



# HAYES BARTON PLACE

## **Disclosure Statement**

**May 31, 2023**

**2634 Oberlin Road  
Raleigh, North Carolina 27608  
(919) 803-6734**

**Unless earlier revised, this Disclosure Statement will remain effective until May 31, 2024. Delivery of this Disclosure Statement to a contracting party prior to execution of a contract for the provision of continuing care is required by North Carolina law. This Disclosure Statement has not been reviewed or approved by any governmental agency or representative to ensure accuracy or completeness of the information set out.**

Edited July 31, 2023

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## I. Introduction

Hayes Barton Place (the “CCRC” or the “Community”) is to be a continuing care retirement community which offers its residents (“Residents”) one-hundred sixty-nine (169) apartments, twenty-four (24) garden flats, and twenty-one (21) townhomes (each a “Residence”) located in rental independent living facilities (collectively the “Independent Living Buildings”), a wide array of services, a clubhouse (the “Clubhouse”), and the security of priority access to an adjacent ninety-four (94) bed healthcare center (the “Healthcare Center”). The Community is situated on an approximately 8-acre site located in Raleigh, North Carolina (the “Site”). As of December 31, 2022, there were eight-hundred-forty-four (844) \$1,000 depositors under Priority Partner Agreements. Additionally, one-hundred-four (104) of the Priority Partners had submitted binding, non-refundable, agreements as of December 31, 2022.

## II. Organization, Ownership and Management

### Organization

In December 2022, the North Carolina Department of Insurance approved the transfer of the Preliminary Certificate to construct the community from Raleigh CCRC Management, LLC and Raleigh CCRC Properties, LLC to HBP Oberlin Senior Housing Opco KP6, L.P and HBP Oberlin Senior Housing Propco KP6, L.P.

HBP Oberlin Senior Housing Opco KP6, L.P (“The Operating Company”) is a Delaware for-profit limited partnership formed for the purpose of leasing and operating the Community. The business address of HBP Oberlin Senior Housing Opco KP6, L.P is 2334 S. 41<sup>st</sup> Street, Wilmington, North Carolina 28403. In March 2020, the North Carolina Department of Insurance (“NCDOI”) approved the company’s Notification of Intent to obtain a Continuing Care Retirement Community License.

### Facility Ownership

HBP Oberlin Senior Housing Propco KP6, L.P.(“The Property Company”) is a Delaware for-profit limited partnership formed for the purpose of developing and owning real property and the buildings of the Community. The business address of HBP Oberlin Senior Housing Propco KP6, L.P. is 2334 S. 41st Street, Wilmington, North Carolina 28403.

Raleigh Properties closed on the purchase the first land parcel of the Site on March 10, 2022. HBP Oberlin Senior Housing Propco, KP6, L.P. plans to purchase the second and third land parcels in late 2023. The Operating Company and the Property Company plan to execute a lease agreement (the “Hayes Barton Place Lease”) for The Operating Company’s use and operation of the Independent Living Buildings, the Clubhouse, the Healthcare Center, and the associated common areas. The Hayes Barton Place Lease is to have a term of eighteen (18) years and rent under the lease is in an amount sufficient to satisfy the debt service coverage ratio

required by The Property Company lender. The Property Company is responsible for constructing, at The Property Company's sole cost and expense, all of the improvements leased pursuant to Hayes Barton Place Lease.

In February 2022, Raleigh Management and Raleigh Properties (individually and collectively the "Company"), as co-providers, received the start-up approval and certificate from NCDOI. This approval allows the Company to enter into binding reservation agreements or resident agreements, begin site preparation work and construct model units. In December of 2022, NCDOI approved the transfer of this certificate to HBP Oberlin Senior Housing Opco KP6, L.P. and HBP Oberlin Senior Housing Propco KP6, L.P.



## Healthcare

The CCRC is to provide the Resident temporary or permanent assisted living services and skilled nursing services in the beds located within the Healthcare Center. The Healthcare Center is licensed for sixty-three (63) assisted living and memory support beds and thirty-one (31) skilled nursing beds. All sixty-three (63) of the assisted living and memory support beds and nine (9) of the skilled nursing beds are reserved for the Residents of the CCRC (the “Closed Beds”). The remaining twenty-two (22) Healthcare Center beds are available to the public (the “Open Beds”). In the event that the Closed Beds are fully occupied, the Resident will be given priority access to the available Open Beds.

## Management

The Company operates the CCRC. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the Company’s agreements or obligations, except as otherwise stated.

### *Liberty Living Management, LLC*

Liberty Living Management, LLC (“Liberty Living Management”) plans to execute a management agreement with the Company in which the Company pays Liberty Living Management a fee of five percent (5%) of total revenues derived from independent living units and six percent (6%) of total revenues derived from assisted living beds, memory support beds, and skilled nursing beds paid to the Company.

Liberty Living Management’s headquarters are at 2334 S. 41<sup>st</sup> St., Wilmington, NC 28403. The following individuals are key managers or corporate executives:

1. John A. McNeill, Jr. and Ronald B. McNeill

John A. McNeill Jr. and Ronald B. McNeill are managers of Liberty Living Management.

John (“Sandy”) A. McNeill, Jr. is a pharmacist by training and has had many years of business experience in the health care field. He has opened and operated four pharmacies and developed Medi-Care Supply Company from a relatively small operation with one location in 1975 to a multi-million-dollar corporation with 16 locations when it was sold in 1986 to a Fortune 500 company.

Ronald (“Ronnie”) B. McNeill is a Registered Professional Engineer with a Master’s Degree in Business Administration. He brings technical, financial and health care insurance reimbursement expertise to the project. He previously served as Chief Financial Officer and Billing Manager of Medi-Care Supply Company. He contributes his substantial expertise in

financial management and cost control to the efficient operation of the organization.

Together the McNeill's purchased their first nursing home in 1990, but the McNeill family's healthcare heritage dates all the way back to 1870 beginning with their great-grandfather. Over the last three decades the Liberty Healthcare Group has grown from a single nursing home to a fully integrated post-acute healthcare provider, which includes numerous nursing homes, assisted living facilities, independent living communities, continuing care retirement communities, and a home health and hospice company with several locations servicing various urban and rural counties in North Carolina, South Carolina, and Virginia. The McNeill family also operates a durable medical equipment company under the Liberty family as well as a retail and a long-term care pharmacy. The McNeill family comes from a tradition of service, dating back generations, and Sandy and Ronnie continue that tradition today as principals of one of the largest and most comprehensive healthcare companies in the state.

2. William B. Purvis

William ("Will") Purvis is a Manager of Liberty Living Management and President of Liberty Senior Living in Wilmington, North Carolina. He manages business development as well as capital financing for the Liberty companies. Prior to moving to Wilmington, Will worked with Grandbridge Real Estate Capital, a subsidiary of BB&T. Will was responsible for commercial mortgage production for the Eastern, Northeast and Triangle regions of the bank's network.

Will received a B.S. in Business Management from North Carolina State University and a Masters of Business Administration from Wake Forest University. He serves on the Senior Housing Product Council of Urban Land Institute, the Board of Directors for Cape Fear Council Boy Scouts of America, New Hanover Regional Medical Center Foundation, Wilmington Chamber of Commerce, and North Carolina Coastal Land Trust.

3. Cindy Stancil

Cindy Stancil, LNHA is the President of Operations of Liberty Living Management. Cindy started her career in assisted living as the Administrator of Northridge Retirement Village in Raleigh, North Carolina in 1985. After four years of service, she moved to Wilmington, North Carolina, to open a new assisted living community, Liberty Commons Assisted Living. Over the past 38 years, Mrs. Stancil's responsibilities have grown from being the Administrator of an assisted living community to budgeting and training, policy and procedures

development and implementation, research, design and development of nursing home, independent, and assisted living projects.

Cindy has served as a Board Member of the North Carolina Assisted Living Association as current Secretary and past President. She has worked in Task Force groups such as “The Star Rating program”, the MUST pre-screening form, etc. with the Medical Care Commission, Division of Medical Assistance and Division of Health Services Regulation. Mrs. Stancil is a Licensed Assisted Living Administrator as well as a Licensed Nursing Home Administrator.

4. Nicole Cook

Nicole Cook, RN LNHA provides operational support to Liberty Living Management team in the role of Regional Operations Manager. Nicole is a native of Nashville, Tennessee, educated in North Carolina and has enjoyed a career in Healthcare for over 25 years. Nicole is an RN and is also licensed as a Nursing Home Administrator. Spending her career in both clinical and operational management, Nicole brings years of patient care and operational leadership to the team. With a passion for customer service and a dedication to quality patient care, she is active in ensuring that our Liberty Living communities provide the best possible experience for those we serve. Nicole resides in Wilmington, NC with her husband and daughter.

*Facility Management*

The Company plans to employ a Campus Executive Director to oversee the daily operations for the CCRC as well as a licensed nursing home administrator to oversee the daily operations of the Healthcare Center.

Related Parties

The CCRC is to be managed and operated by various related parties pursuant to agreements entered into between those parties and the CCRC. These transactions are considered related party transactions and are settled through related party cash accounts and payments to the other entities.

Legal Disclaimer

Neither the managers nor any principals of the Company (i) have been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment for a felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or (ii) are subject to a currently effective injunctive or restrictive court order, or within the past five years, had any state or federal license or permit suspended or revoked as

a result of an action brought by any governmental agency or department, arising out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged, or facility subject to N.C.G.S. Section 58-64 or similar law in another state.

No professional service firm, association, trust, partnership, or corporation other than those stated above, in which this person has, or which has in this person, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, or to residents of the facility, of an aggregate value of five hundred dollars (\$500.00) or more within any year.

#### Affiliations

The Company is a private independent, for-profit limited liability company, which is not affiliated with any religious, charitable or other affinity group.

### III. Facility Description and Amenities

#### Location

The Community is located on an approximately 8-acre site, having an address of 2634 Oberlin Road, Raleigh, North Carolina.

#### Layout and Types of Accommodations

Accommodations of the CCRC are to include two-hundred fourteen (214) Residences within the Independent Living Buildings with one, two, and three bedroom floor plans that range from approximately 800 to 3,000 square feet. The CCRC will be able to accommodate up to four-hundred six (406) Residents, all of whom will be provided services pursuant to their respective Residency and Services Agreements. Subject to the terms and conditions of the Residency and Services Agreement and the limits of the Company's license, a full continuum of healthcare services is to be provided in the Healthcare Center. In addition, in the event the Closed Beds are fully occupied, Residents will be given priority access to the available Open Beds.

#### Amenities

1. Clubhouse. The Clubhouse is to be a social center for Residents to gather. The Clubhouse is to feature opportunities for formal and informal dining, a corner market with all day service, wireless internet, a business center, billiards and card rooms, and a multi-purpose room.
2. Wellness Center. The on-site wellness center (the "Wellness Center") is to provide an array of wellness programs for the Residents. Facilities and

services are to include state-of-the-art fitness equipment, exercise classes, indoor heated pool and certain wellness education programs.

#### IV. Services

Basic Services. Subject to the terms and conditions of the Residency and Services Agreement, the following basic services (collectively “Basic Services”) are to be included in the Monthly Service Fee (defined below):

1. Appliances and Furnishings. The Residences shall include the following appliances and furnishings: window coverings; standard flooring; appliances, including an electric range/self-cleaning oven, refrigerator/freezer with icemaker, garbage disposal, microwave, dishwasher, washer and dryer; smoke and fire detectors; an individual climate control system; an individual hot water heater; a 24-hour emergency call system and other permanent fixtures. All other appliances and furnishings for the Residences not listed above are to be provided by the Resident.
2. Utilities. Included with residency in an Residence are heating, air conditioning, water, sewer, gas, electricity, basic cable television, internet, trash removal and pest control.
3. Meals. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The Resident shall be entitled to dine in any of the CCRC’s dining options and charges for the food and beverages of the Resident or of any guest of the Resident shall be deducted from such Declining Balance Meal Credit. Upon termination of the Residency and Services Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credits, such additional charges shall be billed to the Resident on a monthly basis.
4. Housekeeping Services. The Resident agrees to keep the Residence in a clean and orderly condition. On a weekly basis, the Company will provide basic housekeeping services in the Residence.
5. Maintenance Services. The Company will be responsible for normal wear and tear, maintenance and replacement of the property, furnishings and equipment owned or leased by the Company for use in the CCRC. The Resident will be responsible for any damage to such property, furnishings and equipment, including the cost of repair or replacement or the diminution in value thereof, caused by the Resident, the Resident’s guests or the Resident’s pets. The Resident will be responsible for the maintenance and repair of their personal property.

6. Grounds Keeping. The Company will maintain and repair the CCRC's grounds, including lawns, trees and shrubbery. Personal plantings and customization of landscaped areas are subject to the Company's approval.
7. Use of Community Common Areas. The Resident has the non-exclusive right, along with other residents, to use the CCRC's common areas, including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreational rooms and designated outdoor activity areas.
8. Use of the Wellness Center. The Company will provide health and wellness programs and services at the on-site Wellness Center, including use of fitness equipment, exercise classes, use of an indoor heated pool and certain wellness education programs. The Resident will be advised of any required fee for a wellness program before enrolling in such program.
9. Programs. Recreational, social, educational and cultural activities will be coordinated by the CCRC's staff. Some activities are subject to an additional charge.
10. Parking. The Company will provide parking areas for one personal vehicle per Resident and limited parking for the Residents' guests.
11. Transportation. The Company will provide scheduled transportation to locations routinely visited by Residents of the CCRC, such as shopping centers, medical offices and social events. Some transportation is subject to an additional charge.
12. Emergency Response System. The Company will provide, on a twenty-four (24) hour basis, an emergency call system. Response to a call shall be limited to an evaluation of the Resident's needs. If other medical response is determined necessary, the Resident is responsible for any costs associated with such other medical response, including emergency medical transportation.
13. Insurance. The Company will maintain general liability and hazard insurance on the property within the CCRC owned or leased by the Company, but will not be responsible for the Resident's personal property.

Optional Services. A schedule of fees for services to be provided at extra cost including, but not limited to, those optional services described below (collectively "Optional Services"), shall be established by the Company and shall be made available to the Resident. The Optional Services currently expected to be offered by the Company include the following:

14. Transportation Services. If a Resident requests transportation in addition to that provided as a Basic Service, the Company may provide such transportation provided that the Company has adequate transportation

staff available at such date and time and to destinations that the Company identifies as being within the geographic area of transportation services.

15. Food Services. If a Resident requests food services or catered services in addition to those provided as a Basic Service, the Company may provide such additional food services or catered services for an additional cost.
16. Tray Service. Residents may request that meals be delivered to the Residence (“Tray Service”) for a delivery charge; provided, however, that the Tray Service may not be requested for more than three (3) consecutive days except at a physician’s or nurse’s direction.
17. Activities. Due to their special nature, a special fee may be required for some wellness and life enrichment programs.
18. Additional Housekeeping Services. If a Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the Company may provide such services if staff is available to provide such services.
19. Spa Services. Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.
20. Upgraded Television Channels. Upgraded television channels will be available to the Resident in accordance with a published fee schedule.
21. Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
22. Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC’s Concierge Desk.

#### Healthcare.

The CCRC will provide healthcare services to the Resident in the Healthcare Center. Care in the Healthcare Center will only be provided within the limits of the Company’s license. Hospital-level services are not provided within the Healthcare Center. Such level of care must be obtained from a hospital. The costs related to any hospitalization are the responsibility of the Resident.

The Healthcare Center’s Medical Director will determine the appropriate level of nursing care required by the Resident upon admission to the Healthcare Center. Residents who are unable to return to their Residence will have the benefit of permanent care in the Healthcare Center. If the appropriate level of healthcare based upon the needs of the Resident may not be obtained or are not provided within the Healthcare Center, such level of care must be provided by another provider of healthcare services, including, but not necessarily limited to, a hospital, and the

costs of those services are the responsibility of the Resident. The Resident (i) acknowledges and agrees that the Company will not be responsible for any claims, damages or expenses resulting from injury or death suffered by the Resident which is caused by, attributable to or in any way connected with the negligence or intentional acts or omissions of the physicians, employees or agents of such any such other provider of healthcare services and (ii) releases the Company from liability for any such claims, damages or expenses.

In the event the Healthcare Center is not completed and licensed to operate upon execution of a Residency and Services Agreement and the Resident's health or mental condition is such that, in the sole discretion of the Company, such Resident is precluded from living independently in the CCRC, the Company will assist the Resident in locating alternate facilities until such time as the Healthcare Center is available; provided however, the cost of the care at such alternate facilities will be the responsibility of the Resident.

#### **V. Expansion/Development**

Construction of the independent living apartments, townhomes and the Healthcare Center is projected to commence in July 2022 and be completed in December 2024.

#### **VI. The Continuing Care Concept**

The Company's continuing care concept is to ensure a Resident, so long as the Resident is in compliance with the Residency and Services Agreement and resides in a Residence, a wide array of personal services and long-term nursing care in the Healthcare Center if the Resident can no longer live independently.

#### **VII. The Residency and Services Agreement**

To reside in a Residence the prospective Resident and the Company will enter into a Residency and Services Agreement (the "Residency and Services Agreement"). A copy of the Residency and Services Agreement applicable to the Residences is attached hereto as Exhibit G. As outlined in the Residency and Services Agreement, residency in the CCRC provides the Resident with use of the CCRC's common facilities, the Basic Services described above and healthcare in the Healthcare Center when the Resident is no longer capable of independent living. To the extent the terms of the Residency and Services Agreement differ from the summary contained in this Disclosure Statement, the terms of the Residency and Services Agreement shall control. The basic terms and conditions contained in the Residency and Services Agreement are summarized as follows:

**Term.** The initial term of the Residency and Services Agreement shall be for thirteen (13) months beginning on the Occupancy Date. After the initial term, the Residency and Services Agreement will automatically renew for additional thirteen (13) months periods, unless terminated as set forth in the Residency and Services Agreement.

Eligibility Requirements. Eligibility for residency in the Community is conditioned upon, among other things more particularly described in the Residency and Services Agreement, the following:

1. Age Criteria. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An underage second occupant may be approved for residency in the Residence in the Company's sole discretion but must, at a minimum, be fifty (50) years of age and meet the other requirements for residency in the CCRC. The Company reserves the right to limit the number of Residents under the age of sixty-two (62) that will live in the CCRC.
2. Preliminary Health Screen. The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the Company, which criteria may be amended from time to time in the Company's sole discretion. The Resident shall provide to the Company an internal preliminary health screen substantially in the form attached to the Residency and Care Agreement executed by the Resident and the Company, completed by the Resident's primary physician and certifying that the Resident meets the independent living criteria within the period outlined in the Residency and Services Agreement.
3. Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee (as defined in the Residency and Services Agreement), extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of the Residency and Services Agreement. The Resident shall provide to the Company a Financial Statement substantially in the form attached to and within the period outlined in the Residency and Services Agreement. After the Occupancy Date, the Company may require an updated Financial Statement.

Priority Partner Agreement. A prospective resident may execute a non-binding Priority Partner Agreement (the "Priority Partner Agreement") with the Company to be placed on the waiting list for a Residence.

Residency and Services Agreement. If approved for residency, the Resident shall execute a binding Residency and Services Agreement and submit it to the Company, along with a Community Fee, as defined in the Residency and Services Agreement.

Changes to Residence. Any structural or physical change or redecoration and remodeling of any kind within or outside the Residence may only be made by the Resident only with the prior written consent of the Company, which shall be granted at the Company's sole

discretion, and at the sole expense of the Resident. All such improvements or changes shall be the property of the Company. Upon vacating the Residence, the Resident, or the Resident's estate, shall be responsible for the costs of returning the Residence to the condition that existed prior to the Resident taking possession of the Residence.

**Changes in Condition Prior to Occupancy.** If after the execution of the Residency and Services Agreement and prior to the Occupancy Date the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident no longer meets the qualifications to live independently in the CCRC, and the Residency and Services Agreement is not otherwise terminated, the Resident may be transferred directly to the Healthcare Center. All fees and other charges due must be paid prior to any direct transfer. In the event there is more than one Resident occupying the Residence, and one Resident is transferred directly to the Healthcare Center, the other Resident shall continue to be obligated under the Residency and Services Agreement and pay the required Monthly Service Fee applicable to a single Resident.

**Fees and Billing.** The Resident shall be required to pay the Monthly Service Fee and other fees as set forth in the Residency and Services Agreement. Fees payable by the Resident are described in more detail below.

**Permitted Occupants.** The Resident(s) named in the Residency and Services Agreement and no other person shall reside in or occupy the Residence during the term of the Residency and Services Agreement, except with the express prior written approval of the Company. If a second occupant who is not a party to the Residency and Services Agreement is accepted for residency in the CCRC after the date of the Residency and Services Agreement, such acceptance shall be subject to the approval of the Company and adherence to policies then governing all other admissions and such second resident shall enter into a Residency and Services Agreement. If the second occupant does not meet the requirements for residency, or does not execute a Residency and Services Agreement, he or she shall not be permitted to occupy the Residence.

A second occupant includes, but is not limited to, a spouse as defined by State statute.

B. **Transfers.** Should the Resident desire to transfer to another Residence, the Resident must notify the Company in writing. Following receipt of this request, and subject to availability, the Company may grant the Resident an option to move to the next available Residence of the type requested. Upon transfer to a new residence, the Monthly Service Fee for the month in which the move takes place shall be prorated to reflect the percentage of the month that the Resident spends in each type of residence. With all transfers, there will be an up-fitting charge for the vacated residence based on the current rate established by the CCRC at the time of the transfer. The Resident will move all furnishings and belongings to the new residence within ten (10) days of the established occupancy date for the new residence. Any moving expense will be the responsibility of the Resident.

**Death or Transfer of One Resident.** If one of the Residents named in the Residency and Services Agreement dies, moves out or is permanently transferred to the Healthcare Center

or any other nursing center, the remaining Resident will continue to be bound by the terms of the Residency and Services Agreement except that the Monthly Service Fee will be reduced to the single occupancy rate then in effect.

**Smoking Policy.** The CCRC is smoke-free. No smoking is permitted in the Residence (to include balconies) or in any other building or location in or on the CCRC's premises. The Resident agrees to abide by the CCRC's Rules and Regulations concerning smoking.

**Pets.** Subject to the prior written consent of the Company, which such consent shall be at the sole and absolute discretion of the Company, pets may be permitted in the Residences. All pets must be on a leash at all times while not in a Resident's Residence. Pets must be healthy, have current shots and rabies immunization, and be free of fleas and other parasites. The Resident must provide the Company with documentation that their pets have received all required shots and immunizations. The Resident is responsible for any costs expended by the Company for the failure of such Resident to adhere to the CCRC's pet policy, including, but not limited to, the cost of disinfection, cleaning and fumigation. Pets are prohibited in the dining spaces, the Wellness Center, the multipurpose room, the chapel, and the art space and activity rooms. The Resident understands and agrees that the pet must be removed from the Residence, upon fourteen (14) days' prior written notice from the Company, if the pet becomes a nuisance to other Residents of the CCRC, as determined by the Company in its sole and absolute discretion. The Resident agrees that if the Resident has been approved to have a pet living in the Residence, and elects to do so, the Resident shall pay a non-refundable pet fee in the amount posted at the time the pet is registered.

**Health Insurance.** Prior to the Occupancy Date, the Resident shall provide evidence of health insurance coverage to the Company at a level reasonably satisfactory to the Company.

**Termination.**

1. Termination by Resident. Upon the termination of the Residency and Services Agreement, the Resident shall have no further right to reside in the CCRC. The Residency and Services Agreement may be terminated or cancelled by the Resident under the following terms and conditions:
  - (a) Rescission During First Thirty (30) Days. The Resident may terminate the Residency and Services Agreement for any reason within thirty (30) days following the later of the execution of the Residency and Services Agreement or receipt by the Resident of the Disclosure Statement (the "Rescission Period"), and the Resident is not required to move into the facility before expiration of the Rescission Period. The Resident's termination of the Residency and Services Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One-Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident's request and set forth in Exhibit A of the Residency and Services

Agreement or in writing in a separate addendum to the Residency and Services Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company receives written notice of the Resident's election to terminate the Residency and Services Agreement.

- (b) Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in a Residence, the Resident may terminate the Residency and Services Agreement for any reason after the Rescission Period but prior to the Occupancy Date upon written notice to the Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, the Community Fee, and any costs or other charges that the Resident and the Company agree in advance are non-refundable.
- (c) General Termination Right. The Resident may terminate the Residency and Services Agreement at any time for any reason by giving the Company thirty (30) days' written notice signed by the Resident (or both of them if there are two Residents). In the event of such termination by a Resident for reasons other than those permitted in the Residency and Services Agreement, the Resident shall pay the Company for all Optional Services rendered by the Company to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Residence. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at the then current market rate.

2. Termination by Death or Serious Illness.

- (a) Termination by Death or Serious Illness Prior to the Occupancy Date. If prior to the Occupancy Date the Resident dies or is precluded from living in the CCRC under the terms of the Residency and Services Agreement as a result of serious illness, injury, non-qualification or incapacity, the Residency and Services Agreement will automatically terminate. In the event the Residency and Services Agreement is terminated as provided for in the Residency and Services Agreement, the Resident or the Resident's estate shall be entitled to a refund of any amounts paid to the Company, except, as the case may be, a service charge of One-Thousand Dollars (\$1,000.00) and for costs or other charges that the Resident and the Company agree in advance are non-refundable. Such refund shall be paid by the Company within thirty (30) days after the Residency and Services Agreement is terminated pursuant to the applicable subsection of the Residency and Services Agreement. The foregoing

notwithstanding, if there is more than one Resident, the Residency and Services Agreement will continue to be binding on the surviving or eligible Resident until the Residency and Services Agreement is terminated as to or by the surviving Resident as provided for in the Residency and Services Agreement.

- (b) **Termination by Death or Serious Illness After the Occupancy Date.** If the Resident dies after the Occupancy Date or the Resident is precluded from living in the CCRC under the terms of the Residency and Services Agreement as a result of serious illness, injury, or incapacity and the serious illness, injury or incapacity is not otherwise addressed by the provision of the Residency and Services Agreement, then the Residency and Services Agreement shall terminate. In such event, the Resident or the estate of the Resident shall pay for any Optional Services rendered to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the later of the date that all of the Resident's personal belongings are removed from the Residence and the Residence can be made ready for re-occupancy. The foregoing notwithstanding, if there is more than one Resident, the Residency and Services Agreement will continue to be binding on the surviving or eligible Resident until the Residency and Services Agreement is terminated as to or by the surviving Resident as provided for in the Residency and Services Agreement.

3. Termination by the Company.

- (a) Termination by the Company Prior to the Occupancy Date. If, in the Company's sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, the Residency and Services Agreement shall terminate upon the Company's notification to the Resident of non-approval. In such event, all amounts paid to the Company shall be refunded to the Resident within thirty (30) days after the Company provides the Resident notice of non-approval.
- (b) Termination by the Company after the Occupancy Date. The Company may terminate the Residency and Services Agreement upon thirty (30) days written notice to the Resident in the event of the following:
  - (1) The Resident fails to make payments to the Company of any amounts when due and such failure is not cured within fifteen (15) days after notice is given to the Resident;
  - (2) The Resident fails to comply with any term of the Residency and Services Agreement not involving the payment of money or any provisions of the Rules and Regulations and

the Resident fails to cure such non-compliance within seven (7) days after written notice from the Company; or

(3) The Resident or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to the Company for its consideration of the Resident for residency in the CCRC.

(c) Immediate Termination. If the Company determines in its sole and absolute discretion that a Resident's behavior interferes with or threatens to interfere with the safety of the Resident or the quiet enjoyment or safety of other Residents, visitors and/or staff of the CCRC, or if the Resident's behavior is a detriment to other residents, visitors, and/or staff of the CCRC, the Company may immediately terminate the Residency and Services Agreement and the Resident shall promptly vacate the Residence. In such event, the Resident shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until all of the Resident's personal belongings are removed from the Residence.

(d) Effect of Termination by the Company after the Occupancy Date. In the event the Company terminates the Residency and Services Agreement after the Occupancy Date pursuant to the applicable subsections of the Residency and Services Agreement, the Resident shall promptly vacate the Residence, but shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Residence.

## VIII. Fees

The following is a list of the fees and charges expected to be charged to the Residents of the CCRC:

A. Priority Deposit. Upon the execution of the Priority Partner Agreement, the prospective resident shall submit to the Company a payment of One-Thousand Dollars (\$1,000.00) (the "Priority Deposit"). The Priority Deposit is fully refundable should the prospective resident choose not to proceed and not enter into a Residency and Services Agreement for any reason. Upon execution of a Residency and Services Agreement, the Priority Deposit shall be applied to the first month's Monthly Service Fee as required by the Residency and Services Agreement.

Community Fee. Upon the execution of the Residency and Care Agreement, the Resident shall submit to the Company a one-time non-refundable (except as defined in the Residency

and Services Agreement) Community Fee equal to two (2) times the current Monthly Service Fee as defined in the Residency and Services Agreement (the “Community Fee”). The Community Fee entitles Residents priority access to all services and amenities of the Community once Residence is occupied. A Community Fee will not be charged to Residents upon any renewal of the Residency and Services Agreement.

**Monthly Service Fee.** Throughout the Term, the Resident shall pay to the Company a Monthly Service Fee (the “Monthly Service Fee”) as described in Exhibit C attached to the Residency and Services Agreement. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5<sup>th</sup>) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Residence is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Residence prior to the first of a month, the Resident shall pay the Company the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If the Residency and Services Agreement does not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in the Residency and Services Agreement.

**Adjustments to Monthly Service Fees.** The Company reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days’ written notice prior to any renewal of the Residency and Services Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC and the level and quality of services provided to the residents of the CCRC and consistent with operating on a sound financial basis. See Exhibit E for five years of the historical average dollar amount of increases in fees. The Company may adjust the Monthly Service Fee prior to occupancy of the Residence by the Resident if changes in the projected costs of providing the services at Community so require.

**Fees for Optional Services.** The Resident shall receive a monthly statement from the Company showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5<sup>th</sup>) day of each month. A list of fees for recurring Optional Services the Resident has elected to purchase as of the date of the Residency and Services Agreement shall be attached to the Residency and Services Agreement as Exhibit C.

**Healthcare Center Fees and Charges.** The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, assisted housing with services, skilled nursing care and memory support services on a temporary or permanent basis. The Company shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty

(30) days of residency in the Healthcare Center (each day being a “Discounted Fee Day”). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Services Agreement and in accordance with the then published Healthcare Center per diem charge.

**Refund of Fees.** If the Resident cancels during the Rescission Period as defined in the Residency and Services Agreement, the Priority Deposit and Community Fee (and any other fees paid by Resident) in accordance with the Residency and Services Agreement will be refunded to the Resident, without interest, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident’s request and set forth in Exhibit C of the Residency and Services Agreement or in writing in a separate addendum to the Residency and Services Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company’s receipt of the Resident’s written notice of rescission. The Community Fee becomes non-refundable after the Rescission Period.

**Failure of the Community to be Developed.** Should the Company determine that there is not sufficient interest to support the proposed Community, the Company shall refund the Priority Deposit and Community Fee (and any other fees paid by Resident) in accordance with the Residency and Services Agreement will be refunded to the Resident.

**Late Charges.** The Company will charge a one percent (1%) late payment charge per month on any Monthly Service Fees and extra charges that have not been paid within five (5) days after their due date.

## **IX. Financial Information**

**Audited Financial Statements.** Audited financial statements of the Company as of and for the year ended December 31, 2022 are included as Exhibit A.

**Actual versus Forecasted Results.** A narrative of material differences between the previously forecasted financial statements and actual results of operations for the year ended December 31, 2022 for the Company are included in Exhibit B.

**Interim Financial Statements.** Interim financial statements for the six-month period ended May 31, 2022 for the Company are included as Exhibit C.

**Five-Year Prospective Financial Statements.** Financial projections for each of the five years ending December 2027 for the Company as compiled by an independent public accountant are included as Exhibit D.

**Actuarial Report.** Actuarial population projection report dated June 30, 2021 showing projected independent living turnover and projected health care utilization over a 20-year period prepared by an independent actuary is included as Exhibit F.

**Reserves, Escrow and Trusts.** North Carolina law requires continuing care retirement communities such as the Community to maintain operating reserves equal to fifty percent

(50%) of the total operating costs in a given year, or twenty-five percent (25%) of such total operating costs if occupancy as of a certain date exceeds ninety percent (90%) of the Community's capacity (such reserve amount is referred to herein as the "Statutory Reserve"). This law provides security to the Residents that the Company will be able to meet its contractual obligations to provide continuing care. The Company's Statutory Reserve will be maintained through an irrevocable standby letter of credit issued by a financial institution approved by the North Carolina Department of Insurance (the "Letter of Credit"). The Letter of Credit will name the Company as the beneficiary and be in an amount sufficient to satisfy the Statutory Reserve requirement. Any draws by the Company must be approved by NCDOI before funds can be released by the bank.

During the Fill-up Period, all Priority Deposits received from prospective Residents will be held in escrow with a state-chartered or federally-chartered bank. The escrowed funds may not be released to the Company until statutorily mandated levels of reserves are received and long-term financing is secured. If the Company fails to meet these pre-opening financing obligations, the bank shall return the escrowed monies to the prospective Residents. These statutorily mandated financing levels are detailed in the North Carolina General Statutes at §58-64-35.

## **X. Proposed or Development Stage Facilities**

Actuarial Report. Actuarial population projection report dated June 30, 2021 showing projected independent living turnover and projected health care utilization over a 20-year period prepared by an independent actuary is included as Exhibit F;

Financial Projection Assumptions. The following narrative details all significant assumptions used in the preparation of the projected financial statements:

1. Long-Term Financing. The Company plans to secure construction loans with a financial institution bearing interest at a fixed rate ranging from 4.0 to 5.0 percent per annum for the period of the construction loans with interest-only payments due monthly through the construction period. The plans to convert the balance of the construction loans, projected to be approximately \$197,400,000 to a permanent loan upon opening. The permanent loan is assumed to be approximately \$197,400,000 with a fixed interest rate of 5.0 percent per annum. Principal and interest on the permanent loan are assumed to be paid monthly and amortized over a 30-year period.
2. Other Funding Sources. The Company intends to enter into various joint venture agreements to provide approximately \$84,600,000 of equity for the construction of the CCRC, in addition to provide funding for any start-up losses.
3. Life Expectancy Fees. The Company plans to operate the CCRC as a rental community; therefore, no life expectancy (i.e., entrance fees) will be collected. The Company plans to collect a Priority Deposit and Community Fee prior to opening, which are described in sections XIII.A.&B. above. The Priority Fee is refundable and the Community Fee is non-refundable, except under circumstances outlined in this agreement.

4. Equity Capital. See X.B.2. above for an explanation of equity funding.
5. Acquisition and Construction Costs. The Company projects land and construction costs to be approximately \$9,100,000 and \$250,900,000, respectively.
6. Related Costs. Related costs of the project include financing costs, taxes, and insurance and are projected to be approximately \$3,000,000.
7. Marketing Costs. Marketing costs incurred prior to commencement of operations are projected to be approximately \$19,000,000.
8. Occupancy Assumptions. The Company projects a fill-up period of 24 months to reach stabilized occupancy of 95% for independent living and a fill-up period of 18 months to reach stabilized occupancy of 95% for assisted living and skilled nursing. The Company projects 68%, 84%, and 81% occupancy in independent living, assisted living, and skilled nursing, respectively, in the first 12 months based on a large Priority Deposit list. The Company intends to obtain Medicare certification, which is projected to have insignificant but positive impacts on revenue.

## **XI. Other Material Information**

EXHIBIT A  
AUDITED FINANCIAL STATEMENTS  
[ATTACHED]

# **HAYES BARTON PLACE**

## **COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

*As of and for the Year Ended December 31, 2022*

*And Report of Independent Auditor*

**HAYES BARTON PLACE**  
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## Report of Independent Auditor

To the Members  
Hayes Barton Place  
Wilmington, North Carolina

### Opinion

We have audited the accompanying combined financial statements of Hayes Barton Place (the “Company”), a group of entities under common control, which comprise the combined balance sheet as of December 31, 2022, and the related combined statements of operations and changes in members’ equity and of cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Combined Financial Statements

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

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

### Auditor’s Responsibilities for the Audit of the Combined Financial Statements

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

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

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
June 30, 2023

**HAYES BARTON PLACE**  
**COMBINED BALANCE SHEET**

*DECEMBER 31, 2022*

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**ASSETS**

Property and equipment, net	<u>\$ 27,007,737</u>
Noncurrent Assets:	
Intangible asset	78,872
Other assets	<u>2,877,656</u>
Total Noncurrent Assets	<u>2,956,528</u>
<b>Total Assets</b>	<u><u>\$ 29,964,265</u></u>

**LIABILITIES AND MEMBERS' EQUITY**

Current Liabilities:	
Accrued expenses and other payables	\$ 5,309,895
Noncurrent Liabilities:	
Accounts payable - related parties	<u>339,549</u>
Total Liabilities	<u>5,649,444</u>
Members' Equity	<u>24,314,821</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 29,964,265</u></u>

The accompanying notes to the combined financial statements are an integral part of these statements.

**HAYES BARTON PLACE****COMBINED STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY***YEAR ENDED DECEMBER 31, 2022*

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Revenue	<u>\$ -</u>
Expenses:	
Plant operations	1,434
Physical plant	98,299
General and administrative	1,673,955
Depreciation and amortization	39,330
Interest expense	<u>143,940</u>
Total Expenses	<u>1,956,958</u>
Net loss	(1,956,958)
Contributions	<u>26,271,779</u>
Members' equity, end of year	<u><u>\$ 24,314,821</u></u>

The accompanying notes to the combined financial statements are an integral part of these statements.

**HAYES BARTON PLACE**  
**COMBINED STATEMENT OF CASH FLOWS**

*YEAR ENDED DECEMBER 31, 2022*

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**Cash flows from operating activities:**

Net loss	\$ (1,956,958)
Adjustments to reconcile net loss to net cash flows from operating activities:	
Depreciation and amortization	39,330
Changes in operating assets and liabilities:	
Other assets	1,773,893
Accrued expenses and other payables	11,926
Accounts payable - related parties	<u>131,809</u>
Net cash flows from operating activities	<u>-</u>
Net change in cash and restricted cash	-
Cash and restricted cash, beginning of year	<u>-</u>
Cash and restricted cash, end of year	<u><u>\$ -</u></u>

**Noncash investing and financing activities:**

Contributions from officers/members related to transfer of assets and liabilities	<u><u>\$ 26,271,779</u></u>
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The accompanying notes to the combined financial statements are an integral part of these statements.

# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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### Note 1—Nature of operations

*Nature of Operations* – Hayes Barton Place (the “Company”) is an economic entity comprised of two individual companies under common control listed below. The Company was organized to provide senior living services in Raleigh, North Carolina. Services will include providing and maintaining a 169-unit independent living rental apartment building with assisted living services, skilled nursing care, and supporting services, along with 45 independent living flats and townhomes.

HBP Oberlin Senior Housing PROPCO KP6, L.P. (“Raleigh Properties”) is a Delaware for-profit limited partnership formed for the purpose of developing and owning real property and the buildings of the Community.

HBP Oberlin Senior Housing OPCO KP6, L.P. (“Raleigh Operating”) is a Delaware for-profit limited partnership formed for the purpose of leasing and operating the Community.

Raleigh Properties and Raleigh Operating hold the certificate of need for 63 assisted living beds (all closed beds) and 31 skilled nursing beds (9 closed).

In February 2022, the North Carolina Department of Insurance issued the Company a Start-Up Certificate.

### Note 2—Summary of significant accounting policies

*Principles of Combination* – The combined financial statements include the accounts of Raleigh Properties and Raleigh Operating, which are owned and controlled by the members of the limited partnership. All significant intercompany accounts and transactions have been eliminated. The combined financial statements do not and are not intended to represent the activity of a legal entity.

*Basis of Accounting* – The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

*Use of Estimates* – The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

No assets or liabilities (real or contingent) of the individual members of any of the limited partnership are included in the combined financial statements of the Company, except those pertaining to the Company, which are reflected in the combined balance sheet.

*Property and Equipment, Net* – Property and equipment is stated at actual cost. Maintenance and repairs are charged to expense as incurred, and renewals and betterments are capitalized. Gains or losses on disposals are credited or charged to operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense amounted to \$125 for the year ended December 31, 2022.

The estimated useful lives used in computing depreciation for equipment is 3 to 20 years.

*Debt Issuance Costs, Net* – Loan origination costs are being amortized over the life of the loan utilizing a straight-line method which approximates the effective interest rate method. The amortization of these costs is included in interest expense in the statement of operations and changes in members’ equity.

# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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### Note 2—Summary of significant accounting policies (continued)

*Income Taxes* – The Company, with the consent of its members, has elected under the Internal Revenue Code to be taxed as a partnership. In lieu of corporate federal income taxes, the members of a limited partnership are taxed on their proportionate share of the Company's taxable income. Management has evaluated the effect of the guidance provided by U.S. GAAP on accounting for uncertainty in income taxes. Management has evaluated all other income tax positions that could have a significant effect on the combined financial statements and determined the Company had no uncertain income tax positions at December 31, 2022.

*Intangible Asset* – In accordance with U.S. GAAP, goodwill and intangible assets that have indefinite useful lives are not amortized but rather are tested at least annually for impairment. For the Company, this asset includes fees related to the Company's application for the certificate of need ("CON"). The Company's CON application to develop the CCRC facility was approved on February 12, 2022. In accordance with accounting standards generally accepted in the United States of America, Intangible assets with indefinite useful lives are reviewed for impairment in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other*, which requires the Company to evaluate the recoverability of long-lived assets annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company continually evaluates whether events and circumstances have occurred that indicate the CON may warrant revision or that the remaining carrying value may not be recoverable. As permitted by ASC 350, the Company performed a qualitative assessment of impairment to determine whether the value of the CON was impaired. Based on the results of this qualitative assessment, the CON was not impaired as of December 31, 2022.

*Impairment of Long-Lived Assets* – The Company reviews the carrying value of its long-lived assets such as property and equipment, whether held for use or disposal when events and circumstances indicate that the carrying amount of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. The amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. Based on results of this review, property and equipment was not impaired as of December 31, 2022.

*Deferred Marketing Costs* – Management has implemented Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* and adopted the treatment of deferred marketing costs. Under the standard, the Company capitalizes marketing sales commissions and bonuses associated with securing new Residency and Services Agreements as an asset and amortizes these commissions over the estimated term of the respective Residency and Services Agreements. Deferred marketing costs are included within other assets on the combined balance sheet. Amortization of deferred marketing costs amounted to \$39,205 for the year ended December 31, 2022.

*Advertising Costs* – Advertising costs are expensed in the year incurred and totaled \$886,707 for the year ended December 31, 2022.

*Change in Accounting Principle* – In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases ("Topic 842")*, which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. FASB also subsequently issued additional ASUs which amend and clarify Topic 842.

The Company adopted these ASUs effective January 1, 2022 using the modified retrospective approach. The Company elected the three transition practical expedients that permit an entity to: (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard. Adoption of the new standard did not have a material impact on the Company's combined balance sheet or combined statement of operations and changes in members' equity.

**HAYES BARTON PLACE**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

DECEMBER 31, 2022

**Note 2—Summary of significant accounting policies (continued)**

*New Accounting Pronouncement* – In June 2016, FASB issued ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new rules also require certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The standard is effective for the Company for the year ending December 31, 2023. The Company is currently in the process of evaluating the impact of adoption of this ASU on the combined financial statements.

**Note 3—Property and equipment, net**

Property and equipment, net at December 31, 2022 consists of the following:

Land	\$ 9,731,661
Equipment	9,635
Less accumulated depreciation	<u>(125)</u>
	9,741,171
Construction-in-progress	<u>17,266,566</u>
Property and equipment, net	<u><u>\$ 27,007,737</u></u>

**Note 4—Intangible asset**

Intangible asset (indefinite-lived) consisted of the following at December 31, 2022:

Certificate of need	<u>\$ 78,872</u>
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**Note 5—Other assets, net**

Other assets, net consisted of the following at December 31, 2022:

Deferred marketing costs	\$ 255,008
Prepaid expenses	660,000
Deposits	120,000
Debt issuance costs, net	<u>1,842,648</u>
Other assets, net	<u><u>\$ 2,877,656</u></u>

The Company recognized prepaid expenses pertaining to the transfer of beds from a related party as a part of the contributions from officers/members. These beds will be recognized as intangible assets when the healthcare building has been built and licensed.

# **HAYES BARTON PLACE**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS**

*DECEMBER 31, 2022*

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### **Note 6—Debt**

On December 14, 2022, the Company entered into a loan agreement with a financial institution. The loan agreement provides for a note payable with maximum borrowings of \$154,687,500. The loan will be used to help finance the construction of the CCRC facility. The interest rate on this note was a variable rate of 2.75% plus the one-month CME Term SOFR Rate (4.30% at December 31, 2022). The note has a maturity date of December 14, 2026. There were no draws on the note payable as of December 31, 2022.

### **Note 7—Related party transactions**

Other entities owned by Liberty Healthcare provide other benefits to the Company. These transactions are also considered related party transactions and are settled through related party cash accounts and payments to the other entities. As of December 31, 2022, total payables to related parties were \$339,549.

### **Note 8—Litigation**

Litigation is subject to uncertainties and the outcome of individual litigated matters is not predictable with assurance. Various legal actions, claims, or proceedings are pending against the Company having arisen in the ordinary course of business. When appropriate, the Company establishes loss provisions for matters in which losses are probable and can be reasonably estimated.

### **Note 9—Pension plan**

The Company offers a defined contribution plan (the “Plan”) to eligible employees as defined by the Plan. The Company will match employee contributions at the discretion of management. The Company contributed \$7,821 to the Plan for the year ended December 31, 2022.

### **Note 10—Subsequent events**

The Company has evaluated subsequent events through June 30, 2023, in connection with the preparation of these combined financial statements, which is the date the combined financial statements were available to be issued. The Company is unaware of any subsequent events that should be recognized or disclosed in the combined financial statements.

**SUPPLEMENTARY INFORMATION**

**HAYES BARTON PLACE**  
**COMBINING BALANCE SHEET**

DECEMBER 31, 2022

	<u>Oberlin Senior Housing OPCO KP6, LLC</u>	<u>Oberlin Senior Housing PROPCO KP6, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Accounts receivable - Hayes Barton Place	\$ -	\$ 255,008	\$ (255,008)	\$ -
Property and Equipment, Net	-	27,007,737	-	27,007,737
Noncurrent Assets:				
Intangible asset	-	78,872	-	78,872
Other assets, net	255,008	2,622,648	-	2,877,656
Total Noncurrent Assets	255,008	2,701,520	-	2,956,528
<b>Total Assets</b>	<u>\$ 255,008</u>	<u>\$ 29,964,265</u>	<u>\$ (255,008)</u>	<u>\$ 29,964,265</u>

**HAYES BARTON PLACE**  
**COMBINING BALANCE SHEET (CONTINUED)**

DECEMBER 31, 2022

	<u>Oberlin Senior Housing OPCO KP6, LLC</u>	<u>Oberlin Senior Housing PROPCO KP6, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>				
Current Liabilities:				
Accrued expenses and other payables	\$ 11,926	\$ 5,297,969	\$ -	\$ 5,309,895
Accounts payable - Hayes Barton Place	<u>255,008</u>	<u>-</u>	<u>(255,008)</u>	<u>-</u>
Total Current Liabilities	<u>266,934</u>	<u>5,297,969</u>	<u>(255,008)</u>	<u>5,309,895</u>
Noncurrent Liabilities:				
Accounts payable - related parties	<u>131,809</u>	<u>207,740</u>	<u>-</u>	<u>339,549</u>
Total Liabilities	<u>398,743</u>	<u>5,505,709</u>	<u>(255,008)</u>	<u>5,649,444</u>
Members' Equity (Deficit)	<u>(143,735)</u>	<u>24,458,556</u>	<u>-</u>	<u>24,314,821</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 255,008</u></u>	<u><u>\$ 29,964,265</u></u>	<u><u>\$ (255,008)</u></u>	<u><u>\$ 29,964,265</u></u>

**HAYES BARTON PLACE****COMBINING STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY**

YEAR ENDED DECEMBER 31, 2022

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	<b>Oberlin Senior Housing OPCO KP6, LLC</b>	<b>Oberlin Senior Housing PROPCO KP6, LLC</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Plant operations	35	1,399	-	1,434
Physical plant	-	98,299	-	98,299
General and administrative	143,700	1,530,255	-	1,673,955
Depreciation and amortization	-	39,330	-	39,330
Interest expense	-	143,940	-	143,940
Total Expenses	<u>143,735</u>	<u>1,813,223</u>	<u>-</u>	<u>1,956,958</u>
Net loss	(143,735)	(1,813,223)	-	(1,956,958)
Contributions	-	26,271,779	-	26,271,779
Members' equity (deficit), end of year	<u>\$ (143,735)</u>	<u>\$ 24,458,556</u>	<u>\$ -</u>	<u>\$ 24,314,821</u>

**HAYES BARTON PLACE**  
**COMBINING STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2022

	<b>Oberlin Senior Housing OPCO KP6, LLC</b>	<b>Oberlin Senior Housing PROPCO KP6, LLC</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Net loss	\$ (143,735)	\$ (1,813,223)	\$ -	\$ (1,956,958)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Depreciation and amortization	-	39,330	-	39,330
Changes in operating assets and liabilities:				
Accounts receivable - Hayes Barton Place	-	(255,008)	255,008	-
Other assets	(255,008)	2,028,901	-	1,773,893
Accrued expenses and other payables	11,926	-	-	11,926
Accounts payable - Hayes Barton Place	255,008	-	(255,008)	-
Accounts payable - related parties	131,809	-	-	131,809
Net cash flows from operating activities	-	-	-	-
Net change in cash and restricted cash	-	-	-	-
Cash and restricted cash, beginning of year	-	-	-	-
Cash and restricted cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Noncash investing and financing activities:</b>				
Contributions from officers/members related to transfer of assets and liabilities	<u>\$ -</u>	<u>\$ 26,271,779</u>	<u>\$ -</u>	<u>\$ 26,271,779</u>

EXHIBIT B

ACTUAL VERSUS PROJECTED RESULTS

NOT APPLICABLE

**Hayes Barton Place**  
**Material Difference Narrative**  
**For the Year Ended December 31, 2022**

For purposes of comparison, HBP Oberlin Senior Housing Propco KP6, L.P. and HBP Oberlin Senior Housing Opco KP6, L.P. (collectively "Hayes Barton Place" or the "Company") used the following financial reports as of and for the year ended (actual)/ending (projected) December 31, 2022:

L.P. and HBP Oberlin Senior Housing Opco KP6, L.P. (collectively "Hayes Barton Place") as of and for the year ended December 31, 2022.

Projected - Obtained from the projected financial statements for Raleigh CCRC Management, LLC and Raleigh CCRC Properties, LLC, the previously licensed entities, with the Independent Accountants' Compilation Report dated May 20, 2022, which was included in the

The following explanations are furnished pursuant to Section 58-64-30 of the General Statutes of North Carolina. The explanations pertain to material differences between the Company's audited and projected financial statements, as described above, as of and for the year ending December 31, 2022. See the summary Balance Sheets, Statements of Operations and Statements of Cash Flows behind this narrative for amounts and percentages.

For purposes of this narrative, "material" differences are considered to be variances of \$1,000,000 and 10% on line item amounts.

## Balance Sheets:

1. Cash (unrestricted) - Unrestricted cash at December 31, 2022 was less than projected by approximately \$1,419,000 (71%) primarily because there was less cash infusion from related parties than projected. See Note #4 below.
2. Property and Equipment - Property and equipment at December 31, 2022 was less than projected by approximately \$15,555,000 (37%). Construction costs were \$12,179,000 less than projected. Developer fees were \$3,402,000 less than projected. These costs are expected to be incurred in following years.
3. Intangible assets - Intangible assets were \$1,843,000 (2,363%) more than the projection. Loan closing costs, net of amortizaion, was \$1,843,000.
4. Related Party Receivables/Payables - There are numerous transactions throughout the year between other companies related to Hayes Barton Place which are not part of the economic entity. Below is a summary of the net balances due to and from these companies at December 31, 2022:

	Projected			Actual		
	Due From	Due To	Net Rec/(Pay)	Due From	Due To	Net Rec/(Pay)
Various	\$ 1,058	\$ -	\$ 1,058	\$ 3,217	\$ (725)	\$ 2,492
Total receivable/(payable)	\$ 1,058	\$ -	\$ 1,058	\$ 3,217	\$ (725)	\$ 2,492
						\$ 1,434
						136%

The net amount due to companies related to but not under the Hayes Barton Place economic entity was more than projected by approximately \$1,434,000 (136%). The timing of the paying of clearing these transactions occurred slower than expected.

5. Other non-current assets - Other non-current assets was \$8,036,000 (40,180%) greater than projected. This is a result of entering into a joint venture as the Oberlin investing group. \$7,980,000 represents the company's contribution to the joint venture.
6. Accounts payable and accrued expenses - accounts payable and accrued expense was \$5,699,000 (624%) greater than projected. Accrued expenses were \$4,079,000 for the pay application for the construction draw for December. Constuction retainage was \$1,219,000.
7. Members' equity - members' equity was \$10,941,000 (25%) less than projected. The owner contributions were lower due to the construction costs being behind the projected schedule. This is expected to be incurred in following years.
8. Total Libilities and Members' equity - total liabilities and members' equity was \$4,730,000 (10%) less than projected. This is mainly due to the equity being lower as stated in #7 above. The variance is reduced by the accrued expense variance in #6 above.

## Statements of Operations and Changes in Members' Equity:

9. Members' contributions - Members' contributions were \$11,041,000 (25%) less than projected. This is due to entering into the joint venture.

## Statements of Cash Flows:

10. Changes in operating assets and liabilities, net - See #1 above.
11. Changes in Capital Additions - Changes in Capital Additions was less than projected by approximately \$7,620,000 (19%) primarily as the result of the delay in construction (see #2 above).

EXHIBIT C  
INTERIM FINANCIAL STATEMENTS  
[ATTACHED]

**Hayes Barton Place**  
**Combined Statements of Operations and Changes in Members' Equity**  
**For the 3 Months Ended March 31, 2023**

	Raleigh CCRC Management, LLC	Raleigh CCRC Properties, LLC	Eliminations	Consolidated
<b>Revenue:</b>				
Advance fee amortization	\$ -	\$ -	\$ -	\$ -
Net resident revenue:				
Independent living	-	-	-	-
Assisted living	-	-	-	-
Skilled nursing	-	-	-	-
Provision for bad debt	-	-	-	-
Management fees	-	-	-	-
Other revenue	730	1,029,062	-	1,029,792
<b>Total operating revenue</b>	<b>730</b>	<b>1,029,062</b>	<b>-</b>	<b>1,029,792</b>
<b>Expense:</b>				
<b>Direct expenses:</b>				
Nursing services	-	-	-	-
Dietary	-	-	-	-
Wellness	-	-	-	-
Patient activities	-	-	-	-
Social Services	-	-	-	-
Physical therapy	-	-	-	-
Occupational therapy	-	-	-	-
Speech therapy	-	-	-	-
Medical supplies	-	-	-	-
Other ancillaries	-	-	-	-
<b>Total direct expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROSS MARGIN</b>	<b>730</b>	<b>1,029,062</b>	<b>-</b>	<b>1,029,792</b>
<b>Indirect expenses:</b>				
Housekeeping	-	-	-	-
Laundry and linen	-	-	-	-
Barber & beauty	-	-	-	-
General and administrative	196,759	2,591	-	199,350
Management fee	-	-	-	-
Transportation	-	-	-	-
Plant operations	471	-	-	471
Property costs	-	117,616	-	117,616
Total indirect expenses	197,230	120,207	-	317,437
Total operating expenses	197,230	120,207	-	317,437
<b>EBITDAR</b>	<b>(196,500)</b>	<b>908,855</b>	<b>-</b>	<b>712,355</b>
<b>Other revenue/(expense):</b>				
Gain/(loss) on disposal of assets	-	-	-	-
Investment/interest income	-	-	-	-
Investment/interest expense	-	-	-	-
Amortization of deferred financing costs	-	-	-	-
Rent revenue	-	-	-	-
Rent expense	(646,118)	-	-	(646,118)
Amortization of marketing costs	-	-	-	-
Depreciation	-	-	-	-
Extraordinary expense	-	-	-	-
Total other revenue/(expense)	(646,118)	-	-	(646,118)
<b>NET INCOME/(LOSS)</b>	<b>(842,618)</b>	<b>908,855</b>	<b>-</b>	<b>66,237</b>
Members' equity/(deficit), beginning of year	(143,734)	24,458,556	-	24,314,822
Members' contributions	-	15,260,308	-	15,260,308
Members' distributions	-	-	-	-
Members' equity/(deficit), end of year	\$ (986,352)	\$ 40,627,719	\$ -	\$ 39,641,367

**Hayes Barton Place**  
**Combined Statements of Cash Flows**  
**For the 3 Months Ended March 31, 2023**

	Raleigh CCRC Management, LLC	Raleigh CCRC Properties, LLC	Eliminations	Consolidated
<b>Cash flows from operating activities:</b>				
Net income/(loss)	\$ (842,618)	908,855	-	66,237
Adjustments to reconcile income/(loss) to net cash provided by operating activities:				
Depreciation	-	-	-	-
Amortization of deferred financing costs	-	-	-	-
(Gain)/Loss on sale of property and equipment	-	-	-	-
Amortization of advance fees	-	-	-	-
Amortization of deferred marketing costs	-	-	-	-
Provision for bad debts	-	-	-	-
Unrealized (gain)/loss on investments	-	-	-	-
Change in working capital:				
Resident accounts receivable	-	(1,029,062)	-	(1,029,062)
Other receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses	(5,829)	-	-	(5,829)
Accounts receivables - related parties	-	-	-	-
Intercompany receivable - Hayes Barton Place	-	(1,285)	1,285	-
Other assets	638,904	(575,384)	-	63,520
Deferred revenue, current portion	188,784	-	-	188,784
Accounts payable and other accrued expenses and other payables	11,209	7,992,872	-	8,004,081
Accrued payroll and related withholdings	-	-	-	-
Resident refunds	-	-	-	-
Deferred revenue, noncurrent portion	-	-	-	-
Accounts payable - related parties	190,851	(154,823)	-	36,028
Intercompany payable - Hayes Barton Place	1,285	-	(1,285)	-
<b>Cash flows from operating activities</b>	<b>182,586</b>	<b>7,141,173</b>	<b>-</b>	<b>7,323,759</b>
<b>Cash flows from investing activities:</b>				
Routine capital purchases	-	(22,305,972)	-	(22,305,972)
Proceeds from sale of assets	-	-	-	-
Change in investments	-	-	-	-
<b>Cash flows from investing activities</b>	<b>-</b>	<b>(22,305,972)</b>	<b>-</b>	<b>(22,305,972)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from long-term debt	-	-	-	-
Deferred financing costs	-	-	-	-
Principal payment of long-term debt	-	-	-	-
Member contributions/(distributions)	-	15,260,308	-	15,260,308
<b>Cash flows from financing activities</b>	<b>-</b>	<b>15,260,308</b>	<b>-</b>	<b>15,260,308</b>
Change in cash and cash equivalents	182,586	95,509	-	278,095
Cash and cash equivalents, beginning of year	-	0	-	0
<b>Cash and cash equivalents, end of year</b>	<b>\$ 182,586</b>	<b>\$ 95,509</b>	<b>\$ -</b>	<b>\$ 278,095</b>
Cash - unrestricted	182,586	95,509	-	278,095
Cash - restricted/invested	-	-	-	-
<b>Total cash</b>	<b>\$ 182,586</b>	<b>\$ 95,509</b>	<b>\$ -</b>	<b>\$ 278,095</b>



EXHIBIT D  
5-YEAR PROSPECTIVE FINANCIAL STATEMENTS  
[ATTACHED]

**Hayes Barton Place**

Compilation of a Financial Projection

For Each of the Five Years Ending  
December 31, 2027

(with Independent Accountants'  
Compilation Report thereon)

**Hayes Barton Place**

Compilation of a Financial Projection

Five Years Ending December 31, 2027

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## Independent Accountants' Compilation Report

Hayes Barton Place  
Wilmington, North Carolina

Management of Hayes Barton Place, an economic entity comprised of two individual companies under common control (the "Company"), and the day-to-day operating manager, Liberty Living Management, LLC (collectively "Management") is responsible for the accompanying financial projection of the Company, which comprises the projected combined balance sheets as of and for each of the five years ending December 31, 2027, the related projected combined statements of operations, changes in members' equity, and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA").

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

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

Furthermore, even if the following hypothetical assumptions occur during the projection period:

- construction, development, and other related costs to construct the independent living units, health center units and beds, and related common areas and to fund reserves approximates \$282,000,000;
- the independent living units and health center units and beds are successfully marketed and achieve and maintain projected occupancy levels during the projection period;
- the Company enters into a loan agreement during fiscal year 2024 at rates and terms as assumed in the projection to fund a portion of the construction of the independent living units; and
- the Company enters into a permanent loan agreement during fiscal year 2026 at rates and terms as assumed in the projection.

There will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

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

## FORVIS,LLP

Atlanta, Georgia  
July 19, 2023

## Hayes Barton Place

### Projected Combined Statements of Operations and Changes in Members' Equity For Each of the Five Years Ending December 31, (In Thousands)

	2023	2024	2025	2026	2027
<b>Revenue:</b>					
Independent living	\$ -	\$ 239	\$ 16,248	\$ 28,139	\$ 30,655
Assisted living	-	-	4,342	6,223	6,537
Skilled nursing	-	-	3,172	5,835	6,086
Other revenue	-	412	3,318	1,220	392
<b>Total operating revenue</b>	<b>-</b>	<b>651</b>	<b>27,080</b>	<b>41,417</b>	<b>43,670</b>
<b>Expense:</b>					
Independent living	-	104	1,253	1,835	1,916
Assisted living	-	-	1,466	2,630	2,746
Skilled nursing	-	-	942	1,652	1,725
Dietary	-	106	2,870	4,875	5,271
Housekeeping	-	11	557	941	1,014
Laundry	-	7	185	303	323
General and administrative	868	3,626	1,983	3,383	3,765
Management Fee	-	12	1,284	2,153	2,312
Plant operations	2	33	1,623	2,761	3,086
Physical plant	-	3	272	469	510
<b>Total operating expenses</b>	<b>870</b>	<b>3,902</b>	<b>12,435</b>	<b>21,002</b>	<b>22,668</b>
<b>Operating income (loss)</b>	<b>(870)</b>	<b>(3,251)</b>	<b>14,645</b>	<b>20,415</b>	<b>21,002</b>
<b>Other expense</b>					
Interest expense	-	735	8,932	8,245	11,744
Rent expense	33	33	-	-	-
Deferred financing cost amortization	-	137	1,633	1,496	66
Deferred marketing cost amortization	-	1	67	83	83
Depreciation	-	687	8,586	8,592	8,592
<b>Total other expense</b>	<b>33</b>	<b>1,593</b>	<b>19,218</b>	<b>18,416</b>	<b>20,485</b>
<b>Net income (loss)</b>	<b>(903)</b>	<b>(4,844)</b>	<b>(4,573)</b>	<b>1,999</b>	<b>517</b>
Members' equity, beginning of year	24,315	63,632	74,690	70,117	72,116
Members' contributions	40,220	15,902	-	-	-
<b>Members' equity, end of year</b>	<b>\$ 63,632</b>	<b>\$ 74,690</b>	<b>\$ 70,117</b>	<b>\$ 72,116</b>	<b>\$ 72,633</b>

**See accompanying Independent Accountants' Compilation Report and Summary of  
Significant Projection Assumptions and Rationale**

## Hayes Barton Place

### Projected Combined Statements of Cash Flows For Each of the Five Years Ending December 31, (In Thousands)

	2023	2024	2025	2026	2027
<b>Cash flows from operating activities:</b>					
Net income (loss)	\$ (903)	\$ (4,844)	\$ (4,573)	\$ 1,999	\$ 517
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Depreciation	-	687	8,586	8,592	8,592
Deferred financing cost amortization	-	137	1,633	1,496	66
Deferred marketing cost amortization	-	1	67	83	83
Accounts receivable - related parties	-	-	(8,038)	(20,522)	(1,248)
Accounts payable - related parties	8,650	(2,480)	(1,622)	12,313	(5,578)
Change in current assets and liabilities, net	(4,877)	520	(227)	(744)	60
Cash flows from operating activities	2,870	(5,979)	(4,174)	3,217	2,492
<b>Cash flows from investing activities:</b>					
Capital additions	(104,403)	(135,555)	(75)	(75)	(75)
Cash flows from investing activities	(104,403)	(135,555)	(75)	(75)	(75)
<b>Cash flows from financing activities:</b>					
Proceeds from long-term debt	67,247	126,032	4,106	196,086	-
Payoff of construction loan	-	-	-	(196,086)	-
Deferred financing cost	(2,846)	(420)	-	(1,968)	-
Principal payment of long-term debt	-	-	-	(1,299)	(2,417)
Members' contribution	40,220	15,902	-	-	-
Cash flows from financing activities	104,621	141,514	4,106	(3,267)	(2,417)
Change in cash and restricted cash	3,088	(20)	(143)	(125)	-
Cash and restricted cash, beginning of year	-	3,088	3,068	2,925	2,800
Cash and restricted cash, end of year	\$ 3,088	\$ 3,068	\$ 2,925	\$ 2,800	\$ 2,800
<b>Cash and restricted cash reconciliation:</b>					
Cash	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Cash - restricted	288	268	125	-	-
Operating reserve - Company	800	800	800	800	800
Total cash and restricted cash	\$ 3,088	\$ 3,068	\$ 2,925	\$ 2,800	\$ 2,800

**See accompanying Independent Accountants' Compilation Report and Summary of  
Significant Projection Assumptions and Rationale**

## Hayes Barton Place

### Projected Combined Balance Sheets For Each of the Five Years Ending December 31, (In Thousands)

Assets	2023	2024	2025	2026	2027
Current assets:					
Cash	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Cash - restricted	288	268	125	-	-
Resident accounts receivable, net	-	-	391	719	750
Inventories	-	17	68	115	123
<b>Total current assets</b>	<b>2,288</b>	<b>2,285</b>	<b>2,584</b>	<b>2,834</b>	<b>2,873</b>
Non-current assets:					
Operating reserve - Company	800	800	800	800	800
Property and equipment, net	131,411	266,279	257,768	249,251	240,734
Intangible asset	79	79	79	79	79
Accounts receivable - related parties	-	-	8,038	28,560	29,808
Deferred marketing cost, net of amortization	255	295	523	520	437
Other non-current assets	2,623	2,623	2,623	2,623	2,623
<b>Total non-current assets</b>	<b>135,168</b>	<b>270,076</b>	<b>269,831</b>	<b>281,833</b>	<b>274,481</b>
<b>Total assets</b>	<b>\$ 137,456</b>	<b>\$ 272,361</b>	<b>\$ 272,415</b>	<b>\$ 284,667</b>	<b>\$ 277,354</b>
<b>Liabilities and Members' Equity</b>					
Current liabilities:					
Long-term debt, current portion	\$ -	\$ -	\$ 1,299	\$ 2,417	\$ 2,566
Accounts payable and accrued expenses	615	1,124	1,354	807	862
Accrued payroll and related withholdings	26	95	375	633	677
<b>Total current liabilities</b>	<b>641</b>	<b>1,219</b>	<b>3,028</b>	<b>3,857</b>	<b>4,105</b>
Non-current liabilities:					
Long-term debt, net of current portion and deferred financing cost	64,401	190,150	194,590	191,701	189,201
Accounts payable - related parties	8,782	6,302	4,680	16,993	11,415
<b>Total non-current liabilities</b>	<b>73,183</b>	<b>196,452</b>	<b>199,270</b>	<b>208,694</b>	<b>200,616</b>
<b>Total liabilities</b>	<b>73,824</b>	<b>197,671</b>	<b>202,298</b>	<b>212,551</b>	<b>204,721</b>
Members' equity	63,632	74,690	70,117	72,116	72,633
<b>Total liabilities and members' equity</b>	<b>\$ 137,456</b>	<b>\$ 272,361</b>	<b>\$ 272,415</b>	<b>\$ 284,667</b>	<b>\$ 277,354</b>

**See accompanying Independent Accountants' Compilation Report and Summary of  
Significant Projection Assumptions and Rationale**

## Hayes Barton Place

### Summary of Significant Projection Assumptions and Rationale

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#### General

The accompanying financial projection presents, to the best of the knowledge and belief of management of Hayes Barton Place, an economic entity comprised of two individual companies under common control (the “Company” or the “Community”), and the day-to-day operating manager, Liberty Living Management, LLC (the “Operating Manager”) (collectively “Management”), the expected financial position, results of operations and changes in members’ equity, and cash flows of the Company as of and for each of the five years ending December 31, 2027. Accordingly, the accompanying financial projection reflects Management’s judgment as of July 19, 2023, the date of this projection, of the expected conditions and its expected course of action during the projection period assuming the hypothetical assumptions defined below occur. However, even if the hypothetical assumptions stated below were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

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

*Hypothetical Assumptions* – A hypothetical assumption is an assumption used in a financial projection to present a condition or course of action that is not necessarily expected to occur but is consistent with the purpose of the presentation. Hypothetical assumptions are not derived from sources, which are based upon supporting documentation such as contracts, agreements, or other empirical data. Management has prepared its financial projection assuming the following hypothetical assumptions:

- construction, development, and other related costs to construct the independent living units, health center units and beds, and related common areas and to fund reserves approximates \$282,000,000;
- the independent living units and health center units and beds are successfully marketed and achieve and maintain projected occupancy levels during the projection period; and
- the Company enters into a loan agreement during fiscal year 2024 at rates and terms as assumed in the projection to fund a portion of the construction of the independent living units.
- the Company enters into a permanent loan agreement during fiscal year 2026 at rates and terms as assumed in the projection.

**See Independent Accountants’ Compilation Report**

## Background

The Company is an economic entity comprised of two individual companies listed below. Management plans to provide senior living services in Raleigh, North Carolina. Services are to include providing and maintaining an independent living retirement community, assisted living services, skilled nursing care, and supporting services. The Company plans to begin operations of the Community in December 2024. The following two individual companies form the Company.

HBP Oberlin Senior Housing Propco KP6, L.P. (“Raleigh Properties”) is a North Carolina for-profit limited partnership formed for the purpose of developing and owning real property and the buildings of the Community.

HBP Oberlin Senior Housing Opco KP6, L.P. (“Raleigh Operating”) is a North Carolina for-profit limited partnership formed for the purpose of leasing and operating the Community.

The activities of Raleigh Properties and Raleigh Operating (collectively, the “Company”) are included in Management’s projection.

The Community is to consist of 214 independent living rental apartments (the “Apartments”), flats (the “Flats”), and townhomes (the “Townhomes”) (collectively, the “Independent Living Units”), 25 assisted living units and 32 memory support units (collectively referred to as the “Assisted Living Units”) and 31 skilled nursing beds (the “Skilled Nursing Beds”). The Assisted Living Units and the Skilled Nursing Beds are collectively referred to as the “Healthcare Center.”

The Company currently holds the certificate of need (“CON”) for 63 assisted living beds and 31 skilled nursing beds. In February 2022, the North Carolina Department of Insurance (“NCDOI”) issued the Company a Start-Up Certificate.

### *Related Parties*

The Operating Manager is owned by Liberty Healthcare Group, LLC (“Liberty Healthcare Group”), a North Carolina limited liability company. Other entities owned by Liberty Healthcare Group provide other benefits to the Company. These transactions are considered related party transactions and are settled through related party cash accounts and payments to the other entities.

Raleigh Operating plans to enter into a management agreement with the Operating Manager in which Raleigh Operating pays a management fee of 5.0 percent of total revenues derived from Independent Living Units and 6.0 percent of total revenues derived from Assisted Living Units and Skilled Nursing Beds (the “Management Fee”) to the Operating Manager, a related party to the Company.

**See Independent Accountants’ Compilation Report**

**The Community**

The Community, which is under construction, is to be located in Raleigh, North Carolina on an approximately 8-acre site, comprised of three parcels. The following table summarizes the types of units, approximate square footage and assumed monthly fees (“Monthly Fee”) or daily fees (“Daily Fee”) of the Community:

<b>Table 1</b>			
<b>Community Configuration and Fees</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Square Footage</b>	<b>Monthly Fee <sup>(1)(2)(3)</sup></b>
<i>Independent Living Units:</i>			
Apartments:			
One-bedroom	18	851	\$ 6,816
Two-bedroom	139	1,499	9,787
Three-bedroom	12	2,598	15,231
Flats	24	1,985	13,469
Townhomes	21	2,673	16,746
<b>Total/Weighted Average</b>	<b>214</b>	<b>1,676</b>	<b>\$ 10,938</b>
<i>Assisted Living Units <sup>(4)</sup></i>			
Memory Support	32	385	\$ 9,325
Standard	25	666	9,015
<b>Total/Weighted Average</b>	<b>57</b>	<b>508</b>	<b>\$ 9,189</b>
<i>Skilled Nursing Beds:</i>			<b>Daily Fee</b>
Private			\$ 435
Medicare			567
<b>Total/Weighted Average</b>	<b>31</b>	<b>635</b>	<b>\$ 501</b>
<b>Total Units/Beds</b>	<b>302</b>		

Source: Management

- (1) Residents of the Independent Living Units and direct admit Residents of the Assisted Living Units shall be required to pay a one-time non-refundable fee equal to two month’s Monthly Fee for Independent Living Residents or \$3,000 for direct admit Assisted Living Residents (the “Community Fee”);
- (2) The second person Monthly Fee is assumed to be \$1,327 for the Independent Living Units and \$2,122 for the Assisted Living Units upon opening of the Community in 2024.
- (3) Monthly Fees and Daily Fees shown are projected to be effective as of January 1, 2024.
- (4) The Assisted Living Units are assumed to be licensed for 63 beds with six units available for double occupancy.

**See Independent Accountants’ Compilation Report**

The following table illustrates the timeline for construction, opening and anticipated fill-up of the Community.

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Preliminary certificate approval by NCDOI	July 2022
Construction began	July 2022
Permanent license approval by NCDOI	October 2024
Certificate of occupancy	October 2024
Community opens	December 2024
Medicare license obtained	April 2025
Healthcare Center achieves stabilized occupancy	March 2026
<u>Independent Living Units achieve stabilized occupancy</u>	<u>December 2026</u>

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Source: Management

**See Independent Accountants' Compilation Report**

**Summary of Financing**

Total financial requirements to complete the construction of the Community are assumed to approximate \$281,979,000 and assumed to be funded primarily through loans totaling approximately \$197,385,000 and member contributions of approximately \$84,594,000. Management has assumed the following sources and uses of funds in preparing its financial projection.

<b>Sources of Funds:</b>	
Construction Loans <sup>(1)</sup>	\$ 197,385
Member contributions <sup>(2)</sup>	84,594
<b>Total Sources of Funds</b>	<b>\$ 281,979</b>
<b>Uses of Funds:</b>	
Land acquisition <sup>(3)</sup>	\$ 9,505
Construction costs <sup>(4)</sup>	250,689
Financing costs <sup>(5)</sup>	3,266
Taxes and insurance <sup>(6)</sup>	2,519
Reserves <sup>(7)</sup>	16,000
<b>Total Uses of Funds</b>	<b>\$ 281,979</b>

Source: Management

- (1) The Company entered into a construction loan of approximately \$154,680,000 in December 2022 ("Construction Loan 1"). Management anticipates entering into a construction loan of approximately \$42,705,000 to fund a portion of the Independent Living Unit construction during fiscal year 2024. Construction Loan 1 and Construction Loan 2 total approximately \$197,385,000 and are collectively defined as (the "Construction Loans").
- (2) Management plans to enter into various joint venture agreements to provide approximately \$84,594,000 of member contributions for the construction of the Community.
- (3) The Company purchased land in March 2022 for the Community at a cost of \$9,505,000.
- (4) Management has estimated approximately \$250,689,000 of construction costs for the Community, which include costs related to the direct construction, indirect construction, and the developer fee.
- (5) Management has estimated approximately \$3,266,000 for financing costs, which include legal, professional fees, closing costs, and other costs related to the financing of the Loan.
- (6) Management has estimated approximately \$2,519,000 for costs related to taxes and insurance costs.
- (7) Management has estimated approximately \$16,000,000 to fund reserves for marketing/start-up expenses, interest, operating deficits, pre-closing marketing expense, and contingency reserves related to the development of the Community.

**See Independent Accountants' Compilation Report**

## Residency and Services Agreement

*Services* – Management plans to offer a residency agreement (“Residency and Services Agreement”) which is a rental contract under which the Company is obligated, upon payment by the resident (the “Resident” or “Residents”) of the Community Fee, and ongoing payment of the Monthly Fee, to provide certain services to the Resident. While the Resident occupies an Independent Living Unit, services provided include:

- Utilities, except telephone and internet service;
- Declining balance meal plan;
- Weekly housekeeping services;
- Interior unit and appliance maintenance;
- Maintenance of common area and the grounds;
- Use of common areas and wellness center;
- Uncovered parking;
- Scheduled transportation; and
- 24-hour emergency response system.

Management plans to offer optional services, including covered parking, personal laundry, additional transportation, additional dining, and additional housekeeping services, for an extra charge.

*Admittance Standards* – Prior to taking occupancy of a selected Independent Living Unit, the Resident shall execute a Residency and Services Agreement. The terms of the Residency and Services Agreement require the Company accept persons at least 62 years of age at the time of occupancy, who demonstrate the ability to live independently, and meet the financial obligations as a Resident. A reservation requires a signed Residency and Services Agreement and payment of a non-refundable Community Fee. Upon occupancy, Residents are expected to pay an ongoing Monthly Fee.

*Healthcare Benefit* – The Company plans to provide Residents temporary or permanent assisted living, memory care and skilled nursing services in the Healthcare Center, within the limits of the Company’s licensure. Residents are to receive an annual, non-cumulative discount of 10 percent from the current market rate during the first 30 days of residency in the Healthcare Center.

*Terms of Residency* – The initial Residency and Services Agreement shall be for a term of 13 months. After the initial term, the Resident has the option, each year, of executing another Residency and Services Agreement for 13 months. If another 13-month Residency and Services Agreement is not executed, the Residency and Services Agreement shall expire at the end of the term.

**See Independent Accountants’ Compilation Report**

Termination by the Resident Prior to Occupancy – The Resident may cancel at any time and for any reason during the 30-day rescission period as defined in the Residency and Services Agreement (the “Rescission Period”) and shall receive a refund of any fees paid less a service charge. After the Rescission Period, the Resident may terminate the Residency and Services Agreement prior to moving into the Community by giving 30 days’ prior written notice. Under this circumstance, the Community Fee becomes non-refundable after the Rescission Period.

Termination by the Resident After Occupancy – The Resident may terminate the Residency and Services Agreement after moving into the Community by giving 30 days’ prior written notice of termination, which shall be effective and irrevocable upon delivery. If the Resident terminates the Residency and Services Agreement prior to the expiration of the initial term or renewal term, then the Resident shall be liable for the Monthly Fee until the date that all of the Resident’s personal belongings are removed from the Independent Living Unit. In addition, the Resident shall be responsible for payment of liquidated damages of one month’s Monthly Fee.

The Residency and Services Agreement shall automatically terminate upon the death of the Resident (unless there is a surviving joint Resident) and a personal representative shall have 30 days from the date of death to remove personal property from the Independent Living Unit. The Resident’s estate is obligated to pay the Monthly Fee until the removal of possessions from the Independent Living Unit and key return to administration.

Termination by the Company – The Company may terminate the Residency and Services Agreement for just cause to include: (i) breach of agreement; (ii) misrepresenting information in the admission process; (iii) failure to pay any charges; (iv) the Resident becomes infected with dangerous or contagious disease; or (v) violation of any reasonable procedures at the Community.

**See Independent Accountants’ Compilation Report**

## Summary of Significant Accounting Policies

Basis of Accounting – The Company is assumed to maintain its accounting and financial records according to the accrual basis of accounting.

Cash – Cash includes cash on hand and cash on deposit held by one financial institution.

Restricted Cash – Restricted cash includes refundable priority deposits (the “Priority Deposit”) received from future residents, which are held in accordance with statute, law, or regulation of the federal, state, and local government. The Priority Deposit shall be applied to the first month’s Monthly Fee as required by the Residency and Services Agreement.

Restricted cash also includes a refundable deposit made to the NCDOI pursuant to the North Carolina Administrative Code (“NCAC”), 11 NCAC 11H.0102(3)(a)(iv). For continuing care facilities, in order to obtain a preliminary certificate of licensure, the NCDOI requires a deposit of either \$100 for each unit for 50% of the total proposed units, or \$100,000, whichever amount is more. The deposit is refundable upon receipt of a permanent license. The Company earns and recognizes interest income on the deposit.

Related-Party Transactions – The principal members of the Company and other entities, which they own or with which they are associated, are considered related parties. Management monitors cash flow at each related party entity and transfers cash on an as-needed basis.

Statutory Operating Reserve – North Carolina General Statute section 58-64-33, requires licensed CCRCs to maintain an operating reserve equal to 50 percent (50%) of the total projected operating costs (adjusted for non-cash items) in a given year. If a CCRC maintains a combined independent and assisted living occupancy in excess of 90 percent (90%), the operating reserve amount required equals 25 percent (25%) of projected operating expenses (adjusted for non-cash items). The reserve may be funded by cash, invested cash, or investment grade securities. Management assumes that the statutory operating reserve shall be funded by an irrevocable standby letter of credit from a financial institution. Management plans to fund a \$800,000 operating reserve, at its discretion, to provide additional liquidity for Community operations.

Lease Accounting – The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Lease Accounting Standard in February 2016. ASU 2016-02 requires all leases with lease terms over twelve months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases are to be classified as either finance or operating. This distinction shall be relevant for the pattern of expense recognition in the statement of operations. Upon combining the Company’s financial statements, material lease transactions occurring during the projection period are recognized as internal lease transfers and eliminated from the financial presentation.

**See Independent Accountants’ Compilation Report**

Property and Equipment – Property and equipment are recorded at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of depreciable assets or the term of the depreciable assets. The cost of maintenance and repairs is charged to operations as incurred, whereas significant renewals and betterments are capitalized.

Deferred Marketing Costs – Management has implemented ASU No. 2014-09 “Revenue from Contracts with Customers” and adopted the treatment of deferred marketing costs. Under the standard, the Company capitalizes marketing sales commissions associated with securing new Residency and Services Agreements as an asset and amortizes these commissions over five (5) years, the estimated stay of the Residents in the Independent Living Units is based on historical knowledge of similar communities.

Intangible Asset – This asset includes fees related to the Company’s application for the CON. The Company’s CON application to develop the CCRC facility was approved on February 12, 2021. In accordance with accounting standards generally accepted in the United States of America, intangible assets with indefinite useful lives are reviewed for impairment in accordance with Accounting Standards Codification (“ASC”) 350, Intangibles – Goodwill and Other, which requires the Company to evaluate the recoverability of long-lived assets annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company continually evaluates whether events and circumstances have occurred that indicate the CON may warrant revision or that the remaining carrying value may not be recoverable. As permitted by ASC 350, the Company performs qualitative assessments of impairment to determine whether the value of the CON was impaired. Management assumes no impairment for the intangible asset to occur during the projection period.

Debt Financing Cost – Cost associated with the issuance of debt is capitalized and is being amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Debt issuance costs are netted against the related debt on the combined balance sheet and the amortization is included on the projected combined statement of operations and changes in members’ equity.

Income Taxes – The Company has elected to be treated as a partnership for income tax purposes. The Company’s taxable income, its losses and other pass-through items are reported on the members’ tax returns. Accordingly, no provision for income taxes has been included in the projection.

**See Independent Accountants’ Compilation Report**

**Summary of Revenue Assumptions**

The following table summarizes the move-in assumptions for the Community during the projection period.

Fiscal Year/Month	Independent Living Move-in Schedule <sup>(1)</sup> <i>Cumulative</i>			Assisted Living Units Move-in Schedule <sup>(1)</sup> <i>Cumulative</i>			Skilled Nursing Beds Move-in Schedule <sup>(1)</sup> <i>Cumulative</i>		
	Quarterly Move-ins	Unit Total	Unit % <sup>(2)</sup>	Quarterly Move-ins	Unit Total	Unit % <sup>(2)</sup>	Quarterly Move-ins	Bed Total	Bed % <sup>(2)</sup>
	Total	Total	Unit % <sup>(2)</sup>	Total	Total	Unit % <sup>(2)</sup>	Total	Total	Bed % <sup>(2)</sup>
<b>2024</b>									
4 <sup>th</sup> Quarter	20	20	9%	-	-	-	-	-	-
<b>2025</b>									
1 <sup>st</sup> Quarter	54	74	35%	28	28	49%	6	6	19%
2 <sup>nd</sup> Quarter	36	110	51%	15	43	75%	12	18	58%
3 <sup>rd</sup> Quarter	30	140	65%	3	46	81%	5	23	74%
4 <sup>th</sup> Quarter	23	163	76%	3	49	86%	3	26	84%
<b>2026</b>									
1 <sup>st</sup> Quarter	16	179	84%	3	52	91%	3	29	94%
2 <sup>nd</sup> Quarter	12	191	89%	-	52	91%	-	29	94%
3 <sup>rd</sup> Quarter	7	198	93%	-	52	91%	-	29	94%
4 <sup>th</sup> Quarter	4	202	94%	-	52	91%	-	29	94%
<b>Total</b>	<b>202</b>	<b>202</b>	<b>94%</b>	<b>52</b>	<b>52</b>	<b>91%</b>	<b>29</b>	<b>29</b>	<b>94%</b>

Source: Management

- (1) The Community is assumed to open in December 2024. Initial move-ins to the Assisted Living Units and Skilled Nursing Beds are assumed to begin in January 2025, with Medicare licensure of the Skilled Nursing Beds anticipated to be completed in April 2025.
- (2) Cumulative occupancy is based on 214 available Independent Living Units, 57 Assisted Living Units and 31 Skilled Nursing Beds.

The following table summarizes the assumed utilization of the Independent Living Units, Assisted Living Units, and the Skilled Nursing Beds:

<b>Year Ending December 31,</b>	<b>Average Units Available</b>	<b>Average Units Occupied</b>	<b>Occupied Percentage</b>
<i>Independent Living Units:</i> <sup>(1)</sup>			
2024 <sup>(2)</sup>	18	2	11%
2025	214	111	52%
2026	214	190	89%
2027	214	202	94%
<i>Assisted Living Units:</i>			
2024 <sup>(2)</sup>	5	-	-
2025	57	38	67%
2026-2027	57	52	91%
<i>Skilled Nursing Beds:</i> <sup>(3)</sup>			
2024 <sup>(2)</sup>	3	-	-
2025	31	16	52%
2026-2027	31	29	94%

Source: Management

- (1) The double occupancy percentage for the Independent Living Units is assumed to be 30 percent and 70 percent for one-bedroom and two/three-bedroom Apartments/Flats/Townhomes, respectively, throughout the projection period.
- (2) The Community is assumed to open in December 2024. Initial move-ins to the Assisted Living Units and Skilled Nursing Beds are assumed to begin in January 2025.
- (3) Medicare approval is assumed to be provided in April 2025. The payor mix for the Skilled Nursing Beds is assumed to be 30 percent and 70 percent for private pay and Medicare, respectively, throughout the projection period.

#### *Independent Living and Assisted Living Revenue*

Resident service revenue for Residents living in the Independent Living Units and Assisted Living Units is based upon the assumed Monthly Fees for services provided to Residents and the assumed occupancy of the Independent Living Units and Assisted Living Units. Monthly Fees for the Independent Living Units are assumed to increase 3.0 percent on January 1, 2025, and annually thereafter. Monthly Fees for the Assisted Living Units are assumed to increase 3.0 percent on January 1, 2025, and 5.0 percent annually beginning on January 1, 2026.

**See Independent Accountants' Compilation Report**

*Skilled Nursing Revenue*

Resident service revenue for residents living in the Skilled Nursing Beds is based upon the assumed Daily Fees for services provided to Residents and the assumed occupancy of Skilled Nursing Beds. Daily Fees for private pay residents of the Skilled Nursing Beds are assumed to increase 3.0 percent on January 1, 2025, 5.0 percent of January 1, 2026, and 4.0 percent on January 1, 2027. Daily Fees for Medicare residents of the Skilled Nursing Beds are assumed to increase 2.0 percent on January 1, 2025, and 3.0 percent annually beginning on of January 1, 2026.

*Other Revenues*

Revenue from other revenue is assumed to be generated from guest meals and other miscellaneous sources and is assumed to be 1.0 percent of annual resident service revenue throughout the projection period.

**Summary of Operating Expense Assumptions***Salaries, Wages and Employee Benefits*

Salaries, wages, and employee benefits are assumed to increase 3.0 percent annually throughout the projection period.

*Non-Salary Expenses*

Non-salary expenses are assumed to increase 3.0 percent annually throughout the projection period.

*Management Fee Expense*

The Company is assumed to pay the Management Fee for the day-to-day management of the Community. The Management Fee is assumed to be based on 5.0 percent of the Independent Living Units' revenue and 6.0 percent of Assisted Living Units' and Skilled Nursing Beds' revenue.

*Rent Expense*

Rent expense for the sales office rental space is assumed to approximate \$33,000 for fiscal year 2023.

**See Independent Accountants' Compilation Report**

**Statutory Operating Reserve**

The following table summarizes the projected Statutory Operating Reserve, which is calculated as a percentage of the Company's projected cash operating expenses.

<b>Table 6</b>					
<b>Operating Reserve Requirement</b>					
<b>(in Thousands)</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Projected expenses	\$ 903	\$ 5,495	\$ 31,653	\$ 39,418	\$ 43,153
Add: principal payments on long-term debt	-	-	-	1,299	2,417
Subtract:					
Depreciation	-	(687)	(8,586)	(8,592)	(8,592)
Amortization	-	(138)	(1,700)	(1,579)	(149)
Projected operating expenses-adjusted	903	4,670	21,367	30,546	36,829
Operating reserve % required <sup>(1)</sup>	-	50%	50%	25%	25%
Operating reserve <sup>(2)</sup>	\$ -	\$ 2,335	\$ 10,684	\$ 7,637	\$ 9,207
Independent Living Units and Assisted Living Units:					
Available, end of year	-	271	271	271	271
Occupied, end of year	-	20	212	254	254
Occupancy percentage	0%	7%	78%	94%	94%

Source: Management

- (1) North Carolina state statute requires an operating reserve 50% or 25% of projected operating expenses-adjusted for occupancy of independent and assisted living below 90% or 90% or above, respectively. No operating reserve is required prior to the projected opening in December 2024.
- (2) Management plans to satisfy the statutory operating reserve requirement through an irrevocable standby letter of credit with a financial institution. Management also funds a \$800,000 operating reserve, at its discretion, to provide additional liquidity for Community operations.

**See Independent Accountants' Compilation Report**

**Property and Equipment**

The Company is assumed to incur routine capital additions during the projection period, along with land and construction costs associated with the construction of the Community, that are to be capitalized as property and equipment. Depreciation expense for all capital assets is computed based on the straight-line method for buildings and equipment over estimated average useful lives of 30 and 10 years, respectively. The Company's property and equipment costs, net of accumulated depreciation, during the projection period are summarized in the table below.

**Table 7**  
**Schedule of Property and Equipment**  
**(in Thousands)**

	2023	2024	2025	2026	2027
Beginning balance	\$ 27,008	\$ 131,411	\$ 266,966	\$ 267,041	\$ 267,116
Routine capital additions <sup>(1)</sup>	-	25	75	75	75
New construction additions	103,297	131,350	-	-	-
Capitalized interest	1,106	4,180	-	-	-
Property and equipment, cost	131,411	266,966	267,041	267,116	267,191
Accumulated depreciation	-	(687)	(9,273)	(17,865)	(26,457)
Property and equipment, net	\$ 131,411	\$ 266,279	\$ 257,768	\$ 249,251	\$ 240,734

Source: Management

- (1) Management anticipates routine capital additions of \$25,000 during fiscal year 2024 and approximately \$75,000 per year after the Community opens.

**See Independent Accountants' Compilation Report**

**Long-Term Debt***Construction Loan 1*

On December 14, 2022, the Company entered into a loan agreement with a financial institution (“Construction Loan 1”). The Construction Loan 1 loan agreement provides for a note payable with maximum borrowings of approximately \$154,680,000, with a variable interest rate of 2.75 percent plus the one-month CME Term SOFR Rate. For purposes of the projection, Management assumes the interest rate on Construction Loan 1 shall approximate 4.50 percent. Construction Loan 1 has a maturity date of December 14, 2026. The initial draws on Construction Loan #1 began in May 2023. Management assumes Construction Loan 1 shall be refinanced in December 2026.

*Construction Loan 2*

The Company plans to secure a loan of approximately \$42,705,000 with a financial institution during fiscal year 2024 for the construction of a portion of the Independent Living Units. Management assumes the rates and terms shall be similar to Construction Loan 1, with a final maturity date of December 14, 2026. Construction Loan 1 and Construction Loan 2 are collectively defined as (“Construction Loans”).

*Permanent Loan*

For purposes of the projection, Management assumes the outstanding balance of the Construction Loans shall be refinanced with a permanent loan (the “Permanent Loan”) in December 2026. The Permanent Loan is assumed to approximate \$196,831,000 with a fixed interest rate of 6.0 percent per annum with monthly principal and interest payments beginning January 1, 2027. The Permanent Loan is assumed to be amortized over a 30-year period.

**See Independent Accountants’ Compilation Report**

The following table presents the projected debt service for the Company.

**Table 8**  
**Principal and Interest Payments**  
**(In Thousands)**

Years Ended December 31,	Construction Loans		Permanent Loan		Total Debt Service
	Principal Payment	Interest Payment	Principal Payment	Interest Payment	
2023	\$ -	\$ 1,106	\$ -	\$ -	\$ 1,106
2024	-	4,915	-	-	4,915
2025	-	8,932	-	-	8,932
2026	197,835 <sup>(1)</sup>	8,245	-	-	205,630
2027	-	-	2,417	11,744	14,161
Thereafter	-	-	194,414	137,352	331,766
<b>Total</b>	<b>\$ 197,835</b>	<b>\$ 23,198</b>	<b>\$ 196,831</b>	<b>\$ 149,096</b>	<b>\$ 566,510</b>

Source: Management

(1) Includes approximately \$1,299,000 of principal for the Construction Loan.

### Current Assets and Current Liabilities

Operating revenue as used below includes Skilled Nursing net resident service fee revenue. Operating expenses as used below exclude amortization, depreciation, and interest expense. Management has assumed working capital components based on industry experience as outlined in the following table:

**Table 9**  
**Working Capital**

Accounts receivable	45	days of Skilled Nursing operating revenues
Inventories	2	days of operating expenses
Accounts payable and accrued expenses	14	days of operating expenses
Accrued payroll and related withholdings	11	days of operating expenses

Source: Management

EXHIBIT E

HISTORICAL AVERAGE DOLLAR AMOUNT OF INCREASES IN FEES

HAYES BARTON PLACE

The following table is presented in accordance with North Carolina General Statute Section 58-64-20(a)(7)e. regarding Continuing Care Retirement Communities' Disclosure Statement requirement to show the frequency and average dollar amount of increase in the weighted average Monthly Service Fees for independent living units, Assisted Living units, and Daily Service Fees for Skilled Nursing Beds at the

	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020	Effective 1/1/2021
<b>Independent Living Units (Monthly Fees):</b>					
<b>Apartments:</b>					
One-bedroom	*	*	*	*	*
One bedroom/den	*	*	*	*	*
Two-bedroom	*	*	*	*	*
Two-bedroom with den	*	*	*	*	*
Second person fee	*	*	*	*	*
<i>Independent living fees are revised annually effective January 1 and adjusted throughout the year at the time of each individual resident's contract renewal.</i>					
	Effective 3/1/2017	Effective 3/1/2018	Effective 3/1/2019	Effective 3/1/2020	Effective 3/1/2021
<b>Healthcare Center:</b>					
<b>Assisted Living Units (Monthly Fees):</b>					
Memory care	*	*	*	*	*
Standard	*	*	*	*	*
Second person fee	*	*	*	*	*
<b>Skilled Nursing Beds (Daily Fees):</b>					
Private	*	*	*	*	*

EXHIBIT F  
ACTUARIAL POPULATION PROJECTION  
[ATTACHED]

**ACTUARIAL  
POPULATION PROJECTION  
for  
Hayes Barton Place**

**BASED ON JANUARY 2025 OPENING DATE**

June 30, 2021

1604 Hilltop West Executive Ctr., Suite 311  
Virginia Beach, Virginia 23451

404.845.0360  
Fax 404.845.0366  
[www.avpowell.com](http://www.avpowell.com)





June 30, 2021

**MANAGING CONSULTANTS**  
AV Powell, ASA, MAAA  
Molly Shaw, ASA, MAAA  
Michael Hopper, CPA  
David Shaw, FSA, EA, MAAA

Mr. Mathew Bork  
Vice President of Finance  
Liberty Living Management, LLC  
2334 S. 41<sup>st</sup> Street  
Wilmington, NC 28403

Dear Mr. Bork:

This report describes the procedures and results of the actuarial population flow projections for Hayes Barton Place. These actuarial population flows show projected independent living turnover and projected health care utilization over a 20-year period.

Based on the occupancy assumptions provided by you, A.V. Powell & Associates LLC believes that these projections are reasonable and can be relied on for financial feasibility analysis. Any reference to A.V. Powell & Associates in the feasibility study must be approved in advance, in writing, by A.V. Powell & Associates. This report can not be included in any registration statement or offering material associated with the public offering or private placement of any security.

Thank you for providing us the opportunity to conduct this review on your behalf. Please call us if you have any questions or need additional projections.

The undersigned credentialed actuary is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained.

Sincerely,

BY: Alwyn V. Powell  
ALWYN V. POWELL, ASA, MAAA  
FOR: A.V. POWELL & ASSOCIATES LLC

BY: Michael K. Hopper  
MICHAEL K. HOPPER, CPA

**Providing actuarial and financial projections to organizations serving senior populations**

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## **OVERVIEW**

We have developed a set of actuarial projections of future population flows for Hayes Barton Place. The population projection models are based on presale demographic statistics. New entrants are projected in order to maintain the assumed 95.3% (204 out of 214 independent living units) occupancy level after opening the new facility.

Table 2.1 shows a summary of the projection results. The annual independent living turnover is expected to average 26 and range between 19 and 35 units per year after fill-up. Based on projections in Table 2.1, contractholders who were direct entrants to independent living are expected to annually utilize 54 assisted living beds and 62 nursing care beds by the end of the 20-year projection period. Variation in expected health care utilization is not likely to exceed plus-or-minus 20%.

## **ASSUMPTIONS**

Table 0.3.1 shows the number of units by level of care. Beginning-of-year and average occupancy assumptions by unit type are shown on Tables 0.3.2 and 0.3.3. Table 0.5 contains age- and gender-specific probabilities of actuarial decrement assumptions.

Our projections are based on assumptions regarding rates of death (mortality), rates of assisted living and nursing care utilization (morbidity), and probabilities of move-out. Assuming that residents will leave Hayes Barton Place at these rates, we added new entrants to achieve occupancy levels defined by the community's management.

The selection of the mortality, morbidity, and move-out assumptions was influenced by the contract provisions and levels of care offered at Hayes Barton Place. To develop assumptions, we used the experience of similar communities in A.V. Powell & Associates' database of CCRC residents and limited data from sister communities that are managed by the same parent organization.

We developed life expectancies for individuals and couples (Table 1.3) based on the mortality and morbidity rate assumptions for Hayes Barton Place. The individual life expectancies are provided in five-year intervals in total and in each level of care. For couples, the last survivor life expectancy is the number of years that at least one member of a couple is expected to live in the community.

To project new entrants into the community, we made assumptions concerning the gender, age, and double occupancy rate of future residents. These assumptions are shown in Table 1.4 and were based on information provided by management in regard to Hayes Barton Place's pre-sales demographics.

We assumed that the average age at entry increases by one year for every five years of operation to correspond to the “aging in place” of the existing population and the difficulty in attracting younger entrants that most CCRCs experience.

## **METHODOLOGY**

To simulate the future population flow, we performed the following steps 500 times for each year of the 20 -year projection period:

1. The assumptions described above were applied to the resident census at the beginning of the projection year to generate the number of deaths, withdrawals, and permanent and temporary transfers to health care. In determining turnover, only deaths or permanent transfers from single residents in independent living cause a unit turnover.
2. New entrants were generated to fill the appropriate number of double or single units.

This process produces expected values as well as a range of possible values for certain statistics. Our methodology is defined in *Continuing Care Retirement Communities: An Empirical, Financial, and Legal Analysis* by H.E. Winklevoss and A.V. Powell and the *Society of Actuaries' Textbook on Life Contingencies* by C.W. Jordan.

## **DETAILED RESULTS**

Detailed results of the projections are presented in Tables 2.1 through 2.16.

**Table 2.1** contains a **summary** of the projection results. The table shows the independent living turnover, including sales of units that were not previously occupied, the annual number of new entrants, and total deaths or move-outs. The table also shows the average number of contractholders and the assisted living and nursing care usage by permanent and temporary residents, for each year in the projection period.

**Table 2.2** shows the **demographic statistics** at the beginning of each year in the projection period, including resident counts, average age, and years in the community.

**Table 2.3** shows projected resident **movement statistics** by level of care.

**Table 2.4** contains independent living *turnover statistics* and new entrant characteristics. Columns three and four reflect the number of new entrants and the total turnover associated with units that were previously occupied and new sales of units that were not previously occupied. This table also shows the number of deaths, move-outs, and permanent transfers that caused unit turnover. New sales represent the difference between the beginning of year occupancy from one year to the next.

**Table 2.5** shows the projected average number of *contractholder days by level of care*. Permanent and temporary nursing care usage is shown separately, since temporary residents are expected to return to their permanent care level. The sum of total contractholder days will exceed the total number of residents given in Table 2.2 since residents on temporary transfer are counted in both their permanent status and their temporary status.

**Tables 2.7, 2.8, and 2.9** contain first and second person *resident days* by contract type for each level of care.

**Table 2.13** contains the projected independent living *turnover by unit type*. Unit types are assigned to one of six groupings, as shown at the bottom of the table.

**Table 2.15** contains the *range in independent living turnover and health care utilization*. Health care utilization is the sum of the projected assisted living and nursing care usage. The likely minimum, average, and likely maximum values are provided for turnover and health care utilization. The minimum and maximum values are also expressed as a percentage of the average.

**Table 2.16** shows the number of *assisted living and nursing care contractholders per 100 independent living residents*. The likely minimum and likely maximum values are also given. We did not calculate projected refunds in this report.

### **CERTIFICATION**

A.V. Powell & Associates LLC believes that these projections form a reasonable basis for financial projections of Hayes Barton Place. It should be noted that our projections of health care usage and independent living turnover due to resident moves are based on assumptions that residents will move to different levels of care as their needs dictate. Also, future health care usage can be influenced by several factors that may change in the future or cannot be effectively modeled such as:

- contract provisions or health screening criteria at admission

- management philosophy in regard to aging-in-place
- number and acuity mix of health care beds
- availability of home care services and private duty nurses

Therefore, based on the preceding issues and actuarially small census size, it is unlikely that actual experience will match these projections exactly. The projections should be re-evaluated from time to time to reflect updated community experience.

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(NOTE: THE TABLE LABELING PURPOSELY SKIPS CERTAIN NUMBERS)

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TABLE 2.16.....Projected Variation in Health Care Ratios

Table 0.3.1

Hayes Barton Place  
Facility Unit Configuration  
Unit Capacity

Unit Type	Square Feet	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034+
<b>Independent Living:</b>											
1Br C . . . . .	800	9	9	9	9	9	9	9	9	9	9
1Br Den M . . . . .	910	13	13	13	13	13	13	13	13	13	13
2Br E . . . . .	1,105	18	18	18	18	18	18	18	18	18	18
2Br B . . . . .	1,200	8	8	8	8	8	8	8	8	8	8
2Br F . . . . .	1,285	27	27	27	27	27	27	27	27	27	27
2Br F+ . . . . .	1,405	4	4	4	4	4	4	4	4	4	4
2Br F++ . . . . .	1,445	8	8	8	8	8	8	8	8	8	8
2Br Den D1 . . . . .	1,505	14	14	14	14	14	14	14	14	14	14
2Br J . . . . .	1,530	12	12	12	12	12	12	12	12	12	12
2Br Den G . . . . .	1,530	9	9	9	9	9	9	9	9	9	9
2Br Den H . . . . .	1,640	9	9	9	9	9	9	9	9	9	9
2Br Den D3 . . . . .	1,925	9	9	9	9	9	9	9	9	9	9
2Br Den A . . . . .	1,980	8	8	8	8	8	8	8	8	8	8
2Br Den D2 . . . . .	1,995	9	9	9	9	9	9	9	9	9	9
3Br I . . . . .	2,120	4	4	4	4	4	4	4	4	4	4
3Br K . . . . .	2,460	4	4	4	4	4	4	4	4	4	4
3Br L . . . . .	3,070	4	4	4	4	4	4	4	4	4	4
Garden Flat A . . . . .	1,698	9	9	9	9	9	9	9	9	9	9
Garden Flat A+ . . . . .	1,698	9	9	9	9	9	9	9	9	9	9
Garden Flat A1 . . . . .	2,547	6	6	6	6	6	6	6	6	6	6
Seton Interior TH . . . . .	2,400	8	8	8	8	8	8	8	8	8	8
Welham Interior TH . . . . .	2,900	3	3	3	3	3	3	3	3	3	3
Seton Exterior TH . . . . .	3,150	4	4	4	4	4	4	4	4	4	4
Welham Exterior TH . . . . .	3,400	6	6	6	6	6	6	6	6	6	6
Security Deposit . . . . .	N/A	0	0	0	0	0	0	0	0	0	0
Waiting List . . . . .	N/A	0	0	0	0	0	0	0	0	0	0
		214	214	214	214	214	214	214	214	214	214
<b>Assisted Living:</b>											
AL 1Br A . . . . .	592	19	19	19	19	19	19	19	19	19	19
AL 2Br A . . . . .	999	3	3	3	3	3	3	3	3	3	3
AL 2Br B . . . . .	832	3	3	3	3	3	3	3	3	3	3
Memory Care . . . . .	385	32	32	32	32	32	32	32	32	32	32
		57	57	57	57	57	57	57	57	57	57
<b>Skilled Nursing:</b>											
Skilled Nursing . . . . .	635	31	31	31	31	31	31	31	31	31	31
		31	31	31	31	31	31	31	31	31	31



Table 0.3.2

Hayes Barton Place  
 Facility Unit Configuration  
 Beginning of Year Unit Occupancy

Unit Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034+
Independent Living:										
1Br C . . . . .	0	6	9	9	9	9	9	9	9	9
1Br Den M . . . . .	0	8	12	12	12	12	12	12	12	12
2Br E . . . . .	0	11	17	17	17	17	17	17	17	17
2Br B . . . . .	0	5	7	7	7	7	7	7	7	7
2Br F . . . . .	0	17	26	26	26	26	26	26	26	26
2Br F+ . . . . .	0	3	4	4	4	4	4	4	4	4
2Br F++ . . . . .	0	5	7	7	7	7	7	7	7	7
2Br Den D1 . . . . .	0	9	13	13	13	13	13	13	13	13
2Br J . . . . .	0	8	11	11	11	11	11	11	11	11
2Br Den G . . . . .	0	6	9	9	9	9	9	9	9	9
2Br Den H . . . . .	0	5	9	9	9	9	9	9	9	9
2Br Den D3 . . . . .	0	5	8	8	8	8	8	8	8	8
2Br Den A . . . . .	0	5	8	8	8	8	8	8	8	8
2Br Den D2 . . . . .	0	5	9	9	9	9	9	9	9	9
3Br I . . . . .	0	3	4	4	4	4	4	4	4	4
3Br K . . . . .	0	3	4	4	4	4	4	4	4	4
3Br L . . . . .	0	2	4	4	4	4	4	4	4	4
Garden Flat A . . . . .	0	9	9	9	9	9	9	9	9	9
Garden Flat A+ . . . . .	0	9	9	9	9	9	9	9	9	9
Garden Flat A1 . . . . .	0	5	5	5	5	5	5	5	5	5
Seton Interior TH . . . . .	0	7	7	7	7	7	7	7	7	7
Welham Interior TH . . . . .	0	3	3	3	3	3	3	3	3	3
Seton Exterior TH . . . . .	0	4	4	4	4	4	4	4	4	4
Welham Exterior TH . . . . .	0	6	6	6	6	6	6	6	6	6
Security Deposit . . . . .	0	0	0	0	0	0	0	0	0	0
Waiting List . . . . .	0	0	0	0	0	0	0	0	0	0
	0	149	204	204	204	204	204	204	204	204
Assisted Living:										
AL 1Br A . . . . .	0	17	18	18	18	18	18	18	18	18
AL 2Br A . . . . .	0	2	3	3	3	3	3	3	3	3
AL 2Br B . . . . .	0	2	3	3	3	3	3	3	3	3
Memory Care . . . . .	0	26	30	30	30	30	30	30	30	30
	0	47	54	54	54	54	54	54	54	54
Skilled Nursing:										
Skilled Nursing . . . . .	0	22	29	29	29	29	29	29	29	29
	0	22	29	29	29	29	29	29	29	29



Table 0.3.3

Hayes Barton Place  
 Facility Unit Configuration  
 Average Number of Unit/Beds Occupied

Unit Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034+
<b>Independent Living:</b>										
1Br C . . . . .	3	7	9	9	9	9	9	9	9	9
1Br Den M . . . . .	5	11	12	12	12	12	12	12	12	12
2Br E . . . . .	7	15	17	17	17	17	17	17	17	17
2Br B . . . . .	3	6	7	7	7	7	7	7	7	7
2Br F . . . . .	10	22	26	26	26	26	26	26	26	26
2Br F+ . . . . .	2	3	4	4	4	4	4	4	4	4
2Br F++ . . . . .	3	6	7	7	7	7	7	7	7	7
2Br Den D1 . . . . .	5	11	13	13	13	13	13	13	13	13
2Br J . . . . .	4	10	11	11	11	11	11	11	11	11
2Br Den G . . . . .	3	7	9	9	9	9	9	9	9	9
2Br Den H . . . . .	3	8	9	9	9	9	9	9	9	9
2Br Den D3 . . . . .	3	7	8	8	8	8	8	8	8	8
2Br Den A . . . . .	3	7	8	8	8	8	8	8	8	8
2Br Den D2 . . . . .	3	8	9	9	9	9	9	9	9	9
3Br I . . . . .	2	3	4	4	4	4	4	4	4	4
3Br K . . . . .	2	3	4	4	4	4	4	4	4	4
3Br L . . . . .	2	3	4	4	4	4	4	4	4	4
Garden Flat A . . . . .	5	9	9	9	9	9	9	9	9	9
Garden Flat A+ . . . . .	5	9	9	9	9	9	9	9	9	9
Garden Flat A1 . . . . .	3	5	5	5	5	5	5	5	5	5
Seton Interior TH . . . . .	4	7	7	7	7	7	7	7	7	7
Welham Interior TH . . . . .	2	3	3	3	3	3	3	3	3	3
Seton Exterior TH . . . . .	2	4	4	4	4	4	4	4	4	4
Welham Exterior TH . . . . .	4	6	6	6	6	6	6	6	6	6
Security Deposit . . . . .	0	0	0	0	0	0	0	0	0	0
Waiting List . . . . .	0	0	0	0	0	0	0	0	0	0
	88	180	204	204	204	204	204	204	204	204
<b>Assisted Living:</b>										
AL 1Br A . . . . .	10	18	18	18	18	18	18	18	18	18
AL 2Br A . . . . .	1	3	3	3	3	3	3	3	3	3
AL 2Br B . . . . .	1	2	3	3	3	3	3	3	3	3
Memory Care . . . . .	16	29	30	30	30	30	30	30	30	30
	28	52	54	54	54	54	54	54	54	54
<b>Skilled Nursing:</b>										
Skilled Nursing . . . . .	11	27	29	29	29	29	29	29	29	29
	11	27	29	29	29	29	29	29	29	29

TABLE 0.5

Hayes Barton Place  
 DECREMENT ASSUMPTIONS FOR 2025 ACTUARIAL STUDY  
 (Based on 01/01/2025 AVP Similar Community Decrements)

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
MORTALITY RATES (PER 100 LIVES) FOR Independent Living RESIDENTS										
60	0.11	0.18	0.24	0.27	0.30	0.34	0.77	0.77	0.81	0.85
65	0.31	0.53	0.71	0.80	0.89	0.57	1.28	1.28	1.35	1.42
70	0.64	1.10	1.47	1.65	1.84	0.82	1.85	1.85	1.95	2.05
75	0.84	1.45	1.93	2.17	2.41	2.04	4.59	4.59	4.84	5.10
80	1.07	1.84	2.46	2.76	3.07	2.88	6.47	6.47	6.83	7.19
85	1.56	2.68	3.57	4.02	4.47	3.62	8.14	8.14	8.59	9.04
90	2.59	4.45	5.93	6.67	7.41	4.15	9.33	9.33	9.85	10.37
95	4.35	7.46	9.95	11.19	12.44	5.31	11.95	11.95	12.61	13.28
100	5.37	9.21	12.28	13.81	15.35	6.76	15.20	15.20	16.04	16.89
105	8.10	13.89	18.52	20.83	23.15	12.11	27.25	27.25	28.76	30.28
110	14.01	24.01	32.01	36.01	40.02	23.00	51.74	51.74	54.62	57.49
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
MORTALITY RATES (PER 100 LIVES) FOR Assisted Living RESIDENTS										
60	2.68	4.87	4.87	4.87	4.87	0.75	2.15	2.15	2.15	2.15
65	3.10	5.63	5.63	5.63	5.63	1.48	4.23	4.23	4.23	4.23
70	3.19	5.80	5.80	5.80	5.80	2.13	6.08	6.08	6.08	6.08
75	3.44	6.25	6.25	6.25	6.25	2.81	8.02	8.02	8.02	8.02
80	4.22	7.68	7.68	7.68	7.68	3.70	10.56	10.56	10.56	10.56
85	5.19	9.44	9.44	9.44	9.44	5.90	16.85	16.85	16.85	16.85
90	6.32	11.48	11.48	11.48	11.48	8.17	23.36	23.36	23.36	23.36
95	8.21	14.94	14.94	14.94	14.94	9.32	26.64	26.64	26.64	26.64
100	13.52	24.58	24.58	24.58	24.58	15.59	44.56	44.56	44.56	44.56
105	22.83	41.51	41.51	41.51	41.51	21.44	61.26	61.26	61.26	61.26
110	35.47	64.49	64.49	64.49	64.49	25.34	72.39	72.39	72.39	72.39
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
MORTALITY RATES (PER 100 LIVES) FOR Skilled Nursing RESIDENTS										
60	4.58	10.68	11.44	14.49	15.25	13.24	16.55	16.55	16.55	16.55
65	5.38	12.54	13.44	17.02	17.92	19.48	24.36	24.36	24.36	24.36
70	5.50	12.83	13.75	17.41	18.33	23.02	28.78	28.78	28.78	28.78
75	5.69	13.27	14.22	18.01	18.96	25.17	31.46	31.46	31.46	31.46
80	5.77	13.45	14.42	18.26	19.22	27.49	34.37	34.37	34.37	34.37
85	6.62	15.46	16.56	20.98	22.08	28.63	35.79	35.79	35.79	35.79
90	8.46	19.73	21.14	26.78	28.19	30.30	37.88	37.88	37.88	37.88
95	9.30	21.70	23.25	29.44	30.99	34.05	42.57	42.57	42.57	42.57
100	11.91	27.78	29.77	37.71	39.69	38.57	48.22	48.22	48.22	48.22
105	15.29	35.67	38.22	48.41	50.96	46.66	58.32	58.32	58.32	58.32
110	20.98	48.95	52.44	66.43	69.92	62.35	77.94	77.94	77.94	77.94
115	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 0.5 (CONTINUED)

Hayes Barton Place  
 DECREMENT ASSUMPTIONS FOR 2025 ACTUARIAL STUDY  
 (Based on 01/01/2025 AVP Similar Community Decrements)

ATT AGE	FEMALE DURATION					MALE DURATION					
	1	2	3	4	ULT	1	2	3	4	ULT	
<b>MOVE-OUT RATES (PER 100 LIVES) FOR Independent Living RESIDENTS</b>											
60	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
65	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
70	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
75	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
80	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
85	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
90	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
95	1.66	3.75	5.00	5.00	5.00	1.66	3.75	5.00	5.00	5.00	
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>MOVE-OUT RATES (PER 100 LIVES) FOR Assisted Living RESIDENTS</b>											
60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>MOVE-OUT RATES (PER 100 LIVES) FOR Skilled Nursing RESIDENTS</b>											
60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

TABLE 0.5 (CONTINUED)

Hayes Barton Place  
 DECREMENT ASSUMPTIONS FOR 2025 ACTUARIAL STUDY  
 (Based on 01/01/2025 AVP Similar Community Decrements)

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
PERMANENT TRANSFER RATES (PER 100 LIVES) FOR Independent Living TO Assisted Living										
60	0.13	0.25	0.38	0.44	0.63	0.05	0.10	0.23	0.23	0.24
65	0.28	0.55	0.83	0.97	1.38	0.14	0.28	0.66	0.66	0.70
70	0.35	0.71	1.06	1.24	1.77	0.22	0.43	1.03	1.03	1.09
75	0.34	0.69	1.03	1.21	1.72	0.25	0.51	1.20	1.20	1.27
80	0.79	1.58	2.37	2.76	3.94	0.51	1.01	2.40	2.40	2.53
85	1.61	3.23	4.84	5.65	8.07	0.93	1.86	4.43	4.43	4.66
90	2.77	5.54	8.30	9.69	13.84	2.39	4.78	11.35	11.35	11.95
95	3.64	7.27	10.91	12.72	18.18	2.53	5.06	12.02	12.02	12.65
100	1.54	3.08	4.63	5.40	7.71	1.31	2.63	6.24	6.24	6.57
105	0.09	0.18	0.27	0.31	0.45	1.18	2.36	5.61	5.61	5.90
110	0.26	0.51	0.77	0.89	1.28	0.67	1.34	3.17	3.17	3.34
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PERMANENT TRANSFER RATES (PER 100 LIVES) FOR Independent Living TO Skilled Nursing										
60	0.05	0.09	0.14	0.16	0.23	0.11	0.34	0.54	0.54	0.57
65	0.17	0.35	0.52	0.61	0.87	0.26	0.77	1.22	1.22	1.28
70	0.22	0.45	0.67	0.78	1.12	0.28	0.83	1.31	1.31	1.38
75	0.28	0.57	0.85	0.99	1.42	0.34	1.02	1.61	1.61	1.69
80	0.50	1.00	1.50	1.75	2.50	0.45	1.34	2.12	2.12	2.23
85	0.91	1.81	2.72	3.17	4.53	0.94	2.82	4.47	4.47	4.70
90	1.76	3.52	5.29	6.17	8.81	1.71	5.14	8.14	8.14	8.57
95	2.51	5.03	7.54	8.79	12.56	1.41	4.24	6.71	6.71	7.07
100	2.58	5.16	7.74	9.02	12.89	1.08	3.25	5.14	5.14	5.41
105	2.44	4.88	7.31	8.53	12.19	1.16	3.47	5.50	5.50	5.79
110	1.75	3.51	5.26	6.14	8.77	0.81	2.42	3.83	3.83	4.03
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PERMANENT TRANSFER RATES (PER 100 LIVES) FOR Assisted Living TO Skilled Nursing										
60	0.29	0.87	0.87	1.01	1.45	0.22	0.65	0.65	0.97	1.08
65	0.48	1.45	1.45	1.70	2.42	0.22	0.66	0.66	0.99	1.10
70	0.66	1.97	1.97	2.30	3.28	0.67	2.02	2.02	3.04	3.37
75	0.86	2.58	2.58	3.01	4.30	1.11	3.34	3.34	5.01	5.57
80	1.56	4.67	4.67	5.44	7.78	1.34	4.01	4.01	6.02	6.69
85	1.90	5.71	5.71	6.66	9.51	1.90	5.69	5.69	8.53	9.48
90	2.97	8.91	8.91	10.40	14.86	2.61	7.82	7.82	11.72	13.03
95	3.61	10.83	10.83	12.64	18.06	4.45	13.36	13.36	20.04	22.27
100	3.92	11.75	11.75	13.71	19.59	5.00	15.01	15.01	22.52	25.02
105	3.49	10.47	10.47	12.21	17.45	3.59	10.76	10.76	16.15	17.94
110	2.28	6.84	6.84	7.98	11.40	2.28	6.84	6.84	10.25	11.39
115	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TABLE 0.5 (CONTINUED)

Hayes Barton Place  
 DECREMENT ASSUMPTIONS FOR 2025 ACTUARIAL STUDY  
 (Based on 01/01/2025 AVP Similar Community Decrements)

ATT AGE	FEMALE DURATION					MALE DURATION				
	1	2	3	4	ULT	1	2	3	4	ULT
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR Independent Living TO Assisted Living										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
75	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
90	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
95	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
105	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
110	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR Independent Living TO Skilled Nursing										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
70	3.5	3.5	3.5	3.5	3.5	0.0	0.0	0.0	0.0	0.0
75	6.0	6.0	6.0	6.0	6.0	0.0	0.0	0.0	0.0	0.0
80	8.5	8.5	8.5	8.5	8.5	0.0	0.0	0.0	0.0	0.0
85	11.0	11.0	11.0	11.0	11.0	0.0	0.0	0.0	0.0	0.0
90	13.5	13.5	13.5	13.5	13.5	0.0	0.0	0.0	0.0	0.0
95	16.0	16.0	16.0	16.0	16.0	0.0	0.0	0.0	0.0	0.0
100	18.5	18.5	18.5	18.5	18.5	0.0	0.0	0.0	0.0	0.0
105	21.0	21.0	21.0	21.0	21.0	0.0	0.0	0.0	0.0	0.0
110	23.5	23.5	23.5	23.5	23.5	0.0	0.0	0.0	0.0	0.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY TRANSFER (DAYS PER YEAR PER LIFE) FOR Assisted Living TO Skilled Nursing										
60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
65	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
75	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
80	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
85	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
90	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
95	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
100	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
105	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
110	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 1.3

Individual Life Expectancies for 2025 Residents in  
Independent Living in Hayes Barton Place  
(Based on 01/01/2025 AVP Similar Community Decrements)

Current Age -----	Life Expectancy for Residents in Independ- ent Living -----	Portion of Lifetime in Independ- ent Living -----	Portion of Lifetime in Assisted Living -----	Portion of Lifetime in Skilled Nursing -----
FEMALE				
55 *	15.1 years	12.9 years	1.3 years	0.9 years
60	14.1	11.5	1.4	1.2
65	12.9	10.2	1.4	1.3
70	11.8	9.1	1.3	1.4
75	10.5	7.4	1.5	1.6
80	9.2	5.9	1.6	1.7
85	7.8	4.6	1.5	1.7
90	6.5	3.8	1.2	1.5
95	5.8	3.7	0.8	1.3
100	5.1	4.0	0.1	1.0
MALE				
55 *	13.6 years	12.5 years	0.6 years	0.5 years
60	12.2	11.0	0.7	0.5
65	10.9	9.7	0.7	0.5
70	9.4	8.2	0.7	0.5
75	7.8	6.6	0.7	0.5
80	6.8	5.5	0.7	0.6
85	5.7	4.2	0.8	0.7
90	5.1	3.7	0.8	0.6
95	5.0	4.1	0.5	0.4
100	4.1	3.7	0.2	0.2

\* Average age at entry for residents of Independent Living.

Table 1.3

Individual Life Expectancies for 2025 Residents in  
Assisted Living in Hayes Barton Place  
(Based on 01/01/2025 AVP Similar Community Decrements)

Current Age	Life Expectancy for Residents in Assisted Living	Portion of Lifetime in Independ- ent Living	Portion of Lifetime in Assisted Living	Portion of Lifetime in Skilled Nursing
FEMALE				
60	13.7 years	0.0 years	11.6 years	2.1 years
65	12.7	0.0	10.4	2.3
70	11.5	0.0	9.1	2.4
75	9.9	0.0	7.5	2.4
80	8.3	0.0	6.0	2.3
81 *	8.0	0.0	5.8	2.2
85	7.0	0.0	4.9	2.1
90	5.8	0.0	3.9	1.9
95	4.6	0.0	3.2	1.4
100	3.3	0.0	2.4	0.9
MALE				
60	13.8 years	0.0 years	12.8 years	1.0 years
65	11.1	0.0	10.0	1.1
70	9.0	0.0	7.9	1.1
75	7.4	0.0	6.4	1.0
80	5.9	0.0	5.0	0.9
82 *	5.3	0.0	4.4	0.9
85	4.5	0.0	3.7	0.8
90	3.7	0.0	2.9	0.8
95	3.1	0.0	2.3	0.8
100	2.2	0.0	1.8	0.4

\* Average age for residents of Assisted Living.

Table 1.3

Individual Life Expectancies for 2025 Residents in  
 Skilled Nursing in Hayes Barton Place  
 (Based on 01/01/2025 AVP Similar Community Decrements)

Current Age	Life Expectancy for Residents in Skilled Nursing	Portion of Lifetime in Independ- ent Living	Portion of Lifetime in Assisted Living	Portion of Lifetime in Skilled Nursing
FEMALE				
60	6.8 years	0.0 years	0.0 years	6.8 years
65	6.6	0.0	0.0	6.6
70	6.4	0.0	0.0	6.4
75	6.1	0.0	0.0	6.1
80	5.5	0.0	0.0	5.5
81 *	5.4	0.0	0.0	5.4
85	4.7	0.0	0.0	4.7
90	4.1	0.0	0.0	4.1
95	3.6	0.0	0.0	3.6
100	2.9	0.0	0.0	2.9
MALE				
60	4.6 years	0.0 years	0.0 years	4.6 years
65	3.6	0.0	0.0	3.6
70	3.1	0.0	0.0	3.1
75	2.8	0.0	0.0	2.8
80	2.6	0.0	0.0	2.6
82 *	2.6	0.0	0.0	2.6
85	2.5	0.0	0.0	2.5
90	2.3	0.0	0.0	2.3
95	2.0	0.0	0.0	2.0
100	1.7	0.0	0.0	1.7

\* Average age for residents of Skilled Nursing.

TABLE 1.3 Continued

Last Survivor Life Expectancies for 2025 Residents in  
Independent Living in Hayes Barton Place  
(Based on 01/01/2025 AVP Similar Community Decrements)

	M 60	M 65	M 70	M 75	M 80	M 85	M 90	M 95	M100
F 60	18.3	17.5	16.6	15.9	15.4	15.0	14.8	14.8	14.5
F 62	17.9	17.1	16.2	15.5	15.0	14.6	14.4	14.3	14.1
F 64	17.6	16.7	15.8	15.1	14.6	14.2	14.0	13.9	13.6
F 66	17.2	16.4	15.5	14.7	14.2	13.7	13.5	13.4	13.2
F 68	16.9	16.0	15.1	14.3	13.7	13.3	13.1	13.0	12.7
F 70	16.6	15.6	14.7	13.9	13.3	12.9	12.6	12.6	12.3
F 72	16.2	15.3	14.3	13.5	12.9	12.4	12.2	12.1	11.8
F 74	15.9	14.9	13.9	13.0	12.5	12.0	11.7	11.6	11.3
F 76	15.5	14.5	13.5	12.6	12.0	11.5	11.2	11.2	10.8
F 78	15.2	14.1	13.1	12.1	11.5	11.0	10.7	10.6	10.3
F 80	14.8	13.8	12.7	11.7	11.0	10.5	10.2	10.1	9.8
F 82	14.5	13.4	12.3	11.3	10.6	10.0	9.7	9.6	9.2
F 84	14.2	13.1	11.9	10.9	10.2	9.6	9.2	9.1	8.7
F 86	14.0	12.8	11.6	10.5	9.7	9.1	8.8	8.7	8.2
F 88	13.7	12.6	11.3	10.1	9.4	8.7	8.4	8.2	7.8
F 90	13.5	12.3	11.0	9.8	9.0	8.4	8.0	7.9	7.4
F 92	13.4	12.2	10.8	9.6	8.8	8.1	7.7	7.5	7.0
F 94	13.3	12.0	10.7	9.5	8.6	7.9	7.5	7.4	6.8
F 96	13.2	12.0	10.6	9.4	8.5	7.8	7.4	7.2	6.7
F 98	13.1	11.9	10.5	9.2	8.3	7.6	7.1	7.0	6.4
F100	13.0	11.7	10.3	9.0	8.1	7.3	6.9	6.8	6.2

Table 1.4

New Entrant Assumptions for Hayes Barton Place

Entrants to Independent Living

Entry Age	Female	Male
55- 59	0.0 %	0.0 %
60- 64	0.0	0.0
65- 69	5.0	5.0
70- 74	5.0	0.0
75- 79	30.0	30.0
80- 84	30.0	35.0
85- 89	30.0	30.0
90 and over	0.0	0.0
	100.0 %	100.0 %
Average age at entry	81.3	81.8

Unit	Probability that New Entrants will be a Couple
------	------------------------------------------------

1Br C.....	30.0 %
1Br Den M.....	30.0
2Br E.....	70.0
2Br B.....	70.0
2Br F.....	70.0
2Br F+.....	70.0
2Br F++.....	70.0
2Br Den D1.....	70.0
2Br J.....	70.0
2Br Den G.....	70.0
2Br Den H.....	70.0
2Br Den D3.....	70.0
2Br Den A.....	70.0
2Br Den D2.....	70.0
3Br I.....	70.0
3Br K.....	70.0
3Br L.....	70.0
Garden Flat A.....	70.0
Garden Flat A+.....	70.0
Garden Flat A1.....	70.0
Seton Interior TH.....	70.0
Welham Interior TH.....	70.0
Seton Exterior TH.....	70.0
Welham Exterior TH.....	70.0
Security Deposit.....	0.0
Waiting List.....	0.0

Probability that:	Gender Distribution
-------------------	---------------------

Single Entrant is Female.....75.0 %



Table 1.4

Table 1.4 (Continued)

Entrants to Independent Living

Coupled Entrants Same Sex.....0.0

Contract Selection Distribution -----	Probability the New Contract will be Selected -----
Rental Contract.....	100.0 %
Membership Fee.....	0.0
ALMC Direct Admit.....	0.0
Security Deposit - IL.....	0.0
Waiting List - IL.....	0.0
Waiting List - AL.....	0.0

Table 2.1

Hayes Barton Place  
Summary of Population Projection Statistics

Fiscal Year	Total Independent Living Units Filled	Number of New Entrants	Number of Deaths or Move-outs	Average Number Total Residents	- - - Excludes Total Assisted Living *	Direct Entrants Total Skilled Nursing *	- - - Total Health Care *
2025	151	252	5	147	1	2	3
2026	64	105	17	301	4	7	10
2027	15	25	26	334	9	12	22
2028	20	33	30	334	17	19	36
2029	23	39	33	338	26	25	51
2030	26	43	35	345	33	31	65
2031	26	44	36	353	39	37	76
2032	26	44	38	360	43	42	85
2033	27	44	39	366	45	46	91
2034	27	45	40	371	47	49	96
2035	26	44	41	375	49	51	100
2036	26	44	42	378	50	53	103
2037	26	44	42	380	51	55	106
2038	27	44	43	382	51	56	108
2039	27	45	43	383	52	57	109
2040	26	44	43	385	52	58	110
2041	27	44	43	386	53	59	112
2042	27	45	44	387	53	60	113
2043	27	45	43	388	54	61	114
2044	27	45	44	390	54	62	116

\* The values in columns six, seven, and eight reflect the average during the year.

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.2  
 Hayes Barton Place  
 Beginning of Fiscal Year Demographic Statistics

Fiscal Year	Units	Number of Permanent Residents				Average Age	Yrs in Commun	Percent Female
	Occupied Independent Living	Independent Living	Assisted Living	Skilled Nursing	Total			
2025 *	0	146	0	0	146	81.8	0.5	52.7 %
2026 *	149	295	2	1	298	81.8	1.0	54.2
2027	204	324	6	4	334	82.5	1.7	55.0
2028	204	309	13	10	333	83.2	2.5	56.0
2029	204	297	22	17	335	83.8	3.2	56.9
2030	204	288	30	23	341	84.2	3.8	57.6
2031	204	283	37	29	349	84.6	4.2	58.2
2032	204	281	41	34	357	85.0	4.6	58.8
2033	204	280	44	38	363	85.3	4.9	59.2
2034	204	281	47	41	368	85.6	5.1	59.5
2035	204	281	48	44	373	85.8	5.4	59.8
2036	204	281	49	46	377	86.1	5.5	60.1
2037	204	281	50	48	379	86.4	5.7	60.2
2038	204	281	51	49	381	86.6	5.8	60.4
2039	204	281	52	50	383	86.8	5.9	60.5
2040	204	281	52	51	384	87.0	6.0	60.6
2041	204	281	53	52	385	87.3	6.1	60.6
2042	204	281	53	53	386	87.5	6.2	60.6
2043	204	281	53	53	387	87.7	6.2	60.7
2044	204	281	54	54	389	87.9	6.2	60.7

\* The values in column three reflect the average during the years with asterisks.

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.



Table 2.3  
 Hayes Barton Place  
 Resident Movement Statistics

Fiscal Year	Deaths			Permanent Transfers		
	Independ-ent Living	Assisted Living	Skilled Nursing	Independ-ent Living to Assisted Living	Independ-ent Living to Skilled Nursing	Assisted Living to Skilled Nursing
2025	3	0	0	2	1	0
2026	9	0	0	4	4	0
2027	13	1	1	8	7	0
2028	13	2	3	11	8	1
2029	14	3	5	13	9	2
2030	14	4	7	14	9	3
2031	13	5	8	13	9	4
2032	13	5	9	13	9	5
2033	13	6	11	13	9	5
2034	13	6	12	13	9	5
2035	13	6	12	13	9	5
2036	13	6	13	13	9	6
2037	13	6	13	13	9	6
2038	13	6	14	13	9	6
2039	13	7	14	13	9	6
2040	13	6	14	13	9	6
2041	13	7	14	13	9	6
2042	13	7	14	13	9	6
2043	13	7	14	13	9	6
2044	13	7	15	13	9	6

Table 2.4

Hayes Barton Place  
Independent Living Turnover Statistics

Fiscal Year	Average Age of New Entrants	Number of New Entrants	Independent Living Units Filled	Cause of Units Vacated			New Sales*
				Move Out	Death	Permanent Transfer	
2025	81.0	252	151	1	1	0	149
2026	81.0	105	64	5	2	2	55
2027	80.8	25	15	7	3	5	0
2028	80.9	33	20	8	4	8	0
2029	81.0	39	23	8	6	9	0
2030	82.0	43	26	7	6	13	0
2031	81.9	44	26	7	6	13	0
2032	82.0	44	26	7	6	13	0
2033	81.9	44	27	7	7	13	0
2034	82.0	45	27	7	7	13	0
2035	83.0	44	26	7	7	12	0
2036	83.0	44	26	7	6	13	0
2037	83.0	44	26	7	7	12	0
2038	83.0	44	27	7	7	13	0
2039	83.0	45	27	7	7	13	0
2040	83.9	44	26	7	7	12	0
2041	84.0	44	27	7	7	13	0
2042	84.0	45	27	7	7	13	0
2043	84.0	45	27	7	7	13	0
2044	83.9	45	27	7	7	13	0

\* This column reflects the annual change in the beginning of year occupancy for Independent Living (see Table 2.2, column 2).

Table 2.5

Hayes Barton Place  
Projected Resident Days by Level of Care  
(All Contractholder Days)

Fiscal Year	Independent Living	Permanent Assisted Living	Temporary Assisted Living	Total Assisted Living	Permanent Skilled Nursing	Temporary Skilled Nursing	Total Skilled Nursing
2025	53,290	276	0	276	187	696	883
2026	107,694	1,324	0	1,324	1,003	1,432	2,435
2027	115,604	3,452	0	3,452	2,717	1,681	4,398
2028	110,590	6,377	0	6,377	4,995	1,769	6,764
2029	106,727	9,450	0	9,450	7,317	1,872	9,189
2030	104,324	12,168	0	12,168	9,516	1,963	11,479
2031	103,095	14,226	0	14,226	11,476	2,058	13,534
2032	102,549	15,647	0	15,647	13,135	2,132	15,267
2033	102,396	16,601	0	16,601	14,486	2,191	16,677
2034	102,450	17,296	0	17,296	15,522	2,242	17,764
2035	102,507	17,827	0	17,827	16,416	2,285	18,701
2036	102,539	18,223	0	18,223	17,124	2,333	19,457
2037	102,522	18,541	0	18,541	17,645	2,372	20,017
2038	102,531	18,780	0	18,780	18,073	2,407	20,480
2039	102,603	18,923	0	18,923	18,420	2,433	20,853
2040	102,596	19,061	0	19,061	18,764	2,459	21,223
2041	102,492	19,238	0	19,238	19,102	2,488	21,590
2042	102,466	19,399	0	19,399	19,338	2,517	21,855
2043	102,480	19,628	0	19,628	19,586	2,547	22,133
2044	102,424	19,859	0	19,859	19,904	2,575	22,479

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.5 (Addendum)

Hayes Barton Place  
 Projected Temporary Days and Revenue by Level of Care  
 (All Contractholder Days)

Fiscal Year	Temp Days Assisted Living	Temp Rev Assisted Living	Temp Days Skilled Nursing	Temp Rev Skilled Nursing	Total Temporary Days	Total Temporary Revenue
2025	0	0	696	0	696	0
2026	0	0	1,432	0	1,432	0
2027	0	0	1,681	0	1,681	0
2028	0	0	1,769	0	1,769	0
2029	0	0	1,872	0	1,872	0
2030	0	0	1,963	0	1,963	0
2031	0	0	2,058	0	2,058	0
2032	0	0	2,132	0	2,132	0
2033	0	0	2,191	0	2,191	0
2034	0	0	2,242	0	2,242	0
2035	0	0	2,285	0	2,285	0
2036	0	0	2,333	0	2,333	0
2037	0	0	2,372	0	2,372	0
2038	0	0	2,407	0	2,407	0
2039	0	0	2,433	0	2,433	0
2040	0	0	2,459	0	2,459	0
2041	0	0	2,488	0	2,488	0
2042	0	0	2,517	0	2,517	0
2043	0	0	2,547	0	2,547	0
2044	0	0	2,575	0	2,575	0

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.7

Hayes Barton Place  
 Projected Average Independent Living Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	First Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	32,120	0	0	0	0	0	32,120
2026	65,700	0	0	0	0	0	65,700
2027	74,460	0	0	0	0	0	74,460
2028	74,460	0	0	0	0	0	74,460
2029	74,460	0	0	0	0	0	74,460
2030	74,460	0	0	0	0	0	74,460
2031	74,460	0	0	0	0	0	74,460
2032	74,460	0	0	0	0	0	74,460
2033	74,460	0	0	0	0	0	74,460
2034	74,460	0	0	0	0	0	74,460
2035	74,460	0	0	0	0	0	74,460
2036	74,460	0	0	0	0	0	74,460
2037	74,460	0	0	0	0	0	74,460
2038	74,460	0	0	0	0	0	74,460
2039	74,460	0	0	0	0	0	74,460
2040	74,460	0	0	0	0	0	74,460
2041	74,460	0	0	0	0	0	74,460
2042	74,460	0	0	0	0	0	74,460
2043	74,460	0	0	0	0	0	74,460
2044	74,460	0	0	0	0	0	74,460

Contract Type Groupings

Group I = Rental Contract

Group II = Membership Fee

Group III = ALMC Direct Admit

Group IV = Security Deposit - IL

Group V = Waiting List - IL

Group VI = Waiting List - AL

Hayes Barton Place  
 Projected Average Independent Living Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	Second Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	21,170	0	0	0	0	0	21,170
2026	41,994	0	0	0	0	0	41,994
2027	41,144	0	0	0	0	0	41,144
2028	36,130	0	0	0	0	0	36,130
2029	32,267	0	0	0	0	0	32,267
2030	29,864	0	0	0	0	0	29,864
2031	28,635	0	0	0	0	0	28,635
2032	28,089	0	0	0	0	0	28,089
2033	27,936	0	0	0	0	0	27,936
2034	27,990	0	0	0	0	0	27,990
2035	28,047	0	0	0	0	0	28,047
2036	28,079	0	0	0	0	0	28,079
2037	28,062	0	0	0	0	0	28,062
2038	28,071	0	0	0	0	0	28,071
2039	28,143	0	0	0	0	0	28,143
2040	28,136	0	0	0	0	0	28,136
2041	28,032	0	0	0	0	0	28,032
2042	28,006	0	0	0	0	0	28,006
2043	28,020	0	0	0	0	0	28,020
2044	27,964	0	0	0	0	0	27,964

Contract Type Groupings

Group I = Rental Contract

Group II = Membership Fee

Group III = ALMC Direct Admit

Group IV = Security Deposit - IL

Group V = Waiting List - IL

Group VI = Waiting List - AL



Table 2.8

Hayes Barton Place  
 Projected Average Assisted Living Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	First Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	62	0	0	0	0	0	62
2026	366	0	0	0	0	0	366
2027	1,110	0	0	0	0	0	1,110
2028	2,351	0	0	0	0	0	2,351
2029	4,023	0	0	0	0	0	4,023
2030	5,934	0	0	0	0	0	5,934
2031	7,709	0	0	0	0	0	7,709
2032	9,122	0	0	0	0	0	9,122
2033	10,239	0	0	0	0	0	10,239
2034	11,117	0	0	0	0	0	11,117
2035	11,706	0	0	0	0	0	11,706
2036	12,129	0	0	0	0	0	12,129
2037	12,500	0	0	0	0	0	12,500
2038	12,805	0	0	0	0	0	12,805
2039	13,009	0	0	0	0	0	13,009
2040	13,112	0	0	0	0	0	13,112
2041	13,198	0	0	0	0	0	13,198
2042	13,329	0	0	0	0	0	13,329
2043	13,494	0	0	0	0	0	13,494
2044	13,615	0	0	0	0	0	13,615

Contract Type Groupings

Group I = Rental Contract

Group II = Membership Fee

Group III = ALMC Direct Admit

Group IV = Security Deposit - IL

Group V = Waiting List - IL

Group VI = Waiting List - AL

Table 2.8

Hayes Barton Place  
 Projected Average Assisted Living Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	Second Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	214	0	0	0	0	0	214
2026	958	0	0	0	0	0	958
2027	2,343	0	0	0	0	0	2,343
2028	4,026	0	0	0	0	0	4,026
2029	5,426	0	0	0	0	0	5,426
2030	6,234	0	0	0	0	0	6,234
2031	6,516	0	0	0	0	0	6,516
2032	6,525	0	0	0	0	0	6,525
2033	6,363	0	0	0	0	0	6,363
2034	6,179	0	0	0	0	0	6,179
2035	6,121	0	0	0	0	0	6,121
2036	6,094	0	0	0	0	0	6,094
2037	6,041	0	0	0	0	0	6,041
2038	5,975	0	0	0	0	0	5,975
2039	5,914	0	0	0	0	0	5,914
2040	5,950	0	0	0	0	0	5,950
2041	6,040	0	0	0	0	0	6,040
2042	6,071	0	0	0	0	0	6,071
2043	6,133	0	0	0	0	0	6,133
2044	6,244	0	0	0	0	0	6,244

Contract Type Groupings

- |                               |                                  |
|-------------------------------|----------------------------------|
| Group I = Rental Contract     | Group II = Membership Fee        |
| Group III = ALMC Direct Admit | Group IV = Security Deposit - IL |
| Group V = Waiting List - IL   | Group VI = Waiting List - AL     |

Table 2.9

Hayes Barton Place  
 Projected Average Skilled Nursing Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	First Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	39	0	0	0	0	0	39
2026	233	0	0	0	0	0	233
2027	747	0	0	0	0	0	747
2028	1,646	0	0	0	0	0	1,646
2029	2,917	0	0	0	0	0	2,917
2030	4,449	0	0	0	0	0	4,449
2031	6,041	0	0	0	0	0	6,041
2032	7,536	0	0	0	0	0	7,536
2033	8,859	0	0	0	0	0	8,859
2034	10,010	0	0	0	0	0	10,010
2035	11,011	0	0	0	0	0	11,011
2036	11,747	0	0	0	0	0	11,747
2037	12,255	0	0	0	0	0	12,255
2038	12,652	0	0	0	0	0	12,652
2039	12,984	0	0	0	0	0	12,984
2040	13,314	0	0	0	0	0	13,314
2041	13,563	0	0	0	0	0	13,563
2042	13,730	0	0	0	0	0	13,730
2043	13,974	0	0	0	0	0	13,974
2044	14,252	0	0	0	0	0	14,252

Contract Type Groupings

Group I = Rental Contract

Group II = Membership Fee

Group III = ALMC Direct Admit

Group IV = Security Deposit - IL

Group V = Waiting List - IL

Group VI = Waiting List - AL



Table 2.9

Hayes Barton Place  
 Projected Average Skilled Nursing Resident Days by Contract Type  
 (All Contractholder Days)

Fiscal Year	Second Persons in Contract Types						Total
	Group I	Group II	Group III	Group IV	Group V	Group VI	
2025	148	0	0	0	0	0	148
2026	770	0	0	0	0	0	770
2027	1,971	0	0	0	0	0	1,971
2028	3,350	0	0	0	0	0	3,350
2029	4,400	0	0	0	0	0	4,400
2030	5,067	0	0	0	0	0	5,067
2031	5,435	0	0	0	0	0	5,435
2032	5,599	0	0	0	0	0	5,599
2033	5,628	0	0	0	0	0	5,628
2034	5,513	0	0	0	0	0	5,513
2035	5,406	0	0	0	0	0	5,406
2036	5,378	0	0	0	0	0	5,378
2037	5,391	0	0	0	0	0	5,391
2038	5,421	0	0	0	0	0	5,421
2039	5,437	0	0	0	0	0	5,437
2040	5,449	0	0	0	0	0	5,449
2041	5,538	0	0	0	0	0	5,538
2042	5,608	0	0	0	0	0	5,608
2043	5,613	0	0	0	0	0	5,613
2044	5,652	0	0	0	0	0	5,652

Contract Type Groupings

Group I = Rental Contract

Group II = Membership Fee

Group III = ALMC Direct Admit

Group IV = Security Deposit - IL

Group V = Waiting List - IL

Group VI = Waiting List - AL

Table 2.13

Hayes Barton Place  
 Projected Independent Living Units Filled by Unit Type

Fiscal Year	Units Filled by Unit Type						Independent Living Units Filled	Independent Living Units Filled Percent
	Group I	Group II	Group III	Group IV	Group V	Group VI		
2025	14	34	37	23	23	20	151	171.6 %
2026	8	19	19	16	1	1	64	35.6
2027	2	3	3	3	2	2	15	7.4
2028	2	5	5	4	2	2	20	9.8
2029	3	5	6	4	3	2	23	11.3
2030	3	6	7	5	3	2	26	12.7
2031	3	6	7	5	3	2	26	12.7
2032	3	6	6	5	3	3	26	12.7
2033	3	6	8	5	3	2	27	13.2
2034	3	7	6	5	3	3	27	13.2
2035	3	6	7	5	3	2	26	12.7
2036	3	6	6	5	3	3	26	12.7
2037	3	6	6	5	3	3	26	12.7
2038	3	6	7	5	3	3	27	13.2
2039	3	6	7	5	3	3	27	13.2
2040	3	6	6	5	3	3	26	12.7
2041	3	6	8	5	3	2	27	13.2
2042	3	7	6	5	3	3	27	13.2
2043	3	6	7	5	3	3	27	13.2
2044	3	6	8	5	3	2	27	13.2

Unit Type Groupings

Group I = 1Br C  
 1Br Den M  
 Security Deposit  
 Waiting List

Group II = 2Br E  
 2Br B  
 2Br F

Group III = 2Br F+  
 2Br F++  
 2Br Den D1  
 2Br J  
 2Br Den G

Group IV = 2Br Den D3  
 2Br Den A  
 2Br Den D2  
 3Br I  
 3Br K

Group V = Garden Flat A  
 Garden Flat A+  
 Garden Flat A1

Group VI = Seton Interior TH  
 Welham Interior TH  
 Seton Exterior TH  
 Welham Exterior TH

Table 2.14

Hayes Barton Place  
Move-out and Refund Statistics

Fiscal Year	Direct Entry to ALU	Transfers to ALU	Number of Refunds	Refund Amounts Due to			Total
				Death	Move-out	Permanent Transfer	
2025	0	2	0	\$ 0	\$ 0	\$ 0	\$ 0
2026	0	4	0	0	0	0	0
2027	0	8	0	0	0	0	0
2028	0	11	0	0	0	0	0
2029	0	13	0	0	0	0	0
2030	0	14	0	0	0	0	0
2031	0	13	0	0	0	0	0
2032	0	13	0	0	0	0	0
2033	0	13	0	0	0	0	0
2034	0	13	0	0	0	0	0
2035	0	13	0	0	0	0	0
2036	0	13	0	0	0	0	0
2037	0	13	0	0	0	0	0
2038	0	13	0	0	0	0	0
2039	0	13	0	0	0	0	0
2040	0	13	0	0	0	0	0
2041	0	13	0	0	0	0	0
2042	0	13	0	0	0	0	0
2043	0	13	0	0	0	0	0
2044	0	13	0	0	0	0	0

SOME COLUMNS OR ROWS MAY NOT ADD DUE TO ROUNDING.

Table 2.15

Hayes Barton Place  
 Projected Variation in Independent Living Turnover\* and Health Care Utilization  
 (Based on 500 Iterations)

Fiscal Year	- - - Independent Living Turnover* - - -			- - - - Health Care Utilization - - - -		
	Likely Minimum	Average	Likely Maximum	Likely Minimum	Average	Likely Maximum
2025	0( 0%)	2	5(250%)	3( 75%)	4	6(150%)
2026	4( 44 )	9	14(156 )	7( 64 )	11	15(136 )
2027	9( 60 )	15	22(147 )	16( 73 )	22	28(127 )
2028	13( 65 )	20	26(130 )	28( 78 )	36	45(125 )
2029	16( 70 )	23	31(135 )	41( 80 )	51	61(120 )
2030	18( 69 )	26	33(127 )	53( 82 )	65	76(117 )
2031	18( 69 )	26	34(131 )	63( 83 )	76	88(116 )
2032	18( 69 )	26	35(135 )	71( 84 )	85	97(114 )
2033	19( 70 )	27	34(126 )	78( 86 )	91	104(114 )
2034	19( 70 )	27	35(130 )	83( 86 )	96	110(115 )
2035	19( 73 )	26	34(131 )	86( 86 )	100	115(115 )
2036	18( 69 )	26	35(135 )	89( 86 )	103	118(115 )
2037	18( 69 )	26	34(131 )	90( 85 )	106	121(114 )
2038	19( 70 )	27	35(130 )	92( 85 )	108	123(114 )
2039	19( 70 )	27	35(130 )	94( 86 )	109	124(114 )
2040	18( 69 )	26	35(135 )	96( 87 )	110	126(115 )
2041	19( 70 )	27	35(130 )	97( 87 )	112	129(115 )
2042	19( 70 )	27	35(130 )	97( 86 )	113	130(115 )
2043	20( 74 )	27	35(130 )	98( 86 )	114	131(115 )
2044	19( 70 )	27	36(133 )	99( 86 )	115	133(116 )

\* Apartment turnover does not include sales of units that were not occupied at beginning of year.

Table 2.16

Hayes Barton Place  
 Projected Variation in Refunds and Health Care Ratios  
 (Based on 500 Iterations)

Fiscal Year	Refunds			Health Care Ratio per 100 ILU Residents		
	Likely Minimum	Average	Likely Maximum	Likely Minimum	Average	Likely Maximum
2025	\$ 0	\$ 0	\$ 0	1.3	2.2	3.0
2026	0	0	0	2.5	3.5	4.7
2027	0	0	0	5.1	6.8	8.8
2028	0	0	0	9.3	11.9	14.7
2029	0	0	0	14.4	17.5	20.7
2030	0	0	0	18.8	22.7	26.7
2031	0	0	0	22.6	26.9	30.9
2032	0	0	0	25.7	30.1	34.4
2033	0	0	0	27.9	32.5	37.0
2034	0	0	0	29.7	34.2	38.8
2035	0	0	0	30.7	35.6	40.4
2036	0	0	0	31.7	36.7	42.0
2037	0	0	0	32.4	37.6	42.7
2038	0	0	0	32.9	38.3	44.0
2039	0	0	0	33.6	38.7	44.5
2040	0	0	0	34.4	39.2	44.6
2041	0	0	0	34.7	39.8	45.7
2042	0	0	0	35.0	40.2	46.1
2043	0	0	0	35.0	40.7	46.5
2044	0	0	0	35.5	41.3	47.2

EXHIBIT G

CONTRACT FOR INDEPENDENT LIVING CONTINUING CARE

[ATTACHED]



HAYES BARTON PLACE

## **Residency and Services Agreement**

**2634 Oberlin Road  
Raleigh, North Carolina 27608  
(919) 803-6734**

**02/15/2022  
(Revised 11/18/2022)**

**Term of Agreement Begins: \_\_\_\_\_**

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# HAYES BARTON PLACE

## RESIDENCY AND SERVICES AGREEMENT

This RESIDENCY AND SERVICES AGREEMENT (the “Agreement”) is made this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between HPB OBERLIN SENIOR HOUSING PROPCO, KP6, L.P. and HBP OBERLIN SENIOR HOUSING OPCO KP6, L.P., Delaware for-profit limited partnerships (the “Company” or “Community”) and \_\_\_\_\_ and \_\_\_\_\_ (herein individually or collectively called “Resident”). If two persons desire to share a Residence enter into this Agreement, the term Resident shall apply to them jointly and severally and to the survivor of them.

**Selected Residence:** \_\_\_\_\_

**Community Fee:** \$ \_\_\_\_\_

**Monthly Service Fee (1<sup>st</sup> Person):** \$ \_\_\_\_\_

**Monthly Service Fee (2<sup>nd</sup> Person):** \$ \_\_\_\_\_

### WITNESSETH:

WHEREAS, the Company leases and operates the continuing care retirement community known as Hayes Barton Place (the “CCRC”), with independent living residences (each a “Residence” and collectively, the “Residences”) located at 2634 Oberlin Road; Raleigh, North Carolina 27608; and

WHEREAS, the Resident desires to use and occupy the Residence selected as indicated above (the “Selected Residence”) located in the CCRC’s independent living building (the “Independent Living Building”); and

WHEREAS, and the Company desires to make the Selected Residence available to the Resident.

**NOW, THEREFORE, FOR VALUABLE CONSIDERATION**, the receipt and sufficiency of which the parties hereto acknowledge, and the full and faithful performance of all terms, covenants and conditions herein contained, the Resident and the Company hereby agree as follows:

1. Eligibility Requirements and Procedures.

The Resident will be qualified for admission as an occupant of the CCRC on the following terms and conditions:

- a. Age Criteria. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An

underage second occupant may be approved for residency in the Residence in the Company's sole discretion but must, at a minimum, be at least fifty (50) years of age and meet the other requirements for residency in the CCRC. The Company reserves the right to limit the number of residents under the age of sixty-two (62) that will live in the CCRC.

- b. Disclosure Statement. Upon execution of this Agreement, the Company will provide the Resident a copy of the current CCRC's Disclosure Statement (the "Disclosure Statement") which fully describes the organization, facilities, policies, services, fees, financial condition, projections, and the vital information related to the CCRC. Included in the Disclosure Statement is a copy of this Agreement.
- c. Application. Within thirty (30) days of execution of this Agreement, the Resident will complete or update a preliminary health screen substantially in the form attached hereto as Exhibit A (the "Preliminary Health Screen") and a confidential financial statement substantially in the form attached hereto as Exhibit B (the "Financial Statement") and deliver the same (all such documents collectively referred to herein as, the "Application Forms") to the Company. In the case of two Residents occupying a Residence, and in the event of the death of one of the occupants, the surviving Resident will be required to submit an update of the original Application Forms within thirty (30) days after the Company's request for the same.
- d. Preliminary Health Screen. The Resident must be capable of living independently and must satisfy the then current independent living criteria by the Company, which criteria may be amended from time to time in the Company's sole discretion. The Resident shall provide to the Company an internal Preliminary Health Screen completed by the Resident's primary physician and certifying that the Resident meets the independent living criteria within the period outlined in Section 1.d. of this Agreement.
- e. Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee (as defined in Section 7.d. of this Agreement), extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of this Agreement. The Resident shall provide to the Company a Financial Statement within the period outlined in Section 1.d. of this Agreement. After the Occupancy Date, the Company may require an updated Financial Statement.
- f. Interview. The Resident must have an interview with a representative from the Company prior to being approved for residency in the CCRC. This interview may include a non-medical assessment of the Resident(s) as an initial step in determining whether the requirements for residency may be met.
- g. Health Insurance. Prior to the Occupancy Date, the Resident shall provide evidence of health insurance coverage to the Company at a level reasonably satisfactory to the Company.

- h. Review of Application. The Company will review the completed Application Forms as a basis for initial approval for residency in the CCRC. The Company will accept or deny an application based on the criteria and policies it has established, as the same may be amended from time to time. The Company will notify the Resident in writing of its decision on the application. If the application is denied, this Agreement will automatically terminate.
- i. Physician's Report. Thirty (30) days prior to the Occupancy Date (as defined in Section 1.n. of this Agreement), the Resident is required to submit to the Company an updated Preliminary Health Screen. The Company will respect the privacy of the Resident's personal health information and is committed to maintaining the Resident's confidentiality.
- j. Representations and Warranties. The Resident affirms that the representations made in the Application Forms or other statements of financial capability are accurate and reflect the Resident's current status. The Resident acknowledges that such representations are the basis for which the Company agrees to enter into this Agreement.
- k. Authorization to Release Medical Information. As a part of the application process, the Resident agrees to execute any such authorization forms as required by the Company to obtain the information concerning the Resident's medical history and condition necessary to enable the Company to adequately evaluate whether the Resident is appropriate for residency in the CCRC.
- l. Will, Durable Power-of-Attorney and Healthcare Directives. Thirty (30) days prior to the Occupancy Date, the Resident shall have in place a valid and enforceable will, identifying an Executor of the Resident's estate, that provides for the distribution of his or her assets and personal effects. Such will or other document of instruction shall include adequate provisions regarding burial or cremation directions and other funeral arrangements. Furthermore, prior to the Occupancy Date, the Resident shall deliver, and during the term of this Agreement shall maintain, a valid and effective North Carolina Durable Power of Attorney (the "Power-of-Attorney") and a living will or health care Power-of-Attorney (the "Health Directive") enforceable in accordance with the laws of the State of North Carolina. The Power-of-Attorney shall designate as the Resident's attorney in-fact any responsible person, including but not limited to, a lawyer, banker, or relative, to act on behalf of the Resident in the managing of the Resident's affairs and filing of the Resident's insurance or other benefits as fully and completely as if the Resident were acting personally. The Power-of Attorney shall be in such form that survives the Resident's incapacity or disability and otherwise be satisfactory to the Company. The Health Directive shall name a responsible person capable of making health care decisions in the case of incapacity or emergency.
- m. Notification of Availability. If the Resident is approved for residency in the CCRC, the Company will notify the Resident of the projected date of availability for occupancy (the "Notice of Availability Date") and the Resident will have sixty (60)

days from date of the Notice of Availability Date to occupy the Residence (the date of occupancy hereinafter referred to as the “Occupancy Date”) and begin paying the Monthly Service Fee. If the Resident is not approved for residency in the CCRC, this Agreement shall be terminated and all payments made by the Resident before such termination, except, as the case may be, a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at Resident’s request and set forth in Exhibit C of this Agreement or in writing in a separate addendum to the Agreement, signed by the Resident and the Company. Such refund shall be paid shall be paid by the Company within thirty (30) days.

2. Basic Services and Programs.

Subject to the terms and conditions of this Agreement, the following basic services (collectively “Basic Services”) are included in the Monthly Service Fee (defined below):

a. Description of Residence. The Resident shall be entitled to the exclusive use of Residence \_\_\_\_\_ located in the CCRC’s Independent Living Building.

b. Appliances and Furnishings. The Residence shall include the following appliances and furnishings:

- |                                                                        |                                                              |
|------------------------------------------------------------------------|--------------------------------------------------------------|
| <input checked="" type="checkbox"/> Window coverings                   | <input checked="" type="checkbox"/> Standard flooring        |
| <input checked="" type="checkbox"/> Electric range                     | <input checked="" type="checkbox"/> Self-cleaning oven       |
| <input checked="" type="checkbox"/> Refrigerator/freezer with icemaker | <input checked="" type="checkbox"/> Garbage disposal         |
| <input checked="" type="checkbox"/> Microwave                          | <input checked="" type="checkbox"/> Dishwasher               |
| <input checked="" type="checkbox"/> Washer and dryer                   | <input checked="" type="checkbox"/> Smoke and fire detectors |
| <input checked="" type="checkbox"/> Climate control system             | <input checked="" type="checkbox"/> Hot water heater         |
| <input checked="" type="checkbox"/> 24-hour emergency call system      | <input checked="" type="checkbox"/> Other permanent fixtures |

All other appliances and furnishings are to be provided by Resident.

c. Utilities. The following utility fees are included in the Monthly Service Fee:

- |                                                            |                                                      |
|------------------------------------------------------------|------------------------------------------------------|
| <input checked="" type="checkbox"/> Heating                | <input checked="" type="checkbox"/> Air conditioning |
| <input checked="" type="checkbox"/> Water                  | <input checked="" type="checkbox"/> Sewer            |
| <input checked="" type="checkbox"/> Gas                    | <input checked="" type="checkbox"/> Electricity      |
| <input checked="" type="checkbox"/> Basic cable television | <input checked="" type="checkbox"/> Pest control     |
| <input checked="" type="checkbox"/> Internet               | <input checked="" type="checkbox"/> Trash removal    |

d. Meals. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The Resident shall be entitled to dine in any of the CCRC’s dining options and charges for the food and beverages of the Resident and any guest of the Resident shall be deducted from such Declining Balance Meal Credit. Upon termination of this

Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credit, such additional charges shall be billed to the Resident on a monthly basis.

- e. Housekeeping Services. The Resident agrees to keep the Residence in a clean and orderly condition. On a weekly basis, the Company will provide basic housekeeping services in the Residence. Please refer to basic cleaning schedule provided to resident at time of move in.
- f. Maintenance Services. The Company will be responsible for normal wear and tear, maintenance and replacement of the property, furnishings and equipment owned by or leased by the Company for use in the CCRC. The Resident will be responsible for any damage to such property, furnishings and equipment, including the cost of repair or replacement or the diminution in value thereof, caused by the Resident, the Resident's guests or the Resident's pets. The Resident will be responsible for the maintenance and repair of the Resident's personal property.
- g. Changes to Residence. Any structural or physical change or redecoration and remodeling of any kind within or outside the Residence may only be made by the Resident only with the prior written consent of the Company, which shall be granted at the Company's sole discretion, and at the sole expense of the Resident. All such improvements or changes shall be the property of the Company. Upon vacating the Residence, the Resident, or the Resident's estate, shall be responsible for the costs of returning the Residence to the condition that existed prior to the Resident taking possession of the Residence.
- h. Grounds Keeping. The Company will maintain and repair the CCRC's grounds, including lawns, trees and shrubbery. Personal plantings and customization of landscaped areas are subject to the Company's approval.
- i. Use of CCRC Common Areas. The Resident has the non-exclusive right, along with other residents, to use the CCRC's common areas, including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreational rooms and designated outdoor activity areas.
- j. Use of the Wellness Center. The Company will provide health and wellness programs and services at its on-site wellness center (the "Wellness Center"), including use of fitness equipment, exercise classes, use of an indoor heated pool and certain wellness education programs. The Resident will be advised of any required fee for a wellness program before enrolling in such program.
- k. Programs. Recreational, social, educational and cultural programs will be coordinated by the CCRC's staff. Some activities are subject to an additional charge.

- l. Parking. The Company will provide parking areas for one personal vehicle and limited parking for the Resident's guests. The Company will provide parking areas for two personal vehicles for Flats and Townhomes.
  - m. Transportation. The Company will provide scheduled transportation to locations routinely visited by residents of the CCRC such as shopping centers, medical offices and social events. Some transportation is subject to an additional charge.
  - n. Emergency Response System. The Company will provide, on a twenty-four (24) hour basis, an emergency call system. Response to a call shall be limited to an evaluation of the Resident's needs. If other medical response is determined to be necessary, the Resident is responsible for any costs associated with such other medical response, including emergency medical transportation.
  - o. Insurance. The Company will maintain general liability and hazard insurance on the property within the CCRC owned or leased by the Company, but will not be responsible for the Resident's personal property.
3. Optional Services.

A schedule of fees for services provided at extra cost including, but not limited to those optional services described below (collectively "Optional Services"), shall be established by the Company and shall be made available to the Resident. The Optional Services currently expected to be offered by the Company include the following:

- a. Transportation Services. If the Resident requests transportation in addition to that provided as a Basic Service, the Company may provide such transportation service provided that the Company has adequate transportation staff available at such date and time and to destinations that the Company identifies as being within the geographic area of transportation services.
- b. Food Services. If the Resident requests food services or catered services in addition to those provided as a Basic Service, the Company may provide such additional food services or catered services for an additional cost.
- c. Tray Service. The Resident may request that meals be delivered to the Residence ("Tray Service") for a delivery charge; provided however, that Tray Service may not be requested for more than three (3) consecutive days except at a physician's or nurse's direction.
- d. Activities. Due to their special nature, a special fee may be required for some wellness and life enrichment programs.
- e. Additional Housekeeping Services. If the Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the Company may provide such services if staff is available to provide such services.

- f. Spa Services. Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.
- g. Upgraded Television Channels. Upgraded television channels will be available to the Resident in accordance with a published fee schedule.
- h. Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
- i. Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC Concierge Desk.

4. Terms of Residence.

- a. Term of Agreement. The initial term of this Agreement shall be for thirteen (13) months beginning on the Occupancy Date (the “Term”). After the initial Term, this Agreement will automatically renew for additional thirteen (13) month periods, unless terminated in accordance with Section 8 below. Prior to the expiration of the initial Term or any renewal Term, the Company reserves the right to present the Resident with a new version of the Residency and Services Agreement for signature by the Company and the Resident.
- b. Nature and Extent of Rights. The Resident’s right to occupy the Residence shall exist and continue unless terminated as provided in this Agreement. Nothing contained herein shall be construed or is intended to require that the Company care for the Resident after expiration or termination of this Agreement.
- c. Terms of Occupancy. Signing of this Agreement does not deliver title to real or personal property, and this Agreement may not be assigned, transferred, inherited or devised. Any rights, privileges, benefits, or interests created by or under this Agreement shall be subordinated to any mortgage, deed of trust, or other security interest created on any of the premises or interests in the real estate comprising the CCRC and to all amendments, modifications, replacements or refunding thereof. The Resident agrees to execute and deliver any document required by the Company or by the holder of any mortgage, deed of trust or other interest to evidence or effect such subordination.
- d. Alteration or Modification. Notwithstanding any other provisions in this Agreement, the Company may alter or modify the Residence to meet requirements of any statute, law or regulation of the federal, state or local Government. The Resident may not, without prior written consent of the Company, make any alterations or modifications to the Residence.
- e. Use. The Residence shall be used for residential purposes only and shall not be used for business or professional purposes, or in any manner in violation of any zoning or health ordinances.

- f. Permitted Occupants. The Resident(s) named herein and no other person shall reside in or occupy the Residence during the term of this Agreement, except with the express prior written approval of the Company. If a second occupant who is not a party to this Agreement is accepted for residency in the CCRC after the date of this Agreement, such acceptance shall be subject to the approval of the Company and adherence to policies then governing all other admissions and such second resident shall enter into a Residency and Services Agreement. If the second occupant does not meet the requirements for residency, or does not execute a Residency and Services Agreement, he or she shall not be permitted to occupy the Residence.
- g. Transfers. Should the Resident desire to transfer to another Residence, the Resident must notify the Company in writing. Following receipt of this request, and subject to availability, the Company may grant the Resident an option to move to the next available Residence of the type requested. Upon transfer to a new residence, the Monthly Service Fee for the month in which the move takes place shall be prorated to reflect the percentage of the month that the Resident spends in each type of residence. With all transfers, there will be an up-fitting charge for the vacated residence based on the current rate established by the CCRC at the time of the transfer. The Resident will move all furnishings and belongings to the new residence within ten (10) days of the established occupancy date for the new residence. Any moving expense will be the responsibility of the Resident.
- h. Death or Transfer of One Resident. If one of the Residents named herein dies, moves out or is permanently transferred to the Healthcare Center or any other nursing center, the remaining Resident will continue to be bound by the terms of this Agreement except that the Monthly Service Fee will be reduced to the Monthly Service Fee applicable to a single resident then in effect.
- i. Rules and Regulations. The Resident and its guests and invitees shall comply in all respects with the CCRC's operating rules and regulations (the "Rules and Regulations") established by the Company from time to time. The Company may revise or amend such Rules and Regulations at any time in its sole discretion. A copy of the Rules and Regulations will be made available to the Resident.
- j. Pets. Subject to the prior written consent of the Company, which such consent shall be at the sole and absolute discretion of the Company, pets may be permitted in the Residences. All pets must be on a leash at all times while not in a Resident's Residence. Pets must be healthy, have current shots and rabies immunization, and be free of fleas and other parasites. The Resident must provide the Company with documentation that their pets have received all required shots and immunizations. The Resident is responsible for any costs expended by the Company for the failure of the Resident to adhere to the CCRC's pet policy, including, but not limited to, the cost of disinfection, cleaning and fumigation. Pets are prohibited in the dining spaces, the Wellness Center, the multipurpose room, the chapel, and the art space and activity rooms. The Resident understands and agrees that the pet must be removed from the Residence, upon fourteen (14) days' prior written notice from

the Company, if the pet becomes a nuisance to other residents of the CCRC, as determined by the Company in its sole and absolute discretion. The Resident agrees that if the Resident has been approved to have a pet living in the Residence, and elects to do so, the Resident shall pay a non-refundable pet fee in the amount posted at the time the pet is registered.

- k. Smoking Policy. The CCRC is smoke-free. No smoking is permitted in the Residence (to include any balconies) or in any other building or location in or on the CCRC's premises. The Resident agrees to abide by the CCRC's Rules and Regulations concerning smoking.

5. Nursing and Healthcare Services.

The CCRC will provide the Resident temporary or permanent assisted living services, skilled nursing services and memory support services (collectively the "Healthcare Services") in the healthcare center adjacent to the CCRC (the "Healthcare Center"). A number of the beds in the Healthcare Center have been designated as "closed beds" under state laws and/or regulations and, as such, are reserved for Residents (the "Closed Beds"). In the event that these Closed Beds are fully occupied, the Resident will be given priority access to the available unreserved beds (the "Open Beds"). Service in the Healthcare Center shall be provided within the limits of the Company's license.

If the appropriate level of Healthcare Services based upon the needs of the Resident may not be obtained or are not provided within the Healthcare Center, such level of care must be obtained from another provider of healthcare services, including, but not necessarily limited to, a hospital, and the costs of those services shall be the sole responsibility of the Resident. The Resident (i) acknowledges and agrees that the Company will not be responsible for any claims, damages or expenses resulting from injury or death suffered by the Resident that is caused by, attributable to or in any way connected with the negligence or intentional acts or omissions of the physicians, employees or agents of any such other provider of healthcare services and (ii) releases the Company from liability for any such claims, damages or expenses.

6. Transfers of Resident.

- a. Direct Transfer to the Healthcare Center. If after the execution of this Agreement and prior to the Occupancy Date, the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident no longer meets the qualifications to live independently in the CCRC, and this Agreement is not otherwise terminated, the Resident may be transferred directly to the Healthcare Center. All fees and other charges due must be paid prior to any direct transfer. In the event there is more than one Resident occupying the Residence, and one Resident is transferred directly to the Healthcare Center, the other Resident shall continue to be obligated under this Agreement and pay the required Monthly Service Fee applicable to a single resident then in effect.

In the event the Healthcare Center is not yet completed and licensed to operate and the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident is precluded from living independently in the CCRC (the "Healthcare Transfers"), the Company will enter into a Transfer Agreement with a skilled nursing facility in reasonable proximity to the Company (the "Transfer Facility") pursuant to which the Transfer Facility shall agree to accept appropriate Healthcare Transfers from the Company. The Company will provide transportation to the Healthcare Transfers to the Transfer Facility until such time as the Healthcare Center is available; provided however, the cost of the care at such Transfer Facility will be the responsibility of the Healthcare Transfer.

- b. Transfers to the Healthcare Center. The Resident agrees that the Company shall have the right to determine whether the Resident should be temporarily or permanently transferred from the Residence to the Healthcare Center or from one level of care at the Healthcare Center to another level of care at the Healthcare Center. Such determination shall be in the Company's sole discretion and based on the professional opinion of the medical director of the Healthcare Center and the executive director of the CCRC that the Resident is no longer able to live independently or that living in the Residence will endanger the Resident or the health and/or safety of others. Should the Resident fail to cooperate with a transfer of the Resident requested by the Company, the Company shall have the right to terminate this Agreement and the Resident shall no longer be permitted to live in the CCRC.
- c. Transfer Outside the CCRC. If, in the opinion of the Company, the physical or mental condition of the Resident requires services beyond that which can be provided by the facilities or personnel in the CCRC and the Healthcare Center or is beyond the scope of the services provided for in this Agreement, the Company may require that the Resident be temporarily or permanently transferred to a hospital, center, institution or other care environment equipped to give such care; provided however, the cost of the care at any such outside facility will be the responsibility of the Resident.
- d. Relinquishment of Residence upon Permanent Transfer to the Healthcare Center or Outside Facility. If, in the sole discretion of the Company, the Resident's transfer to the Healthcare Center or to an outside facility is considered permanent, the Resident shall relinquish the Residence and this Agreement shall terminate, unless there is a second Resident currently occupying the Residence or unless otherwise approved by the Company.

7. Fees and Charges.

The following is a list of the fees and charges expected to be charged to the Residents of the CCRC.

- a. Priority Deposit Fee. Upon execution of this Agreement, if the Resident previously paid a Priority Deposit pursuant to the Priority Partner Agreement, the Priority

Deposit shall be applied to the first month's Monthly Service Fee as required by this Agreement.

- b. Community Fee. Upon the execution of this Agreement, the Company shall charge and the Resident shall pay a non-refundable (except as defined in Section 7.h. of this Agreement) Community Fee equal to two (2) times the current Monthly Service Fee (as defined in Section 7.c. of this Agreement) (the "Community Fee") as identified on page 1 of this Agreement and in Exhibit C attached hereto. The Community Fee entitles Residents priority access to all services and amenities of the Community once Residence is occupied. A Community Fee will not be charged to Residents upon any renewal of this Agreement.
- c. Monthly Service Fees. Throughout the Term, the Resident shall pay to the Company a Monthly Service Fee (the "Monthly Service Fee") as identified on page 1 of this Agreement and in Exhibit C attached hereto, for a single Resident. If the Residence will be occupied by two Residents pursuant to this Agreement, an additional monthly amount identified on page 1 of this Agreement and in Exhibit C attached hereto shall be paid by the second Resident. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5<sup>th</sup>) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Residence is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Residence prior to the first of a month, the Resident shall pay the Company the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If this Agreement does not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in Section 8 below.
- d. Adjustments to Monthly Service Fees. The Company reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days' written notice prior to any renewal of this Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC, the level and quality of services provided to the residents of the CCRC and consistent with operating on a sound financial basis. The Company may adjust the Monthly Service Fee prior to occupancy of the Residence by the Resident if changes in the projected costs of providing the services at Community so require.
- e. Fees for Optional Services. The Resident shall receive a monthly statement from the Company showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5<sup>th</sup>) day of each month. A list of fees for recurring Optional Services the Resident has elected to purchase as of the date of this Agreement is attached hereto as Exhibit C.

- f. Healthcare Center Fees and Charges. The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, skilled nursing care and memory care services on a temporary or permanent basis. The Company shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty (30) days of residency in the Healthcare Center (each day being a “Discounted Fee Day”). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Services Agreement and in accordance with the then published Healthcare Center per diem charge.
  - g. Fees for Occupancy in the Healthcare Center. In the event the Resident is transferred to the Healthcare Center, as determined in the sole discretion of the Company, the Resident shall pay the then published Healthcare Center per diem charge plus charges for other services not included in the Healthcare Center per diem charge, subject to available Discounted Fee Days. In addition, the Resident shall continue to be responsible for the Monthly Service Fee and other charges payable under this Agreement.
  - h. Refund of Fees. If the Resident cancels during the Rescission Period (as defined in Section 8.a.i of this Agreement), the Priority Deposit, and Community Fee (and any other fees paid by Resident) in accordance with this Residency and Services Agreement will be refunded to the Resident, without interest, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at Resident’s request and set forth in Exhibit C of this Agreement or in writing in a separate addendum to the Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company’s receipt of the Resident’s written notice of rescission. The Community Fee becomes non-refundable after the Rescission Period.
  - i. Failure of the Community to be Developed. Should the Company determine that there is not sufficient interest to support the proposed Community, the Company shall refund the Priority Deposit and Community Fee (and any other fees paid by Resident) in accordance with the Residency and Services Agreement.
  - j. Late Charges. The Company will charge a one percent (1%) late payment charge per month on any Monthly Service Fees and extra charges that have not been paid within five (5) days after their due date.
8. Termination.
- a. Termination by Resident. Upon the termination of this Agreement, the Resident shall have no further right to reside in the CCRC. The Agreement may be terminated or cancelled by the Resident under the following terms and conditions:

- i. Rescission During First Thirty (30) Days. The Resident may terminate this Agreement for any reason within thirty (30) days following the later of the execution of this Agreement or receipt by the Resident of the Disclosure Statement (the “Rescission Period”), and the Resident is not required to move into the facility before expiration of the Rescission Period. The Resident’s termination of this Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident’s request and set forth in Exhibit C of this Agreement or in writing in a separate addendum to the Agreement signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company receives written notice of the Resident’s election to terminate this Agreement.
  - ii. Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in a Residence, the Resident may terminate the Residency and Services Agreement for any reason after the Rescission Period but prior to the Occupancy Date upon written notice to the Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, the Community Fee, and any costs or other charges that the Resident and the Company agree in advance are non-refundable.
  - iii. General Termination Right. The Resident may terminate this Agreement at any time for any reason by giving the Company thirty (30) days’ written notice signed by the Resident (or both of them if there are two Residents). In the event of termination by the Resident for reasons other than those permitted in this Agreement, the Resident shall pay the Company for all Optional Services rendered by the Company to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident’s personal belongings are removed from the Residence. In addition, the Resident shall be responsible for payment of liquidated damage of one month’s rental charge, calculated at then current market rate.
- b. Termination by Death or Serious Illness.
- i. Termination by Death or Serious Illness Prior to the Occupancy Date. If, prior to the Occupancy Date, the Resident dies or is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, non-qualification or incapacity, this Agreement will automatically terminate. In the event this Agreement is terminated as provided for in this subsection, the Resident or the Resident’s estate shall be entitled to a refund of any amounts paid to the Company, except, as the case may be, a service charge of One Thousand Dollars (\$1,000.00) and for costs or other charges that the Resident and the Company agree in advance are non-refundable.

Such refund shall be paid by the Company within thirty (30) days after this Agreement is terminated pursuant to this subsection. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.

- ii. Termination by Death or Serious Illness After the Occupancy Date. If the Resident dies after the Occupancy Date or the Resident is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, or incapacity and the serious illness, injury or incapacity is not otherwise addressed by the provisions of Section 6, then this Agreement shall terminate. In such event, the Resident or the estate of the Resident shall pay for any Optional Services rendered to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Residence and the Residence can be made ready for re-occupancy. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.

c. Termination by the Company.

- i. Termination by the Company Prior to the Occupancy Date. If, in the Company's sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, this Agreement shall terminate upon the Company's notification to the Resident of non-approval. In such event, all amounts paid to the Company shall be refunded to the Resident within thirty (30) days after the Company provides the Resident notice of non-approval.
- ii. Termination by the Company after the Occupancy Date. The Company may terminate this Agreement upon thirty (30) days written notice to the Resident in the event of the following:
  - (1) The Resident fails to make payments to the Company of any amounts when due and such failure is not cured within fifteen (15) days after notice is given to the Resident;
  - (2) The Resident consistently fails to comply with any term of this Agreement not involving the payment of money or any provisions of the Rules and Regulations and the Resident fails to cure such non-compliance within seven (7) days after written notice from the Company; or
  - (3) The Resident or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to

the Company for its consideration of the Resident for residency in the CCRC.

- iii. Immediate Termination. If the Company determines in its sole and absolute discretion that the Resident's behavior interferes with or threatens to interfere with the safety of the Resident or the quiet enjoyment or safety of other residents, visitors and/or staff of the CCRC, or if the Resident's behavior is a detriment to other residents, visitors, and/or staff of the CCRC, the Company may immediately terminate this Agreement and the Resident shall promptly vacate the Residence. In such event, the Resident shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until all of the Resident's personal belongings are removed from the Residence.
- iv. Effect of Termination by the Company after the Occupancy Date. In the event the Company terminates this Agreement after the Occupancy Date pursuant to subsection c.ii or c.iii above, the Resident shall promptly vacate the Residence, but shall pay the Company for all Optional Services rendered by the Company through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Residence.

9. Miscellaneous.

- a. Entire Agreement. This Agreement contains the entire agreement between the Resident and the Company. All prior discussions, agreements and negotiations are superseded by this Agreement.
- b. Successors and Assigns. The rights and privileges of the Resident under this Agreement, including but not limited to the right to and use the facilities of the CCRC under the terms of this Agreement, may not be transferred or assigned under any circumstances. The Company may transfer or assign this Agreement without the consent of the Resident. Except as provided for herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Company and to the heirs, executors, personal representatives, any attorney-in-fact and administrators of the Resident.
- c. Severability. If any provisions of this Agreement are held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such provision had not been included.
- d. Indemnity. The Resident shall indemnify, defend and hold the Company harmless from any and all claims, damages or expenses, including attorney's fees and court costs, resulting from any injury or death to persons or damage to property caused

by, resulting from, attributable to or in any way connected to the Resident's negligence or intentional act or omission.

- e. Joint and Several Liability. If there is more than one Resident, the rights and obligations of each of the Residents are joint and several, unless otherwise provided in this Agreement.
- f. Notice Provisions. Any notices, consents or other communications to the Company shall be in writing and addressed to all of the following parties:

Executive Director  
 HBP Oberlin Senior Housing OPCO KP6, L.P.  
 Mailing Address:  
 2600 Yettington Drive

Raleigh, North Carolina 27608  
 (919) 803-6734

The Resident's address for the purpose of receiving notice under this Agreement prior to the Occupancy Date will be the address following the Resident's signature below. The address of the Resident for purposes of receiving notice under this Agreement after the Occupancy Date shall be the address of the Residence.

- g. Religious or Charitable Affiliations. The Company is not affiliated with any religions or charitable organization
- h. Acknowledgement of Receipt of Disclosure Statement. The Resident acknowledges that he or she has received a copy of the current Disclosure Statement of the CCRC.

Initials          Resident          \_\_\_\_\_  
                                          Resident          \_\_\_\_\_

- i. Reading and Signing of Agreement. By signing this Agreement below, the Resident represents that he or she has read and agrees to all of the terms of this Agreement.

[Signatures begin on following page]

The Company and the Resident have signed this Agreement to be effective as of the date set forth on the first page.

**RESIDENT:**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RESIDENT:**

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**HBP OBERLIN SENIOR HOUSING OPCO  
KP6, L.P.:**

By: \_\_\_\_\_  
\_\_\_\_\_, Authorized Representative

Date: \_\_\_\_\_

**EXHIBIT A**

**FORM OF PRELIMINARY HEALTH SCREEN**



**HAYES BARTON PLACE**

Hayes Barton Place is a continuing care retirement community designed especially for older adults who are able to care for themselves, but choose to have certain services provided for them. Services include meals, housekeeping, maintenance, transportation and recreational activities.

**Authorization for Release of Information**

I, \_\_\_\_\_ hereby authorize my attending physician, \_\_\_\_\_ and his/her representatives to discuss and answer any questions regarding the attached form with the Executive Director. In addition, this authorization will serve as permission to release any additional medical records if requested. This form valid for six (6) months from the date it has been signed.

Signature of Resident \_\_\_\_\_

Address of Address \_\_\_\_\_

Date: \_\_\_\_\_



# HAYES BARTON PLACE

## Medical History & Physical Exam

Applicant's Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Last / \_\_\_\_\_ / \_\_\_\_\_ Ht. \_\_\_\_\_ Wt. \_\_\_\_\_ B/P \_\_\_\_\_ P \_\_\_\_\_

Vision: \_\_\_\_\_ Poor \_\_\_\_\_ Fair \_\_\_\_\_ Good Glasses: \_\_\_\_\_

Hearing: \_\_\_\_\_ Poor \_\_\_\_\_ Fair \_\_\_\_\_ Good Deaf : \_\_\_\_\_ Hearing Aid: \_\_\_\_\_

Ambulation: \_\_\_\_\_ Cane \_\_\_\_\_ Walker \_\_\_\_\_ W/C  
Transfers Self \_\_\_\_\_ Yes or \_\_\_\_\_ No \_\_\_\_\_ No Assitive Device Needed

Allergies: \_\_\_\_\_  
\_\_\_\_\_

Current Medication and Dosage (including PRN medications):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Smoking: Current \_\_\_\_\_ Past \_\_\_\_\_

Drug/Alcohol Use: \_\_\_\_\_

Oxygen Use: \_\_\_\_\_ Dependent \_\_\_\_\_ PRN \_\_\_\_\_ HS

Review of Systems

Positive Findings

Eyes	
ENT	
Cardiovascular	
Respiratory	
Gastrointestinal	
Genitourinary	
Musculoskeletal	
Integumentary	
Neurological	
Psychiatric	
Endocrine	
Hematologic/Lymphatic	
Allergic/Immunologic	

Is this person able to perform the following: (Y or N)

- \_\_\_ Able to dress, bathe, eat, toilet and ambulate without assistance
- \_\_\_ Able to walk 25 feet or more to dining room chairs
- \_\_\_ Able to perform light daily tasks such as dishwashing, bed making
- \_\_\_ Able to do own laundry, including moving wet clothes from washer to dryer
- \_\_\_ Able to prepare light meals
- \_\_\_ Able to shop for groceries, put away groceries, etc
- \_\_\_ Able to administer own medication in correct dosages at correct time
- \_\_\_ Manages financial matters (budgets, writes checks, pays rent/bills)
- \_\_\_ Recognize own health needs and able to schedule own medical appointments
- \_\_\_ Continent or self manages incontinence; no urine on garments

Is there evidence of habitual use of narcotics, sedatives or alcohol? If yes, please explain:

\_\_\_\_\_

Does this person require a special diet? If yes, please explain:

\_\_\_\_\_

Does this person exhibit signs of senility or dementia? If yes, please explain:

\_\_\_\_\_

In your opinion, does this person have the sensory, mental and physical ability to perceive an emergency and make an exit from this building, including ascent or descent of stairs **without** the assistance of another person or any mechanical device? If no, please explain: \_\_\_\_\_

\_\_\_\_\_

In your opinion, is this person able to live independently? \_\_\_ Yes \_\_\_ No

In your opinion, does this person need nursing or convalescent care, i.e., Assisted or Skilled Nursing Care routinely provided in a community subject to licensure by the State Department of Health? \_\_\_ Yes \_\_\_ No

Signature of Physician \_\_\_\_\_

Name of Physician (print) \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Date: \_\_\_\_\_



Assets		Liabilities	
Cash in Bank or Financial Institution (Sch. 1)	\$	Notes Payable/Other Loans/Pmts Due (Sch. 9)	\$
Cash surrender value of life insurance (Sch. 2)	\$	Loans on Life Insurance (Sch. 2)	\$
Notes and Accounts Receivable (Sch. 3)	\$	Loans on Personal Property (Sch. 6)	\$
Marketable Stocks and Bonds (Sch. 4)	\$	Real Estate Mortgages (Sch. 7)	\$
Partnership/ S Corp Interests (Sch. 5)	\$	Taxes Due	\$
Deferred Income (Years Deferred: )	\$	Credit Card Debt	\$
Real Estate (Sch. 7)	\$	Proprietorship Liabilities	\$
Vested Interest in Retirement / 401K (Sch. 8)	\$	Partnership Liabilities (Sch. 5)	\$
Personal Property (Sch. 6)	\$	Other Liabilities	\$
Other Assets	\$		\$
	\$		\$
	\$	<b>TOTAL LIABILITIES</b>	\$
	\$	<b>NET WORTH</b>	\$
<b>TOTAL ASSETS</b>	\$	<b>TOTAL LIABILITIES &amp; NET WORTH</b>	\$

Attach additional sheets, if necessary

Schedule 1: Cash in Bank or Financial Institution			
Name of Bank or Financial Institution	Checking	Savings or CD's	Are these accounts pledged?
<b>Total</b>	\$	\$	

Schedule 2: Life Insurance					
Name of Insured	Beneficiary	Face Amount	Cash Value	Policy Loans	Assigned to:
<b>Total</b>		\$	\$	\$	

Schedule 4: Schedule 3: Notes and Accounts Receivable		
Name	Amount	Due Date
<b>Total</b>	\$	

Schedule 4: Schedule 4: Marketable Securities				
Security Name	# Shares	Registered To	Cost	Market Value
<b>Total</b>			\$	\$

Schedule 5: Partnership / S Corp Interests			
Name	Ownership %	Partnership Equity	Debt
<b>Total</b>			\$

Schedule 6: Personal Property				
Description	Value	Balance	Payment	Lender
<b>Total</b>	\$	\$	\$	



EXHIBIT C



HAYES BARTON PLACE

FEE SCHEDULE

Resident Name(s) \_\_\_\_\_

Residence # \_\_\_\_\_

Agreement Date \_\_\_\_\_

<b>Fees Due at Residency and Services Agreement Execution:</b>	<b>Amount</b>
Community Fee	
Other Fees (specify):	
<b>Total amount due at Residency and Services Agreement execution</b>	<b>\$</b>

<b>Monthly Service Fees*:</b>	<b>Amount</b>
First Person Service Fee	
Second Person Service Fee	
Other Fees (specify):	
<b>Total Monthly Service Fees</b>	<b>\$</b>

\*Note: Priority Deposit previously paid will be applied to the then current 1<sup>st</sup> month's Monthly Service Fees.

Note that the above-listed fees do not include fees for occupancy in the Healthcare Center that are described in Section 7 of the Agreement. In addition, fees for non-recurring Optional Services selected by the Resident shall be in the amount set forth in the schedule of fees provided by the Company.

The Resident acknowledges that he or she has reviewed and hereby approves the above tables of fees payable pursuant to this Agreement.

Initials	Resident	_____
	Resident	_____