBINSON EVERETT JR<br>DIRECTOR  | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (15) TOM KELLER<br>DIRECTOR           | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (16) TYNETTE HILLS<br>DIRECTOR        | 4 00                                                                                   | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |



## Part VII

|           |                                                              |         |   |        |
|-----------|--------------------------------------------------------------|---------|---|--------|
| <b>1b</b> | <b>Sub-Total</b>                                             |         |   |        |
| <b>c</b>  | <b>Total from continuation sheets to Part VII, Section A</b> |         |   |        |
| <b>d</b>  | <b>Total (add lines 1b and 1c)</b>                           | 347,366 | 0 | 25,236 |

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **2**

|          |                                                                                                                                                                                                                                               | Yes      | No  |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----|
| <b>3</b> | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .                                        | <b>3</b> | No  |
| <b>4</b> | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . . | <b>4</b> | Yes |
| <b>5</b> | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .                       | <b>5</b> | No  |

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

| (A)                                                               | (B)                                         | (C)          |
|-------------------------------------------------------------------|---------------------------------------------|--------------|
| Name and business address                                         | Description of services                     | Compensation |
| PERRY AND PLUMMER<br>PO BOX 190<br>MONTICELLO, GA 31064           | INTERIOR DESIGN FIRM                        | 289,530      |
| PRIVATE DIAGNOSTIC CLINIC<br>PO BOX 3070 DUMC<br>DURHAM, NC 27710 | PHYSICIAN CLINICAL & MEDICAL<br>DIRECTOR SE | 112,456      |
|                                                                   |                                             |              |
|                                                                   |                                             |              |
|                                                                   |                                             |              |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►2

Part VIII

Statement of Revenue

|                                                           |                                           |                                                                                                                                      | (A)<br>Total revenue                                                                     | (B)<br>Related<br>or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded<br>from<br>tax<br>under<br>sections<br><br>512,<br>513, or<br>514 |           |
|-----------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------|-----------|
| Contributions, gifts, grants<br>and other similar amounts | 1a                                        | Federated campaigns . . .                                                                                                            | 1a                                                                                       |                                                       |                                         |                                                                                              |           |
|                                                           | b                                         | Membership dues . . . . .                                                                                                            | 1b                                                                                       |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Fundraising events . . . . .                                                                                                         | 1c                                                                                       |                                                       |                                         |                                                                                              |           |
|                                                           | d                                         | Related organizations . . . . .                                                                                                      | 1d                                                                                       |                                                       |                                         |                                                                                              |           |
|                                                           | e                                         | Government grants (contributions)                                                                                                    | 1e                                                                                       |                                                       |                                         |                                                                                              |           |
|                                                           | f                                         | All other contributions, gifts, grants, and<br>similar amounts not included above                                                    | 1f                                                                                       | 100,564                                               |                                         |                                                                                              |           |
|                                                           | g                                         | Noncash contributions included in lines 1a-1f \$                                                                                     |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | h                                         | Total. Add lines 1a-1f . . . . .                                                                                                     |                                                                                          | 100,564                                               |                                         |                                                                                              |           |
|                                                           | Program Service Revenue                   | 2a                                                                                                                                   |                                                                                          | Business Code                                         |                                         |                                                                                              |           |
|                                                           |                                           | SERVICE FEES                                                                                                                         | 623000                                                                                   | 10,466,663                                            | 10,466,663                              |                                                                                              |           |
| b                                                         |                                           | CLINIC AND HEALTH CENT                                                                                                               | 623000                                                                                   | 4,406,078                                             | 4,406,078                               |                                                                                              |           |
| c                                                         |                                           | ENTRANCE FEES                                                                                                                        | 623000                                                                                   | 3,262,194                                             | 3,262,194                               |                                                                                              |           |
| d                                                         |                                           | DINING SERVICES                                                                                                                      | 722210                                                                                   | 106,489                                               | 106,489                                 |                                                                                              |           |
| e                                                         |                                           | APPLICATION FEES                                                                                                                     | 623000                                                                                   | 13,200                                                | 13,200                                  |                                                                                              |           |
| f                                                         |                                           | All other program service revenue                                                                                                    |                                                                                          |                                                       |                                         |                                                                                              |           |
| g                                                         |                                           | Total. Add lines 2a-2f . . . . .                                                                                                     |                                                                                          | 18,254,624                                            |                                         |                                                                                              |           |
| Other Revenue                                             |                                           | 3                                                                                                                                    | Investment income (including dividends, interest<br>and other similar amounts) . . . . . |                                                       | 557,604                                 |                                                                                              |           |
|                                                           | 4                                         | Income from investment of tax-exempt bond proceeds . .                                                                               |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | 5                                         | Royalties . . . . .                                                                                                                  |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | 6a                                        | Gross Rents                                                                                                                          | (i) Real                                                                                 | (ii) Personal                                         |                                         |                                                                                              |           |
|                                                           | b                                         | Less rental expenses                                                                                                                 |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Rental income or (loss)                                                                                                              |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | d                                         | Net rental income or (loss) . . . . .                                                                                                |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | 7a                                        | Gross amount from sales of assets other than inventory                                                                               | (i) Securities                                                                           | (ii) Other                                            |                                         |                                                                                              |           |
|                                                           | b                                         | Less cost or other basis and sales expenses                                                                                          |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Gain or (loss)                                                                                                                       |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | d                                         | Net gain or (loss) . . . . .                                                                                                         |                                                                                          |                                                       | 1,293,194                               |                                                                                              | 1,293,194 |
|                                                           | 8a                                        | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | b                                         | Less direct expenses . . . . .                                                                                                       | b                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Net income or (loss) from fundraising events . .                                                                                     |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | 9a                                        | Gross income from gaming activities See Part IV, line 19 . .                                                                         | a                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | b                                         | Less direct expenses . . . . .                                                                                                       | b                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Net income or (loss) from gaming activities . .                                                                                      |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           | 10a                                       | Gross sales of inventory, less returns and allowances . .                                                                            | a                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | b                                         | Less cost of goods sold . . . . .                                                                                                    | b                                                                                        |                                                       |                                         |                                                                                              |           |
|                                                           | c                                         | Net income or (loss) from sales of inventory . .                                                                                     |                                                                                          |                                                       |                                         |                                                                                              |           |
|                                                           |                                           | Miscellaneous Revenue                                                                                                                | Business Code                                                                            |                                                       |                                         |                                                                                              |           |
|                                                           | 11a                                       | AUXILIARY SERVICES                                                                                                                   | 623000                                                                                   | 118,218                                               |                                         |                                                                                              | 118,218   |
|                                                           | b                                         | SALES TAX REFUND                                                                                                                     | 623000                                                                                   | 79,763                                                |                                         |                                                                                              | 79,763    |
| c                                                         |                                           |                                                                                                                                      |                                                                                          |                                                       |                                         |                                                                                              |           |
| d                                                         | All other revenue . . . . .               |                                                                                                                                      |                                                                                          |                                                       |                                         |                                                                                              |           |
| e                                                         | Total. Add lines 11a-11d . . . . .        |                                                                                                                                      | 197,981                                                                                  |                                                       |                                         |                                                                                              |           |
| 12                                                        | Total revenue. See Instructions . . . . . |                                                                                                                                      | 20,403,967                                                                               | 18,254,624                                            | 0                                       | 2,048,779                                                                                    |           |

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |                                                                                                                                                                                                                                       | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the U S See Part IV, line 21                                                                                                                                          | 72,433                | 72,433                          |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the U S See Part IV, line 22                                                                                                                                                            |                       |                                 |                                        |                             |
| 3                                                                              | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16                                                                                                               |                       |                                 |                                        |                             |
| 4                                                                              | Benefits paid to or for members                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| 5                                                                              | Compensation of current officers, directors, trustees, and key employees . . . . .                                                                                                                                                    | 372,602               | 74,521                          | 298,081                                |                             |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .                                                                               |                       |                                 |                                        |                             |
| 7                                                                              | Other salaries and wages                                                                                                                                                                                                              | 6,920,005             | 6,221,646                       | 698,359                                |                             |
| 8                                                                              | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .                                                                                                                               | 177,535               | 140,913                         | 36,622                                 |                             |
| 9                                                                              | Other employee benefits . . . . .                                                                                                                                                                                                     | 1,044,356             | 940,687                         | 103,669                                |                             |
| 10                                                                             | Payroll taxes . . . . .                                                                                                                                                                                                               | 595,552               | 524,277                         | 71,275                                 |                             |
| a                                                                              | Fees for services (non-employees)                                                                                                                                                                                                     |                       |                                 |                                        |                             |
|                                                                                | Management . . . . .                                                                                                                                                                                                                  | 71,151                | 71,151                          |                                        |                             |
| b                                                                              | Legal . . . . .                                                                                                                                                                                                                       | 18,000                |                                 | 18,000                                 |                             |
| c                                                                              | Accounting . . . . .                                                                                                                                                                                                                  | 109,493               |                                 | 109,493                                |                             |
| d                                                                              | Lobbying . . . . .                                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| e                                                                              | Professional fundraising services See Part IV, line 17 . . . . .                                                                                                                                                                      |                       |                                 |                                        |                             |
| f                                                                              | Investment management fees . . . . .                                                                                                                                                                                                  | 116,471               |                                 | 116,471                                |                             |
| g                                                                              | Other . . . . .                                                                                                                                                                                                                       | 181,463               | 113,839                         | 67,624                                 |                             |
| 12                                                                             | Advertising and promotion . . . . .                                                                                                                                                                                                   | 25,928                | 228                             | 25,700                                 |                             |
| 13                                                                             | Office expenses . . . . .                                                                                                                                                                                                             | 2,173,488             | 1,920,965                       | 252,523                                |                             |
| 14                                                                             | Information technology . . . . .                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| 15                                                                             | Royalties . . . . .                                                                                                                                                                                                                   |                       |                                 |                                        |                             |
| 16                                                                             | Occupancy . . . . .                                                                                                                                                                                                                   | 1,376,992             | 1,376,992                       |                                        |                             |
| 17                                                                             | Travel . . . . .                                                                                                                                                                                                                      | 28,519                | 7,193                           | 21,326                                 |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .                                                                                                                              |                       |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings . . . . .                                                                                                                                                                                      |                       |                                 |                                        |                             |
| 20                                                                             | Interest . . . . .                                                                                                                                                                                                                    | 2,186,526             | 2,186,526                       |                                        |                             |
| 21                                                                             | Payments to affiliates . . . . .                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization . . . . .                                                                                                                                                                                   | 2,658,009             | 2,658,009                       |                                        |                             |
| 23                                                                             | Insurance . . . . .                                                                                                                                                                                                                   | 342,247               | 203,312                         | 138,935                                |                             |
| 24                                                                             | Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )                                       |                       |                                 |                                        |                             |
| a                                                                              | MISCELLANEOUS                                                                                                                                                                                                                         | 40,216                | 25,722                          | 14,494                                 |                             |
| b                                                                              |                                                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| c                                                                              |                                                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| d                                                                              |                                                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| e                                                                              |                                                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| f                                                                              | All other expenses                                                                                                                                                                                                                    |                       |                                 |                                        |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24f                                                                                                                                                                                    | 18,510,986            | 16,538,414                      | 1,972,572                              | 0                           |
| 26                                                                             | Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |                                        |                             |

Part X

Balance Sheet

|                             |                                                                                                                                           |                                                                                                                                                                                                                                                                                                     |     |            |            | (A)               |            | (B)         |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|------------|-------------------|------------|-------------|
|                             |                                                                                                                                           |                                                                                                                                                                                                                                                                                                     |     |            |            | Beginning of year |            | End of year |
| Assets                      | 1                                                                                                                                         | Cash—non-interest-bearing . . . . .                                                                                                                                                                                                                                                                 |     |            |            | 5,216             | 1          | 5,170       |
|                             | 2                                                                                                                                         | Savings and temporary cash investments . . . . .                                                                                                                                                                                                                                                    |     |            |            | 15,202,921        | 2          | 10,315,090  |
|                             | 3                                                                                                                                         | Pledges and grants receivable, net . . . . .                                                                                                                                                                                                                                                        |     |            |            |                   | 3          |             |
|                             | 4                                                                                                                                         | Accounts receivable, net . . . . .                                                                                                                                                                                                                                                                  |     |            |            | 279,101           | 4          | 331,707     |
|                             | 5                                                                                                                                         | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .                                                                                                                                       |     |            |            |                   | 5          |             |
|                             | 6                                                                                                                                         | Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . . |     |            |            |                   | 6          |             |
|                             | 7                                                                                                                                         | Notes and loans receivable, net . . . . .                                                                                                                                                                                                                                                           |     |            |            |                   | 7          |             |
|                             | 8                                                                                                                                         | Inventories for sale or use . . . . .                                                                                                                                                                                                                                                               |     |            |            | 36,622            | 8          | 80,077      |
|                             | 9                                                                                                                                         | Prepaid expenses and deferred charges . . . . .                                                                                                                                                                                                                                                     |     |            |            | 1,096,420         | 9          | 946,304     |
|                             | 10a                                                                                                                                       | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .                                                                                                                                                                                                       | 10a | 72,582,064 | 38,887,404 | 10c               | 37,725,357 |             |
|                             | b                                                                                                                                         | Less: accumulated depreciation . . . . .                                                                                                                                                                                                                                                            | 10b | 34,856,707 |            |                   |            |             |
|                             | 11                                                                                                                                        | Investments—publicly traded securities . . . . .                                                                                                                                                                                                                                                    |     |            |            | 19,084,928        | 11         | 23,882,567  |
|                             | 12                                                                                                                                        | Investments—other securities. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                        |     |            |            |                   | 12         |             |
|                             | 13                                                                                                                                        | Investments—program-related. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                         |     |            |            |                   | 13         |             |
|                             | 14                                                                                                                                        | Intangible assets . . . . .                                                                                                                                                                                                                                                                         |     |            |            |                   | 14         |             |
|                             | 15                                                                                                                                        | Other assets. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                                        |     |            |            |                   | 15         |             |
| 16                          | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .                                                                       |                                                                                                                                                                                                                                                                                                     |     |            | 74,592,612 | 16                | 73,286,272 |             |
| Liabilities                 | 17                                                                                                                                        | Accounts payable and accrued expenses . . . . .                                                                                                                                                                                                                                                     |     |            |            | 1,099,432         | 17         | 809,556     |
|                             | 18                                                                                                                                        | Grants payable . . . . .                                                                                                                                                                                                                                                                            |     |            |            |                   | 18         |             |
|                             | 19                                                                                                                                        | Deferred revenue . . . . .                                                                                                                                                                                                                                                                          |     |            |            | 32,906,982        | 19         | 33,597,422  |
|                             | 20                                                                                                                                        | Tax-exempt bond liabilities . . . . .                                                                                                                                                                                                                                                               |     |            |            | 43,118,441        | 20         | 40,838,924  |
|                             | 21                                                                                                                                        | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .                                                                                                                                                                                                                     |     |            |            |                   | 21         |             |
|                             | 22                                                                                                                                        | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .                                                                                                                      |     |            |            |                   | 22         |             |
|                             | 23                                                                                                                                        | Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                                                                                                                                            |     |            |            |                   | 23         |             |
|                             | 24                                                                                                                                        | Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                                                                                                                                              |     |            |            |                   | 24         |             |
|                             | 25                                                                                                                                        | Other liabilities. Complete Part X of Schedule D . . . . .                                                                                                                                                                                                                                          |     |            |            |                   | 25         |             |
|                             | 26                                                                                                                                        | Total liabilities. Add lines 17 through 25 . . . . .                                                                                                                                                                                                                                                |     |            |            | 77,124,855        | 26         | 75,245,902  |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                                                                                                                                                     |     |            |            |                   |            |             |
|                             | 27                                                                                                                                        | Unrestricted net assets . . . . .                                                                                                                                                                                                                                                                   |     |            |            | -2,757,377        | 27         | -1,965,436  |
|                             | 28                                                                                                                                        | Temporarily restricted net assets . . . . .                                                                                                                                                                                                                                                         |     |            |            | 225,134           | 28         | 5,806       |
|                             | 29                                                                                                                                        | Permanently restricted net assets . . . . .                                                                                                                                                                                                                                                         |     |            |            |                   | 29         |             |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |                                                                                                                                                                                                                                                                                                     |     |            |            |                   |            |             |
|                             | 30                                                                                                                                        | Capital stock or trust principal, or current funds . . . . .                                                                                                                                                                                                                                        |     |            |            |                   | 30         |             |
|                             | 31                                                                                                                                        | Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                                                                                                                                           |     |            |            |                   | 31         |             |
|                             | 32                                                                                                                                        | Retained earnings, endowment, accumulated income, or other funds . . . . .                                                                                                                                                                                                                          |     |            |            |                   | 32         |             |
|                             | 33                                                                                                                                        | Total net assets or fund balances . . . . .                                                                                                                                                                                                                                                         |     |            |            | -2,532,243        | 33         | -1,959,630  |
|                             | 34                                                                                                                                        | Total liabilities and net assets/fund balances . . . . .                                                                                                                                                                                                                                            |     |            |            | 74,592,612        | 34         | 73,286,272  |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

|   |                                                                                                               |   |            |
|---|---------------------------------------------------------------------------------------------------------------|---|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)                                                     | 1 | 20,403,967 |
| 2 | Total expenses (must equal Part IX, column (A), line 25)                                                      | 2 | 18,510,986 |
| 3 | Revenue less expenses Subtract line 2 from line 1                                                             | 3 | 1,892,981  |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | -2,532,243 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)                                          | 5 | -1,320,368 |
| 6 | Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | -1,959,630 |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

|    |                                                                                                                                                                                                                                                                                                                                                  | Yes | No |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O                                                                      |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant?                                                                                                                                                                                                                                                  |     | No |
| b  | Were the organization's financial statements audited by an independent accountant?                                                                                                                                                                                                                                                               | Yes |    |
| c  | If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes |    |
| d  | If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both<br><input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis             |     |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?                                                                                                                                                                                         |     | No |
| b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits                                                                                                                             |     |    |

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public  
Inspection

|                                                    |                                              |
|----------------------------------------------------|----------------------------------------------|
| Name of the organization<br>THE FOREST AT DUKE INC | Employer identification number<br>56-1630158 |
|----------------------------------------------------|----------------------------------------------|

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
- a

☐

Type I
- b

☐

Type II
- c

☐

Type III - Functionally integrated
- d

☐

Type III - Other
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?  
(ii) a family member of a person described in (i) above?  
(iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

|          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |

| (i)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>Amount of support |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----|--------------------------------------------------------------------|----|---------------------------------------------------------------|----|----------------------------|
|                                       |             |                                                                                                 | Yes                                                                       | No | Yes                                                                | No | Yes                                                           | No |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
| Total                                 |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

| Section A. Public Support                                                                                                                                                                             |          |          |          |          |          |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                                         | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                                                   |          |          |          |          |          |           |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     |          |          |          |          |          |           |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             |          |          |          |          |          |           |
| 4 Total. Add lines 1 through 3                                                                                                                                                                        |          |          |          |          |          |           |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |          |           |
| 6 Public Support. Subtract line 5 from line 4                                                                                                                                                         |          |          |          |          |          |           |

| Section B. Total Support                                                                                                         |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                    | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 7 Amounts from line 4                                                                                                            |          |          |          |          |          |           |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |          |          |          |          |          |           |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on                             |          |          |          |          |          |           |
| 10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )                                |          |          |          |          |          |           |
| 11 Total support (Add lines 7 through 10)                                                                                        |          |          |          |          |          |           |
| 12 Gross receipts from related activities, etc (See instructions )                                                               |          |          |          |          | 12       |           |

13

First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

| Section C. Computation of Public Support Percentage |                                                                                                                                                                                                                                                                                                                                                                                                    |    |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 14                                                  | Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))                                                                                                                                                                                                                                                                                                               | 14 |
| 15                                                  | Public Support Percentage for 2009 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                                    | 15 |
| 16a                                                 | 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶                                                                                                                                                                           |    |
| b                                                   | 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶                                                                                                                                                                    |    |
| 17a                                                 | 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶      |    |
| b                                                   | 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶ |    |
| 18                                                  | Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶                                                                                                                                                                                                                                                                 |    |

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

| Section A. Public Support                                                                                                                                                  |            |            |            |            |            |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2006   | (b) 2007   | (c) 2008   | (d) 2009   | (e) 2010   | (f) Total  |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                        | 19,041     | 73,091     | 21,011     | 39,370     | 100,564    | 253,077    |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | 16,228,342 | 16,649,760 | 17,881,169 | 17,423,791 | 18,254,624 | 86,437,686 |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513                                                                             |            |            |            |            |            |            |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                          |            |            |            |            |            |            |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                  |            |            |            |            |            |            |
| 6 Total. Add lines 1 through 5                                                                                                                                             | 16,247,383 | 16,722,851 | 17,902,180 | 17,463,161 | 18,355,188 | 86,690,763 |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                                | 143,816    | 201,884    | 206,490    | 208,867    | 143,152    | 904,209    |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |            |            |            |            |            | 0          |
| c Add lines 7a and 7b                                                                                                                                                      | 143,816    | 201,884    | 206,490    | 208,867    | 143,152    | 904,209    |
| 8 Public Support (Subtract line 7c from line 6 )                                                                                                                           |            |            |            |            |            | 85,786,554 |

| Section B. Total Support                                                                                                                                                                |            |            |            |            |            |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Calendar year (or fiscal year beginning in)                                                                                                                                             | (a) 2006   | (b) 2007   | (c) 2008   | (d) 2009   | (e) 2010   | (f) Total  |
| 9 Amounts from line 6                                                                                                                                                                   | 16,247,383 | 16,722,851 | 17,902,180 | 17,463,161 | 18,355,188 | 86,690,763 |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                                      | 1,021,178  | 773,062    | 139,113    | 484,890    | 557,604    | 2,975,847  |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                               |            |            |            |            |            |            |
| c Add lines 10a and 10b                                                                                                                                                                 | 1,021,178  | 773,062    | 139,113    | 484,890    | 557,604    | 2,975,847  |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on                                                          |            |            |            |            |            |            |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                                                                      | 30,973     | 45,015     | 43,918     | 17,416     | 79,763     | 217,085    |
| 13 Total support (Add lines 9, 10c, 11 and 12.)                                                                                                                                         | 17,299,534 | 17,540,928 | 18,085,211 | 17,965,467 | 18,992,555 | 89,883,695 |
| 14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and <b>stop here</b> ▶ |            |            |            |            |            |            |

| Section C. Computation of Public Support Percentage                                     |    |          |  |
|-----------------------------------------------------------------------------------------|----|----------|--|
| 15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f)) | 15 | 95.440 % |  |
| 16 Public support percentage from 2009 Schedule A, Part III, line 15                    | 16 | 95.140 % |  |

| Section D. Computation of Investment Income Percentage                                                                                                                                                                                                                        |    |         |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|--|
| 17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))                                                                                                                                                                                  | 17 | 3.310 % |  |
| 18 Investment income percentage from 2009 Schedule A, Part III, line 17                                                                                                                                                                                                       | 18 | 3.800 % |  |
| 19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization. ▶         |    |         |  |
| b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization. ▶ |    |         |  |
| 20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶                                                                                                                                                   |    |         |  |



Part IV

**Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
THE FOREST AT DUKE INC

Employer identification number  
56-1630158

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   |                                                                                                                                                                                                                                                                                                                                        |                              |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|   | (a) Donor advised funds                                                                                                                                                                                                                                                                                                                | (b) Funds and other accounts |
| 1 | Total number at end of year                                                                                                                                                                                                                                                                                                            |                              |
| 2 | Aggregate contributions to (during year)                                                                                                                                                                                                                                                                                               |                              |
| 3 | Aggregate grants from (during year)                                                                                                                                                                                                                                                                                                    |                              |
| 4 | Aggregate value at end of year                                                                                                                                                                                                                                                                                                         |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>                                                           |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> |                              |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

|   |                                                                                    |
|---|------------------------------------------------------------------------------------|
|   | Held at the End of the Year                                                        |
| a | Total number of conservation easements                                             |
| b | Total acreage restricted by conservation easements                                 |
| c | Number of conservation easements on a certified historic structure included in (a) |
| d | Number of conservation easements included in (c) acquired after 8/17/06            |

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►\_\_\_\_\_

4

Number of states where property subject to conservation easement is located ►\_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►\_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ►\$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization’s financial statements that describes the organization’s accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|    | (a)Current Year                                          | (b)Prior Year | (c)Two Years Back | (d)Three Years Back | (e)Four Years Back |
|----|----------------------------------------------------------|---------------|-------------------|---------------------|--------------------|
| 1a | Beginning of year balance . . . . .                      |               |                   |                     |                    |
| b  | Contributions . . . . .                                  |               |                   |                     |                    |
| c  | Investment earnings or losses . . . . .                  |               |                   |                     |                    |
| d  | Grants or scholarships . . . . .                         |               |                   |                     |                    |
| e  | Other expenditures for facilities and programs . . . . . |               |                   |                     |                    |
| f  | Administrative expenses . . . . .                        |               |                   |                     |                    |
| g  | End of year balance . . . . .                            |               |                   |                     |                    |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

3a(i)

Yes

No

3a(ii)

3b

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of investment                                                                              | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land . . . . .                                                                                      |                                      | 6,111,141                      |                              | 6,111,141      |
| b Buildings . . . . .                                                                                  |                                      | 51,357,884                     | 26,931,576                   | 24,426,308     |
| c Leasehold improvements . . . . .                                                                     |                                      |                                |                              |                |
| d Equipment . . . . .                                                                                  |                                      | 13,532,970                     | 7,096,558                    | 6,436,412      |
| e Other . . . . .                                                                                      |                                      | 1,580,069                      | 828,573                      | 751,496        |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶ |                                      |                                |                              | 37,725,357     |



| Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements |                                                                                 |    |            |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----|------------|
| 1                                                                                    | Total revenue (Form 990, Part VIII, column (A), line 12)                        | 1  | 20,403,967 |
| 2                                                                                    | Total expenses (Form 990, Part IX, column (A), line 25)                         | 2  | 18,510,986 |
| 3                                                                                    | Excess or (deficit) for the year Subtract line 2 from line 1                    | 3  | 1,892,981  |
| 4                                                                                    | Net unrealized gains (losses) on investments                                    | 4  | -740,409   |
| 5                                                                                    | Donated services and use of facilities                                          | 5  |            |
| 6                                                                                    | Investment expenses                                                             | 6  |            |
| 7                                                                                    | Prior period adjustments                                                        | 7  |            |
| 8                                                                                    | Other (Describe in Part XIV)                                                    | 8  | -579,959   |
| 9                                                                                    | Total adjustments (net) Add lines 4 - 8                                         | 9  | -1,320,368 |
| 10                                                                                   | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | 572,613    |

| Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return |                                                                                            |    |            |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----|------------|
| 1                                                                                           | Total revenue, gains, and other support per audited financial statements . . . . .         | 1  | 18,811,406 |
| 2                                                                                           | Amounts included on line 1 but not on Form 990, Part VIII, line 12                         |    |            |
| a                                                                                           | Net unrealized gains on investments . . . . .                                              | 2a | -740,409   |
| b                                                                                           | Donated services and use of facilities . . . . .                                           | 2b |            |
| c                                                                                           | Recoveries of prior year grants . . . . .                                                  | 2c |            |
| d                                                                                           | Other (Describe in Part XIV) . . . . .                                                     | 2d |            |
| e                                                                                           | Add lines 2a through 2d . . . . .                                                          | 2e | -740,409   |
| 3                                                                                           | Subtract line 2e from line 1 . . . . .                                                     | 3  | 19,551,815 |
| 4                                                                                           | Amounts included on Form 990, Part VIII, line 12, but not on line 1                        |    |            |
| a                                                                                           | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                 | 4a | 116,471    |
| b                                                                                           | Other (Describe in Part XIV) . . . . .                                                     | 4b | 735,681    |
| c                                                                                           | Add lines 4a and 4b . . . . .                                                              | 4c | 852,152    |
| 5                                                                                           | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . . | 5  | 20,403,967 |

| Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return |                                                                                             |    |            |
|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----|------------|
| 1                                                                                              | Total expenses and losses per audited financial statements . . . . .                        | 1  | 18,238,793 |
| 2                                                                                              | Amounts included on line 1 but not on Form 990, Part IX, line 25                            |    |            |
| a                                                                                              | Donated services and use of facilities . . . . .                                            | 2a |            |
| b                                                                                              | Prior year adjustments . . . . .                                                            | 2b |            |
| c                                                                                              | Other losses . . . . .                                                                      | 2c |            |
| d                                                                                              | Other (Describe in Part XIV) . . . . .                                                      | 2d |            |
| e                                                                                              | Add lines 2a through 2d . . . . .                                                           | 2e | 0          |
| 3                                                                                              | Subtract line 2e from line 1 . . . . .                                                      | 3  | 18,238,793 |
| 4                                                                                              | Amounts included on Form 990, Part IX, line 25, but not on line 1:                          |    |            |
| a                                                                                              | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                  | 4a | 116,471    |
| b                                                                                              | Other (Describe in Part XIV) . . . . .                                                      | 4b | 155,722    |
| c                                                                                              | Add lines 4a and 4b . . . . .                                                               | 4c | 272,193    |
| 5                                                                                              | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . . | 5  | 18,510,986 |

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

| Identifier                                          | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48 | PART X           | THE FOREST IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, ACCORDINGLY, THE ACCOMPANYING FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL AND STATE INCOME TAXES. THE FOREST HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2011, AND 2010. THE FOREST BELIEVES IT IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO SEPTEMBER 30, 2008. |
| PART XI, LINE 8 - OTHER ADJUSTMENTS                 |                  | OTHER-THAN-TEMPORARY IMPAIRMENT LOSS ON INVESTMENTS -579,959                                                                                                                                                                                                                                                                                                                                                                                                                                |
| PART XII, LINE 4B - OTHER ADJUSTMENTS               |                  | OTHER THAN TEMPORARY LOSS ON INVESTMENTS 579,959. SALES TAX REFUND INCLUDED IN EXPENSES 79,763. OTHER EXPENSES INCLUDED IN REVENUE 75,959.                                                                                                                                                                                                                                                                                                                                                  |
| PART XIII, LINE 4B - OTHER ADJUSTMENTS              |                  | SALES TAX REFUND INCLUDED IN EXPENSES 79,763. OTHER EXPENSES INCLUDED IN REVENUE 75,959.                                                                                                                                                                                                                                                                                                                                                                                                    |

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
THE FOREST AT DUKE INC

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public  
Inspection

Employer identification number  
56-1630158

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

| 1 (a) Name and address of organization or government                      | (b) EIN    | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance   |
|---------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------|--------------------------------------|
| (1) MEALS ON WHEELS OF DURHAM406 RIGSBEE AVENUE 101 DURHAM,NC 27701       | 56-1729111 | 501(C)(3)                          | 10,704                   |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
| (2) SENIOR PHARMASSIST 807 S DUKE STREET DURHAM,NC 27701                  | 56-2084639 | 501(C)(3)                          | 15,925                   |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
| (3) URBAN MINISTRIES OF DURHAM112 N QUEEN STREET DURHAM,NC 27701          | 58-1505891 | 501(C)(3)                          | 7,000                    |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
| (4) PROJECT COMPASSION 180 PROVIDENCE ROAD SUITE 1-C CHAPEL HILL,NC 27514 | 94-3381888 | 501(C)(3)                          | 5,000                    |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
| (5) DUKE DURHAM CAMPAIGNPO BOX 90433 DURHAM,NC 27708                      | 56-0532129 | 501(C)(3)                          | 10,000                   |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
| (6) ACHIEVEMENT ACADEMY400 WEST MAIN STREET SUITE 103 DURHAM,NC 27701     | 41-2167219 | 501(C)(3)                          | 5,000                    |                                   | FMV                                                   | N/A                                    | TO HELP FURTHER THEIR EXEMPT PURPOSE |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |
|                                                                           |            |                                    |                          |                                   |                                                       |                                        |                                      |

2

Enter total number of section 501(c)(3) and government organizations . . . . .

6

3

Enter total number of other organizations . . . . .

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

| (a)Type of grant or assistance | (b)Number of recipients | (c)Amount of cash grant | (d)Amount of non-cash assistance | (e)Method of valuation (book, FMV, appraisal, other) | (f)Description of non-cash assistance |
|--------------------------------|-------------------------|-------------------------|----------------------------------|------------------------------------------------------|---------------------------------------|
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |

**Part IV**

**Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

| Identifier                                 | Return Reference | Explanation                                                                                                                                                         |
|--------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PROCEDURE FOR MONITORING GRANTS IN THE U S | PART I, LINE 2   | SCHEDULE I, PART I, LINE 2 THE ORGANIZATION HAS A COMMUNITY RELATIONS COMMITTEE, A SUBCOMMITTEE OF THE BOARD, THAT OVERSEES THE CONTRIBUTIONS MADE TO THE COMMUNITY |

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
THE FOREST AT DUKE INC

Employer identification number  
  
56-1630158

Part I

Questions Regarding Compensation

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |    |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yes | No |
| 1a | Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items                                                                                                                                                                                                                                                                                                                                                                                               |     |    |
|    | <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> |     |    |
| b  | If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain                                                                                                                                                                                                                                                                                                                                                                                                           | 1b  |    |
| 2  | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?                                                                                                                                                                                                                                                                                                                                                                                                                  | 2   |    |
| 3  | Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |    |
|    | <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>                                                                                                                                                            |     |    |
| 4  | During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |    |
| a  | Receive a severance payment or change-of-control payment from the organization or a related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4a  | No |
| b  | Participate in, or receive payment from, a supplemental nonqualified retirement plan?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4b  | No |
| c  | Participate in, or receive payment from, an equity-based compensation arrangement?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4c  | No |
|    | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |    |
|    | Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |    |
| 5  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |    |
| a  | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5a  | No |
| b  | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5b  | No |
|    | If "Yes," to line 5a or 5b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| 6  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     |    |
| a  | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6a  | No |
| b  | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 6b  | No |
|    | If "Yes," to line 6a or 6b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |    |
| 7  | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                              | 7   | No |
| 8  | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                          | 8   | No |
| 9  | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 9   |    |



**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

| (A) Name          |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|-------------------|------|----------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------|-------------------------|---------------------------------|------------------------------------------------------------|
|                   |      | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |                                                |                         |                                 |                                                            |
| (1) STEVE FISHLER | (i)  | 186,575                                            | 0                                   | 37,263                              | 13,805                                         | 1,615                   | 239,258                         | 0                                                          |
|                   | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| ( 2 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 3 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 4 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 5 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 6 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 7 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 8 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 9 )             |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 10 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 11 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 12 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 13 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 14 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 15 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 16 )            |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |

**Part III**   **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
THE FOREST AT DUKE INC

Employer identification number  
56-1630158

Part I Bond Issues

| (a) Issuer Name                          | (b) Issuer EIN | (c) CUSIP # | (d) Date Issued | (e) Issue Price | (f) Description of Purpose | (g) Defeased |    | (h) On Behalf of Issuer |    | (i) Pool financing |    |
|------------------------------------------|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|--------------------|----|
|                                          |                |             |                 |                 |                            | Yes          | No | Yes                     | No | Yes                | No |
| A NORTH CAROLINA MEDICAL CARE COMMISSION | 52-1309402     | 65820YGW0   | 07-12-2007      | 28,312,935      | CURRENT/ADVANCE REFUNDING  |              | X  |                         | X  |                    | X  |
| B NORTH CAROLINA MEDICAL CARE COMMISSION | 52-1309402     | 65820YBY1   | 11-20-2003      | 31,200,000      | CURRENT REFUNDING          |              | X  |                         | X  |                    | X  |
|                                          |                |             |                 |                 |                            |              |    |                         |    |                    |    |
|                                          |                |             |                 |                 |                            |              |    |                         |    |                    |    |
|                                          |                |             |                 |                 |                            |              |    |                         |    |                    |    |

Part II Proceeds

|    |                                                                                                        | A          |    | B          |    | C          |  | D |  |
|----|--------------------------------------------------------------------------------------------------------|------------|----|------------|----|------------|--|---|--|
| 1  | Amount of bonds retired                                                                                | 5,150,000  |    | 13,695,000 |    |            |  |   |  |
| 2  | Amount of bonds legally defeased                                                                       |            |    |            |    |            |  |   |  |
| 3  | Total proceeds of issue                                                                                | 28,498,756 |    | 31,605,428 |    |            |  |   |  |
| 4  | Gross proceeds in reserve funds                                                                        | 2,244,616  |    | 3,351,479  |    |            |  |   |  |
| 5  | Capitalized interest from proceeds                                                                     |            |    |            |    |            |  |   |  |
| 6  | Proceeds in refunding escrow                                                                           |            |    |            |    |            |  |   |  |
| 7  | Issuance costs from proceeds                                                                           | 554,924    |    | 624,000    |    |            |  |   |  |
| 8  | Credit enhancement from proceeds                                                                       |            |    |            |    |            |  |   |  |
| 9  | Working capital expenditures from proceeds                                                             |            |    |            |    |            |  |   |  |
| 10 | Capital expenditures from proceeds                                                                     |            |    |            |    |            |  |   |  |
| 11 | Other spent proceeds                                                                                   | 26,005,611 |    | 27,856,968 |    |            |  |   |  |
| 12 | Other unspent proceeds                                                                                 |            |    |            |    |            |  |   |  |
| 13 | Year of substantial completion                                                                         | 2004       |    | 1992       |    | YesNoYesNo |  |   |  |
|    |                                                                                                        | Yes        | No | Yes        | No |            |  |   |  |
| 14 | Were the bonds issued as part of a current refunding issue?                                            | X          |    | X          |    |            |  |   |  |
| 15 | Were the bonds issued as part of an advance refunding issue?                                           | X          |    |            | X  |            |  |   |  |
| 16 | Has the final allocation of proceeds been made?                                                        | X          |    | X          |    |            |  |   |  |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X          |    | X          |    |            |  |   |  |

Part III Private Business Use

|   |                                                                                                                            | A   |    | B   |    | C   |    | D   |    |
|---|----------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|   |                                                                                                                            | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 | Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? |     | X  |     | X  |     |    |     |    |
| 2 | Are there any lease arrangements that may result in private business use of bond-financed property?                        |     | X  |     | X  |     |    |     |    |

Part IIIPrivate Business Use (Continued)

|    |                                                                                                                                                                                                                                      | A   |    | B   |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|    |                                                                                                                                                                                                                                      | Yes | No | Yes | No | Yes | No | Yes | No |
|    |                                                                                                                                                                                                                                      |     |    |     |    |     |    |     |    |
| 3a | Are there any management or service contracts that may result in private business use?                                                                                                                                               |     | X  |     | X  |     |    |     |    |
| b  | Are there any research agreements that may result in private business use of bond-financed property?                                                                                                                                 |     | X  |     | X  |     |    |     |    |
| c  | Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?                                                 | X   |    | X   |    |     |    |     |    |
| 4  | Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government                                                                      |     |    |     |    |     |    |     |    |
| 5  | Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government |     |    |     |    |     |    |     |    |
| 6  | Total of lines 4 and 5                                                                                                                                                                                                               |     |    |     |    |     |    |     |    |
| 7  | Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?                                                                                          |     | X  |     | X  |     |    |     |    |

Part IVArbitrage

|    |                                                                                                                                          | A   |    | B   |    | C   |    | D   |    |
|----|------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|    |                                                                                                                                          | Yes | No | Yes | No | Yes | No | Yes | No |
| 1  | Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? |     | X  |     | X  |     |    |     |    |
| 2  | Is the bond issue a variable rate issue?                                                                                                 |     | X  | X   |    |     |    |     |    |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?                                     |     | X  |     | X  |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    |     |    |     |    |     |    |
| c  | Term of hedge                                                                                                                            |     |    |     |    |     |    |     |    |
| d  | Was the hedge superintegrated?                                                                                                           |     |    |     |    |     |    |     |    |
| e  | Was a hedge terminated?                                                                                                                  |     |    |     |    |     |    |     |    |
| 4a | Were gross proceeds invested in a GIC?                                                                                                   |     | X  |     | X  |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    |     |    |     |    |     |    |
| c  | Term of GIC                                                                                                                              |     |    |     |    |     |    |     |    |
| d  | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?                                              |     |    |     |    |     |    |     |    |
| 5  | Were any gross proceeds invested beyond an available temporary period?                                                                   |     | X  |     | X  |     |    |     |    |
| 6  | Did the bond issue qualify for an exception to rebate?                                                                                   | X   |    | X   |    |     |    |     |    |

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

| Identifier    | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCH K, PART I |                  | PURPOSE OF SERIES 2003 ISSUE A PORTION OF THE RECEIPTS DERIVED FROM THE SALE OF THE SERIES 2003 BONDS WAS USED TO REFUND A PORTION OF CERTAIN MATURITIES OF THE ISSUER'S \$35 MILLION 1994 BONDS, WHICH WERE ISSUED UNDER A TRUST AGREEMENT DATED MARCH 1, 1994 PROCEEDS OF THE REFUNDED BONDS WERE USED TO REFUND BONDS PREVIOUSLY ISSUED BY THE ISSUER IN 1990 TO FINANCE THE COST OF ACQUIRING, CONSTRUCTING, AND EQUIPPING A CONTINUING CARE RETIREMENT FACILITY IN DURHAM, NC KNOWN AS THE FOREST AT DUKE PURPOSE OF THE SERIES 2007 ISSUE A PORTION OF THE RECEIPTS DERIVED FROM THE SALE OF THE SERIES 2007 BONDS WAS USED TO REFUND THE ISSUER'S SERIES 2002 BONDS, WHICH WERE ISSUED UNDER A TRUST AGREEMENT DATED MARCH 15, 2002 AND THE SERIES 2003B BONDS, WHICH WERE ISSUED UNDER A TRUST AGREEMENT DATED NOVEMBER 1, 2003 PROCEEDS OF THE SERIES 2003B BONDS WERE USED TO REFUND BONDS PREVIOUSLY ISSUED BY THE ISSUER IN 1994, WHICH WERE ISSUED TO FINANCE THE COST OF ACQUIRING, CONSTRUCTING, AND EQUIPPING A CONTINUING CARE RETIREMENT FACILITY IN DURHAM, NC KNOWN AS THE FOREST AT DUKE PROCEEDS OF THE SERIES 2002 BONDS WERE ISSUED TO FINANCE THE COSTS OF AN EXPANSION AND RENOVATION OF THE FACILITY |
|               |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public  
Inspection

|                                                    |                                              |
|----------------------------------------------------|----------------------------------------------|
| Name of the organization<br>THE FOREST AT DUKE INC | Employer identification number<br>56-1630158 |
|----------------------------------------------------|----------------------------------------------|

| Identifier                            | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FORM 990, PART VI, SECTION B, LINE 11 |                  | THE SUBCOMMITTEE OF THE BOARD REVIEWED THE FORM 990 BEFORE IT WAS SUBMITTED TO THE IRS THE SUBCOMMITTEE REPORTED TO THE BOARD ON THE REVIEW OF THE FORM 990 EACH BOARD MEMBER RECEIVED AN ELECTRONIC VERSION OF THE RETURN FOR PERSONAL REVIEW WITH ANY QUESTIONS DIRECTED TO THE CFO AFTER THE BOARD'S PERSONAL REVIEW, THE RETURN WAS APPROVED TO BE SUBMITTED TO THE IRS AS PRESENTED |

| Identifier | Return Reference                       | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990, PART VI, SECTION B, LINE 12C | BEFORE EACH BOARD MEETING, THE AGENDA IS PRESENTED TO THE BOARD. EACH BOARD MEMBER IS REQUIRED TO REVIEW THE MEETING AGENDA AND INDICATE IF THERE IS A POTENTIAL CONFLICT BY COMPLETING A CONFLICT OF INTEREST FORM AND HANDING IT IN PRIOR TO THE MEETING. IT IS REVIEWED AT THE TIME BY THE EXECUTIVE DIRECTOR AND ANY RELEVANT OR POTENTIAL CONFLICT, AS IT RELATES TO A SPECIFIC AGENDA ITEM, IS BROUGHT TO THE BOARD'S ATTENTION. |

| Identifier | Return Reference                      | Explanation                                                                                                                                                                                                                                           |
|------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990, PART VI, SECTION B, LINE 15 | EACH YEAR, THE EXECUTIVE DIRECTOR AND CFO'S COMPENSATION IS REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MAY MEETING. COMPARABLE SALARY DATA FROM SURVEYS AND OTHER 990S AND PERFORMANCE EVALUATIONS ARE UTILIZED AS PART OF THE PROCESS. |

| Identifier | Return Reference                         | Explanation                                                                                                                    |
|------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990, PART VI,<br>SECTION C, LINE 18 | THE ORGANIZATION'S FORM 990 IS AVAILABLE UPON REQUEST. ADDITIONALLY, RECENT FILINGS OF THE FORM ARE AVAILABLE ON GUIDESTAR.ORG |



| Identifier | Return Reference                      | Explanation                                                                                                                                                                                                                                                                                                      |
|------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990, PART VI, SECTION C, LINE 19 | THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC ON SITE THE ORGANIZATION MAKES ITS FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC ON SITE AND ON THE EMMA WEBSITE FOR MUNICIPAL SECURITIES AND IN THE DISCLOSURE STATEMENT WITH THE DEPARTMENT OF INSURANCE |

| Identifier                             | Return Reference          | Explanation                                                                                                                                               |
|----------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| CHANGES IN NET ASSETS OR FUND BALANCES | FORM 990, PART XI, LINE 5 | NET UNREALIZED LOSSES ON INVESTMENTS -740,409 OTHER-THAN-TEMPORARY IMPAIRMENT LOSS ON INVESTMENTS -579,959 TOTAL TO FORM 990, PART XI, LINE 5 - 1,320,368 |