



# HAYES BARTON PLACE

## **Disclosure Statement**

### **Hayes Barton Place**

**Provider: HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing PROPCO KP6, L.P. and HBP Oberlin Garden Flats PROPCO, L.P.**

**Date of Disclosure Statement: 12/29/2025**

**Last Date for Delivery: 6/06/2027**

- **This Disclosure Statement must be delivered to a contracting party before the execution of a binding reservation agreement, continuing care contract, or continuing care at home contract.**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure the accuracy of the information provided.**
- **This Disclosure Statement has been filed with, and recorded by, the North Carolina Department of Insurance in accordance with Article 64A of Chapter 58 of the North Carolina General Statutes (“Article 64A”).**
- **This Disclosure Statement contains all information required by Article 64A and is correct in all material respects. Knowingly delivering a disclosure statement that contains an untrue statement or omits a material fact may subject HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing PROPCO KP6, L.P. and HBP Oberlin Garden Flats PROPCO, L.P.. to penalties under Article 64**

## Financial Snapshot: Key Ratios for Hayes Barton Place

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

*Fiscal Year Ended December 29, 2025 (FY), with comparative historical and prospective periods*

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	469	246	126	57	53	52	—	—	—
<b>CUSH</b>	0.61	1.38	0.79	0.42	0.42	0.42	—	—	—
<b>OR</b>	6295%	43645%	103%	83%	75%	74%	—	—	—
<b>NOM</b>	#DIV/0!	#DIV/0!	41.85%	41.40%	45.46%	45.46%	—	—	—
<b>NOM-A</b>	#DIV/0!	#DIV/0!	41.85%	41.40%	45.46%	45.46%	—	—	—
<b>DSCR</b>	-0.47	-1.04	0.93	1.42	1.83	1.88	—	—	—
<b>CD</b>	0.02	0.02	0.05	0.03	0.03	0.03	—	—	—
<b>CED</b>	200.30	84.51	3.43	0.01	0.01	0.02	—	—	—

### Liquidity Ratios:

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

### Profitability Ratios:

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

### Capital Structure Ratios:

- **Debt Service Coverage (DSCR).** Measures the provider’s ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.

- **Unrestricted Cash & Investments to Long-Term Debt (CD).** Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.
  - **Capital Expenditures to Depreciation (CED).** Compares what the provider is spending on capital improvements to the amount its assets are wearing out. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.
- 
1. NC Provider Quartiles. Values will be compiled annually by the North Carolina Department of Insurance, stratified by community model (Entrance Fee, Rental, Equity), and are expected to be available in late 2026.
  2. Many of the ratios are reporting as not applicable from 2024 forward. This is due to the community eliminating long-term debt in 2024.

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# 1. Provider Identification

Provider Name: Hayes Barton Place

Legal Provider: HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P.,

Item	Information
Legal Provider:	HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P.,
Doing Business As (DBA):	Hayes Barton Place
Business Address:	2600 Yettington Dr, Raleigh, NC 27608
Telephone Number:	(919) 803-6734
Legal Entity Type:	For-profit limited liability company organized under the laws of Delaware, registered to do business in North Carolina
For-Profit / Nonprofit Status:	For-profit
Ownership Type:	Privately owned and controlled for-profit organization. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P., LW Budleigh, LLC

# 2. Organizational Structure

Organization, Ownership and Management

## 2.1 Multi-Entity Organization Status

Organization

The North Carolina Department of Insurance issued a Permanent License for the CCRC to HBP Oberlin Senior Housing OPCO KP6, L.P and HBP Oberlin Senior Housing PROPCO KP6, L.P on October 21, 2024.

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. 41st Street, Wilmington, North Carolina 28403.

#### Facility Ownership

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

HBP Oberlin Garden Flats PROPCO, L.P. (the “Garden Flats Property Company” and together with the KP6 Property Company, the “Property Company”) is a Delaware for-profit limited partnership affiliated with the KP6 Property Company that was formed for the purpose of owning the Garden Flats. The business address of the Garden Flats Property Company is 2334 S. 41st Street, Wilmington, North Carolina 28403.

LW Budleigh, LLC (the “TH Property Company”) is a North Carolina for-profit limited liability company formed for the purpose of developing and owning real property and certain buildings of the Community, specifically the Townhomes. The business address of the TH Property Company is 2334 S. 41st Street, Wilmington, North Carolina 28403.

HBP Cottages, LLC (“HBP Cottages”) is a North Carolina for-profit limited liability company that is affiliated with the Property Company that was formed for the purpose of owning, and subsequently selling, the Cottage Units. The business address of HBP Cottages is 2334 S. 41st Street, Wilmington, North Carolina 28403.

The KP6 Property Company purchased the Apartments, Clubhouse, and Healthcare Center land in December of 2022. The Garden Flats Property Company acquired the Garden Flats land in December of 2025. The Operating Company executed lease agreements with the Property Company (each a “Hayes Barton Place Lease”) for the Operating Company’s use and operation of the Independent Living Buildings, the Garden Flats, the Clubhouse, the Healthcare Center, and the associated common areas. Each Hayes Barton Place Lease has a term of five (5) years and rent under the lease is in an amount sufficient to satisfy the debt service coverage ratio required by the Property Company’s lenders.

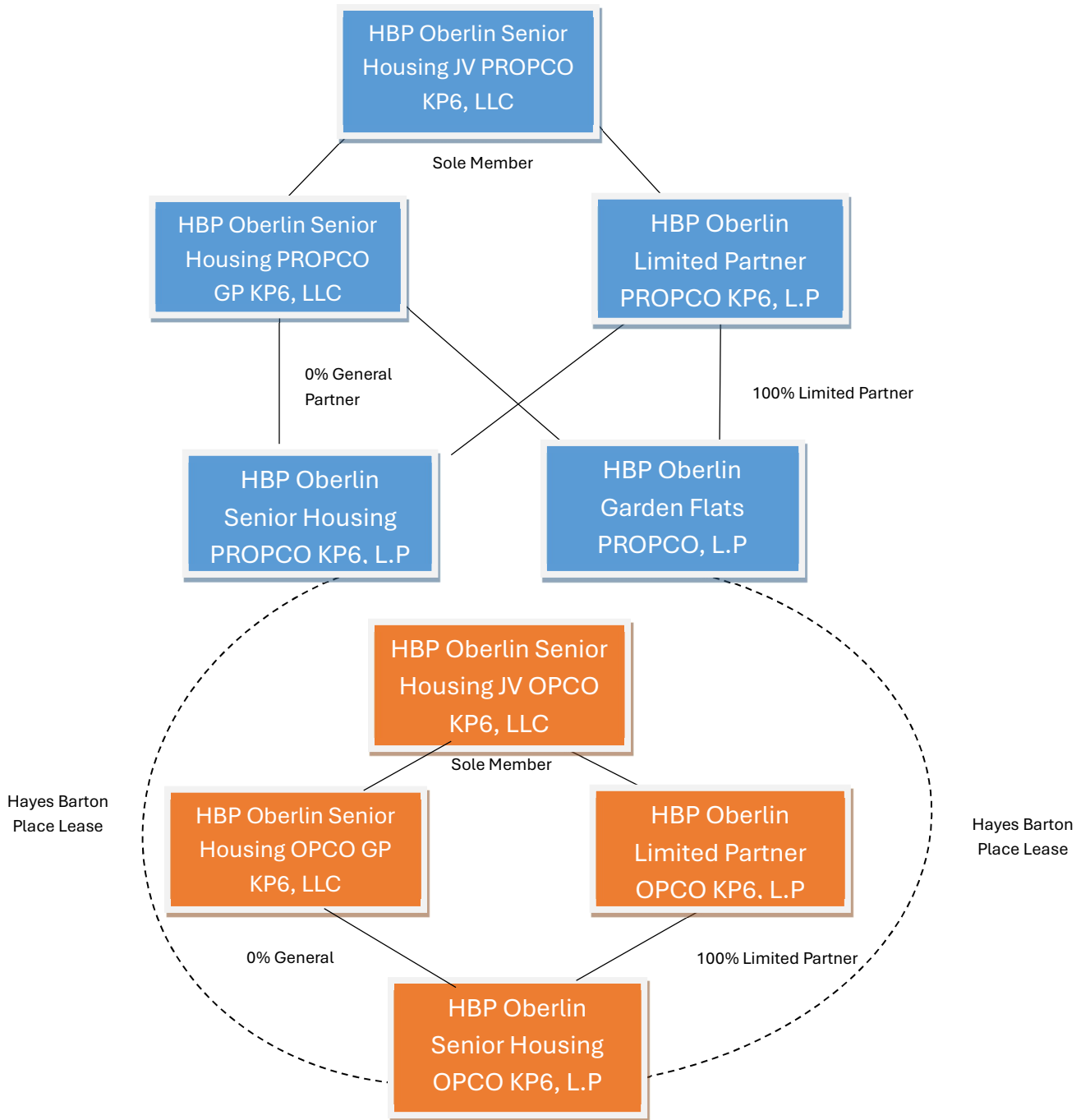
The Cottage Units and related common areas (the “Cottage Area”) are located adjacent to the Site. HBP Cottages owns the Cottage Area and each constructed Cottage Unit until they are sold. Upon the sale of a Cottage Unit, a purchaser thereof (each a “Cottage Unit Owner”) will take fee simple title to the Cottage Unit. The Cottage Area is part of the condominium regime known as the “Hayes Barton Place Condominium” (the “Condominium”), created pursuant to that certain Declaration of Condominium for the Hayes Barton Place Condominium, that is or will be recorded in the Office of the Register of Deeds of Wake County, North Carolina (the “Condo Declaration”). The Cottage Unit Owners will collectively own and have rights and obligations with respect to the common property within Condominium (the “Common Area”) pursuant to the Condo Declaration. The Hayes Barton Place Owners’ Association, Inc., a North Carolina non-profit corporation (the “Association”) is responsible for the management of the Condominium and the Common Area and enforcing the terms of the Condo Declaration; provided, however, because of the unique character of this Association, the licensing required by the State of North Carolina for a continuing care retirement community, and the close functioning interrelationship that it shares with the CCRC, it is deemed necessary and desirable that management of the CCRC and the management of the Condominium be carried out in coordinated fashion to avoid wasteful duplication. Therefore, for so long as the CCRC is in existence, the powers and duties of the Association are specifically delegated to the Operating Company as “Management Agent”.

### 2.3 Controlling Person

Item	Information
Name:	HBP Oberlin Senior Housing JV PROPCO KP6, LLC
Business Address:	2334 South 41 <sup>st</sup> Street, Wilmington, NC 28403
Telephone Number:	(910)815-3111

## 2.4 Company Structure Chart

See the organization/ownership chart below.



## Healthcare

The Hayes Barton Place (the “CCRC” or the “Community”) provides its Residents 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 Operating Company operates the CCRC. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the Operating Company’s agreements or obligations, except as otherwise stated.

### Raleigh CCRC Management, LLC

Raleigh CCRC Management, LLC (“Raleigh Management”) has executed a management agreements with the Operating Company pursuant to which the Operating Company pays Raleigh 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.

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

Liberty Living Management, LLC (“Liberty Living Management”), has executed a separate management agreement with the Management Company under which the Management Company pays Liberty Living Management fees equal to the fees derived from the Community Management Agreement. Liberty Living Management’s headquarters are at 2334 S. 41st St., Wilmington, NC 28403.

## 3. Key Persons and Management Personnel

### 3.1 Senior Officers

Name / Role	Education	Experience	Length of Service
<b>John “Sandy” A. McNeill Jr. – Manager of Liberty Senior Living, LLC and Liberty Living Management, LLC</b>	PharmD, UNC	50 + years in senior-living and pharmacy operations	30 years at current position (since 10/01/1996)
<b>Ronald “Ronnie” B. McNeill – Manager of Liberty Senior Living, LLC and Liberty Living Management, LLC</b>	Registered Professional Engineer (NC State University), MBA	50 + years in senior-living and pharmacy operations	30 years at current position (since 10/01/1996)
<b>William “Will” B. Purvis – Manager of Liberty Living Management and President of Liberty Senior Living</b>	B.S. business management (NC State University), MBA (Wake Forest University)	Prior work with Grandbridge Real Estate, BOD for Cape Fear Council Boy Scouts of America, NHRMC Foundation, Wilmington Chamber of Commerce, NC Coastal Land Trust	Over 16 years (since 02/03/2010)
<b>Bob Goyette – Chief Operations Officer of Liberty Living Management</b>	MBA with healthcare concentration (Lipscomb University)	33+ years in Senior Living administration. Past board member of Ohio, Kentucky and Virginia Health Care Administrations and adjunct professor at Western Kentucky University.	2 years at current position (since 09/30/2024)
<b>Cindy Stancil – Vice President of Operations Support of Liberty Living Management</b>	Licensed Administrator	41+ years in Senior Living administration. Served as board member of NC Assisted Living Association and in Task Force groups such as “The Star Rating program”	41+ years with Liberty Healthcare Group and Liberty Senior Living
<b>Nicole Cook – VP of Operations of Liberty Living Management</b>	Registered Nurse and Nursing Home Administrator	25+ years in Senior Living administration	7 years with Liberty Senior Living (since 5/30/2019)

## 3.2 Community Management

Name / Role	Education	Experience	Length of Service
<b>Sam Murray, Executive Director</b>	University of North Carolina Wilmington	8 years in various Senior Living positions	4 Years at Liberty and current position

## 3.3 HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. Board of Directors

Not applicable. The provider entities are limited liability companies and do not have a board of directors.

## 3.4 Management Entities

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

## 4. Governing Body and Oversight

The Operating Company has executed a staffing agreement (the "Staffing Agreement") with 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 care beds, and skilled nursing beds paid to Hayes Barton Place.

Liberty Living Management, LLC

Liberty Living Management, LLC ("Liberty Living Management"), has executed a separate management agreement with the Management Company under which the Management Company pays Liberty Living Management fees equal to the fees derived from the Community Management Agreement. Liberty Living Management's headquarters are at 2334 S. 41st St., Wilmington, NC 28403.

## 5. Related Parties

Please see organizational structure and management arrangements for related party information, including management agreements and lease arrangements among affiliated entities. Please also see sections 2.1, 3.4, 3.5, 3.6 and 4 for related party information.

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

The provider is a private independent, for-profit organization and is not affiliated with any religious, charitable, or other affinity group.

## 7. Other Persons Responsible for Obligations

No other person or entity is responsible for the financial or contractual obligations of Hayes Barton Place.

## 8. Obligated Groups

Not applicable. Hayes Barton Place does not have any obligated groups.

## 9. Debt Covenants and Compliance

Hayes Barton Place is subject to covenants contained in debt agreements, including requirements for minimum debt service coverage and operating margin. The provider monitors compliance through regular financial reporting.

## 10. Third-Party Management Arrangements

Hayes Barton Place does not employ an unrelated third-party manager. Day-to-day operations are carried out by management employed by Liberty Senior Living, LLC and supported by Liberty Living Management, LLC.

## 11. Real Property Leases

The KP6 Property Company purchased the Apartments, Clubhouse, and Healthcare Center land in December of 2022. The Garden Flats Property Company acquired the Garden Flats land in December of 2025. The Operating Company executed lease agreements with the KP6 Property Company, the Garden Flats Property Company and the TH Property Company (each a “Hayes Barton Place Lease”) for the Operating Company’s use and operation of the Apartments, the Garden Flats, the Clubhouse, the Healthcare Center, and the associated common areas. Each Hayes Barton Place Lease has a term of five (5) years and rent under the lease is in an amount sufficient to satisfy the debt service coverage ratio required by the Property Company’s lenders. The Apartments, Garden Flats and Townhomes are each a “Rental Residence”,

## 12. Endowment Funds

Not applicable. Hayes Barton Place does not have any endowment funds.

### 13. Description and Location of the Community

Accommodations of the CCRC include two-hundred two (202) rental Residences (consisting of 169 Apartments, 24 Garden Flats and 9 Townhomes) with one, two, and three bedroom floor plans that range from approximately 800 to 3,000 square feet, and thirteen (13) independent living for-sale or rent Cottage Units. The Residents 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 CCRC'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

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.

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.

### 14. Living Units by Level of Care

As of December 29, 2025, Hayes Barton Place included:

- 169 Independent Living rental apartments
- 54 Assisted Living and Memory Care apartments
- 31 Skilled Nursing beds

### 15. Continuing Care at Home Program

Not applicable. Hayes Barton Place does not provide continuing care at home.

### 16. Resident Population Served

As of December 29, 2025, the resident population served by Hayes Barton Place was as follows:

- 166 independent living units with 233 total residents
- 40 assisted living units with 43 residents
- 1 skilled nursing resident

As of December 29, 2025, the community maintained a waitlist for admission to independent living consisting of 241 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the waitlist to rent an Rental Residence, prospective applicants are required to submit a \$1,000 priority partner deposit. Prospective purchasers of a Cottage Unit will be required to make a \$10,000 priority partner deposit. The priority partner deposit is fully refundable and is not considered an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the resident’s rent at that time or to the purchase price payable for the Cottage Unit, as applicable.

Placement on the waitlist does not guarantee admission to the community or priority for a specific unit and does not create contractual rights unless expressly provided in a continuing care contract.

## 17. Occupancy Rates

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

Fiscal Year-End	Independent Living (%)	Assisted Living (%)	Skilled Nursing (%)
12/31/2025	78.4%	36.3%	0.2%
12/31/2024	0.0%	0.0%	0.0%
12/31/2023	0.0%	0.0%	0.0%
12/31/2022	0.0%	0.0%	0.0%
12/31/2021	0.0%	0.0%	0.0%

## 18. Semiannual Resident Meetings

Hayes Barton Place holds meetings with residents twice each year, as required by law.

Fiscal Year 2025 Meeting Dates:

- May 15, 2025
- November 6, 2025

Since Hayes Barton Place does not have a board, the North Carolina Department of Insurance has granted the provider a waiver from the legal requirement that a member of the provider’s board be present at each meeting. This approval is contingent upon continued compliance with the following conditions:

1. Independence Expectations

The designated representative must continue to satisfy the independence expectations and functional independence standards applicable to designated representatives under the Department's interpretive framework. Any change in financial interests, compensation structure, or organizational role that could affect independence or the ability to function in an independent capacity must be reported to the Department promptly, along with a proposed alternative representative.

## 2. Implementation of Safeguards

The Provider must ensure consistent in-person attendance by the designated representative at each required semiannual resident meeting, timely communication of resident concerns to the governing body, and adherence to all established meeting procedures.

## 3. Documentation Requirements

The Provider must maintain complete documentation of all resident concerns raised during required semiannual meetings and ensure these concerns are transmitted to the governing body. All records must be made available to the Department upon request.

## 4. Disclosure Obligations

The waiver and the approved alternative participation arrangement must be disclosed in Section 18 of the Provider's Disclosure Statement and included in all updated and future Disclosure Statements.

## 5. Resident Association Engagement

The purpose of the waiver and the associated participation arrangement must be communicated to the resident association. The resident association must be given the opportunity to provide input. Documentation of this communication, including a summary of input received and the outcome, must be provided to the Department as verification of compliance. This communication shall occur on or before the first semiannual resident meeting of 2026.

## 6. Ongoing Compliance

All representations made in the waiver request must remain accurate for the duration of the waiver. Any material change in governance structure, operational oversight, meeting procedures, or other relevant factors must be reported promptly to the Department. The waiver will remain in effect unless modified or revoked by the Commissioner under Article 64A.

## 7. Role Limitation

The designated representative must maintain a role distinct from management's presentation of financial or operational performance during required resident meetings and shall not serve as the primary individual responsible for presenting, explaining, or defending management decisions, or otherwise acting in a management capacity while carrying out designated representative duties.

## 8. Verification of Independence and Qualifications

The Department may request, at any time, information or documentation necessary to evaluate the independence, role, and qualifications of the designated representative and the Provider's compliance with the conditions of this waiver.

## 19. Resident Property Rights

Residents of the Rental Residences do not hold ownership or property rights in the real estate of Hayes Barton Place. Residency and access to services are governed solely by the Residency and Services Agreement.

Residents of the Cottages have ownership rights as outlined in in the Residency and Services Agreement [Cottages].

## 20. Services Provided Under the Contract

HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. offers services under continuing care contracts at Hayes Barton Place. The following disclosures describe the services included in each contract type, as well as those available for additional charge.

### 20.1 Healthcare Services

Residents of Hayes Barton Place have access to assisted living and skilled nursing on campus. Health services include 24-hour nursing, medication management, rehabilitative therapies, and coordination with Residents' personal physicians.

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

The Operating Company's continuing care concept ensures a Resident, so long as the Resident is in compliance with the Residency and Services Agreement, residence in a Rental Residence, a wide array of personal services and long-term nursing care in the Healthcare Center if the Resident can no longer live independently. Residents living on the Hayes Barton Place campus receive the following services as part of their monthly fees, with additional services available at an extra charge.

#### 20.2.1 Services Included in Monthly Fees

- Three daily meals in assisted living and skilled nursing
- Independent Living meals are offered based on a monthly declining dollar allowance
- Weekly housekeeping in Independent Living, daily housekeeping and linen in assisted living and skilled nursing
- Scheduled local transportation
- Basic utilities, including electricity, water, heating, air conditioning, and basic cable
- Use of community amenities (wellness center, library, gardens, walking trails)
- Social, cultural, and recreational programming
- Care coordination for transitions between levels of care

### 20.2.2 Services Available at an Additional Charge

- Independent living resident additional meals and guest meals
- Additional housekeeping or laundry services beyond standard schedule
- Expanded television, internet, and telephone packages
- Salon and barber services
- Special transportation outside scheduled routes

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

Not applicable. Hayes Barton Place does not have a continuing care at home program.

### 20.4 Delivery of Care

Core residential, assisted living, and skilled nursing are provided directly by Hayes Barton Place.

## 21. Resident Fees

Nonancillary fees at Hayes Barton Place consist of required, ongoing fees such as monthly service fees, and transfer fees. The following tables show Hayes Barton Place’s current fee schedules, along with historical information on monthly fee increases over the past five fiscal years. Narrative explanations of household composition changes, transfer fees, and resale fees are also included.

**Table 21.1 – Current Monthly Fees**

Unit Type	Single Occupant	Double Occupant
Independent Living	\$10,038	\$10,838
Assisted Living	\$9,054	\$11,654
Skilled Nursing	\$16,729	N/A

Monthly fees are reviewed annually and may be adjusted to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to management approval, with no contractual cap on increases.

**21.2 Historical Increases in Monthly Fees (CCRC Contracts)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
12/31/2025	N/A	N/A	Annual
12/31/2024	N/A	N/A	Annual
12/31/2023	N/A	N/A	Annual
12/31/2022	N/A	N/A	Annual
12/31/2021	N/A	N/A	Annual

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

Hayes Barton Place does not charge entrance fees to reside in a Rental Residence. Residents of the Cottages are required to purchase a one-time, non-refundable, non-transferable membership (a “Membership”) in Hayes Barton. The cost of Membership (the “Membership Fee”) is ten percent (10%) of the purchase price of the Cottage or the fair market value of the Cottage, as applicable, subject to increase from time to time on an annual basis. In no event shall the Membership Fee exceed twenty percent (20%) of the purchase price paid for the Cottage, or the fair market value of the Cottage, as applicable. The Membership Fee is solely for the Resident’s personal right to reside in Hayes Barton Place and does not provide a Membership for any subsequent purchaser of the Cottage or any subsequent user of the Cottage. The Membership Fee is more particularly described in the Residency and Services Agreement [Cottages].

**21.4 Historical Increases in Entrance Fees (CCRC Contracts)**

Not applicable. Hayes Barton Place did not charge entrance fees or Membership Fees prior to the date of this disclosure.

**21.5 Household Composition Changes**

The Resident(s) named in the Residency and Services Agreement and no other person shall reside in or occupy the Rental Residence or Cottage Unit during the term of the Residency and Services Agreement, except with the express prior written approval of the Operating 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 Operating 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 Rental Residence or Cottage Unit, as applicable.

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

## 21.6 Transfer Fees

Should the Resident desire to transfer to another Rental Residence the Resident must notify the Operating Company in writing. Following receipt of this request, and subject to availability, the Operating Company may grant the Resident an option to move to the next available Rental Residence of the size 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 Rental Residence. With all transfers, there will be an up-fitting charge for the vacated Rental 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 Rental Residence. Any moving expense will be the responsibility of the Resident.

## 22. Refundable Entrance Fee Obligations

Not applicable. Hayes Barton Place does not charge entrance fees. Refundable obligations, if any, relate to deposits as specified in the Residency and Services Agreement.

## 23. Financial Hardship Policies

Not Applicable / Hayes Barton Place does not have a formal policy regarding financial hardships.

## 24. Contract Cancellation and Refund Policies

### 24.1 Provider-Initiated Cancellation

Termination by the Operating Company Prior to the Occupancy Date or the Closing. If prior to the date a prospective Resident occupies a Rental Residence (the "Occupancy Date") or closes on the purchase of a Cottage Unit (the "Closing Date"), the Operating Company determines, in its sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, the Residency and Services Agreement shall terminate upon the Operating Company's notification to the Resident of non-approval. In such event, all amounts paid to the Operating Company shall be refunded to the Resident within thirty (30) days after the Operating Company provides the Resident notice of non-approval.

Termination by the Operating Company after the Occupancy Date or the Closing Date. After the Occupancy Date or the Closing Date, as applicable, the Operating 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 Operating 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 Operating Company;  
or
- (3) The Resident or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to the Operating Company for its consideration of the Resident for residency in the CCRC.

Immediate Termination. If the Operating 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 Operating 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 Operating Company for all Optional Services rendered by the Operating 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.

Effect of Termination by the Operating Company after the Occupancy Date or the Closing Date. In the event the Operating Company terminates the Residency and Services Agreement after the Occupancy Date or the Closing Date, as applicable, pursuant to the applicable subsections of the Residency and Services Agreement, the Resident shall promptly vacate the Rental Residence, but shall pay the Operating Company for all Optional Services rendered by the Operating 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 Rental Residence. With respect to Residents of residing in a Cottage Unit, after termination of the Residency and Services Agreement, the Resident shall not have any further rights thereunder, but the owner of the Cottage Unit will retain all ownership rights in the Cottage Unit and will continue to be obligated to pay the Monthly Service Fee and other fees payable pursuant to the Condominium Declaration until the Cottage Unit is sold, transferred to or otherwise occupied by a new Resident approved by the Operating Company who has executed a Residency and Services Agreement and paid the Membership Fee. If the terminated Resident is not the owner of the Cottage Unit, then the Cottage Unit owner and the Resident (or the Resident's estate) shall be jointly and severally responsible for all such obligations.

## 24.2 Resident-Initiated Cancellation

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:

**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 CCRC 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 Operating 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 Operating Company. Any refund shall be paid within thirty (30) days after the Operating Company receives written notice of the Resident’s election to terminate the Residency and Services Agreement.

**Termination After Rescission Period but Prior to the Occupancy Date or the Closing Date.** A Resident may terminate the Residency and Services Agreement for any reason after the Rescission Period but prior the Occupancy Date or the Closing Date, as applicable, upon written notice to the Operating Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Operating Company except as otherwise set forth in the Residency and Services Agreement or a purchase agreement executed in connection with the purchase of a Cottage Unit, if applicable.

**General Termination Right.** The Resident may terminate the Residency and Services Agreement at any time for any reason by giving the Operating 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 Operating Company for all Optional Services rendered by the Operating 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 Rental Residence. In addition, the Resident shall be responsible for payment of liquidated damage of one month’s rental charge, calculated at the existing market rate. *With respect to Residents of residing in a Cottage Unit, after termination of the Residency and Services Agreement, the Resident shall not have any further rights thereunder, but the owner of the Cottage Unit will retain all ownership rights in the Cottage Unit and will continue to be obligated to pay the Monthly Service Fee and other fees payable pursuant to the Condominium Declaration until the Cottage Unit is sold, transferred to or otherwise occupied by a new Resident approved by the Operating Company who has executed a Residency and Services Agreement and paid the Membership Fee. If the terminating Resident is not the owner of the Cottage Unit, then the Cottage Unit owner and the Resident (or the Resident’s estate) shall be jointly and severally responsible for all such obligations.*

### **24.3 Refunds Upon Cancellation**

Refundable fees are returned in accordance with Sections 22, 24.1, 24.2 and 24.4.

Nonrefundable portions of fees are retained by Hayes Barton Place.

## 24.4 Refunds Upon Death or Serious Illness

Termination by Death or Serious Illness Prior to the Occupancy Date or the Closing Date. If prior to the Occupancy Date or the Closing Date, as applicable, 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 therein, the Resident or the Resident's estate shall be entitled to a refund of any amounts paid to the Operating 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 Operating Company agree in advance are non-refundable. Such refund shall be paid by the Operating 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.

Termination by Death or Serious Illness After the Occupancy Date or the Closing Date. If the Resident dies after the Occupancy Date or the Closing 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 Rental Residence and the Rental Residence can be made ready for re-occupancy. With respect to Residents of residing in a Cottage Unit, after termination of the Residency and Services Agreement, the Resident shall not have any further rights thereunder, but the owner of the Cottage Unit will retain all ownership rights in the Cottage Unit and will continue to be obligated to pay the Monthly Service Fee and other fees payable pursuant to the Condominium Declaration until the Cottage Unit is sold, transferred to or otherwise occupied by a new Resident approved by the Operating Company who has executed a Residency and Services Agreement and paid the Membership Fee. If the terminating Resident is not the owner of the Cottage Unit, then the Cottage Unit owner and the Resident (or the Resident's estate) shall be jointly and severally responsible for all such obligations. 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.

## 25. Re-occupancy of Units

A living unit at Hayes Barton Place may be reassigned to a new Resident under the following circumstances:

### 25.1 Resident-Initiated Vacating

Voluntary termination: When a Resident cancels their Residency and Services Agreement and permanently vacates the living unit.

Transfer to a higher level of care: When a Resident moves from independent living to assisted living or skilled nursing, and the Residency and Services Agreement permits the original living unit to be reassigned.

### 25.2 Provider-Initiated Vacating

Contract termination by provider: When a Residency and Services Agreement is terminated by the provider under the circumstances described in herein or in the Residency and Services Agreement.

Persistent nonpayment: When a Resident fails to meet contractual payment obligations and the provider declares the contract terminated.

### 25.3 Temporary Absences

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

### 25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Sections 22, 24.1, 24.2 and 24.4. Refunds are contingent upon re-occupancy by a new Resident, and the timing of repayment may vary depending on market demand and the pace of living unit turnover.

## 26. Resident Relocation

Residents of Hayes Barton Place may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

### 26.1 Resident Needs

Transfers to another Rental Residence. Should the Resident desire to transfer to another Rental Residence, the Resident must notify the Operating Company in writing. Following receipt of this request, and subject to availability, the Operating Company may grant the Resident an option to move to the next available Rental Residence of the type and size requested. Upon transfer to a new Rental 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 Rental Residence. With all transfers, there will be an up-fitting charge for the vacated Rental 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 Rental Residence. Any moving expense will be the responsibility of the Resident.

**Permanent Transfers to Healthcare.** The Operating Company will provide healthcare services to the Residents in the Healthcare Center. Care in the Healthcare Center will only be provided within the limits of the CCRC'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 Rental Residence or Cottage Unit, as applicable, 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 Operating 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 Operating Company from liability for any such claims, damages or expenses.

## 26.2 Provider Needs

If management of the CCRC reasonably determines that your Rental Residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the Rental Residence, or as a result of any other circumstances reasonably determined by management of the CCRC to justify such transfer, Hayes Barton Place may move you to a new Rental Residence of a similar size provided that Hayes Barton Place (i) advises you prior to undertaking any such move, (ii) gives you reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of your personal furnishings, and (v) either provides in such new residence optional custom improvements comparable to those provided in your original Rental Residence or, at your option, reimburses you for the value of such improvements.

## 26.3 Process

Relocation decisions are made in consultation with the resident, the Resident's family (if applicable), and appropriate health professionals.

The provider will make reasonable efforts to relocate the resident to a comparable Rental Residence within the Community, meaning one of similar size, type, and monthly fee level whenever possible.

If relocation is required for renovation or construction purposes, the provider will inform the Resident in advance and clarify whether the move is temporary or permanent.

## 26.4 Financial Obligations

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

## 27. Admission and Continuation Standards

### 27.1 Admission Requirements

Admission to Hayes Barton Place is subject to both health and financial screening at the time of application.

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

**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 a Rental Residence or Cottage Unit in the Operating 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 Operating Company reserves the right to limit the number of Residents under the age of sixty-two (62) that will live in the CCRC.

**Preliminary Health Screen.** The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the Operating Company, which may be amended from time to time in the Operating Company's sole discretion. The Resident shall provide to the Operating Company an internal preliminary health screen substantially in the form attached to the Apartment Selection Agreement executed by the Resident and the Operating 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.

**Financial Condition.** The Operating Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee, 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. Immediately prior to the Occupancy Date or the Closing Date, as applicable, the Resident will affirm to the Operating Company that the Resident's personal financial situation does not differ materially and adversely from the financial situation presented in the Application Forms. If the Resident's then personal financial situation differs materially and adversely from the Resident's prior financial situation, the Operating Company may terminate the Residency and Services Agreement. After the Occupancy Date or the Closing Date, as applicable, the Operating Company may require updated financial information. In the case of two Residents occupying a Rental Residence or a Cottage Unit, 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 Operating Company's request for the same.

### 27.1.2 CCaH Contracts (Continuing Care at Home)

Not applicable. Hayes Barton Place does not have a continuing care at home program.

### 27.2 Continuation Requirements

The initial term of the Residency and Services Agreement for the Rental Residences 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.

### 27.3 Changes in Condition Before Occupancy or Commencement of Services

If after the execution of the Residency and Services Agreement and prior to the Occupancy Date or the Closing Date, as applicable, the Resident's health or mental condition is such that, in the sole discretion of the Operating Company, the Resident no longer meets the qualifications to live independently in the CCRC, and the Residency and Services Agreement is not otherwise terminated, such 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 a Rental Residence or Cottage Unit, 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.

## 28. Age and Insurance Requirements

### 28.1 Age Requirements

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 Apartment in the Operating 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 Operating Company reserves the right to limit the number of Residents under the age of sixty-two (62) that will live in the CCRC.

### 28.2 Insurance Requirements

Prior to the Occupancy Date or Closing Date, as applicable, each Resident shall provide evidence of health insurance coverage to the Operating Company at a level reasonably satisfactory to the Operating Company.

### 28.3 Special Conditions

See 28.1 for exception to the minimum age requirement of at least sixty-two (62) years of age for couples.

## 29. Reserve Funding and Refund Security

### 29.1 Cash and Investments

As of December 29, 2025, HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. held \$8,188,001 in unrestricted cash and investments.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 126 days. This level reflects Hayes Barton Place's rental operating model with respect to the Rental Residences, in which recurring monthly rental revenue is designed to fund ongoing operating expenses, reducing reliance on maintaining large unrestricted cash balances. The community also has access to financial support from Liberty Healthcare Group, providing an additional layer of liquidity as needed.

### 29.2 Investment Management and Oversight

**Oversight Body:** Finance Department.

**Day-to-Day Management:** Chief Financial Officer (CFO) and Chief Accounting Officer (CAO).

**Experience:** CFO has over 18 years and Chief Accounting Officer has over 25 years of financial oversight and investment policy.

**Policy and Controls:** Investments are managed under a CFO and CAO guidelines emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds.

### 29.3 Statutory Operating Reserve Requirement

Component	Amount
Total projected operating expenses	\$38,981,000
Add: Debt service (principal and interest)	\$11,821,000
Less: Principal and interest (covered by Debt Service Reserve Fund)	\$-
Less: Depreciation and amortization	\$(7,154,000)
Net projected operating costs	\$43,648,000
Applicable reserve percentage based on occupancy	25.0%
Required operating reserve	\$10,912,000
Unrestricted cash & investments on hand	\$8,188,001
Excess (deficiency) above required reserve	\$(2,723,999)

Summary: The required statutory operating reserve is \$10.91 million. Hayes Barton Place held \$8.19 million in unrestricted cash and investments, providing a deficit of \$2.72 million below the statutory minimum. The community will satisfy the deficit with an irrevocable, unconditional letter of credit in the amount of \$10,912,000, payable to the North Carolina Department of Insurance.

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

Not applicable. Hayes Barton Place does not accept entrance fees.

### 30. Expansion and Renovation Plans

Construction of the Apartments, the Townhomes, the Healthcare Center, and the Clubhouse was completed in January of 2025. The Cottage Units were completed in late 2025. The Garden Flats are scheduled to be completed in Q3 2026.

### 31. Audit Opinion and Timeliness

The consolidated financial statements of HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. , for the fiscal year ended December 29, 2025, were audited by Cherry Bekaert, LLP (Charlotte, NC).

- Timeliness: The audit was completed and issued within 150 days of fiscal year-end, meeting statutory requirements.
- Audit Opinion: The independent auditor issued an unqualified opinion (a “clean” audit opinion) on the consolidated financial statements.

### 32. Audited Financial Statements

Because the financial statements are presented on a consolidated basis, supplemental consolidating schedules provide provider-level detail for HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. .

The audited consolidated financial statements of HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. for the fiscal year ended December 29, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

### 33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Forvis-Mazars LLP (Atlanta, GA) and include a summary of significant assumptions and accounting policies.

Because the prospective financial statements are presented on a consolidated basis, supplemental consolidating schedules provide prospective operating results for Hayes Barton Place on a stand-alone basis

### 34. Variances from Prospective Financial Statements

Table 34.1 – Variance Analysis – Fiscal Year Ended 12/31/2025

Cash Balance	\$2,000,000	\$8,188,000	309.40%	The community filled extraordinarily quickly. The cash balances remained on the balance sheet of Hayes Barton Place longer than was anticipated.
Resident Accounts Receivable	\$2,891,000	\$23,000	-99.20%	The average days sales outstanding was much lower than anticipated. This is partially due to not being able to admit skilled nursing residents.
Operating Reserve	\$800,000	\$0	-100.00%	The provider funded the operating reserve with an irrevocable standby letter of credit.
Accounts Payable - Related Parties	\$17,760,000	\$390,000	-97.80%	The contemplated transfers of funds from related parties was not needed during the year due to the alacrity of admissions.

## 35. Key Financial Metrics

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

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

Full statutory text of definitions is provided in Appendix F

### 35.1 Liquidity Ratios

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

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

Ratio	FY-2 2023	FY-2 2024	FY 2025	FY+1 2026	FY+2 2027	FY+3 2028
DCOH	469	246	126	57	53	52
CUSH	0.61	1.38	0.79	0.42	0.42	0.42

Narrative – Provider Only:

Liquidity declined in FY 2025 due to the transition from construction to operation.

The provider predicts the liquidity continue to level off around 53 days. This level reflects Hayes Barton Place’s rental operating model with respect to the Rental Residences, in which recurring monthly rental revenue is designed to fund ongoing operating expenses, reducing reliance on maintaining large unrestricted cash balances. The Community also has access to financial support from Liberty Healthcare Group, providing an additional layer of liquidity as needed.

### 35.2 Profitability Ratios

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

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

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

Ratio	FY-2 2023	FY-2 2024	FY 2025	FY+1 2026	FY+2 2027	FY+3 2028
OR	6295%	43645%	103%	83%	75%	74%

NOM	N/A	N/A	41.85%	41.40%	45.46%	45.46%
NOM-A	N/A	N/A	41.85%	41.40%	45.46%	45.46%

Operating margin saw downward movement from 2024 through 2025, due to the transition from construction to operation. 2025 was particularly high due to the rapid fill-up combined with the collection of community fees.

Management projects fairly flat margins from 2026 through 2028 occupancy is expected to remain high.

### 35.3 Capital Structure Ratios

**Debt Service Coverage (DSCR).** Measures ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.

**Unrestricted Cash & Investments to Long-Term Debt (CD).** Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.

**Capital Expenditures to Depreciation (CED).** Indicates reinvestment relative to depreciation expense. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

Ratio	FY-2 2023	FY-2 2024	FY 2025	FY+1 2026	FY+2 2027	FY+3 2028
DSCR	-0.47	-1.04	0.93	1.42	1.83	1.88
CD	0.02	0.02	0.05	0.03	0.03	0.03
CED	200.30	84.51	3.43	0.01	0.01	0.02

The DSCR reached a positive level in 2025 as the community began operations. The provider expects the DSCR to level off just under 2.0 as occupancy is projected to remain high.

The CED ratio decreased from 2024 to 2025 due to construction completion. There is a relatively low projected spend on capital improvements in the very near future due to the newness of the community.

### 35.4 Overall Summary

The provider demonstrates sound liquidity, maintaining profitability, and conservative leverage. Provider-level liquidity increased during recent reinvestment cycles and remains in a very comfortable range to satisfy debt service. Additionally, the provider has a standby letter of credit payable to the North Carolina Department of Insurance in the amount of the required statutory operating reserve level. Projected performance indicates stable or modestly improving results through FY 2029, with sufficient capacity to fund operations, service debt, and support ongoing capital renewal.

## 36. Actuarial Opinion and Balance

Not Applicable

### 37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. pursuant to Article 64A of the North Carolina General Statutes.

### 38. Other Material Information

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. . Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

See Appendices for audited financial statements, prospective financial statements, representative contract(s), and other required attachments.

### 39. Contract Forms and Attachments

#### 39.1 Continuing Care Contracts

HBP Oberlin Senior Housing OPCO KP6, L.P., HBP Oberlin Senior Housing Propco KP6, L.P., HBP Oberlin Garden Flats PROPCO, L.P. offers thirteen (13) month rental Residency and Services Agreements for the Rental Residences. Residency and Services Agreements are also offered to Residents of the Cottages.

#### 39.2 Continuing Care at Home (CCaH) Contracts

Not applicable. Hayes Barton Place does not offer a continuing care at home program.

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Appendix B — Five-Year Prospective Financial Statements

Appendix C — Statement of Actuarial Opinion

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**Appendix A — Audited Financial Statements**

# **HAYES BARTON PLACE**

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

*As of and for the Period Ended December 29, 2025*

*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 29, 2025, and the related combined statements of operations and comprehensive loss, changes in equity, and cash flows for the period 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 29, 2025, and the results of its operations and its cash flows for the period 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 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 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 statements 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 29, 2026

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

DECEMBER 29, 2025

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**ASSETS**

Current Assets:

Cash	\$ 8,188,001
Restricted cash	500
Resident accounts receivable, net	22,912
Accounts receivable - other	501
Inventory	11,549
Prepaid expenses	787,879
Total Current Assets	<u>9,011,342</u>

Property and equipment, net

198,939,401

Noncurrent Assets:

Intangible asset	740,128
Accounts receivable - related parties	118,208
Other assets, net	619,786
Total Noncurrent Assets	<u>1,478,122</u>

**Total Assets**

\$ 209,428,865

**LIABILITIES AND EQUITY**

Current Liabilities:

Trade accounts payable	\$ 6,377
Unearned revenue	1,151,427
Accrued expenses and other payables	2,413,554
Note payable, net	154,256,242
Total Current Liabilities	<u>157,827,600</u>

Noncurrent Liabilities:

Accounts payable - related parties	<u>389,570</u>
Total Noncurrent Liabilities	<u>389,570</u>
Total Liabilities	<u>158,217,170</u>

Equity:

Members' equity	51,899,052
Accumulated other comprehensive loss	<u>(687,357)</u>
Total Equity	<u>51,211,695</u>
<b>Total Liabilities and Equity</b>	<u>\$ 209,428,865</u>

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

**HAYES BARTON PLACE**  
**COMBINED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

*PERIOD ENDED DECEMBER 29, 2025*

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Revenue:	
Resident revenue - Independent living	\$ 20,167,078
Resident revenue - Assisted living	2,741,686
Resident revenue - Skilled nursing	4,049
Other revenue	<u>53,550</u>
Total Revenue	<u>22,966,363</u>
Expenses:	
Resident services - Skilled nursing	151,640
Resident services - Assisted living	1,622,707
Resident services - Independent living	587,410
Dietary	2,801,664
Laundry	58,263
Housekeeping	961,148
Plant operations	1,603,385
Physical plant	188,688
General and administrative	4,314,249
Management fees	1,033,839
Depreciation and amortization	6,069,132
Interest expense	<u>10,330,835</u>
Total Expenses	<u>29,722,960</u>
Net Loss	(6,756,597)
Other Comprehensive Income (Loss):	
Change in fair value of interest rate derivative	<u>3,934</u>
Comprehensive Loss	<u>\$ (6,752,663)</u>

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

**HAYES BARTON PLACE**  
**COMBINED STATEMENT OF CHANGES IN EQUITY**

*PERIOD ENDED DECEMBER 29, 2025*

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	<u>Accumulated Other Comprehensive Loss</u>	<u>Members' Equity</u>	<u>Total Equity</u>
<b>Balance, December 31, 2024</b>	\$ (691,291)	\$ 58,655,649	\$ 57,964,358
Comprehensive income (loss)	3,934	<u>(6,756,597)</u>	<u>(6,752,663)</u>
<b>Balance, December 29, 2025</b>	<u>\$ (687,357)</u>	<u>\$ 51,899,052</u>	<u>\$ 51,211,695</u>

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

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

*PERIOD ENDED DECEMBER 29, 2025*

**Cash flows from operating activities:**

Net loss	\$ (6,756,597)
Adjustments to reconcile net loss to net cash flows from operating activities:	
Depreciation and amortization	6,069,132
Amortization of debt issuance costs	458,523
Changes in operating assets and liabilities:	
Resident/patient accounts receivable, net	(22,912)
Accounts receivable - other	(501)
Inventories	(11,549)
Prepaid expenses	(50,146)
Accounts receivable - related parties	1,119,593
Other assets	(772,215)
Accrued expenses and other payables	(52,321)
Unearned revenue	(2,589,394)
Accounts payable - related parties	(1,534,980)
Accounts payable - trade	(158,844)
Net cash flows from operating activities	<u>(4,298,277)</u>

**Cash flows from investing activities:**

Purchases of property and equipment	<u>(20,823,097)</u>
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**Cash flows from financing activities:**

Proceeds from issuance of debt	<u>29,918,174</u>
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Net change in cash and restricted cash	4,796,800
Cash and restricted cash, beginning of year	<u>3,391,701</u>
Cash and restricted cash, end of year	<u>\$ 8,188,501</u>

**Reconciliation of cash and restricted cash to the combined balance sheet:**

Cash	\$ 8,188,001
Restricted cash	500
	<u>\$ 8,188,501</u>

**Supplemental disclosure of cash flow information:**

Cash paid during the year for interest	<u>\$ 11,936,537</u>
Construction-in-progress in accrued expenses	<u>\$ 528,509</u>

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 29, 2025

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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 as 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, together with 9 townhomes and 13 cottage condominium units.

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 (“NC DOI”) issued the Company a Start-Up Certificate. On November 21, 2024, the Company received a permanent license from NC DOI. Subsequent to year-end the Company updated the permanent license to add the Garden Flats see Note 11.

### 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.

*Cash and Cash Equivalents* – Cash includes deposit accounts and investments purchased with an original maturity of three months or less. There were no cash equivalents as of December 29, 2025.

*Inventory* – Inventory consists primarily of food supplies and is stated at the lower of average cost or net realizable value.

# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 29, 2025

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

*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.

Construction-in-progress includes building costs, capitalized interests and legal fees.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Depreciation and amortization expense amounted to \$6,069,132 for the period ended December 29, 2025.

The estimated useful lives used in computing depreciation and amortization are as follows:

Buildings and improvements	5 to 40 years
Land improvements	5 to 15 years
Furniture and fixtures	5 to 20 years
Vehicles	10 years
Software	3 years
Leasehold improvements	Lesser of 40 years or the lease term
Equipment	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 combined statement of operations and comprehensive loss.

*Revenue Recognition* – The Company follows the guidance provided by Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* and uses a five-step model to apply to revenue recognition, consisting of: (1) determination of whether a contract, an agreement between two or more parties that creates legally enforceable rights and obligations, exists; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when (or as) the performance obligation is satisfied.

*Resident Revenue* – Resident fee revenue is reported at the amount that reflects the consideration the Company expects to receive in exchange for the services period. These amounts are due from residents or third party payers and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident fee revenue is recognized as performance obligations are satisfied.

Under the Company’s skilled nursing and assisted living senior living residency agreements, the Company provides senior living services to residents for a stated daily or monthly fee. The Company recognizes revenue for room, assistance with activities of daily living, inpatient therapy, healthcare, and personalized health services provided under assisted living and skilled nursing residency agreements in accordance with the provisions of U.S. GAAP. The senior living services included under the daily or monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time and recognized ratably over the contractual term, typically daily.

The Company also collects a one-time upfront nonrefundable community fee. The community fee is a one-time fee equivalent to one monthly service fee and becomes non-refundable 30 days after the resident signs the Residency and Care Agreement (the “Rescission Period”). The community fee is initially recorded as deferred revenue, then recognized as revenue at the end of the Rescission Period.

# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 29, 2025

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

The Company has a performance obligation related to the series of distinct goods and services and another performance obligation related to access residents have for discounted fee days. Management has determined it is appropriate to allocate an equal amount of revenue to this material right each month.

The Company receives revenue for services under various third party payor programs which include Medicare, Medicaid, and other third party payors. Settlements with third party payors for retroactive adjustments due to audits, reviews, or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on terms of the contract with the payor, correspondence with the payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

The Company receives revenue from independent living residents containing a lease component that would fall under the guidance of ASC 842, *Leases*. The amount of revenue recorded under this guidance was approximately \$20,167,000 and there would be no difference in how the revenue would be recognized under ASC 606 or ASC 842.

*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 29, 2025.

*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 Continuing Care Retirement Community ("CCRC") facility was approved on February 12, 2022. In accordance with U.S. GAAP, intangible assets with indefinite useful lives are reviewed for impairment in accordance with 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 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 an annual 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 29, 2025.

*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 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 29, 2025.

*Operating Reserves* – CCRCs located in North Carolina are licensed and monitored by the North Carolina Department of Insurance ("NC DOI") under Article 64 of Chapter 58 of the North Carolina General Statutes. The Commissioner of Insurance has the authority to revoke or restrict the license of or impose additional requirements on any continuing care facility under certain circumstances specified in North Carolina General Statute 58-64-10.

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

DECEMBER 29, 2025

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

North Carolina General Statute 58-64-33 requires that continuing care retirement communities with occupancy levels in excess of 90% maintain an operating reserve equal to 25% of total operating costs projected for the 12-month period following the most recent annual statement filed with the NC DOI, upon approval of the Commissioner. Continuing care retirement communities with less than 90% occupancy are required to maintain an operating reserve equal to 50% of projected total operating costs. Total operating costs shall include budgeted operating expenses plus debt service less depreciation and amortization expense and revenue associated with non-contractual expenses.

In order to meet the North Carolina General Statute operating reserve requirement for 2025, the Company maintained an irrevocable standby letter of credit throughout the year. At December 29, 2025, the amount of the letter of credit was \$8,471,000.

*Credit Concentrations* – The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. During the period ended December 29, 2025, the Company from time to time may have had amounts on deposit in excess of the insured limits.

The Company grants credit without collateral to its patients and residents, most of whom are insured by third party payors. The mix of receivables from patients and third party payors at December 29, 2025 was as follows:

Commercial insurance/private pay/other	<u>100%</u>
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The Company's mix of revenue sources for the period ended December 29, 2025 was as follows:

Commercial insurance/private pay/other	<u>100%</u>
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*Deferred Marketing Costs* – Management has implemented Accounting Standards Update (“ASU”) 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 \$120,646 for the period ended December 29, 2025.

*Advertising Costs* – Advertising costs are expensed in the year incurred and totaled \$691,788 for the period ended December 29, 2025.

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

DECEMBER 29, 2025

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

*Resident Accounts Receivable* – Receivables from residents, insurance companies, and third party contractual agencies are recorded at regular resident service rates, net of estimated contractual adjustments and credit losses. Contractual adjustments are estimated based on the terms of third party insured contracts and arrangements. The allowance for credit losses is based on the Company’s assessment of the collectability of resident accounts receivable. In accordance with ASC Topic 326, *Financial Instruments – Credit Losses*, the Company makes ongoing estimates relating to the collectability of resident receivables and records an allowance for estimated losses expected from the inability of its residents to make required payments. The Company establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a resident’s ability to pay, and creditworthiness. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable is stated in the amount management expects to collect from outstanding balances.

Changes in the allowance for credit losses related to patient accounts receivable for the period ended December 29, 2025 were as follows:

Balance, beginning of year	\$	-
Change in provision		39
Write-offs, net of recoveries		3
		<u>3</u>
Balance, end of year	\$	<u>42</u>

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

Property and equipment, net at December 29, 2025 consists of the following:

Land	\$	14,048,014
Leasehold improvements		30,339
Equipment		6,441,374
Vehicle		425,764
Buildings		180,811,867
Furniture and fixtures		<u>3,499,443</u>
		205,256,801
Less accumulated depreciation		<u>(6,847,314)</u>
		198,409,487
Construction-in-progress		<u>529,914</u>
Property and equipment, net	\$	<u>198,939,401</u>

**Note 4—Intangible asset**

Intangible asset (indefinite-lived) consisted of the following at December 29, 2025:

Certificate of need	\$	<u>740,128</u>
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# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 29, 2025

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### Note 5—Other assets, net

Other assets, net consisted of the following at December 29, 2025:

Deferred marketing costs	\$ 614,356
Derivative instrument	5,430
Other assets, net	<u>\$ 619,786</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 were recognized as intangible assets when the healthcare building was built and licensed.

### Note 6—Note payable

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 was used to finance the construction of the CCRC facility. The interest rate on this note was a variable rate of 2.75% plus the one-month term Secured Overnight Financing Rate (“SOFR”) (3.77% at December 29, 2025). Interest only is due at the beginning of the month starting in January 1, 2023 with principal due at maturity. The note has a maturity date of December 14, 2026. During the year, the Company drew an additional \$29,447,711 adding to the balance of notes payable. Total outstanding balance on the note payable amounted to \$154,687,500, net of debt issuance costs of \$431,258, as of December 29, 2025.

### Note 7—Derivative instrument

Hayes Barton Place Properties entered into a Master Rate Cap Agreement with Truist Bank, Inc. dated March 14, 2023 that effectively fixes the interest rate on the outstanding principal of the term note. The interest rate cap has a notional amount of \$77,343,750 at a fixed interest rate of 4.90%. The agreement expires on December 14, 2026. The swap contract is adjusted to current market values through other comprehensive loss. The fair value of the interest rate swap was recorded as an asset totaling approximately \$5,430 as of December 29, 2025. Changes in the fair value of the interest rate swap resulted in a gain of \$3,934 for the period ended December 29, 2025, which has been reported within other comprehensive income (loss).

### Note 8—Leases

Raleigh Properties (the “Lessor”) leases real estate which includes office space, nursing homes, and long-term care centers to Raleigh Operating (the “Lessee”) under the terms of the Operating Lease Agreement (the “Operating Lease”) effective November 14, 2024. The Operating Lease expires October 14, 2039.

The Lessor determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property and equipment for a period of time in exchange for consideration. The Lessor has elected to apply the practical expedient to account for lease and non-lease components as a single component, and all components qualify for this practical expedient as the timing and pattern of transfer of the lease and non-lease component are the same, and the lease would be classified as an operating lease if it were accounted for separately. The Lessor has determined the leases are predominant in these contracts and are accounting for the combined leases as operating leases under ASC 842.

The presentation is dependent on lease classification. However, the Lessor only has operating leases from a lessor perspective. Assets leased by the Company under operating leases are presented as property and equipment in the Company’s combined balance sheet and depreciated over their estimated useful life.

# HAYES BARTON PLACE

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 29, 2025

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### Note 8—Leases (continued)

The cost basis of land, buildings, and improvements and office furniture and equipment held under the terms of the lease agreement was \$204,806,585 and related accumulated depreciation was \$6,806,345 at December 29, 2025.

The Lessor receives rent payments directly from the Lessee. For the period ended December 29, 2025, the monthly payment ranged from \$2 to \$253,513 for the Lessor. According to the terms of the Operating Lease, the annual rent to be paid by the lessee ranges from \$253,513 to \$454,832 throughout the remainder of the terms.

Total rental income for the period ended December 29, 2025 was \$5,455,562 for the Lessor and has been eliminated in the combined financial statements.

Minimum future cash rentals due to the Lessor under the terms of the operating lease agreements are approximately as follows:

#### Years Ending December 31,

2026	\$	3,330,464
2027		4,836,626
2028		5,178,624
2029		5,303,884
2030		5,457,984
Thereafter		<u>48,212,192</u>
	\$	<u>72,319,774</u>

Total rent expense incurred by the Lessee to the Lessor was \$5,455,562 for the period ended December 29, 2025, including amortization of the right-of-use asset of \$2,589,548. These amounts have been eliminated in the combined financial statements.

### Note 9—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 29, 2025, total receivables and payables to related parties were \$118,208 and \$389,570, respectively.

### Note 10—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 \$16,597 to the Plan for the period ended December 29, 2025.

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

*DECEMBER 29, 2025*

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**Note 11—Subsequent events**

The Company has evaluated subsequent events through June 29, 2026, in connection with the preparation of these combined financial statements, which is the date the combined financial statements were available to be issued.

Effective December 30, 2025, the Company entered into amended and restated loan agreement with the commercial bank. The restated terms of the agreement modified the outstanding principal borrowings in the amount of \$195,440,000 with an interest rate equal to SOFR plus the applicable margin (2.30%). Interest only payments are due monthly commencing January 1, 2026, and interest and principal payments are due monthly commencing January 1, 2027. Loan maturity is December 31, 2028.

Effective December 30, 2025, the Company's effectuated and closed on a membership interest purchase agreement ("MIPA") in the amount of \$266,000,000 whereas immediately after assignment, Liberty Healthcare and affiliates owns all membership interest of the Company. Immediately after the closing of the aforementioned MIPA, an assignment and assumption of membership interest purchase agreement was effectuated and transferred and assigned all rights, title and interest to two separate companies, an assigned property company and assigned operating company. Liberty Healthcare is a 51% owner in the assigned property and operating companies.

**SUPPLEMENTARY INFORMATION**

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

DECEMBER 29, 2025

	Oberlin Senior Housing OPCO KP6, L.P.	Oberlin Senior Housing PROPCO KP6, L.P.	Eliminations	Total
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 5,566,129	\$ 2,621,872	\$ -	\$ 8,188,001
Restricted cash	500	-	-	500
Resident accounts receivable, net	22,912	-	-	22,912
Accounts receivable - Hayes Barton Place	686,408	5,653,484	(6,339,892)	-
Accounts receivable - other	501	-	-	501
Inventory	11,549	-	-	11,549
Prepaid expenses	777,879	10,000	-	787,879
<b>Total Current Assets</b>	<u>7,065,878</u>	<u>8,285,356</u>	<u>(6,339,892)</u>	<u>9,011,342</u>
Property and equipment, net	<u>410,652</u>	<u>198,528,749</u>	<u>-</u>	<u>198,939,401</u>
Noncurrent Assets:				
Intangible asset	-	740,128	-	740,128
Accounts receivable - related parties	54,658	63,550	-	118,208
Right-of-use asset	48,787,137	-	(48,787,137)	-
Other assets, net	614,356	5,430	-	619,786
<b>Total Noncurrent Assets</b>	<u>49,456,151</u>	<u>809,108</u>	<u>(48,787,137)</u>	<u>1,478,122</u>
<b>Total Assets</b>	<u>\$ 56,932,681</u>	<u>\$ 207,623,213</u>	<u>\$ (55,127,029)</u>	<u>\$ 209,428,865</u>

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

DECEMBER 29, 2025

	Oberlin Senior Housing OPCO KP6, L.P.	Oberlin Senior Housing PROPCO KP6, L.P.	Eliminations	Total
<b>LIABILITIES AND EQUITY</b>				
Current Liabilities:				
Trade accounts payable	\$ 6,377	\$ -	\$ -	\$ 6,377
Unearned revenue	530,492	620,935	-	1,151,427
Accrued expenses and other payables	1,619,877	1,435,125	(641,448)	2,413,554
Accounts payable - Hayes Barton Place	-	686,408	(686,408)	-
Note payable, net	-	154,256,242	-	154,256,242
Current portion of right-of-use lease liability	1,026,039	-	(1,026,039)	-
<b>Total Current Liabilities</b>	<b>3,182,785</b>	<b>156,998,710</b>	<b>(2,353,895)</b>	<b>157,827,600</b>
Noncurrent Liabilities:				
Accounts payable - related parties	389,570	-	-	389,570
Right-of-use lease liability, net of current portion	52,773,134	-	(52,773,134)	-
<b>Total Noncurrent Liabilities</b>	<b>53,162,704</b>	<b>-</b>	<b>(52,773,134)</b>	<b>389,570</b>
<b>Total Liabilities</b>	<b>56,345,489</b>	<b>156,998,710</b>	<b>(55,127,029)</b>	<b>158,217,170</b>
Equity:				
Members' equity	587,192	51,311,860	-	51,899,052
Accumulated other comprehensive loss	-	(687,357)	-	(687,357)
<b>Total Equity</b>	<b>587,192</b>	<b>50,624,503</b>	<b>-</b>	<b>51,211,695</b>
<b>Total Liabilities and Equity</b>	<b>\$ 56,932,681</b>	<b>\$ 207,623,213</b>	<b>\$ (55,127,029)</b>	<b>\$ 209,428,865</b>

**HAYES BARTON PLACE**  
**COMBINING STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

*PERIOD ENDED DECEMBER 29, 2025*

	Oberlin Senior Housing OPCO KP6, L.P.	Oberlin Senior Housing PROPCO KP6, L.P.	Eliminations	Total
Revenue:				
Resident revenue - Independent living	\$ 20,167,078	\$ -	\$ -	\$ 20,167,078
Resident revenue - Assisted living	2,741,686	-	-	2,741,686
Resident revenue - Skilled nursing	4,049	-	-	4,049
Interest income	-	-	-	-
Other revenue	-	53,550	-	53,550
Rent revenue	-	5,455,562	(5,455,562)	-
Total Revenue	<u>22,912,813</u>	<u>5,509,112</u>	<u>(5,455,562)</u>	<u>22,966,363</u>
Expenses:				
Resident services - Skilled nursing	151,640	-	-	151,640
Resident services - Assisted living	1,622,707	-	-	1,622,707
Resident services - Independent living	587,410	-	-	587,410
Dietary	2,801,664	-	-	2,801,664
Laundry	58,263	-	-	58,263
Housekeeping	961,148	-	-	961,148
Plant operations	1,603,385	-	-	1,603,385
Physical plant	3,050,489	4,213	(2,866,014)	188,688
General and administrative	4,221,812	92,437	-	4,314,249
Management fees	1,033,839	-	-	1,033,839
Depreciation and amortization	2,744,811	5,913,869	(2,589,548)	6,069,132
Interest expense	-	10,330,835	-	10,330,835
Total Expenses	<u>18,837,168</u>	<u>16,341,354</u>	<u>(5,455,562)</u>	<u>29,722,960</u>
Net Income (Loss)	4,075,645	(10,832,242)	-	(6,756,597)
Other Comprehensive Income (Loss):				
Change in fair value of interest rate derivative	-	3,934	-	3,934
Comprehensive Income (Loss)	<u>\$ 4,075,645</u>	<u>\$ (10,828,308)</u>	<u>\$ -</u>	<u>\$ (6,752,663)</u>

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

*PERIOD ENDED DECEMBER 29, 2025*

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	<b>Oberlin Senior Housing OPCO KP6, L.P.</b>	<b>Oberlin Senior Housing PROPCO KP6, L.P.</b>	<b>Eliminations</b>	<b>Total</b>
<b>Balances, December 31, 2024</b>	\$ (3,488,453)	\$ 61,452,811	\$ -	\$ 57,964,358
Comprehensive income (loss)	4,075,645	(10,828,308)	-	(6,752,663)
<b>Balances, December 29, 2025</b>	<u>\$ 587,192</u>	<u>\$ 50,624,503</u>	<u>\$ -</u>	<u>\$ 51,211,695</u>

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

PERIOD ENDED DECEMBER 29, 2025

	Oberlin Senior Housing OPCO KP6, L.P.	Oberlin Senior Housing PROPCO KP6, L.P.	Eliminations	Total
<b>Cash flows from operating activities:</b>				
Net income (loss)	\$ 4,075,645	\$ (10,832,242)	\$ -	\$ (6,756,597)
Adjustments to reconcile net loss to net cash flows from operating activities:				
Depreciation and amortization	2,744,811	5,913,869	(2,589,548)	6,069,132
Amortization of debt issuance costs	-	458,523	-	458,523
Changes in operating assets and liabilities:				
Resident/patient accounts receivable, net	(22,912)	-	-	(22,912)
Accounts receivable - other	(501)	-	-	(501)
Inventories	(11,549)	-	-	(11,549)
Prepaid expenses	(700,146)	650,000	-	(50,146)
Accounts receivable - Hayes Barton Place	450,463	(4,506,027)	4,055,564	-
Accounts receivable - related parties	603,027	516,566	-	1,119,593
Other assets	(228,494)	(543,721)	-	(772,215)
Accrued expenses and other payables	466,917	122,210	(641,448)	(52,321)
Unearned revenue	(2,833,446)	244,052	-	(2,589,394)
Accounts payable - Hayes Barton Place	(510,121)	(450,463)	960,584	-
Accounts payable - related parties	(1,181,709)	(353,271)	-	(1,534,980)
Accounts payable - trade	(158,844)	-	-	(158,844)
Lease liabilities	1,785,152	-	(1,785,152)	-
Net cash flows from operating activities	<u>4,478,293</u>	<u>(8,776,570)</u>	<u>-</u>	<u>(4,298,277)</u>
<b>Cash flows from investing activities:</b>				
Purchases of property and equipment	(565,915)	(20,257,182)	-	(20,823,097)
Net cash flows from investing activities	<u>(565,915)</u>	<u>(20,257,182)</u>	<u>-</u>	<u>(20,823,097)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of debt	-	29,918,174	-	29,918,174
Net cash flows from financing activities	<u>-</u>	<u>29,918,174</u>	<u>-</u>	<u>29,918,174</u>

**HAYES BARTON PLACE**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**

*PERIOD ENDED DECEMBER 29, 2025*

	<b>Oberlin Senior Housing OPCO KP6, L.P.</b>	<b>Oberlin Senior Housing PROPCO KP6, L.P.</b>	<b>Eliminations</b>	<b>Total</b>
Net change in cash and restricted cash	\$ 3,912,378	\$ 884,422	\$ -	\$ 4,796,800
Cash and restricted cash, beginning of year	1,654,251	1,737,450	-	3,391,701
Cash and restricted cash, end of year	<u>\$ 5,566,629</u>	<u>\$ 2,621,872</u>	<u>\$ -</u>	<u>\$ 8,188,501</u>
<b>Reconciliation of cash and restricted cash to the combining balance sheet:</b>				
Cash	\$ 5,566,129	\$ 2,621,872	\$ -	\$ 8,188,001
Restricted cash	500	-	-	500
	<u>\$ 5,566,629</u>	<u>\$ 2,621,872</u>	<u>\$ -</u>	<u>\$ 8,188,501</u>
<b>Supplemental disclosure of cash flow information:</b>				
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 11,936,537</u>	<u>\$ -</u>	<u>\$ 11,936,537</u>
Construction-in-progress in accrued expenses	<u>\$ -</u>	<u>\$ 528,509</u>	<u>\$ -</u>	<u>\$ 528,509</u>

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

**Hayes Barton Place**

Compilation of a Financial Projection

For Each of the Five Years Ending  
December 31, 2030

(with Accountant's Compilation Report thereon)

**Hayes Barton Place**

Compilation of a Financial Projection

Five Years Ending December 31, 2030

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## Accountant's Compilation Report

Hayes Barton Place  
Wilmington, North Carolina

Management of Hayes Barton Place, an economic entity comprised of three 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, 2030, the related projected combined statements of operations and 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 64A. 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:

- the independent living units are successfully marketed and achieve and maintain projected occupancy levels during the projection period;
- the Company enters into a permanent loan agreement in December 2026 at rates and terms as assumed in the projection; and
- the Company's results of operations and cash flows for the year ending December 31, 2025 and the financial position on December 31, 2025 are materially consistent to the amounts reflected in the financial 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 Mazars, LLP**

Atlanta, Georgia  
June 29, 2026

## Hayes Barton Place

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

	2026	2027	2028	2029	2030
<b>Revenue:</b>					
Resident Revenue - Independent living	\$ 23,171	\$ 28,977	\$ 29,846	\$ 30,742	\$ 31,665
Resident Revenue - Assisted living	8,455	8,867	9,133	9,408	9,690
Resident Revenue - Skilled nursing	5,476	6,495	6,688	6,890	7,096
Other revenue	1,426	1,469	1,513	1,558	1,605
<b>Total Revenue</b>	<b>38,528</b>	<b>45,808</b>	<b>47,180</b>	<b>48,598</b>	<b>50,056</b>
<b>Expense:</b>					
Resident services - Skilled nursing	3,610	3,660	3,770	3,883	4,000
Resident services - Assisted living	2,332	2,382	2,449	2,518	2,589
Resident services - Independent living	954	1,470	1,514	1,560	1,606
Dietary	4,613	4,963	5,112	5,265	5,423
Laundry	439	569	586	603	621
Housekeeping	1,239	1,337	1,377	1,419	1,461
Plant operations	1,953	2,268	2,336	2,407	2,479
Physical plant	233	748	770	793	817
General and administrative	4,306	4,342	4,477	4,615	4,758
Management fees	2,062	2,444	2,517	2,592	2,671
Depreciation and amortization	7,154	6,168	6,171	6,174	6,177
Interest expense	10,086	10,089	9,973	9,849	9,745
<b>Total operating expenses</b>	<b>38,981</b>	<b>40,440</b>	<b>41,052</b>	<b>41,678</b>	<b>42,347</b>
 Net income (loss)	 (453)	 5,368	 6,128	 6,920	 7,709
 Members' equity, beginning of year	 50,959	 50,506	 55,874	 62,002	 68,922
<b>Members' equity, end of year</b>	<b>\$ 50,506</b>	<b>\$ 55,874</b>	<b>\$ 62,002</b>	<b>\$ 68,922</b>	<b>\$ 76,631</b>

**See accompanying Accountant's 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)

	2026	2027	2028	2029	2030
<b>Cash flows from operating activities:</b>					
Net income (loss)	\$ (453)	\$ 5,368	\$ 6,128	\$ 6,920	\$ 7,709
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Depreciation and amortization	6,113	6,116	6,119	6,122	6,125
Amortization of debt issuance costs	1,041	52	52	52	52
Changes in operating assets and liabilities:					
Residents/patient accounts receivable, net	(4,714)	(911)	(169)	(175)	(179)
Inventories	(582)	(69)	(19)	(21)	(21)
Prepaid expenses	(85)	(27)	(8)	(8)	(9)
Accounts receivable - related parties	-	(8,912)	(10,221)	(10,884)	(11,565)
Accrued expenses and other payables	(26)	172	49	52	52
Accounts payable - related parties	1,993	-	-	-	-
Accounts payable - trade	114	34	10	10	11
Net cash flows from operating activities	3,401	1,823	1,941	2,068	2,175
<b>Cash flows from investing activities:</b>					
Purchases of property and equipment	(88)	(91)	(93)	(96)	(99)
Net cash flows from investing activities	(88)	(91)	(93)	(96)	(99)
<b>Cash flows from financing activities:</b>					
Proceeds from issuance of debt	154,688	-	-	-	-
Payoff of construction loan	(154,688)	-	-	-	-
Deferred financing costs	(1,547)	-	-	-	-
Principal payment of long-term debt	-	(1,732)	(1,848)	(1,972)	(2,076)
Net cash flows from financing activities	(1,547)	(1,732)	(1,848)	(1,972)	(2,076)
Net change in cash and restricted cash	1,766	-	-	-	-
Cash and restricted cash, beginning of year	3,235	5,001	5,001	5,001	5,001
Cash and restricted cash, end of year	\$ 5,001	\$ 5,001	\$ 5,001	\$ 5,001	\$ 5,001
Reconciliation of cash and restricted cash to the projected combined balance sheet:					
Cash	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Restricted cash	1	1	1	1	1
Total cash and restricted cash	\$ 5,001	\$ 5,001	\$ 5,001	\$ 5,001	\$ 5,001
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	\$ 10,086	\$ 10,089	\$ 9,973	\$ 9,849	\$ 9,745

**See accompanying Accountant's Compilation Report and Summary of Significant  
Projection Assumptions and Rationale**

## Hayes Barton Place

### Projected Combined Balance Sheets As of December 31, (In Thousands)

Assets	2026	2027	2028	2029	2030
Current assets:					
Cash	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Restricted cash	1	1	1	1	1
Resident accounts receivable, net	4,737	5,648	5,817	5,992	6,171
Accounts receivable - other	5,400	5,400	5,400	5,400	5,400
Inventory	594	663	682	703	724
Prepaid expenses	238	265	273	281	290
<b>Total Current Assets</b>	<b>\$ 15,970</b>	<b>\$ 16,977</b>	<b>\$ 17,173</b>	<b>\$ 17,377</b>	<b>\$ 17,586</b>
Property and equipment, net	192,506	186,601	180,695	174,789	168,883
Noncurrent assets:					
Intangible asset	1,171	1,171	1,171	1,171	1,171
Accounts receivable - related parties	767	9,679	19,900	30,784	42,349
Other assets, net	496	376	256	136	16
<b>Total Noncurrent Assets</b>	<b>2,434</b>	<b>11,226</b>	<b>21,327</b>	<b>32,091</b>	<b>43,536</b>
<b>Total Assets</b>	<b>\$ 210,910</b>	<b>\$ 214,804</b>	<b>\$ 219,195</b>	<b>\$ 224,257</b>	<b>\$ 230,005</b>
<b>Liabilities and Members' Equity</b>					
Current liabilities:					
Unearned revenue	\$ 530	\$ 530	\$ 530	\$ 530	\$ 530
Accrued expenses and other payables	2,553	2,759	2,818	2,880	2,943
Note payable, current portion	1,732	1,848	1,972	2,076	2,244
<b>Total Current Liabilities</b>	<b>\$ 4,815</b>	<b>\$ 5,137</b>	<b>\$ 5,320</b>	<b>\$ 5,486</b>	<b>\$ 5,717</b>
Noncurrent Liabilities:					
Note payable, net	152,450	150,654	148,734	146,710	144,518
Accounts payable - related parties	2,112	2,112	2,112	2,112	2,112
Deferred revenue, net	1,027	1,027	1,027	1,027	1,027
<b>Total Noncurrent Liabilities</b>	<b>155,589</b>	<b>153,793</b>	<b>151,873</b>	<b>149,849</b>	<b>147,657</b>
<b>Total Liabilities</b>	<b>160,404</b>	<b>158,930</b>	<b>157,193</b>	<b>155,335</b>	<b>153,374</b>
Members' equity	50,506	55,874	62,002	68,922	76,631
<b>Total liabilities and members' equity</b>	<b>\$ 210,910</b>	<b>\$ 214,804</b>	<b>\$ 219,195</b>	<b>\$ 224,257</b>	<b>\$ 230,005</b>

**See accompanying Accountant's 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 three individual companies under common control (the “Company”), 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, 2030. Accordingly, the accompanying financial projection reflects Management’s judgment as of June 29, 2026, 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 64A, 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:

- the independent living units are successfully marketed and achieve and maintain projected occupancy levels during the projection period;
- the Company enters into a permanent loan agreement in December 2026 at rates and terms as assumed in the projection; and
- the Company’s results of operations and cash flows for the year ending December 31, 2025 and the financial position on December 31, 2025 are materially consistent to the amounts reflected in the financial projection.

**See Accountant’s Compilation Report**

## Background

Management provides senior living services in Raleigh, North Carolina. Services include providing and maintaining an independent living retirement community, assisted living services, skilled nursing care, and supporting services (the “Community”). The Company began operations of the Community in January 2025. 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.

Prior to December 30, 2025, the Company was an economic entity comprised of the following two companies:

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

## Membership Interest Purchase Agreement

On September 16, 2025, HBP Oberlin Senior Housing Member KP6, LLC (“Propco Member”) and KAREP VI Intervening Company, LLC (“Opco Member” and, together with Propco Member, collectively, the “Sellers”) entered into a membership interest purchase agreement (the “Membership Interest Purchase Agreement”) with Raleigh CCRC Properties, LLC (the “Buyer”). The transaction conveyed to the Buyer all of the Sellers' rights, title and interest in 75 percent membership interests in Raleigh Properties and Raleigh Operating. The Buyer also assumed the obligations and liabilities associated with the assigned membership interests upon closing. The effective date of the Membership Interest Purchase Agreement commenced on October 16, 2025.

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

### *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 entered 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 the Independent Living Units (defined hereinafter) and 6.0 percent of total revenues derived from Assisted Living Units and Skilled Nursing Beds (defined hereinafter) (the “Management Fee”) to the Operating Manager, a related party to the Company.

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**The Community**

The Community is located in Raleigh, North Carolina on approximately eight acres of land, comprised of three parcels. The Community currently consists of 215 independent living rental apartments (the “Apartments”), flats (the “Flats”), townhomes (the “Townhomes”), and cottages (the “Cottages”), (collectively, the “Independent Living Units”), 22 assisted living units and 32 memory support units (these 54 units are 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 following table summarizes the types of units, approximate square footage and assumed monthly fees (“Monthly Fee”) or daily fees (“Daily Fee”) of the Community.

**Table 1**  
**Community Configuration and Fees**

<b>Unit Type</b>	<b>Number of Units / Beds</b>	<b>Square Footage</b>	<b>Monthly Fee <sup>(1)(2)(3)</sup></b>
<b>Independent Living Units</b>			
Apartments:			
One-bedroom	18	851	\$ 7,357
Two-bedroom	139	1,467	10,457
Three-bedroom	12	2,598	15,668
Flats	24	1,985	14,972
Townhomes <sup>(4)</sup>	9	2,673	19,598
Cottages <sup>(5)</sup>	13	2,086	5,007
<b>Total / Weighted Average</b>	<b>215</b>	<b>1,624</b>	<b>\$ 11,045</b>
<b>Assisted Living Units</b>			
Memory Support Units	32	385	\$ 11,267
Traditional Assisted Living Units	22	669	10,928
<b>Total / Weighted Average</b>	<b>54</b>	<b>501</b>	<b>\$ 11,129</b>
<b>Skilled Nursing Beds</b>			<b>Daily Fee</b>
Private		635	\$ 600
Medicare		635	652
Managed Medicare		635	434
<b>Total / Weighted Average</b>	<b>31</b>	<b>635</b>	<b>\$ 562</b>
<b>Total Units / Beds</b>	<b>300</b>		

Source: Management

- (1) The Monthly Fee and Daily Fee pricing is an average of the Month Fees and Daily Fees effective as of January 1, 2026. The Monthly Fees and Daily Fees increase each January for all Residents (hereinafter defined).
- (2) 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 Residents of the Independent Living Units or \$5,600 for direct admission to the Assisted Living Units Residents (the “Community Fee”).
- (3) The second person Monthly Fee for the Independent Living Units and the Assisted Living Units is \$1,400 and \$3,000, respectively.
- (4) Future development plans include the construction of 12 additional townhomes, which are not reflected in the current projection.
- (5) In April 2026, 13 Cottages were purchased by a related party, with the intention to sell to individual home buyers “Cottage Owners”. The Community is to provide services to the Cottage Owners and charge the corresponding Monthly Fee. The Cottages are assumed to achieve 100 percent occupancy by November 2026.

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## 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 one-time, 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.

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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) Resident becomes infected with dangerous or contagious disease; or (v) violation of any reasonable procedures at the Community.

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**Summary of Significant Accounting Policies**

- (a) Basis of Accounting – The Company is assumed to maintain its accounting and financial records according to the accrual basis of accounting.
- (b) Principles of Combination – The projected combined financial statements include the accounts of Raleigh Properties, Raleigh Operating, and Raleigh CCRC Properties, LLC which are owned and controlled by the members of the limited liability partnership. All significant inter-company accounts and transactions have been eliminated, including right-of-use assets and right-of-use lease liability amounts.
- (c) Cash – Cash includes cash on hand and cash on deposit held by one financial institution.
- (d) Restricted Cash – Restricted cash is comprised of 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 security deposit paid by the resident upon execution of a Residency and Care Agreement.
- (e) 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.
- (f) Statutory Operating Reserve – North Carolina General Statute 58-64A-245 requires CCRCs to maintain an operating reserve (the “Statutory Operating Reserve”) as a percentage of the total operating costs in a given year, based on occupancy levels of the independent units. This law provides security to residents that the Corporation is able to meet its contractual obligations to provide continuing care. In order to meet the North Carolina General Statutes operating reserve requirements, the Company maintains an irrevocable standby letter of credit from a financial institution. At December 29, 2025, the amount of the letter of credit was \$8,471,000.
- (g) Lease Accounting – 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 projected financial statements, material lease transactions occurring during the projection period are recognized as internal lease transfers and eliminated from the financial presentation.
- (h) 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. The cost of maintenance and repairs is charged to operations as incurred, whereas significant renewals and betterments are capitalized.

**See Accountant’s Compilation Report**

- (i) 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 years, the estimated term of the respective Residency and Services Agreements.
- (j) Intangible Asset – In accordance with accounting standards generally accepted in the United States of America, 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 a CON. Intangible assets with indefinite useful lives are reviewed for impairment in accordance with 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 remaining estimated useful life of its CON may warrant revision or that the remaining carrying value may not be recoverable. As permitted by ASC 350, the Company performs a qualitative assessment of impairment to determine whether the value of the CON was impaired. Management has not assumed an impairment to intangible assets during the projection period.
- (k) Debt Financing Cost – Cost associated with the issuance of debt is capitalized and is 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 projected balance sheet and the amortization is included on the combined projected statement of operations and changes in members’ equity.
- (l) 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 Accountant’s Compilation Report**

**Summary of Revenue Assumptions**

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

<b>Fiscal Years Ending December 31,</b>	<b>Average Units / Beds Available</b>	<b>Average Units / Beds Occupied</b>	<b>Percent Occupied</b>
<b>Independent Living Units<sup>(1)</sup></b>			
2026 <sup>(2)</sup>	215	175	81.0%
2027 – 2030	215	206	96.0%
<b>Assisted Living Units</b>			
2026 – 2030	54	51	94.0%
<b>Skilled Nursing Beds<sup>(3)</sup></b>			
2026	31	26	84.0%
2027 – 2030	31	30	97.0%

Source: Management

- (1) The double occupancy percentage for the Independent Living Units is assumed to be 45 percent throughout the projection period.
- (2) Fill-up of the Garden Flats, Townhomes, and Cottages is expected in 2026, with stabilized occupancy of 96 percent projected during the fourth quarter of fiscal year 2027.
- (3) The payor mix for the Skilled Nursing Beds is assumed to be as follows throughout the projection period: Private pay: 4.0 percent; Medicare: 70.0 percent; and Managed Medicare: 26 percent.

*Independent Living and Assisted Living Revenue*

Resident service revenue for 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 and the Assisted Living Units are assumed to increase 3.0 percent annually throughout the projection period.

*Skilled Nursing Revenue*

Resident service revenue for 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 the Skilled Nursing Beds are assumed to increase 3.0 percent annually throughout the projection period.

*Other Revenues*

Revenue from other revenue is assumed to be derived from Community Fees, guest meals and other miscellaneous sources and is assumed to approximate 3.3 percent of annual resident service revenue throughout the projection period.

**See Accountant's Compilation Report**

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

Salaries, wages, and employee benefits are assumed to increase 3.0 percent annually.

*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 revenue derived from the Independent Living Units and 6.0 percent of the revenue derived from the Health Center.

**Statutory Operating Reserve**

North Carolina General Statute § 58-64A-245 requires CCRC's to maintain an operating reserve (the "Statutory Operating Reserve") subject to the certain guidelines.

- A provider shall maintain after the opening of a CCRC an operating reserve equal to fifty percent of the total operating costs of the CCRC forecasted for the 12-month period following the period covered by the most recent disclosure statement filed with the North Carolina Department of Insurance ("NCDOI").
- Once a CCRC achieves a 12-month daily average independent living unit occupancy rate of 90 percent or higher, a provider shall be required to maintain an operating reserve in an amount calculated using the table below, unless otherwise instructed by NCDOI.
- A provider who has a 12-month daily average independent living unit occupancy rate equal to or in excess of ninety-three percent and has no long-term debt or a debt service coverage ratio in excess of 2.00x as of the provider's most recent fiscal year-end shall be required to maintain an operating reserve equal to 12.5 percent of total operating costs of the CCRC.

12-Month Average Occupancy Rate	Operating Reserve Requirement as a Percentage of Independent Living Unit Occupancy Rate
90% or above	25.00%
86% to 89.9%	31.25%
83% to 85.9%	37.50%
80% to 82.9%	43.75%
Below 80%	50.00%

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

**Table 3**  
**Statutory Operating Reserve Requirement**  
**(in Thousands)**

Fiscal Years Ending December 31,	2026	2027	2028	2029	2030
Projected expenses	\$ 38,981	\$ 40,440	\$ 41,052	\$ 41,678	\$ 42,347
Add: principal payments on long-term debt	–	1,732	1,848	1,972	2,076
Subtract:					
Depreciation	(5,993)	(5,996)	(5,999)	(6,002)	(6,005)
Amortization	(1,161)	(172)	(172)	(172)	(172)
Projected operating expenses – adjusted	31,827	36,004	36,729	37,476	38,246
Statutory Operating Reserve percent required <sup>(1)</sup>	38%	25%	25%	25%	25%
<b>Statutory Operating Reserve<sup>(2)</sup></b>	<b>\$ 12,094</b>	<b>\$ 9,001</b>	<b>\$ 9,182</b>	<b>\$ 9,369</b>	<b>\$ 9,562</b>
Occupancy of the Independent Living Units and Assisted Living Units:					
Units available, end of year	269	269	269	269	269
Units occupied, end of year	226	257	257	257	257
<b>Occupancy Percentage</b>	<b>84%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>

Source: Management

- (1) North Carolina state statute requires an operating reserve of 37.5 percent of projected operating expenses-adjusted for fiscal year 2026 based on a projected occupancy level of 84 percent and an operating reserve of 25 percent of projected operating expenses-adjusted for the remainder of the projection period based on projected occupancy levels equal to or greater than 90 percent.
- (2) Management satisfies the statutory operating reserve requirement through an irrevocable standby letter of credit with a financial institution.

**See Accountant's 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 4**  
**Schedule of Property and Equipment**  
**(in Thousands)**

	2026	2027	2028	2029	2030
Beginning balance	\$ 205,787	\$ 205,875	\$ 205,966	\$ 206,059	\$ 206,155
Routine capital additions	88	91	93	96	99
Property and equipment, cost	\$ 205,875	\$ 205,966	\$ 206,059	\$ 206,155	\$ 206,254
Less: Accumulated depreciation	(13,369)	(19,365)	(25,364)	(31,366)	(37,371)
<b>Property and equipment, net</b>	<b>\$ 192,506</b>	<b>\$ 186,601</b>	<b>\$ 180,695</b>	<b>\$ 174,789</b>	<b>\$ 168,883</b>

Source: Management

**Long-Term Debt***Note Payable*

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 "Note Payable"). The loan was used to finance the construction of the Community. The Note Payable has a variable interest rate of 2.75 percent plus the one-month term Secured Overnight Financing Rate (3.77 percent at December 29, 2025). Interest only was due at the beginning of the month starting in January 1, 2023 with principal due at maturity. The Note Payable has a maturity of December 14, 2026. During fiscal year 2025, the Company had draws on the Note Payable totaling \$29,447,711. As of December 31, 2025, the outstanding balance on the Note Payable was approximately \$154,688,000, net of debt issuance costs of approximately \$431,000.

*Permanent Loan*

For purposes of the projection, Management assumes the outstanding balance of the Note Payable shall be refinanced with a permanent loan (the "Permanent Loan") in December 2026. The Permanent Loan is assumed to approximate \$154,688,000 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 Accountant's Compilation Report**

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

**Table 5**  
**Principal and Interest Payments**  
**(in Thousands)**

Years Ending December 31,	Note Payable		Permanent Loan		Total Debt Service
	Principal Payment	Interest Payment	Principal Payment	Interest Payment	
2026 <sup>(1)</sup>	\$ 154,688	\$ 10,086	\$ –	\$ –	\$ 164,774
2027	–	–	1,732	10,089	11,821
2028	–	–	1,848	9,973	11,821
2029	–	–	1,972	9,849	11,821
2030	–	–	2,076	9,745	11,821
Thereafter	–	–	147,060	88,150	235,210
<b>Total</b>	<b>\$ 154,688</b>	<b>\$ 10,086</b>	<b>\$ 154,688</b>	<b>\$ 127,806</b>	<b>\$ 447,268</b>

Source: Management

### Current Assets and Current Liabilities

Operating revenue as used below includes net resident service fee revenue derived from the Skilled Nursing Beds. 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 6**  
**Working Capital – Days on Hand**

Accounts receivable	45	days of operating revenues
Inventories	10	days of operating expenses
Prepaid expenses	4	days of operating expenses
Accounts payable and accrued expenses	30	days of operating expenses

Source: Management

See Accountant's Compilation Report

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

**Not applicable. The provider does not have a new actuarial opinion.**

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



# HAYES BARTON PLACE

## **Residency and Services Agreement** [Cottages]

**2600 Yettington Drive  
Raleigh, North Carolina 27608  
(919) 803-6734**

**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”) and \_\_\_\_\_ and \_\_\_\_\_ (herein individually or collectively called “Resident”). If two persons desire to share the Unit enter into this Agreement, the term Resident shall apply to them jointly and severally and to the survivor of them. If the Resident is a Designated Resident (as defined below), \_\_\_\_\_, the Unit Owner, executes this agreement to acknowledge that [he/she/it] is bound by the terms and conditions contained herein

**Unit:** \_\_\_\_\_

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

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

### WITNESSETH:

WHEREAS, the Company operates the continuing care retirement community known as “Hayes Barton Place” (the “CCRC”), with independent living residences located at 2600 Yettington Drive; Raleigh, North Carolina 27608; and

WHEREAS, the independent living options available to residents of the CCRC include the option to purchase a condominium cottage unit (all such units are collectively referred to herein as the “Cottages”) located on the CCRC campus (the portion of the campus consisting of the Cottage and the common areas dedicated thereto is referred to herein as the “Cottage Area”); and

WHEREAS, the HBP Cottages, LLC, a North Carolina for-profit limited liability company (the “HBP Cottages”), an affiliate of the Company, purchased the Cottages for inclusion into the CCRC and created the “Hayes Barton Place Condominium” (the “Condominium”) pursuant to that certain Declaration of Condominium for the Hayes Barton Place Condominium, recorded in Book [\_\_\_\_], Page [\_\_\_\_], in the Office of the Register of Deeds of Wake County, North Carolina (the “Condo Declaration”); and

WHEREAS, the Resident, or other person, firm, corporation, partnership, association, trust or other legal entity has entered into a Purchase and Sale Agreement (the “Purchase and Sale Agreement”) for the purchase of Unit number \_\_\_\_\_ (the “Unit” or “Residence”); and

WHEREAS, the “Unit Owner” is the person, firm, corporation, partnership, association, trust or other legal entity that purchases the Unit pursuant to the Purchase and Sale Agreement or subsequently owns fee simple title to the Unit; and

WHEREAS, the purchase of the Unit requires that the Resident obtain the rights, privileges and responsibilities of membership in the CCRC as outlined by this Agreement.

**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, the Unit Owner (if different than the Resident) and the Company hereby agree as follows:

1. Required Membership in the CCRC. The Unit Owner is required, contemporaneously with the purchase of the Unit, to purchase a non-transferable membership (a “Membership”) in the CCRC, providing the Resident with the benefits contained in this Agreement. The cost of Membership (the “Membership Fee”) is equal to ten percent (10%) of the purchase price paid for the Unit, subject to increase from time to time on an annual basis, and is payable to HBP Cottages at or prior to the Closing Date (as defined below). The Membership Fee is solely for the Resident’s personal right to reside in the CCRC and does not provide a Membership for any subsequent purchaser or user of the Unit. The requirement to purchase a Membership in the CCRC and execute a Residency and Services Agreement shall not be applicable to any Unit purchased by HBP Cottages, the Company or any of their respective affiliates.
2. Membership Fee Non-Transferable. The Membership Fee is personal to the Resident, and is non-refundable and non-transferable. If the Unit Owner is the Resident, the Unit Owner’s Membership will expire when the Unit Owner sells or otherwise disposes of the Unit or ceases to occupy the Unit. Provided however, if the Unit Owner ceases to occupy the Unit and lives in the Healthcare Center, then the Membership will continue and the Unit Owner shall continue to be responsible for payment of the Monthly Service Fee at the applicable rate. If the Unit is occupied by a person or persons other than the Unit Owner, the provisions of Section 5 hereof shall apply.
3. Resale of Units. If the Unit is resold, the new buyer of the Unit will be assessed a Membership Fee that shall be paid to HBP Cottages at the closing of the resale of the Unit. The amount of the Membership Fee shall not be included in the calculation of any real estate commission payable with respect to the resale of the Unit. If the Unit Owner transfers ownership or use of the Unit by gift, bequest, lease or any other method of conveyance that is not subject to an arm’s length negotiation at fair market value to a family member or any other person, the Membership Fee shall be based on the fair market value of the Unit by a Qualified Appraisal when such transfer occurs. The Unit Owner shall be solely responsible for the cost of the Qualified Appraisal. “Qualified Appraisal” means an appraisal conducted by a qualified appraiser agreed upon by HBP Cottages and the Unit Owner. In the event HBP Cottages and the Unit Owner cannot agree upon the selection of an appraiser, each party shall designate an appraiser and the appraisers so designated shall select a third appraiser and all three appraisers shall set a value for the Unit in question. In the event there is disagreement as to value among the appraisers, the value shall be set at the greater of (i) the original purchase price of the Unit; or (ii) the average of the three appraisals.
4. Right of First Refusal.

- a. In consideration of the affirmative obligations of and benefits to all Unit Owners provided by the HBP Cottages and its affiliates, when any Unit is offered for sale by a Unit Owner (other than HBP Cottages or its affiliates), HBP Cottages shall have the exclusive right of first refusal (the "Right of First Refusal") to purchase such Unit at the price and on the terms of any bona fide offer for such Unit made in writing to the Unit Owner.
  - b. Upon receiving a bona fide offer to purchase the Unit from a prospective buyer that the Unit Owner intends to accept but for the Right of First Refusal (a "BFP Offer"), the Cottage Owner shall notify HBP Cottages in writing of the Cottage Unit Owner's intent to sell, and shall include a complete copy of the BFP Offer (the "BFP Offer Notice"). HBP Cottages shall have thirty (30) days after receipt of such BFP Offer Notice to exercise the Right of First Refusal on the same terms proposed in the BFP Offer by giving written notice to the Cottage Owner. Should HBP Cottages fail or refuse, within thirty (30) days after receipt of the BFP Offer Notice, to exercise its option to purchase the Cottage Unit on the terms set forth in the BFP Offer, then the Unit Owner shall have the right to sell the Cottage Unit to the prospective purchaser at a price not lower than that offered to HBP Cottages, subject, however, to all covenants, restrictions, limitations and affirmative obligations set forth herein, the Purchase and Sale Agreement, the Condo Declaration and the Residency and Services Agreement. In the event the Cottage Unit Owner and the prospective purchaser fail or refuse to consummate such conveyance of the Cottage Unit within four (4) months of the date the BFP Offer Notice was transmitted to HBP Cottages at the price and on the terms offered, or a price more favorable to the Cottage Unit Owner, the terms and limitations of the Right of First Refusal shall again be imposed upon any sale by the Cottage Unit Owner.
  - c. If HBP Cottages elects to purchase such Cottage Unit, the transaction shall be consummated on the terms set forth in the BFP Offer; provided, however, that HBP Cottages shall have a minimum of thirty (30) days from the date it notifies the Cottage Unit Owner that it intends to exercise the Right of First Refusal to consummate the transaction.
  - d. The Right of First Refusal shall not apply to (i) the transfer of a Cottage Unit to a trust for estate planning purposes, (ii) the transfer of a Cottage Unit to the Cottage Unit Owner's estate, or (iii) the right of a foreclosure of a mortgage on the Cottage Unit.
  - e. The Right of First Refusal is more fully described in the Condo Declaration.
5. Provisions Applicable When the Resident is not the Unit Owner. If the Unit Owner acquires the Unit to be used by another person or persons, the Unit Owner must designate the person or persons, who shall use the Membership (all such persons are collectively referred to as a "Designated Resident"), which Membership must be acquired at the time the Unit is purchased. No more than two individuals may be named as a Designated

Resident and only the Resident(s) named in this Agreement shall be entitled to use of the Membership. Any Designated Resident must also satisfy the eligibility requirements for residency in the CCRC as described in this Agreement. When the Designated Resident no longer occupies the Unit, and thereby ceases to use the Membership, the Membership shall expire. Provided however, if the Designated Resident ceases to occupy the Unit and lives in the Healthcare Center, then the Membership continues and the Designated Resident and the Unit Owner shall continue to be jointly and severally responsible for payment of the Monthly Service Fee at the applicable rate. Any person who subsequently occupies the Unit, including the Unit Owner, must acquire a Membership for their use prior to occupying the Unit. Since under these circumstances there is no sales price upon which to determine the Membership Fee, the Membership Fee is based on the gross fair market value of the Unit, as determined by a Qualified Appraisal, and must be paid prior to re-occupancy of the Unit.

The Designated Resident and the Unit Owner will be jointly and severally responsible for the Membership Fee and the Monthly Service Fee. Execution of this Agreement shall constitute the Unit Owner's personal guarantee for the benefit of the Company, its successor and assigns, guaranteeing the Resident's payment of the Membership Fee, the Monthly Service Fee and all other fees payable pursuant to this Agreement.

The provisions of this Section 5 also apply to individuals who qualify for residency in the CCRC and move into a Unit with an existing Resident, whether through marriage or other arrangements.

6. 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 non-discriminatory 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 Unit 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 the Priority Partner Agreement (as defined below), 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. In the event the Resident is a Designated Resident, the Unit Owner shall also be required to deliver to Carolina Bay a confidential financial statement.

- 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 this Agreement.
- e. Priority Partner Agreement. If the Unit Owner is purchasing the Unit from HBP Cottages, prior to entering into this Agreement, the Resident shall submit a Cottage Priority Partner Agreement (the “Priority Partner Agreement”) to the Company and HBP Cottages. The Resident may terminate the Priority Partner Agreement prior to entering into this Agreement for any reason by giving written notice to the Company and the Resident shall be refunded the Priority Deposit described therein within thirty (30) days of such notice. If the Unit Owner executes a Purchase and Sale Agreement with HBP Cottages, the Priority Partner Agreement shall terminate, and the Priority Deposit shall be held as additional Earnest Money pursuant to the terms of the Purchase and Sale Agreement. In the event of any conflict between the provisions of the Priority Partner Agreement and this Agreement and/or the Purchase and Sale Agreement, the provisions of this Agreement and/or the Purchase and Sale Agreement shall control.
- f. Purchase and Sale Agreement. To purchase the Unit, the prospective Unit Owner shall enter into a Purchase and Sale Agreement with HBP Cottages or the existing Unit Owner simultaneously with his or her execution of this Agreement. With respect to any purchase from HBP Cottages, the prospective Unit Owner will make an earnest money deposit equal to ten percent (10%) of the purchase price for the Unit (such deposit, together with the Priority Deposit, are collectively referred to as the “Earnest Money”). The Earnest Money shall be held and applied in accordance with the terms of the Purchase and Sale Agreement. Any earnest money requirement applicable to the resale of the Unit where neither Cottage Property nor its affiliate is the seller shall be in accordance with the terms of the purchase and sale agreement entered into between the buyer and seller thereunder.
- g. Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee (as defined below), 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 herein. Immediately prior to the Closing Date, the Resident and the Unit

Owner will affirm to the Company that their personal financial situation does not differ materially or adversely from the financial situation as presented in the Application Forms. If the Resident's or Unit Owner's then personal financial situation differs materially and adversely from the Resident's or Unit Owner's prior financial situation, the Company may terminate this Agreement, which will result in the automatic termination of the Purchase and Sale Agreement. After the Closing Date, the Company may require an updated Financial Statement.

- h. 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.
- i. Health Insurance. Simultaneously with the delivery of the Application Forms, the Resident shall provide evidence of health insurance coverage to the Company at a level reasonably satisfactory to the Company.
- j. 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 and the Unit Owner in writing of its decision on the application. If the Resident is not approved for residency in the CCRC, this Agreement and the Purchase and Sale Agreement shall automatically terminate. Additionally, the Unit Owner acknowledges that it shall not be permitted to close on the resale of the Unit if the prospective buyer (or its prospective Designated Resident) fails to meet the qualifications for membership in the CCRC.
- k. Physician's Report. Thirty (30) days prior to the Closing Date (as defined below), 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.
- l. Representations and Warranties. The Resident and the Unit Owner affirm that the representations made in the Application Forms or other statements of financial capability are accurate and reflect the Resident's and Unit Owner's current status. The Resident and the Unit Owner acknowledge that such representations are the basis for which the Company agrees to enter into this Agreement.
- m. 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.
- n. Will, Durable Power-of-Attorney and Healthcare Directives. Thirty (30) days prior to the Closing 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 Closing 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.

- o. Notification of Closing Date. If the Resident is approved for residency in the CCRC, the Company will notify the Resident and the Unit Owner of the earliest date the closing of the purchase of the Unit can occur (the actual date of closing is hereinafter referred to as the "Closing Date"). Notwithstanding the fact that the Company has approved the Resident for residency in the CCRC, HBP Cottages shall not be obligated to close on the sale of the Unit until the Company has received, to its satisfaction, all items required to be delivered by the Resident and/or the Unit Owner prior to the Closing Date. 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.

7. 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. Utilities. The following utility fees are included in the Monthly Service Fee:
  - Heating
  - Water
  - Gas
  - Basic cable television
  - Internet
  - Air conditioning
  - Sewer
  - Electricity
  - Pest control
  - Trash removal

- b. 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.
- c. Housekeeping Services. The Resident agrees to keep the Unit in a clean and orderly condition. On a weekly basis, the Company will provide basic housekeeping services in the Unit. Please refer to basic cleaning schedule provided to the Resident at time of move in.
- d. 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; provided, however, to the extent any appliance located in the Unit was purchased from HBP Cottages, the Company or any of their respective affiliates, the CCRC be responsible for the routine maintenance and repair of such appliance. Notwithstanding the foregoing, all replacements of appliances in the Unit shall be the Resident’s responsibility and at his or her sole cost and expense.
- e. Changes to Residence. Any structural or physical change or remodeling of any kind within or outside the Unit 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.
- f. Grounds Keeping. The Company will maintain and repair the CCRC’s grounds, including lawns, trees and shrubbery. The Hayes Barton Place Owner’s Association, Inc., a North Carolina non-profit corporation (the “Association”) will maintain and repair the common areas of the Cottage Area. Personal plantings and customization of landscaped areas are subject to the Company’s and/or the Association’s approval.
- g. 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.
- h. 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.

- i. Programs. Recreational, social, educational and cultural programs will be coordinated by the CCRC's staff. Some activities are subject to an additional charge.
- j. Parking. The Unit includes access to a detached garage. Limited parking will be provided for the Resident's guests.
- k. 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.
- l. 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.
- m. 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. The Association will maintain general liability and hazard insurance on the Cottages and the common areas of the Cottage Area. Each Resident (or Unit Owner) will need to obtain insurance to cover any loss of the Resident's personal property within the Unit.

8. 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. Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
- h. Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC Concierge Desk.

9. Terms of Residence.

- a. Term of Agreement. The term of this Agreement shall begin on the Closing Date and expire when terminated in accordance with the terms hereof (the “Term”).
- b. Nature and Extent of Rights. The Resident’s Membership and rights under this Agreement shall exist and continue unless terminated as provided herein. 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. 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.
- h. 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.
- i. 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 Residence. 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.
- j. 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.

10. 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 of the CCRC (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.

11. Transfers of Resident.

- a. Direct Transfer to the Healthcare Center. If after the execution of this Agreement and prior to the Closing 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.
- 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. Permanent Transfer to the Healthcare Center or Outside Facility. If, in the sole discretion of the Company, after consultation with the Resident's attending physician, the Resident's family or personal representative and the Resident, to the extent possible, the Resident's transfer to the Healthcare Center or to an outside facility is considered permanent, the provisions of Section 9(g) above shall apply.

12. 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 held as Earnest Money pursuant to the Purchase and Sale Agreement.
- b. Membership Fee. The Resident, or the Unit Owner on the Resident's behalf, shall purchase the Membership by paying the one-time, non-refundable, non-transferable Membership Fee, to HBP Cottages by certified check or wire transfer to an account designated by HBP Cottages. The Membership Fee shall be paid to HBP Cottages on the Closing Date, and is subject to increase from time to time on annual basis, but in no event shall the Membership Fee exceed twenty percent (20%) of the purchase price for the Unit paid by the purchaser thereof.
- 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 Closing Date. The Monthly Service Fee shall be due regardless of whether or not the Residence is actually occupied by the Resident on the Closing 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. The Condominium Fee described below shall be billed in conjunction with the Monthly Service Fee. After the termination of this Agreement, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in this Agreement. The Monthly Service Fee and the monthly Condominium Fee are collectively referred to as the "Monthly Payment".

- 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 to the Resident. 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. Condominium Fee. As described in the Purchase and Sale Agreement and the Condo Declaration, the Resident shall pay a monthly fee to the Association (the "Condominium Fee"). The Condominium Fee will be based on the Condominium's actual operating costs (together with a reserve for replacements), as shown in the Condominium's annual operating budget formulated and adopted in accordance with the bylaws of the Condominium, and assessed based on the percentage of ownership interest in the Condominium's common elements. On the Closing Date, the purchasing Unit Owner and/or Resident will pay a **non-refundable Working Capital Assessment** (as defined in the Condo Declaration) to the Association in an amount equal to two (2) months of the Monthly Payment.
- f. 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 (5th) 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.
- g. 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 this Agreement and in accordance with the then published Healthcare Center per diem charge.
- h. 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.
- i. Refund of Fees. If the Resident cancels during the Rescission Period (as defined below), the Priority Deposit, the Earnest Money and any other fees paid by Resident in accordance with this 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.

- 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.

13. Termination.

- a. Termination by Resident. Upon the termination of this Agreement, the Resident's Membership shall terminate. 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 or the Unit Owner 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 or Unit Owner's request and set forth in Exhibit C of this Agreement or in writing in a separate addendum to the Agreement signed by the Company, Resident and/or the Unit Owner. 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 Closing 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 Closing Date upon written notice to the Company. In the event of such termination, and subject to the terms of the Purchase and Sale Agreement, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, 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 the Unit is resold, transferred, or properly occupied by a

new resident approved by the Company who has executed a Residency and Services Agreement and paid the Membership Fee. The Resident and the Unit Owner (if different than the Resident) shall be jointly and severally responsible for all obligations under the Residency and Services Agreement and otherwise including, without limitation, the amounts owed set forth in this paragraph.

b. Termination by Death or Serious Illness.

- i. Termination by Death or Serious Illness Prior to the Closing Date. If, prior to the Closing 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 Closing Date. If the Resident dies after the Closing 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 this Agreement, then this Agreement shall terminate. In such event, the Resident or the estate will retain all ownership rights and obligations in the Unit and will continue to be obligated to pay the Monthly Service Fee and the Condominium Fee, until the Unit is sold, transferred to or otherwise occupied by a new resident approved by the Company who has executed a Residency and Services Agreement and paid the Membership Fee. If the terminating Resident is a Designated Resident, then the Unit Owner and the Resident (or the Resident's estate) shall be jointly and severally responsible for all such obligations until the Unit is sold, transferred to or otherwise occupied by a new resident approved by the Company who has executed a Residency and Services Agreement and paid the Membership Fee. Transfer of a Unit under the last will and testament in the event a Resident dies, other than to the Resident's estate, is a conveyance upon which a Membership Fee must be paid if the devisee or beneficiary is approved by the Company and elects to become a resident of the CCRC. 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 Closing 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, except, as the case may be, for costs or other charges that the Resident, the Unit Owner (if different than the Resident), the Company and/or HBP Cottages agree in advance are non-refundable, and the Purchase and Sale Agreement shall automatically terminate.
- ii. Termination by the Company after the Closing Date. The Company may terminate this Agreement immediately upon providing written notice to the Resident in the event of the following:
  - (1) The Resident fails to make payments to the Company or the Association 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;
  - (3) The Resident, the Resident's authorized representative or the Unit Owner makes a material misrepresentation or omission in the information provided to the Company for its consideration of the Resident for residency in the CCRC;
  - (4) 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 behavioral is a detriment to other Members, visitors, and/or staff of the CCRC and the Member does not correct such behavior within thirty (30) days after written notice from the Company; or
  - (5) If the Company is removed as the Management Agent of the Association for any reason other than the Company's fraud, gross negligence or intentional misconduct as determined by a court of competent jurisdiction.
- iii. Effect of Termination by the Company after the Closing Date. In the event the Company terminates this Agreement after the Closing Date as set forth above, then this Agreement shall terminate. In such event, the Unit Owner will retain all ownership rights in the Unit and will continue to be obligated to pay the Monthly Service Fee and the Condominium Fee until the Unit is sold, transferred to or otherwise occupied by a new resident approved by the

Company who has executed a Residency and Services Agreement and paid the Membership Fee. If the terminated Resident is a Designated Resident, then the Unit Owner and the Resident (or the Resident's estate) shall be jointly and severally responsible for all such obligations until the Unit is sold, transferred to or otherwise occupied by a new resident approved by the Company who has executed a Residency and Services Agreement and paid the Membership Fee.

14. Resale. The Resident and the Unit Owner acknowledge that the resale of the Unit must be made to a person or persons who either meets the CCRC's eligibility for residence requirements or who is purchasing the Unit for a Designated Resident that is approved by the Company. The Resident and the Unit Owner also acknowledge and agree that if the Resident moves out of the Unit prior to its sale, the Resident and the Unit Owner, will be jointly and severally responsible for paying the Monthly Service Fee until the Unit is sold, transferred to or otherwise occupied a new resident approved by the Company who has executed a Residency and Services Agreement and paid the Membership Fee.
  
15. 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. If the Resident is a Designated Resident, the rights and obligations of the Resident are joint and several amongst the Resident and the Unit Owner.

- 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 Closing 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 Closing 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 and the Unit Owner acknowledge they have received a copy of the current Disclosure Statement of the CCRC.

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

Resident          \_\_\_\_\_

Unit Owner (if different than the Resident) \_\_\_\_\_

- i. Reading and Signing of Agreement. By signing this Agreement below, the Resident and the Unit Owner represent to the Company they have read and agree 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: \_\_\_\_\_

In the event the Unit Owner is not also the named Resident under this Agreement, the Unit Owner executes this Agreement to acknowledge its consent to the terms and conditions contained herein.

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

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

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

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

**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 \_\_\_\_\_ First \_\_\_\_\_ Middle \_\_\_\_\_  
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 Assistive 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: \_\_\_\_\_

**EXHIBIT B**  
**FORM OF FINANCIAL STATEMENT**



# HAYES BARTON PLACE

**Financial Statement**

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

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

\_\_\_\_\_

Personal Data	Yes*		No		Annual Income		
	A	B	A	B		A	B
Do you have a will?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wages		
Do you have a trust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bonus		
Do you have a Long Term Care Policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Interest Income		
What are the daily rates for AL? SN?					Dividend Income		
Are you involved in any suits or legal actions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other Investment Income		
Are all personal income taxes current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rental Income		
Are there any assets pledged or encumbered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gen/Ltd Partnership		

Do you have any contingent liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pension/Annuity Income		
					Social Security		
					Other Income		
					Total	\$	\$

\* Yes answers may require detailed responses

<b>Assets</b>		<b>Liabilities</b>	
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

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

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

<b>Schedule 4: Schedule 3: Notes and Accounts Receivable</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>
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 that the above-listed fees do not include the Condominium Fee or fees for occupancy in the Healthcare Center that are described in 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          \_\_\_\_\_



HAYES BARTON PLACE

## **Residency and Services Agreement**

**2600 Yettington Drive  
Raleigh, North Carolina 27608  
(919) 803-6734**

**02/15/2022  
(Revised 5/28/2026)**

**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 2600 Yettington Drive; 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 (as defined in Section 4.a herein). 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 thirty (30) 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"/> 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 “Initial Term”). After the Initial Term, this Agreement will automatically renew for additional thirteen (13) month periods (each a “Renewal Term”), unless terminated in accordance with Section 8 below. The Initial Term and any Renewal Terms may be referred to collectively as the “Term.” 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 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 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;

- (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, including, but not limited to, the Preliminary Health Screen (Exhibit A) or the Financial Statement (Exhibit B);
- (4) Vacation of the Residence by the Resident in any manner that would indicate or lead Company to reasonably believe that Resident has vacated the Residence;
- (5) If, in the sole opinion of Company, and as recommended by the Resident Eligibility Committee, Resident is unable to maintain an independent living status or Resident's health has changed to the extent that Resident requires inpatient medical or custodial attention, Company shall provide Resident written notice to that effect, and Resident agrees to transfer to a location capable of providing the level of health or custodial care required under the circumstances, within a minimum of fifteen (15) days of receiving such notice. Resident will be responsible for transfer costs and the cost of care received at the location to which he/she transfers; and
- (6) Any physical or emotional incapacitation suffered by Resident after the Occupancy Date of this Agreement such that the Resident:
  - a. Becomes bedridden on a continuing basis;
  - b. Is unable or fails to perform the normal personal activities of daily living including but not limited to bathing, dressing, eating and/or toileting;
  - c. Becomes disruptive socially so as to threaten the peace and quiet enjoyment of other residents; or
  - d. For any reason creates any condition which would threaten the Resident's safety or wellbeing or that of any other resident or of the Community.

In the event that Resident cannot continue to reside in the Community due to medical conditions or death, the Agreement will terminate on the day all possessions are removed from the Community and any keys are returned and all fees and outstanding charges are paid to Company. An agreement termination due to medical reasons will require a written statement from the Resident's physician.

- 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. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at then current market rate.

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 the 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      First      Middle  
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 Assistive 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	
First Person Service Fee	
Second Person Service 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 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          \_\_\_\_\_

## **Appendix E — Examination Report**

**Not applicable. At the time of submission, the North Carolina Department of Insurance has not completed a new examination of the provider.**

## Appendix F — Statutory Ratio and Supporting Definitions

This Appendix reproduces certain statutory definitions referenced in Section 35 — Key Financial Metrics. The definitions below are quoted verbatim from N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 and are provided for reference only.

**Adjusted Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees.”* (G.S. 58-64A-145(1))

**Annual Debt Service.** *“The current year's capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service.”* (G.S. 58-64A-5(7))

**Average Daily Cash Operating Expenses.** *“The total expenses of a provider incurred in the conduct of the provider's business over a defined period of time, divided by the number of days in that period. For purposes of this definition, ‘total expenses’ includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses.”* (G.S. 58-64A-145(2))

**Capital Expenditures as a Percentage of Depreciation Ratio.** *“A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense.”* (G.S. 58-64A-145(3))

**Cushion Ratio.** *“A liquidity ratio that measures a provider's ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service.”* (G.S. 58-64A-145(4))

**Days Cash on Hand Ratio.** *“A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses.”* (G.S. 58-64A-145(5))

**Debt Service Coverage Ratio.** *“A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues*

*over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of indebtedness shall be excluded from the net proceeds from entrance fees up to an amount equal to the aggregate of the principal amount of the indebtedness.” (G.S. 58-64A-5(17))*

**Net Cash Proceeds from Entrance Fees.** *“Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units.” (G.S. 58-64A-5(30))*

**Net Operating Margin Ratio.** *“A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue.” (G.S. 58-64A-145(7))*

**Operating Ratio.** *“A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue.” (G.S. 58-64A-145(8))*

**Prospective Financial Statements.** *“Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant.” (G.S. 58-64A-5(38))*

**Resident Expense.** *“Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes.” (G.S. 58-64A-145(10))*

**Resident Revenue.** *“Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions.” (G.S. 58-64A-145(11))*

**Unrestricted Cash and Investments.** *“The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted.” (G.S. 58-64A-145(12))*

**Unrestricted Cash and Investments to Long-Term Debt Ratio.** *“A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in*

*relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt.” (G.S. 58-64A-145(13))*

**Source:** N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). If the statutory definitions are amended, the statute as amended controls.

Appendix F — Statutory Ratio and Supporting Definitions