

# ***Disclosure Statement***

**DATE: June 3, 2025, As Amended December 18, 2025**

**Name of Facility:** **Windsor Run**

**Located at:** **2030 Windsor Run Lane**  
**Matthews, North Carolina, 28105**  
**704-443-6300**

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

- **This Disclosure Statement may be delivered until revised, but not after May 31, 2026.**
- **Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required; and**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.**
- **This Disclosure Statement has been filed with, and recorded by, the North Carolina Department of Insurance in accordance with Section 58-64A-150 of North Carolina General Statutes.**

**Note:** **Windsor Run, LLC believes this information is accurate and complete in all material respects, so far as compliance with the disclosure requirements for Continuing Care Facilities in the State of North Carolina. Knowingly delivering a disclosure statement that contains an untrue statement or omits a material fact may subject Windsor Run, LLC to penalties as set forth in the North Carolina General Statutes.**

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**WINDSOR RUN  
DISCLOSURE STATEMENT**

**A. THE COMMUNITY PROVIDER, PERSONNEL INVOLVED, BUSINESS EXPERIENCE & INVOLVED ENTITIES:**

**A.1. *Continuing Care Provider.*** The names and addresses of the Provider for Windsor Run Retirement Community is Windsor Run, LLC (sometimes referred to as “Provider,” “Windsor Run” or “Community”) a for-profit, privately owned, limited liability company organized under the laws of the State of Maryland and qualified to do business in North Carolina. Windsor Run is not affiliated with any religious organizations and is not intended to be a tax-exempt, charitable entity. Per Section A. 2 below, one of the members of Windsor Run is a subsidiary of a 501c3 charitable entity, known as National Senior Communities, Inc. The corporate address for the Provider is: 701 Maiden Choice Lane, Baltimore, Maryland 21228. The address of the Community is 2030 Windsor Run Lane, Matthews, North Carolina 28105.

Residents will enter into a Residence and Care Agreement (attached as Exhibit 1) with Windsor Run which will provide services to residents and receive the entrance fees and Monthly Service Packages. Windsor Run offers two different models for the Residence and Care Agreement. Windsor Run entered into a Management and Marketing Agreement with Erickson Senior Living, LLC (referred to as “Erickson Senior Living” or “Manager”), formerly known as Erickson Living Management, LLC, to provide certain services for the Community. Erickson Senior Living is organized as a limited liability company under the laws of the State of Maryland and is qualified to do business in the State of North Carolina.

**A.2. *Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests.*** The Provider Windsor Run, LLC is a limited liability company. Erickson Living Properties II, LLC (ELP II) owns 90% of the interests in Windsor Run, LLC and ELP II itself is wholly owned by Erickson Living Holdings, LLC, a Maryland limited liability company. The address for Erickson Living Holdings, LLC is 701 Maiden Choice Lane, Baltimore, Maryland, 21228.

The remaining 10% interest in Windsor Run, LLC is owned by NSC- Windsor Run, LLC. NSC- Windsor Run, LLC, is a single member limited liability company the sole member of which is National Senior Communities, Inc. (formerly National Senior Campuses, Inc.), a nonprofit 501(c)(3) supporting organization. National Senior Communities is licensed to engage in charitable fundraising to benefit the community and Windsor Run, LLC, is engaged as a licensed, paid solicitor for National Senior Communities. See Section D.2 for an explanation of the resident care fund.

The Provider is part of a multi-entity organization. See Exhibit 6 for a company structure chart showing the Provider’s relationship with the other entities in the multi-entity organization.

The officers of Windsor Run are listed below with their executive biographies. The officers assist with the management, control, and operation of the Community. The officers are selected based on their relevant experience in business, finance, and senior living. The business address for

all of the directors and officers of Windsor Run and Erickson Senior Living is 701 Maiden Choice Lane, Baltimore, Maryland 21228.

**Officers of Windsor Run, LLC**

R. Alan Butler:	Chief Executive Officer
Gregg Colon:	Chief Operating Officer
Christian Sweetser:	Chief Financial Officer
John Hall:	Treasurer
Susan L. Oliveri:	Secretary

**Executive Director:** Michael Wehrle

**BIOGRAPHIES**

**Alan Butler, Chief Executive Officer**

Mr. Butler joined Erickson Senior Living in 2010 as Chief Operating Officer and assumed his current position in 2011. As CEO, he focuses on the company's strategic growth. He spent 14 years as Treasurer of Allegis Group, Inc., the largest provider of staffing in the United States with 8,000 employees and 2009 revenue of \$6 billion. Mr. Butler was responsible for all debt placement and syndicated credit facilities, cash management activities, and advised on all mergers and acquisitions. He is currently CEO of Erickson Senior Living and President of Redwood Capital Investments, LLC, a private investment company.

Prior to joining Allegis Group and Redwood, Mr. Butler held various credit and lending positions at Bank of America and its predecessor banks from 1986 to 1996.

Mr. Butler currently serves on the Board of Redwood portfolio companies and on the Executive Board of the Boy Scouts of America. He graduated magna cum laude from the University of Maryland, College Park with a bachelor's degree in finance and received his master's degree in business administration from Loyola College in Maryland.

**Gregg Colon, Chief Operating Officer**

Mr. Colon serves as COO and oversees all of Erickson Senior Living's community operations programs including healthcare operations at all managed communities. Mr. Colon previously served as the Senior Vice President of Health Services for Erickson Senior Living and was responsible for healthcare operations, resident life programs, and ancillary health care lines of business. He joined Erickson Senior Living in 2012.

Prior to joining Erickson Senior Living, Gregg was Senior Vice President of resident care and services for Sunrise Senior Living, where he was responsible for care-related programming and standards for more than 300 senior living communities in the United States, Canada, and the United Kingdom. He is a certified public accountant and holds a Bachelor of Science degree in accounting from Georgetown University.

### **Christian Sweetser, Chief Financial Officer**

Christian Sweetser plans, develops, implements, and directs Erickson Senior Living's fiscal function and performance. He participates in the development of the company's strategic plans and programs, evaluates and advises on long-range plans, and provides financial and trending analysis.

Christian joined Erickson Senior Living in 2021. Previously, Christian was chief financial officer at Silverado Senior Living in Irvine, California. Under his leadership, Silverado enjoyed its most profitable financial performance in consolidated company history. Before joining Silverado, Christian was a vice president at Welltower, the world's largest health care real estate investment trust.

Mr. Sweetser holds a Bachelor of Science degree in economics from Cornell University and an MBA from the University of Chicago. He is also a chartered financial analyst and a member of the CFA Institute.

### **John D. Hall, Treasurer**

Mr. Hall is responsible for treasury, internal audit, insurance and tax for Erickson Senior Living and all communities that Erickson Senior Living manages since May 2010. During this time, he has redesigned or built all four areas' primary function and focus, led the successful efforts to refinance existing bond deals, improved visibility and reporting for cash activity and treasury services within the communities and to the boards, and is instrumental in Erickson Senior Living's tax planning efforts.

Mr. Hall spent the prior 10 years as Chief Accounting Officer of Allegis Group, Inc., the largest provider of staffing in the United States. Mr. Hall was responsible for all financial reporting, tax, insurance and risk management for Allegis Group and advised on financings and mergers and acquisitions, including the Erickson Senior Living transaction and many others involving Redwood Capital Investments LLC. Prior to joining Allegis Group, Mr. Hall was in public accounting for 15 years, leaving a partnership position with a national firm to join Allegis Group in 1999.

Mr. Hall graduated from the Loyola College in Maryland in 1985 with a bachelor's degree in business administration, with a concentration in accounting. He received his CPA certificate in 1985. Mr. Hall also holds a master's degree in business administration, with a concentration in income tax, from the University of Baltimore, which he received in 1992.

### **Susan Oliveri, Secretary**

Susan Oliveri is General Counsel and Corporate Secretary of Erickson Senior Living and is responsible for directing the legal affairs of the Company as well as maintaining the official records of the Company. She joined Erickson Senior Living in 2003. Prior to joining Erickson Senior Living, Ms. Oliveri practiced law with Miles & Stockbridge, PC and Smith, Somerville & Case, LLC in Baltimore, MD. Her practice focused primarily on commercial finance and real estate acquisition, development and construction. She also completed a clerkship for the Honorable Lawrence Rodowsky on the Court of Appeals of Maryland.

Ms. Oliveri is a member of the American Bar Association and the Maryland State Bar Association. Ms. Oliveri has a J.D. from the University of Baltimore School of Law where she

graduated magna cum laude. She also holds a Bachelor of Business Administration in Finance and Marketing from the University of Texas at Austin.

### **Executive Director for Windsor Run**

#### **Michael Wehrle**

Michael Wehrle is the Executive Director of Windsor Run and oversees the operation of the community.

Mr. Wehrle has been with Erickson Senior Living since 2011. He started his career as a member of the continuing care sales team at Riderwood Village. He obtained his nursing home administrator license while working at Riderwood. After becoming a licensed administrator, Mr. Wehrle held assistant administrator positions at several Erickson Living communities before his promotion to director of continuing care at Ashby Ponds in 2017. Under his leadership, Ashby Ponds achieved financial and quality metrics year over year and strong resident satisfaction and employee engagement results. In January, 2021, he was promoted to the associate executive director role for Fox Run.

Mr. Wehrle has a passion for quality and service, as well as a natural ability to connect with residents and staff. He holds a bachelor of science degree in health care management and a master's in health care administration.

#### ***A.3. Business Experience of, Acquisition of Goods and Services from, and Criminal, Civil, or Regulatory Proceedings against Provider, its Officers, Directors, Trustees, Managing and General Partners, Certain Persons who Hold Equity or Beneficial Interests, and the Management.***

##### ***(a) Business Experience in the Operation or Management of Similar Facilities.***

The Provider, Windsor Run, has operated the Community since opening.

Erickson Senior Living was formed in 2009 and is the manager of the Community. The officers of Erickson Senior Living have experience in managing and developing retirement communities through their work with the prior manager which built an innovative network of communities that combine a maintenance-free active lifestyle with a host of amenities, social activities, and wellness and medical centers.

Erickson Senior Living currently manages the Charlestown Retirement Community in Catonsville, Maryland, Oak Crest Village in Parkville, Maryland, Greenspring Village in Springfield, Virginia, Seabrook Village in Tinton Falls, New Jersey, Riderwood Village in Silver Spring, Maryland, Brooksby Village in Peabody, Massachusetts, Cedar Crest Village in Pompton Plains, New Jersey, Ann's Choice in Warminster, Pennsylvania, Fox Run Village in Novi, Michigan, Linden Ponds in Hingham, Massachusetts, Eagle's Trace in Houston, Texas, Highland Springs in Dallas, Texas, Maris Grove in Concordville, Pennsylvania, Wind Crest in Denver, Colorado, Tallgrass Creek in Overland Park, Kansas, Ashby Ponds in Ashburn, Virginia, Lantern Hill in New Providence, New Jersey, Devonshire in West Palm Beach, Florida, Windsor Run in Matthews, North Carolina, Siena Lakes in Naples, Florida, Avery Point in Richmond, Virginia, Woodleigh Chase in Fairfax, Virginia, and The Grandview in Bethesda, Maryland.

**(b) *Acquisition of Goods and Services.*** The Provider does not have any interest in any other professional service firm, association, foundation, trust, partnership, or corporation or any business or legal entity which presently intends or may provide goods, or services to the Provider at a value of \$5,000 or more within any year. The Provider's members, Erickson Living Properties II and NSC – Windsor Run, LLC, will not provide goods or services to the Community at a value of \$5,000 or more within a year. The Executive Director, an individual, does not have a 10% or greater interest in any the Provider or in any company that will provide goods or services annually of \$5000 or more to the provider, facility, or residents to the Provider.

The officers named in Section A.2 are also officers of related companies, Erickson Senior Living, LLC and Erickson Living Development, that will provide certain goods or services to the Community at a value of \$5000 or more within any year.

Windsor Run has entered into a Management and Marketing Agreement with Erickson Senior Living to provide certain services for the retirement community. Windsor Run will pay a base management fee to Erickson Senior Living currently calculated at 5% of net occupancy fees for independent living units and 5% of net occupancy fees for healthcare units.

Windsor Run has engaged development services through Erickson Living Development, LLC for the construction of the Community. Erickson Living Development, LLC is also a wholly owned subsidiary of Erickson Living Holdings, LLC, which is one of the members of Erickson Senior Living. The cost of construction will be competitively bid. These companies will not have any equitable or beneficial interests in the Provider.

**(c) *Status of any Criminal, Civil, or Regulatory Proceedings.*** The Provider, its officers, directors, trustees, managing and general partners and persons holding equity or beneficial interests: a) have not been convicted of a felony or pleaded nolo contendere to a felony charge and have not been held liable or enjoined in a civil action by final judgment in any felony or civil charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or moral turpitude; b) are not subject to an injunctive or restrictive order of a court, or within the past five years have not had a state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or healthcare, including without limitation, actions affecting a license to operate a nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; and c) are not currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

## B. COMMUNITY DESCRIPTION

**B.1. *Ownership of Real Property.*** The property on which the Community is located is currently owned by Windsor Run, LLC. It is possible that, in connection with future financings, a mortgage in favor of the lender, will be placed on the property.

**B.2. *Location and Description of Real Property.*** The site of Windsor Run is located on approximately 85 acres in Matthews, North Carolina located on McKee Road, near the intersection with Weddington Road. The community address is 2030 Windsor Run Lane, Matthews, North Carolina 28105.

Erickson Senior Living communities are designed to emulate a college campus atmosphere for senior citizens. The Community will be comprised of small clusters of buildings of various sizes and shapes. Buildings may be interconnected with bridges and walkways or may be free-standing. Residential buildings will have balconies, awnings, and patios and will be interspersed with clubhouse-style community centers that feature expansive windows and welcoming entrances.

The Community currently includes 800 independent Living Units within 9 residential buildings, in a variety of styles, and a club house. The club house contains dining options such as a restaurant and café as well as classrooms, activity spaces, and other common areas. The club house includes a beauty salon, an aquatic center and fitness center. The Community features an on-site medical center with services provided by both primary care practitioners and sub-specialists.

The Community also includes Continuing Care at Windsor Run, the healthcare neighborhood for the campus. The first phase of the Continuing Care facility includes 7 assisted living units (10 beds) and 22 nursing units (36 beds), some of which will be used for memory care services. The facility includes dining rooms, resident lounges, an activity room, a bathing core, space for on-site therapy and a beauty salon. Windsor Run builds in response to market demand and future development depends on future market conditions.

As shown in Exhibit 2, the first independent living buildings opened in May 2018. The first phase of Continuing Care at Windsor Run, including assisted living and skilled nursing units, opened in August 2021.

As the Community is built, Windsor Run will be responsible for maintaining the open spaces and travel ways within the Community. The approximate construction schedule for Windsor Run is attached to this Disclosure Statement as Exhibit 2. Construction may be delayed depending upon finalization of plan approvals and permits and due to unforeseen weather-related delays.

## C. SERVICES PROVIDED & PROPOSED FEES

**C.1. Services provided under Continuing Care Contracts.** Windsor Run offers a wide array of services to its residents, depending on the setting and level of care of the resident. In independent living, Windsor Run provides use of the selected Living Unit, a Monthly Meal Credit Plan, 24 hour on-site staff and emergency alert system, all utilities in the living unit including these cable/ telephone/ data services: basic cable television service (premium channels additional charge), local, long distance and international landline phone service, and wireless internet service, on-site Fitness Center basic membership (includes standard weekly classes as scheduled), one reserved Parking Space (note: reserved Parking Space terminates if resident no longer owns or uses a personal vehicle), general maintenance of buildings, grounds and fixtures; insurance of buildings and grounds including insurance for the living unit, including the structures and fixtures in such unit, except items owned by Resident; sewage, trash and general snow removal from common areas, and use of all public rooms and common areas of the Community.

For residents in Assisted Living, Windsor Run provides several packages for Assisted Living residents to serve different care needs. Further details on the services available at each level of Assisted Living and additional rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement. The package generally includes provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating, prescription evaluation and planning, a service plan designed by a care team, medication administration, at least three meals per day, regularly scheduled Registered Nurse review and assessment, personal laundry service, weekly light house-keeping (generally includes vacuuming carpet/ floors, light dusting and wiping down bathrooms and kitchenette if available), assistance with Incontinence Care, regular social work team services related to cognitive, behavioral and safety issues, licensed nurse management of chronic/ stable conditions on a regular basis, 24 hour on-site staff and emergency alert system, all Living Unit utilities including these cable/ telephone/ data services: basic cable television service (premium channels additional charge), local, long distance and international landline phone service, and wireless internet service, enriching activities program, daily bed-making, one load of laundry per week, washers and dryers available free of charge, assistance with additional care points identified in the holistic assessment, general maintenance of buildings, grounds and fixtures; insurance of buildings and grounds including insurance for the living unit, including the structures and fixtures in such unit, except items owned by Resident; sewage, trash removal and general snow removal from common areas, and use of all public rooms and common areas of the Community.

For residents needing Memory Care Services, Windsor Run provides packages for residents to serve different memory care service needs in designated units. Further details on the services available at each level of memory care services and additional rights and obligations in memory care services will be set forth in the appropriate memory care services Addendum to the Residence and Care Agreement. The package generally includes provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating, prescription evaluation and planning, memory care services or programming, a service plan designed by a care team, medication administration, at least three meals per day, regularly scheduled

Registered Nurse review and assessment, personal laundry service, weekly light house-keeping (generally includes vacuuming carpet/ floors, light dusting and wiping down bathrooms and kitchenette if available), assistance with Incontinence Care, regular social work team services related to cognitive, behavioral and safety issues, licensed nurse management of chronic/ stable conditions on a regular basis, 24 hour on-site staff and emergency alert system, all Living Unit utilities including these cable/ telephone/ data services: basic cable television service (premium channels additional charge), local, long distance and international landline phone service, and wireless internet service, enriching activities program, daily bed-making, one load of laundry per week, washers and dryers available free of charge, assistance with additional care points identified in the holistic assessment; general maintenance of buildings, grounds and fixtures; insurance of buildings and grounds including insurance for the living unit, including the structures and fixtures in such unit, except items owned by Resident; sewage, trash removal and general snow removal from common areas, and use of all public rooms and common areas of the Community.

For residents in Nursing Units, Windsor Run will provide the listed services. Further details on the services available and additional rights and obligations in nursing care will be set forth in a Nursing Admission Addendum to the Residence and Care Agreement. The package generally includes provision of three meals a day, tray service, individual care plans, planned activities, social work services, laundry services for linens and towels owned by Windsor Run, housekeeping, Nurse/ Resident communication system, security/safety officers on duty 24 hours, all Living Unit utilities including these cable/ telephone/ data services: basic cable television service (premium channels additional charge), local, long distance and international landline phone service, and wireless internet service, maintenance of buildings, grounds and equipment, insurance on buildings, grounds and equipment, insurance of the Nursing Unit and all items in the unit, except items owned by Resident, sewage, trash and general snow removal from common areas, and use of all public rooms and common areas of the Community.

Additional services that may be available to residents include meal delivery service, housekeeping and laundry service for residents in Independent Living, additional housekeeping or additional laundry service for residents in Assisted Living or Nursing Units, extra meals for residents in Independent Living (unless covered by Monthly Meal Credit as defined in the Residence and Care Agreement), guest meals, on-site Fitness Center premium services or classes, personal storage space (limited availability), second reserved parking space (limited availability), off-campus transportation within a radius determined by the Provider, catered living services and home support services.

Windsor Run currently includes an on-site Medical Center with primary care practitioners and sub-specialists. Windsor Run also intends to contract with third parties to provide additional services such as laboratory services, medical supplies, prescription drugs, and home health, therapy or rehab services.

Windsor Run will not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit or a Nursing Unit. Windsor Run does not provide for funeral arrangements for residents.

***C.2. A Description of All Fees Required of Residents Subject to the Residence and Care Agreement, Periodic Adjustment of Such Fees and Miscellaneous Provisions regarding Residency.***

**C.2. (a) Application Fee.** Prospective residents will pay a one-time application fee to Windsor Run. This fee is used to offset the costs of performing financial and health screenings and other paperwork requirements for the prospective resident. Upon submitting an application for residency in Windsor Run, each prospective resident must pay an application fee of \$150.00. Application fees collected from applicants will not be escrowed by Windsor Run.

If the Residence and Care Agreement is canceled or rescinded prior to occupancy (See Section D.3 (a) below), the Provider may retain the application fee as a reasonable service charge.

**C.2. (b) Customized Improvements Charge.** Prospective residents who desire to make customized improvements to a unit prior to moving in will pay a charge to Windsor Run for such improvements. This fee is used to offset the cost of material and labor for installing the specified improvement to the unit. The cost of any customized improvement to a unit will depend upon the improvement desired, including labor charges, and will be payable at the time of signing an agreement to install such improvements with Windsor Run. Fees paid for improvements to a unit will not be escrowed and will not be refunded.

**C.2. (c) Entrance Fee.**

**(c) (i) Payment of Entrance Fee.** Prospective residents will pay a one-time Entrance Fee to Windsor Run. Payment of an Entrance Fee provides a resident with the lifetime use of the Living Unit and the services and amenities available at the Community as long as the Resident complies with the Residence and Care Agreement. The Entrance Fee to be paid by residents depends upon the size, features, and level of care provided in the living unit selected. The current price list is included below. Prospective residents will pay the Entrance Fee in a series of deposits generally as follows: 1) A \$1000.00 Priority Deposit will be due when the prospective resident first submits an application for an actual living unit or to join the waiting list for a living unit at Windsor Run; 2) An additional \$4000.00 Reservation Deposit will be due when the prospective resident reserves a unit type in a particular residential building which deposit may be paid in two installments; 3) A Signing Deposit, bringing the total to 10% of the total Entrance Fee, is due when resident signs the Residence and Care Agreement; and 4) A Final Deposit, which is the remainder of the Entrance Fee after the prior deposits are paid, is due when the resident takes possession of the living unit.

At its sole discretion, Windsor Run may offer residents a short-term option for payment of the Entrance Fee with a promissory note. The promissory note is typically used for a short-term loan for a delayed home sale. The form of the promissory note is included in Schedule II of the Residence and Care Agreement.

The current schedule of Entrance Fee and Monthly Service Packages are shown in the following table.

**Current Entrance Fee Schedule  
And Monthly Service Packages**

<b>Living Unit Style</b>	<b>Approx Square Footage</b>	<b>2026 Monthly Service Package Fee</b>	<b>90% Refund Entrance Fee</b>	<b>Declining Balance Refund Entrance Fee</b>
1 Bedroom	800 - 1171	\$2,989 - \$3,705	\$278,000 - \$443,000	\$195,000 - \$310,000
1 Bedroom + Den	1040 – 1111	\$3,458 - \$3,638	\$423,000- \$481,000	\$287,000 - \$327,000
2 Bedroom 2 Bath	1106 – 1193	\$3,638 - \$3,952	\$427,000 - \$580,000	\$297,000 - \$407,000
2 Bedroom 2.5 Bath	1241-1306	\$3,936	\$484,000 - \$628,000	\$339,000 - \$440,000
Large 2 Bedroom 2 Bath	1277 - 1481	\$3,952 - \$4,555	\$515,000 - \$735,000	\$361,000 – \$515,000
Deluxe 2 Bedroom w/ den 2 Bath	1463 - 2096	\$4,555 - \$6,028	\$672,000 – \$1,149,000	\$503,000 – \$805,000
Second Person Fee		\$1,170		

Below is a table showing the frequency, average percentage increase, and average dollar amount of each increase in entrance fees for the previous five years.

Year	Contract Type	Number of Increases (Frequency)	Average % Increase	Average \$ Amount Increase
2021	90% Refund Entrance Fee	1	5.4	\$17,796
	Declining Balance Refund Entrance Fee	1	5.4	\$12,457
2022	90% Refund Entrance Fee	1	4.1	\$14,568
	Declining Balance Refund Entrance Fee	1	4.1	\$10,197
2023	90% Refund Entrance Fee	1	10.4	\$37,891
	Declining Balance Refund Entrance Fee	1	10.4	\$26,523
2024	90% Refund Entrance Fee	1	8.0	\$40,230
	Declining Balance Refund Entrance Fee	1	8.0	\$28,161
2025	90% Refund Entrance Fee	1	9.0	\$39,838
	Declining Balance Refund Entrance Fee	1	9.0	\$27,886

Windsor Run opened assisted living and skilled nursing units in its Continuing Care facility in September 2021. Below is the pricing for the Continuing Care facility.

#### Assisted Living, Memory Care Services and Long Term Care

Care level packages, shown below, are added to the base monthly service package for the full Assisted Living monthly fee. Care levels are determined as a result of initial and periodic resident assessments.

Living Unit Description	2026 Monthly Base Fee
Studio – Brodie Avery	From \$8,613 From \$8,355
Studio Suites	From \$8,613
One Bedroom	From \$10,277
Second Person Fee	\$2,648

Care Package Description	2026 Monthly Rate
Enhanced Care Package	\$1,357
Premium Care Package	\$2,714
Deluxe Care Package	\$4,071
Custom Care Package	\$6,134

#### Assisted Living, Memory Care Services, Long Term Care – External Admission

Non-Refundable Community Fee	\$2,500
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(c) (ii) Escrow of Entrance Fee. Prior to occupancy, all Entrance Fees paid by a resident to Windsor Run will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to Windsor Run. Any interest earned on funds in the escrow account will be for the benefit of Windsor Run. On the date that the resident either occupies the unit or the unit is available for immediate occupancy by the resident, the escrow agent may release the Entrance Fee for that unit from the escrow account to Windsor Run. Escrow funds will be invested in an interest-bearing account.

Prior to occupancy, deposits in escrow will be returned by the escrow agent to the prospective resident in the following circumstances: (i) within 30 days of the written request of the prospective resident; (ii) if the prospective resident dies before occupying a unit; (iii) if the prospective resident is determined to be ineligible for entrance into the

Community or due to the prospective resident's illness, injury, or incapacity that would preclude the applicant from occupying a living unit as well as upon death; or (iv) upon rescission of the Residence and Care Agreement pursuant to the terms of the Residence and Care Agreement. If the resident rescinds the Residence and Care Agreement within the 30 day period, Windsor Run will refund 100% of the Entrance Fee to the resident. If the resident or Windsor Run terminate the Residence and Care Agreement after the 30 day rescission period and prior to occupancy, the Entrance Fee is still partially refundable per the terms of the Residence and Care Agreement.

As new buildings are developed, the Escrow Agent may release 25% of escrow monies to Windsor Run when 50% of independent living units in a building are presold, permanent financing is secured, if applicable, and entrance fees plus proceeds of financing equals 90% or more of the costs to construct and equip the facility and provide cash flow funds equal 90% or more of funds needed to fund start-up losses and assure full performance of obligations. The remaining seventy-five (75%) percent of funds for a building can be released to Windsor Run when 70% of independent living units are presold, having received a minimum ten percent (10%) deposit, or has maintained an independent living unit occupancy minimum of seventy percent (70%) for at least 60 days, construction is complete and units available for occupancy.

When deposits are released to Windsor Run after occupancy and the expiration of the right of rescission, residents who sign the 90% Refund Residence and Care Agreement will receive the 90% Refund Amount as described below in Section C.2.c (iv). Residents who sign the Fully Declining Refund Residence and Care Agreement may receive a declining refund as described below in Section C.2.c (v)

(c) (iii) Changes to Entrance Fee. The Entrance Fee paid by a resident will normally not increase or decrease during residency unless the resident moves to a living unit with a higher Entrance Fee than the unit previously occupied by the resident. If the resident requests a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Fee and Windsor Run approves the transfer, the resident will pay an additional deposit for the new Living Unit. The amount of the additional deposit will vary, depending on market conditions for the resident's current Living Unit and for the desired new Living Unit at the time of the transfer and may be a full second Entrance Fee. Windsor Run will advise the resident of the additional deposit prior to the transfer and the resident may then decide whether or not to proceed with the transfer. For residents with a 90% refund Care Agreement, ten percent (10%) of the additional deposit paid will be added to the Community Fee (see Residence and Care Agreement) and will be non-refundable. For residents with the Fully Declining Refund Care Agreement, the new deposit will be presumed to have been paid on the original occupancy date for that resident and subject to the same amortizing schedule. Residents are normally not entitled to a refund or decrease of the Entrance Fee due to any temporary or permanent transfer, for whatever reason, during the Term of the Agreement. However, Windsor Run may make a partial refund of the Entrance Fee, minus the Community Fee, in the following circumstances: 1) the Resident transfers to a smaller Independent Living Unit than the Independent Living Unit currently occupied; and 2) the Entrance Fee for the smaller Independent Living Unit is currently lower than the Entrance

Fee paid for the original Independent Living Unit. In these specific circumstances, in its discretion Windsor Run may elect to refund the difference between the current Entrance Fee for the new Independent Living Unit and the original Entrance Fee paid but minus the Community Fee. See Section D.1 below for discussion of any additional deposit in the event that a resident marries after coming to the Community.

(c) (iv) Refund of Entrance Fee— 90% Refund Care Agreement. The following sections describe how the Entrance Fee is refunded after occupancy and the expiration of the right of rescission:

- If the Resident terminates the Residence and Care Agreement during their lifetime after the Occupancy Date and the expiration of the right of rescission (See Section D.3.(b) below), Windsor Run will pay the 90% Refund Amount within sixty (60) days of the date that the Resident becomes eligible for refund from the Refund Account as described in this sub-section C.2.(c) (iv) below. The refund is paid to the duly designated beneficiaries named in the Resident's refund form or, if there is no refund form, then to the resident.
- If the Resident dies after the Occupancy Date and the expiration of the right of rescission (See Section D.3.(d) below), Windsor Run will pay the 90% Refund Amount within sixty (60) days of the date that the Resident becomes eligible for refund from the Refund Account (see below). Windsor Run will pay the 90% Refund Amount to the duly designated beneficiaries named in a refund form or, if there is no refund form, then to the Resident's estate. If one Joint Resident dies, there will be no refund of any portion of the 90% refund amount; instead, so long as a surviving resident continues to reside at the community, the Entrance Fee (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 90% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund form, or to the survivor's estate.
- If Windsor Run terminates the Residence and Care Agreement for good cause (see Section D.3.(c), then Windsor Run shall pay the 90% Refund Amount within sixty (60) days of the date that the Resident becomes eligible for refund from the Refund Account as described in the section immediately below. Windsor Run will pay the 90% Refund Amount to the duly designated beneficiaries named in the refund form or, if there is no refund form, then to the resident.
- Windsor Run has established a Refund Account for paying the 90% refund amount per the terms of the Agreement. The Refund Account is a ledger funded by the receipt of all or a portion of new Entrance Fees from new residents who subscribe previously occupied Independent Living Units. When the Agreement terminates for any reason, the Resident or his/ her representative must promptly vacate and remove all possessions from the Living Unit, turn in the keys, sign a Unit Release for the Living Unit, and pre-approve the final bill. If the Resident occupied any other Living Units at the Community, all previous units also must be vacated and released. When

the foregoing steps are completed, Windsor Run then assigns a refund number for the Refund Account. Windsor Run pays the 90% Refund Amount based on assigned refund numbers generally proceeding in sequential order. If the Resident has the next assigned refund number in sequence, then the Resident is eligible for the 90% Refund Amount when: (i) the Resident or his/ her representative pays the final bill, and (ii) the funds in Refund Account are sufficient to fully pay the 90% Refund Amount to the Resident.

- The Refund Account is funded only when Windsor Run receives all or a portion of new Entrance Fees from new residents who subscribe previously occupied Independent Living Units. The new resident's right of rescission must also be expired for the Refund Account to receive all or a portion of the Entrance Fee. Windsor Run makes continued refunds from the Refund Account as new available funds are received into the Refund Account. Windsor Run has the right to temporarily suspend refunds if the Refund Account has insufficient funds to pay the next sequential refund that is due. Windsor Run pays the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order.

(c) (v) Refund of Entrance Fee— Fully Declining Refund Residence and Care Agreement. The following sections describe how the Entrance Fee is refunded after occupancy and the expiration of the right of rescission:

- If the Agreement is terminated at the election of all Residents in the Living Unit during their lifetime following the thirty day rescission period and within and including the first forty-eight (48) months from the Occupancy Date, Windsor Run will refund an amount equal to the Entrance Fee (i) minus a processing fee of 4% of the Entrance Fee, and (ii) minus a fee equal to 2% of the Entrance Fee per month for each month following the Occupancy Date, including the final month of the term of the Agreement (even if such final month is only a partial month).
- If (a) either a single Resident or both Joint Residents pass away after the expiration of the thirty day rescission period and within and including the first forty-eight (48) months from the Occupancy Date, or (b) One Joint Resident passes away and the surviving Joint Resident terminates the Agreement after the expiration of the thirty day rescission period and within and including the first forty-eight (48) months from the Occupancy Date, Windsor Run will refund an amount equal to the Entrance Fee (i) minus a processing fee of 4% of the Entrance Fee, and (ii) minus a fee equal to 2% of the Entrance Fee per month for each month following the Occupancy Date, including the final month of the term of the Agreement (even if such final month is only a partial month).
- If the resident is entitled to a refund of a portion of the Entrance Fee per the sections above, other than a termination by the Community, Windsor Run will pay the refund within one-hundred eighty (180) days after the resident or representative turns in keys and vacates any Living Unit(s), including parking or storage spaces, which the resident was occupying on the Departure Date.

- If the Community terminates the Agreement for good cause, Windsor Run will pay the resident on the Departure Date any refund to which the resident is entitled depending on the resident's months of residency, less a reasonable offset of fees as described in Section D.3(c) hereof. Any funds that Windsor Run retains and does not use for such purposes will be refunded to the resident within 45 days after the resident turns in keys and vacates any Living Unit(s), including parking or storage spaces, which the resident was occupying on the Departure Date.
- If the Agreement terminates after the first forty-eight (48) months from the Occupancy Date or later, whether due to the election of resident or Windsor Run, or due to resident's death, the resident will not be entitled to any refund of the Entrance Fee.

**C.2. (d) Monthly Service Packages.** Residents pay a Monthly Service Package during the term of their residency. Monthly Service Packages are used by Windsor Run to cover operating expenses of the Community. The amount of the Monthly Service Package depends upon the size, features, and, for Assisted Living and Nursing Units, the level of care provided within the living unit selected. If two or more Joint Residents occupy a unit together, the Joint Residents will pay only one (1) Monthly Service Package and one (1) double occupancy fee for each additional joint resident. Joint Residents who occupy separate units must each pay the full Monthly Service Package for their respective units. Joint Residents include residents who move to the Community together as well as residents who marry or cohabit after moving to the Community. Please see Section C.1 for services provided in the current Monthly Service Package.

If a Resident transfers temporarily to another unit or to an outside facility, the Resident must pay the Monthly Service Package for your permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be.

The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period of the temporary transfer. During the period of the temporary transfer, the Resident's Monthly Service Package for the permanent Living Unit are adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit if applicable and defined in Section 15 of the Resident and Care Agreement, (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit if applicable, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit if applicable. Policies and adjustments to the Non-Occupancy Credit are made by Windsor Run in its sole discretion.

If a Resident permanently transfers from one Living Unit to another Living Unit at the Community, the Resident is responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit if applicable, for the vacated Living Unit until the Resident completely vacates, removes all possessions from the vacated Living Unit, and returns the keys for the vacated Living Unit to Windsor Run.

If the Residence and Care Agreement terminates for any reason, the Resident or his/her representative is responsible for the payment of the Monthly Service Package for the vacated Independent Living Unit, less the Non-Occupancy Credit if applicable, for a period of up to and including ninety (90) days from the date that both of these conditions are fulfilled: (i) the Resident or his/her representative vacates the Living Unit and removes all possessions, and (ii) the Resident or his/her representative signs a Unit-Release Form for the Living Unit and returns the keys. If the vacated Living Unit is re-subscribed by another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident. Residents who permanently reside in a Continuing Care unit at the termination of residency should check the terms of their Continuing Care Addendum for the applicable policy.

The Monthly Service Package is due and payable each month, in advance, within five (5) days from the date of the monthly statement. Each resident will receive a monthly statement from Windsor Run showing the Monthly Service Package charges and charges for any ancillary services. The Monthly Service Packages may be adjusted by Windsor Run upon 30 days written notice to the residents.

Monthly Service Packages are not escrowed by Windsor Run. In general, the Monthly Service Packages are not refundable. However, if the resident transfers from the living unit to another unit or leaves the Community during a month, the resident may receive a non-occupancy, as applicable, credit towards the Monthly Service Package for the days in which the living unit was not occupied.

**C.2. (e) Ancillary Fees.** The resident may be charged fees by Windsor Run for ancillary services. Ancillary fees are used by Windsor Run to offset the cost of performing the ancillary services. The amount of the ancillary fee depends upon the additional services selected. Payment for ancillary services is generally due in arrears the month after services are rendered.

Ancillary fees are not escrowed by Windsor Run. Fees for ancillary services which are actually rendered are not refundable. The ancillary fees may be adjusted by Windsor Run upon 30 days written notice to the residents. The Current Ancillary Fee Schedule is shown in the table below.

## ANCILLARY FEE SCHEDULE

<b>Service</b>	<b>2026 Rate</b>
Non-Occupancy (Independent Living) Credit for Absences per resident, per day (starting on 31st consecutive night)	\$12.00
Note: the Non-Occupancy Credit does not apply to residents in Assisted Living, Memory Care or Nursing Care.	
Additional Mailbox Key	\$15.00
Additional or replacement Living Unit Badge	\$25.00
Badge for Resident Family & Friends Program	\$25.00
First Car Reserved Parking Space (Ind. Living) (resident registered car only)	No. Add. Fee
Second Car Reserved Parking Space (Monthly if available) (resident registered car only)	\$75.00
Reserved Carport parking (Monthly if available) (resident registered car only)	\$50.00
Storage Bin (Monthly if available)	\$15.00
Maintenance Service per hour	\$56.00
Grounds Service per hour	\$56.00
Housekeeping per hour	\$50.00
Computer Services (first 30-minutes) Each additional 15 minutes	\$50.00 \$18.00
Catered Living Care Fee Non-Care Second Person Fee	\$7,900.00 \$500.00
Emergency Pendant (1-time fee) Emergency Pendant Monthly Fee Emergency Pendant Replacement	\$50.00 \$25.00 \$35.00
Wheelchair Escorts (one way)	\$10.00
Wheelchair Escorts (round trip)	\$20.00
Guest Suite (Per Night)	\$130.00
Transportation	
Premium TV Service	No add Fee
Personal Training 30 minute	\$20.00
Personal Training 30 minute – in Living Unit	\$25.00
Personal Training five 30 minute sessions package Personal Training ten, 30 minute sessions package	\$85.00 \$150.00
Specialty Class (charged monthly)	\$16.00
Erickson Balance Class	\$50.00

Service	2026 Rate
Virtual Fitness Programs (digital)	Included
Specialty Health Club Group Fitness Classes	Add Fees Apply
Meal Delivery	\$7.00
Sales Tax	When Applicable

Ancillary fees in continuing care are available on request.

**C.2. (f) Refurbishing Charges.** Each time that a resident permanently vacates an Independent Living Unit or Assisted Living or unit providing Memory Care Services, irrespective of the length of time of occupancy, Windsor Run will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in the sole discretion of Windsor Run, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the “Refurbishing Charges”) are charged to and paid by the resident but in some situations, Windsor Run will cover some or all of the Refurbishing Charges for the Living Unit. The amount of the Refurbishing Charges will vary depending on the type of extraordinary damage incurred. Refurbishing Charges are not escrowed and are not refunded by Windsor Run and may be adjusted by Windsor Run. The sections below describe when the resident is responsible for Refurbishing Charges and what portions are covered by Windsor Run:

- If the Resident first entered the Community in an Independent Living Unit and then permanently transfers from that Independent Living Unit to an Assisted Living, to a unit providing Memory Care Services or to a Nursing Unit, Windsor Run will cover any portion of the Refurbishing Charges for work that is due to ordinary wear and tear. The Resident will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. The Resident must also pay the reasonable costs and expenses of removing any customized improvements that he/ she made to the Living Unit unless Windsor Run specifically agrees in writing to accept those improvements for re-subscription to a new resident.
- If the Resident first entered the Community in an Independent Living Unit and then permanently leaves the Community from an Independent Living Unit, Windsor Run will cover the Refurbishing Charges for work that is due to ordinary wear and tear. The Resident will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit, or removing customized improvements. The

Resident must also pay the reasonable costs and expenses of removing any customized improvements that he/ she made to the Living Unit unless Windsor Run specifically agrees in writing to accept those improvements for re-subscription to a new resident.

- If the Resident transfers from one Independent Living Unit to another Independent Living Unit, or if the Resident transfers from an Assisted Living or unit providing Memory Care Services to any other Living Unit, or if the Resident permanently leave the Community from an Assisted Living or unit providing Memory Care Services, the Resident is responsible to pay the full Refurbishing Charges.
- If the last residence at the Community is a Nursing Unit and the Resident either permanently leaves the Community from that unit or passes away while residing in the Nursing Unit, Windsor Run will cover the full Refurbishing Charges for the Nursing Unit.

**(g) *Miscellaneous Costs.*** According to the Residence and Care Agreement, residents are also responsible for procuring and maintaining Medicare insurance, Parts A and B and for Medigap insurance. Residents are also responsible for their own funeral arrangements. Windsor Run does not assist with such arrangements. Residents must also purchase renter's insurance to cover their personal property within their designated living unit, including liability insurance.

**C.3. *Fees and Adjustments.*** The Monthly Service Packages for each level of care may be revised from time to time. Windsor Run generally adjusts fees on an annual basis after having evaluated such factors that it perceives to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next calendar year. However, Windsor Run reserves the right at any time with thirty (30) days' notice to residents, to adjust the Monthly Service Packages or fees for Ancillary Services to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses, and inflation. Notice to residents in assisted living may be less than thirty (30) days only if the adjustment is due to change in levels of care. Please refer to Section 7.3 of the Residence and Care Agreement.

Below is a table showing the frequency, average percentage increase, and average dollar amount of each increase in Monthly Services Packages in each level of care for the previous five years.

### **Independent Living**

Year	Number of Increases (Frequency)	Average % Increase	Average \$ Amount Increase
2021	1	4	\$113.00
2022	1	4.2	\$123.00
2023	1	9.2	\$283.00
2024	1	5	\$168.00
2025	1	4	\$157.00

### **Assisted Living**

Year	Number of Increases (Frequency)	Average % Increase	Average \$ Amount Increase
2021	1		Opened in 2021
2022	1	6.0%	\$1,075.00
2023	1	10.0%	\$803.00
2024	1	7.0%	\$685.00
2025	1	5.0%	\$885.00

### **Memory Care**

Year	Number of Increases (Frequency)	Average % Increase	Average \$ Amount Increase
2021	1		Opened in 2021
2022	1	6.0%	\$1,075.00
2023	1	10.0%	\$803.00
2024	1	7.0%	\$685.00
2025	1	5.0%	\$885.00

## Nursing

Year	Number of Increases (Frequency)	Average % Increase	Average \$ Amount Increase
2021	1		Opened in 2021
2022	1	6.0%	\$1,075.00
2023	1	10.0%	\$803.00
2024	1	7.0%	\$685.00
2025	1	5.0%	\$885.00

**C.4. Number of Residents under Care Agreements.** The Community opened in the spring of 2018. There are currently 976 residents under Residence and Care Agreements.

## D. SPECIFIC COMMUNITY POLICIES

Many of these policies are summarized from the Resident Handbook for Windsor Run.

**D.1. Marriage or Cohabitation After Occupancy.** Joint Residents, including married couples, who occupy the same Living Unit pay one Entrance Fee and also pay the Monthly Service Package for the selected Living Unit and the double occupancy fee. If two current single residents marry or otherwise co-habitate, they will then be treated as Joint Residents and will pay the fee structure described above. If during the term of residency, the Resident marries or co-habitates with a person who is not a resident of the Community, the new spouse or other proposed co-resident will be required to meet the Community's financial and health-related qualifications for entrance into the Community. If accepted, the fee structure for Joint Residents described above will apply for the new Resident. If the spouse or proposed co-resident is not accepted by Windsor Run, the Resident may terminate the Residence and Care Agreement in accordance with applicable provisions. If a new spouse or proposed Joint Resident is accepted as a resident in the Community but is placed in a Living Unit, the new spouse or Resident must pay a new Entrance Fee for the second Living Unit and must sign a separate Residence and Care Agreement for the second Living Unit and pay the Monthly Service Package for the unit.

**D.2 Financial Inability to Pay.** It is the policy of the Community not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of the Residence and Care Agreement. The Community has endowment funds available through National Senior Communities. The funds are available to provide financial assistance to qualified residents.

To the extent that it is financially feasible, the Community will assist residents who are unable to pay full Monthly Service Packages. The Community requires that, in the event that

Resident claims to be unable to make full monthly payment by reason of financial inability, Resident must take any or all of the actions listed below:

- (a) The Resident must take any or all of the following actions, as directed by the Executive Director. To qualify for assistance, a resident must otherwise be in compliance with the terms of such resident's Residence and Care Agreement.
- (b) The Resident must file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, the Resident must disclose remaining available assets and income. The Executive Director will review the financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for the Resident's care.
- (c) If the Resident has outside assets other than the Entrance Fee, the Executive Director will establish a Spending Plan for the Resident to spend the outside assets and to obtain assistance from other available means. As part of the Spending Plan, the Resident shall assign to Provider any health-related insurance benefits and any benefits under any governmental insurance or assistance program (including Medicare), until the amount the Provider receives equals the aggregate charges for the care and services that the Resident has received from the Provider, based upon the Community's standard rates. If the Resident fails to cooperate with the Spending Plan for the outside assets, such failure may constitute good cause for termination of the Agreement due to non-payment of fees per Section D.3(c) below.
- (d) For residents who have a 90% Refund Residence and Care Agreement, after the Resident completes the Spending Plan or if there are no available assets other than the Entrance Fee, the Provider will spend-down an amount up to the Entrance Fee minus the Community Fee. After depletion of outside assets, the Entrance Fee (less the Community Fee) is considered available for the Resident's maintenance and support to pay any and all fees at the Community. For residents who have a Fully Declining Refund Residence and Care Agreement, spend-down of the Entrance Fee is not available.
- (e) If requested by the Provider, the Resident will transfer to an alternate Living Unit at the Community if and when available.
- (f) The Resident will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by the Provider and will notify the Provider of any and all assets acquired through any means thereafter, and will assign or pay such property received to the Provider in an amount equivalent to the total outstanding charges and fees, owed by the Resident.
- (g) Upon completion of the Spending Plan (including spend-down of the Entrance Fee or fully earning the Entrance Fee for a Fully Declining Refund Residence and Care Agreement), the Resident may qualify for assistance from the resident benevolent care fund and to the extent that it is financially feasible. If a Resident is approved for such assistance, the Executive Director shall inform the Resident of the amount which the resident

care fund will contribute to the monthly fees and the amount which the Resident must contribute to the Monthly Service Package.

(h) The Provider is not currently authorized to accept Medicaid for payment of Monthly Service Packages for any Living Units. If in the future the Provider is able to accept Medicaid as a payment source, then the Resident agrees to also apply for Medicaid if he/ she can qualify.

### ***D.3 Termination.***

***(a) Termination Within Rescission Period or Prior to Occupancy.*** The Residence and Care Agreement may be rescinded regardless of occupancy or terminated prior to occupancy in the following circumstances: (1) Resident rescinds the Residence and Care Agreement within the later of thirty (30) days of receipt of the Disclosure Statement or execution of the Residence and Care Agreement (Resident is not required to move into the Living Unit before the expiration of the later thirty (30) day period); or (2) the Residence and Care Agreement is automatically canceled if Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit as a result of illness, injury or incapacity; or (3) Windsor Run elects to terminate the Residence and Care Agreement prior to occupancy if it is determined that Resident is ineligible for entrance into the Community.

If the Residence and Care Agreement is rescinded or terminated as described in this Section D.3(a), Resident shall receive a refund of the Entrance Fee paid, as described in Section C.2.(c) (ii), but will not receive a refund of the \$150.00 Application Fee. Resident shall not receive a refund of any costs specifically incurred by Windsor Run at Resident's request as set forth in a separate written addendum, signed by both parties. Resident shall not receive a refund of any Monthly Service Package related to actual occupancy of the Living Unit.

***(b) Termination by Resident.*** After occupancy and after expiration of the rescission period described in Section 12.1 of the Residence and Care Agreement, Resident may terminate the Residence and Care Agreement at any time and for any reason by giving 60 days' notice to Windsor Run of his or her intention to terminate.

***(c) Termination by Windsor Run.*** A decision by Windsor Run to terminate the Residence and Care Agreement shall be made by the Executive Director of the Community. Windsor Run may not terminate the Agreement without good cause. "Good Cause" is defined as: i) Non-payment of Fees; ii) Proof that the Resident is a danger to himself/herself or others as determined by the Executive Director and Medical Director (or their designees) in writing; iii) Repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the Community; iv) Persistent refusal to comply with reasonable written rules and regulations of the Community; v) A material misrepresentation made intentionally or recklessly by the Resident in his or her application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and service under the Residence and Care Agreement; or vi) A material breach by the Resident of the terms and conditions of the Agreement.

Except for termination due to non-payment of fees, Windsor Run will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, Windsor Run will give written notice to the Resident that the Resident is in default under the Residence and Care Agreement for non-payment of fees. Windsor Run may charge Resident interest on the overdue amount of one and one-half percent (1 1/2%) per month. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, Windsor Run may, at its election, either terminate the Residence and Care Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Fee, in accordance with the Community's spend-down procedures as generally set forth in Section 10 of the Residence and Care Agreement, to offset the overdue fees and charges. Acceptance by Windsor Run of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless Windsor Run agrees to a waiver in writing.

**(d) *Refund of Entrance Fee.*** If the resident signs the 90% Refund Residence and Care Agreement and the Agreement is terminated by either the Resident or Windsor Run during the Resident's lifetime after the Occupancy Date and the expiration of the right of rescission, then Windsor Run will pay the 90% Refund Amount within sixty (60) days of the date that the Resident becomes eligible for refund from the Refund Account (see Section C.2.(c) (iv) above). Windsor Run will pay the 90% Refund Amount to the duly designated beneficiaries named in the Resident's refund form or, if there is no refund form, then to the Resident. If the Resident dies after the Occupancy Date and the expiration of the right of rescission, then Windsor Run will pay the 90% Refund Amount within sixty (60) days of the date that the Resident becomes eligible for refund from the Refund Account (see Section C.2.(c) (iv) above). Windsor Run will pay the 90% Refund Amount to the duly designated beneficiaries named in a refund form or, if there is no refund form, then to the Resident's estate. If one joint resident dies, there will be no refund of any portion of the 90% refund amount; instead, so long as a surviving resident continues to reside at the community, the Entrance Fee (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 90% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund form, or to the survivor's estate.

If the resident signs the Fully Declining Refund Residence and Care Agreement and the Agreement is terminated by either the Resident or Windsor Run within 48 months of occupancy during the Resident's lifetime after the Occupancy Date and the expiration of the right of rescission, then Windsor Run will pay the declining balance refund within 180 days from the resident's Departure Date (see Section C.2.(c) (v) above). Windsor Run will pay the refund to the duly designated beneficiaries named in the Resident's refund form or, if there is no refund form, then to the Resident. If the Resident dies after the Occupancy Date within 48 months from the Occupancy Date and the expiration of the right of rescission, then Windsor Run will pay the declining balance refund to the duly designated beneficiaries named in a refund form or, if there is no refund form, then to the Resident's estate. If one joint resident dies, there will be no refund of any portion of the refund; instead, so long as a surviving resident continues to reside at the community, the Entrance Fee shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and any refund will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund form, or to the survivor's estate. If the Agreement is terminated by the election of the resident or Windsor Run after 48 months of occupancy or if the

Agreement terminates due to the resident's death after 48 months of occupancy, there will be no refund.

**D.4 Vacating the Unit.** Upon termination of the Residence and Care Agreement either by election of Resident, election of Windsor Run, or due to the death of the Resident, Resident or his or her representative shall sign and give to Windsor Run a Unit Release form, advising Windsor Run of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. Windsor Run shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by Windsor Run, within the required time from the notice of termination as provided in Section 12.3 of the Residence and Care Agreement, Windsor Run shall have the right to store the Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's expense until disposition can be made. Windsor Run assumes no responsibility for Resident's stored possessions

**D.5 Availability of Living Unit.** A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident will be requested to release the Living Unit. After a permanent transfer, if Resident is able to qualify to return to the Living Unit previously occupied at the Community or to a different, medically appropriate Living Unit at the Community, Resident will have the right to occupy the Unit subject to availability of such Unit and Resident will be given priority over non-residents on the waiting list for the Community.

**D.6 Admission of New Residents.** In order to become a resident, an applicant must be 62 years of age or older. From a financial standpoint, Windsor Run generally requires that a prospective resident have a net asset value being sufficient to pay 35 months of a blended rate based on projected fees in the Continuing Care Units and also monthly income of 1.4 times the Monthly Service Package for the desired living unit. If the prospective resident is not able to financially qualify, Windsor Run may consider a guaranty to financially qualify the resident by guarantying payment to Windsor Run in the form of additional assets or income. The guaranty is an addendum to the Residence and Care Agreement and sample forms are included in Schedule II of the Agreement. Windsor Run will also review the prospective resident's profile and will conduct a pre-residency meeting with the prospective resident. Pre-residency meetings are meant to assist Windsor Run in determining the appropriate care and services to support the prospective resident, whether independent living, assisted living, or nursing care. If Windsor Run does not have an appropriate level of care for the individual, it will so inform the applicant and will refund any portions of the Entrance Fee paid. In the event an applicant's health status or financial situation changes between entering into the Residence and Care Agreement and initial occupancy at Windsor Run, Windsor Run reserves the right to review the changed circumstances and reconsider admission.

**D.7. Access to Facility by Non-Residents.** Residents are welcome to have family and friends visit their new home. Guests of residents may take meals at the Community for an additional fee. All visitors are subject to Windsor Run's reasonable rules and regulations for use of the Community. Residents may not assign the right to occupy the living unit to any other person and

may not have other persons live in the unit on a permanent basis. Windsor Run may also make certain meeting rooms and the planned conference center available for public meetings.

#### **D.8. Transfers.**

**(a) Transfer at Resident's Election.** A Resident may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Living Unit, Nursing Unit or an Off-Site Facility by giving notice to Windsor Run. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and subject to Windsor Run's approval which may include a financial review.

**(b) Non-Emergency Transfer at Windsor Run's Election.** All decisions regarding a transfer of any resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with Resident or his/ her legal representative and with a Guarantor or ombudsman, if requested. Windsor Run attempts to interact with Resident / representative with the goal of achieving a consensus on the need for a transfer although a consensus is not always achieved. A Resident will not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of the Resident's health and/or safety or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If the transfer is due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit. The Committee shall give thirty (30) days advance written notice of the proposed transfer. The Resident/ representative shall notify Windsor Run of any objection to the permanent transfer within ten (10) days of receipt of the notice. If the Resident/ representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided. If the Resident/ representative do not consent to either the transfer or the provision of Ancillary Services, Windsor Run may consider such refusal to constitute good cause to terminate the Agreement (see Section D1 above).

**(c) Emergency Transfer at Windsor Run's Election.** If the Resident's health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer the Resident from the current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to the Resident's health and safety or to the health and safety of other people at the Community. In the event that the Resident is required to be transferred to Continuing Care at Windsor Run during a period that he/ she is suffering from legal incompetency, the Resident agrees to be bound by the terms of the Agreement in effect at the time of such transfer.

## ***D. 9 Other Community Policies.***

**(a) Rules.** Windsor Run has the right to promulgate reasonable rules and regulations governing the conduct of the residents. Residents enjoy the fullest measure of independence consistent with their accommodation, subject, however, to the limitations of the Community's reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents including those in the Resident Handbook which residents acknowledge receiving. Residents agree to abide by all such rules and regulations, and generally to conduct themselves in such a manner as to promote the peace and harmony of the Community. Residents accept Windsor Run's ability and authority to enter the Living Unit in order to carry out the purpose and intent of the Residence and Care Agreement including (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that a Resident is reported missing or have not responded to a call; (5) scheduled maintenance activities; (6) to fix, repair, maintain or update building elements in common which would include plumbing, drywall, electrical system, HVAC or similar and (7) enforcement of the Community's policies and procedures. Windsor Run acknowledges and respects the Resident's right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

**(b) Property Rights.** The Resident acknowledges that, except as expressly set forth in the Residence and Care Agreement, the rights and privileges granted by the Agreement do not include any right, title, lease, or any other interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by us. The resident's rights are limited to the rights provided in the Agreement for services and the occupancy of the Living Units. Except for resident's right to occupy the Living Unit, any rights, privileges or benefits under the Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in Windsor Run's real and personal property, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by us. The resident agrees, upon request, to execute and deliver any document which is required to this effect by us, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoint Windsor Run as his/ her attorney-in-fact to accomplish that purpose.

**(c) Unauthorized Transfers of Property.** The financial information which a Resident submitted is a material aspect upon which Windsor Run reasonably relied in determining the qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. In determining financial criteria for residency, Windsor Run considers the applicant's reported income and assets in light of the Community's current and future commitments and obligations. Furthermore, Windsor Run will take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect the Community from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, the Resident agrees not to divest himself/ herself of, to sell, or transfer any assets or property interests (excluding expenditures for normal living expenses) that reduces the assets that the Resident or his/

her representative disclosed as available assets for Resident on admission, without having first obtained the Community's written consent.

**(d) Non-Smoking Policy.** The Resident must agree to abide by the Community's prohibition against smoking, e-smoking or vaping in the Living Unit, including balconies or patios, and in common areas. Resident guests, or contractors are also prohibited from smoking, e-smoking or vaping in the Living Unit or in the common areas of the Community. Failure to abide by the non-smoking policy may be viewed as cause to terminate the Residence and Care Agreement.

## **E. FINANCIAL INFORMATION**

**E.1. Reserve Funding & Investments.** In accordance with the provisions set forth in the North Carolina Continuing Care Retirement Communities Act, Windsor Run maintains reserves in an amount equal to 25 percent of the total operating costs of the facility projected for the 12 month period following the period covered by the most recent Disclosure Statement filed with the Department of Insurance. The amount will be calculated per agreement with the Insurance Commissioner. Until such time as the Provider achieves positive cash flow, the source of these reserve funds shall be funding from one of the owners, Erickson Living Holdings, LLC. The reserve funds for the current projection are \$10,037,250 and will be secured by a surety bond held by the North Carolina Department of Insurance. The operating reserve shall only be released upon the submittal of a detailed request from the provider or facility and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 business days prior to the date of withdrawal. Investments for Windsor Run will be managed by the Treasurer for the company.

**E.2. Certified Financial Statements.** Certified financial statements for the Provider is included in Exhibit 3 of this Disclosure Statement.

**E.3. Pro Forma Income Statements.** The 5 year financial projection is attached to this Disclosure Statement as Exhibit 4 including the Projected Balance Sheets, Projected Statements of Operations and Changes in Net Assets, and Projected Statements of Cash Flows.

**E.4. Additional Information per N.C.G.S. § 58-64A-150(a).** The Provider is not part of an obligated group. The Provider is in compliance with any debt agreement it is a part of.

## F. OCCUPANCY RATE

**F.1. Occupancy Rate.** The 12-month daily average occupancy rate, by living unit type, as of the Provider's fiscal year-end for the past five years is below.

	2021	2022	2023	2024	2025
<b>Independent Living Unit</b>	94	99.4	97.8	90.3	97.5
<b>Assisted Living Unit</b>	60	70	70	70	60
<b>Nursing Unit</b>	61	80.5	77	75	77.8

**G. ENTRANCE FEE REFUNDS DUE.** Below please find information pertaining to entrance fee refunds due as of the end of the most recent fiscal year.

Category of Refunds (as of the 12/31/2025)	# of Refunds	\$ Dollar Amount
<b>Refunds due once all contractual conditions are met</b>	12	\$3,689,636
<b>Refunds currently due</b>	12	\$3,689,636
<b>Refunds that are 30 or more days past due</b>	0	\$0
<b>Refunds due, once all conditions are met, to residents who have permanently vacated their independent living unit and now reside in a higher level of care at Windsor Run</b>	0	0
<b>Refunds due to residents who have permanently vacated their independent living unit and now reside in a higher level of care at Windsor Run and whose former independent living unit has already been re-occupied.</b>	0	0

**H. MEETINGS REQUIRED BY G.S. 58-64A-360.** The Provider held the semiannual meetings required by G.S. 58-64A-360 on January 16, 2025 and June, 19 2025.

**I. EXAMINATION REPORT.** The Commissioner has not issued an examination report regarding Windsor Run.

**RESIDENT DISCLOSURE STATEMENT RECEIPT ACKNOWLEDGMENT**

I/We, \_\_\_\_\_, acknowledge that I/We received a full and complete copy of the Windsor Run Disclosure Statement and the accompanying exhibits, having an effective date of December 18, 2025.

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Resident Name(s)

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Signature

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Date

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Signature

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Date

## **TABLE OF EXHIBITS**

Exhibit 1: Residence and Care Agreement

Exhibit 2: Anticipated Project Schedule

Exhibit 3: Certified Financial Statements of Provider

Exhibit 4: Projected Financial Statements including Projected Balance Sheets, Projected Statements of Operations and Changes in Net Assets, and Projected Statements of Cash Flows

Exhibit 5: Explanation of Material Differences

Exhibit 6: Organizational Structure

## **EXHIBIT 1**

### **RESIDENCE AND CARE AGREEMENT**

Summary: The Residence and Care Agreement details the services the resident will receive, the facilities the resident will use, the rights and responsibilities the resident will accept, and the costs associated with living at the community. In addition to the Residence and Care Agreement, there are various sample ancillary forms such as refund forms, the promissory note, etc. These are samples only and every form does not necessarily apply to every resident.

Windsor Run offers two different models: the 90% Refund Residence and Care Agreement and the Fully Declining Refund Residence and Care Agreement. Both models are included in this Exhibit 1 with one set of common attachments.

***WINDSOR RUN  
RESIDENCE AND CARE AGREEMENT***

December 2025

THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE CONTRACT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.

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SCHEDULE I - ANCILLARY FEES

SCHEDULE II- DOCUMENTS INCORPORATED

**WINDSOR RUN  
RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (the "Agreement") is made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between WINDSOR RUN, LLC. (referred to in this Agreement as "We", "us" or "Windsor Run") and \_\_\_\_\_ (referred to in this Agreement as "You" or the "Resident(s)").

**RECITALS**

R.1 Windsor Run Retirement Community (the "Community") is a continuing care retirement community located in Matthews, North Carolina, offering various living accommodations and services to seniors, as described herein.

R.2 WINDSOR RUN is a certified continuing care provider under the laws of the State of North Carolina. WINDSOR RUN desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**Section 1. DESCRIPTION OF COMMUNITY**

The Community is planned to include Independent Living Units, Assisted Living Units, and Nursing Units. The Community is a smoke-free campus and you agree to abide by our rules restricting smoking (see Section 13.7).

**1.1 Independent Living Units.** The Community currently includes approximately 700 Independent Living Units with the potential for additional Independent Living Units in future phases. The Community will also include community spaces such as dining areas, a beauty salon, classrooms, card rooms, lounges and other common areas. We also plan to feature amenities such as a center for on-site physician visits, a pool, and fitness center.

**1.2 Continuing Care at Windsor Run.** Continuing Care at Windsor Run refers to our on-site health care neighborhood. Each floor of the facility includes a dining room, a resident lounge, activity rooms and a bathing core. The initial phase of Continuing Care at Windsor Run includes approximately 7 Assisted Living Units and 22 Nursing Units, with different service packages including Memory Care Services in selected units. We anticipate that the aggregate number of Living Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Assisted Living Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in Resident's Independent Living Unit and second, if necessary, will assist in arranging for a

transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer. Continuing Care at Windsor Run is anticipated to open in 2021 but the opening date and number of units are approximate and may change according to regulatory requirements, weather conditions, market demands, etc. Until the facility is opened, we will enter into transfer agreements for residents with outside assisted living, memory care services, and nursing care.

## **Section 2. TERM**

The Term of this Agreement shall commence on the date on which this Agreement is executed by you and us and shall continue for your lifetime unless the Agreement is terminated earlier per Section 12 of this Agreement.

## **Section 3. LIVING ACCOMMODATIONS**

**3.1 Your Right to Occupy.** You have the right to occupy and to use the following Living Unit: \_\_\_\_\_, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. You may not assign or sublet the right to occupy a Living Unit to any other person. We will provide the Living Unit, in good condition, with neutral painted walls, and with standard carpeting/ and or floors in Independent Living Units and Assisted Living Units.

**3.2 Joint Residents.** When two (2) or more residents enter into the same Residence and Care Agreement, they are considered to be Joint Residents. Each Joint Resident is required to meet our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

**3.3 Rights of New Spouse.** If during the term of residency, you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

**3.4 Resident's Obligation to Furnish & Maintain Unit.** You are responsible for furnishing the Independent Living Unit or the Assisted Living Unit, or for procuring insurance for personal possessions and furnishings. We will provide furnishings and equipment, if required by law, for Assisted Living Units. We will provide furnishings and equipment, as required by law, for Nursing Units. You are also responsible to maintain any Living Unit in which you reside in reasonably clean and habitable condition.

**3.5 Customized Improvements.** You may decorate the Living Unit to your personal taste with pictures, window treatments, and the like, so long as such decorations are not

permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Unit. All other customized improvements to any Independent Living Unit or Assisted Living Unit that you want to undertake either before or after the Occupancy Date must be approved in writing by the Executive Director. If you contract with an outside contractor, the selection of your contractor and the proposed plans or work must be approved by the Executive Director. If you contract with us to do the work, we will sign a contract to agree upon the extent of work and the charges related to the work to be done. For charges related to the removal of any improvements, please see Section 9.4. No customized improvements may be made to a Nursing Unit.

#### **Section 4. SERVICES TO RESIDENTS**

We will make available the following services to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12. We may change your Monthly Service Package or the scope of services or care only after we provide you with thirty (30) days advance notice of the change, except for changes required by State or Federal assistance programs.

**4.1 Independent Living Services.** We provide the following Covered Services included in the Monthly Service Package for Independent Living:

- Monthly Meal Credit Plan (see Section 15);
- 24 hour on-site staff and emergency alert system;
- All utilities in the Living Unit including these cable/ telephone/ data services:
  - Basic Cable television service (premium channels additional charge);
  - Local, Long Distance and International landline phone service;
  - Wireless internet service;
- On-site Fitness Center basic membership (includes standard weekly classes as scheduled);
- One Reserved Parking Space per Living Unit (see Section 15)
- General Maintenance of buildings, grounds and fixtures;
- Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);
- Sewage, trash and snow removal from common areas only; and
- Use of all public rooms and common areas of the Community.

**4.2 Assisted Living Services.** Upon the opening of our Continuing Care building, we will provide several packages for Assisted Living residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available at each level of Assisted Living and additional rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

- Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;

Prescription evaluation and planning;  
Service plan designed by a care team;  
Medication administration;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Personal laundry service;  
Weekly Light House-keeping (See Section 15);  
Assistance with Incontinence Care;  
Regular social work team services related to cognitive, behavioral and safety issues;  
Licensed nurse management of chronic/ stable conditions on a regular basis;  
24 hour on-site staff and emergency alert system;  
All utilities in the Living Unit including these cable/ telephone/ data services:  
Basic Cable television service (premium channels additional charge);  
Local, Long Distance and International landline phone service;  
Wireless internet service;  
General Maintenance of buildings, grounds and fixtures;  
Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);  
Sewage, trash and snow removal from common areas only; and  
Use of all public rooms and common areas of the Community.

**4.3 Memory Care Services.** Upon the opening of our Continuing Care building, we will provide memory care services for residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available and additional rights and obligations will be set forth in a contract Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;  
Memory Care services/ programming  
Prescription evaluation and planning;  
Service plan designed by a care team;  
Medication administration;  
At least three meals per day;  
Regularly scheduled Registered Nurse review and assessment;  
Personal laundry service;  
Weekly Light House-keeping (See Section 15);  
Assistance with Incontinence Care;  
Regular social work team services related to cognitive, behavioral and safety issues;  
Licensed nurse management of chronic/ stable conditions on a regular basis;  
24 hour on-site staff and emergency alert system;  
All utilities in the Living Unit including these cable/ telephone/ data services:  
Basic Cable television service (premium channels additional charge);  
Local, Long Distance and International landline phone service;

Wireless internet service;  
General Maintenance of buildings, grounds and fixtures;  
Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);  
Sewage, trash and snow removal from common areas only; and  
Use of all public rooms and common areas of the Community.

**4.4 Nursing Care Services.** Upon the opening of our Continuing building, we will provide the following Covered Services included in the Nursing Fee. Further details on the services available for nursing care will be set forth in the Nursing Admission Addendum to the Residence and Care Agreement:

Nursing care;  
Three meals a day;  
Tray service;  
Individual care plans;  
Planned activities;  
Social work services;  
Laundry services for linens and towels owned by us;  
Housekeeping;  
Nurse/ Resident communication system;  
Security/Safety Officers on duty 24 hours;  
Basic Cable Service (premium channels additional charge);  
All utilities in the Living Unit including these cable/ telephone/ data services:  
Basic Cable television service (premium channels additional charge);  
Local, Long Distance and International landline phone service;  
Wireless internet service;  
General Maintenance of buildings, grounds and fixtures;  
Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);  
Sewage, trash and snow removal from common areas only; and  
Use of all public rooms and common areas of the Community.

## **Section 5. ANCILLARY SERVICES**

**5.1 Services Available through WINDSOR RUN.** In addition to the Covered Services described earlier in Sections 4.1, 4.2, 4.3, and 4.4, we expect to also make the following services available to you subject to availability as noted below. Other services that are not currently listed may also be available. Some of these services may be arranged and coordinated by Windsor Run but delivered by an outside provider depending on demand. We may change the scope of or fees charged for such Ancillary Services only after providing you with thirty (30) days advance notice, except for changes required by State or Federal assistance programs.

Meal Delivery service;  
Housekeeping and laundry service for residents in Independent Living

Additional housekeeping or additional laundry service for residents in Assisted Living or units providing Memory Care Services;

Extra meals for residents in Independent Living (unless covered by Monthly Meal Credit as defined);

Guest meals (unless covered by Monthly Meal Credit as defined);

On-site Fitness Center premium services or classes;

Personal storage space (limited availability);

Second Reserved parking space (limited availability);

Off-campus transportation within a radius determined by us;

Catered Living services (See Section 15); and

Home support services

**5.2 Services Available through Outside Providers.** We expect to contract or make arrangements with outside providers to provide the following services to you at the Community: visiting physician services through an on-site center; laboratory services; medical supplies; prescription drugs, home health, therapy or rehab services. These services will be provided at an additional fee and will be billed separately by the outside provider. Such services may be covered by Medicare or by resident's other medical insurance. We do not charge any additional fee for use of or access to these outside providers. These services will be phased in as the Community is developed and some services may not be immediately available.

**5.3 Services Not Provided.** We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit, a unit providing Memory Care Services, or a Nursing Unit, or otherwise covered under the terms of this Agreement. We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.

## **Section 6. OTHER RESIDENT RIGHTS**

**6.1 Residents' Association.** You have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

**6.2 Resident Guests.** You have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a temporary basis, subject to our reasonable policies and procedures for use of the Community. Guest meals (unless covered by the Flex Monthly Meal Plan as defined) will be treated as an Ancillary Service, the costs of which are chargeable to you.

**6.3 Physicians and Other Professionals.** You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and state laws, rules and regulations. You are not required to use any of the on-site physician services.

## **Section 7. ENTRANCE FEE**

**7.1 Payment of Entrance Fee.** You will pay or have paid to us a total Entrance Fee as shown in Section 16 of this Agreement. The payment of the Entrance Fee may be made in a series of deposits on or before taking occupancy of your Living Unit at the Community. For Joint Residents, the total Entrance Fee shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. Ten percent (10%) of the Entrance Fee is designated as the non-refundable Community Fee. The Community Fee is earned by the Community upon termination of this Agreement either by your death or pursuant to subsections 12.2 or 12.3 of this Agreement.

**7.2 Escrow of Deposit and Release from Escrow.** The deposits made by you towards the total Entrance Fee will be held in escrow in a banking institution in North Carolina, acting as an escrow agent. While held in escrow, Entrance Fees are considered the property of the prospective resident but any interest earned will be for the benefit of Windsor Run. Prior to occupancy of a Living Unit, Entrance Fees deposited in escrow will be returned to a prospective resident before occupancy: (i) within thirty days of the written request of the Resident; ii) if Resident is precluded from occupying a unit due to death, injury, incapacity, or illness; iii) if Resident is determined to be ineligible for entrance into the community; or iv) upon rescission of the Residence and Care Agreement pursuant to Section 12 of this Agreement.

As new buildings are developed, the escrow agent will release 25% of escrow monies to Windsor Run when 50% of independent living units in a building are pre-sold, permanent financing is secured, and entrance fees plus proceeds of financing equals 90% or more of the costs to construct and equip the facility and provide cash flow funds equal 90% or more of funds needed to fund start-up losses and assure full performance of obligations. Seventy-five (75%) percent of funds can be released to Windsor Run when 75% of independent living units in the building are presold with at least a 10% deposit, construction is complete and units available for occupancy.

When the Entrance Fee is released in full, we can fully use the Entrance Fee. We normally use the Entrance Fees for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Fees can generally be used for capital repairs or improvements for the Community, equity distributions, operational costs including rent, and for any reserve funds, but the Entrance Fees, including refundable, non-refundable and appreciation amounts, may be used for any required purpose. However, you will retain the right to the 90% Refund Amount as discussed in this Section 7. No interest shall be accrued or paid to you on your Entrance Fee.

**7.3 Adjustments to Entrance Fee.** You will not be required to pay an additional or increased Entrance Fee as long as you reside in your original Living Unit. You retain the right to the 90% Refund Amount, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement. Your Entrance Fee, minus the Community Fee, is also available for your maintenance and support as provided in Section 10.

**7.3.1** If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Fee and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount of the additional deposit will vary, depending on market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer and may be a full second Entrance Fee. We will advise you of the additional deposit/Entrance Fee prior to the transfer and you may then decide whether or not to proceed with the transfer. Ten percent (10%) of the additional deposit paid will be added to the Community Fee and will be non-refundable.

**7.3.2** If your new spouse is accepted as a resident in the Community and is placed in a Living Unit other than your current Living Unit (see Section 3.2 of this Agreement), you and your new spouse must pay us an additional Entrance Fee for the spouse's Living Unit and the new spouse must sign a separate Residence and Care Agreement for the new Living Unit.

**7.3.3** You will normally not be entitled to a refund or decrease of the Entrance Fee due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Fee, minus the Community Fee, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Fee for the smaller Independent Living Unit is currently lower than the Entrance Fee that you originally paid for an Independent Living Unit. In these specific circumstances, we may elect to refund the difference between the current Entrance Fee for your new Independent Living Unit and the original Entrance Fee paid by you but minus the Community Fee.

**7.4 Refund of Entrance Fee Within Rescission Period or Prior to Occupancy.** We shall pay a refund of the Entrance Fee to you or your representative, as appropriate, if the agreement is terminated within the thirty (30) day rescission period as described in section 12.1 hereof, regardless of whether you occupy the unit. In addition, we shall pay a refund of the Entrance Fee to you if the agreement is terminated after the rescission right expires but prior to the Occupancy Date as described in section 12.1. We will refund the Entrance Fee within thirty (30) days following the rescission or the pre-occupancy termination, as the case may be. If one joint resident dies prior to occupancy, the remaining resident may, but is not required to, rescind this agreement. The surviving resident may also request a different living unit and we will refund or charge any difference in the Entrance Fee between the living units; provided, however, that this election is made in writing at least thirty (30) days prior to occupancy. Per Section 9.1 of this Agreement, we may keep the Application Fee as a reasonable processing charge.

**7.5 Refund of Entrance Fee after Occupancy.** If you do not rescind the Agreement per Section 12.1 and you occupy the Living Unit after expiration of the rescission period and subject to the terms and conditions of this Agreement, then we shall pay the 90% Refund Amount as provided in this Section 7.5 and Section 7.6. Your refund will be equal to ninety percent (90%) of the total Entrance Fee unless: (i) the Entrance Fee, minus the Community Fee, has been partially or fully spent down for your care and maintenance per Section 10 of this

Agreement, or (ii) you or your representative, as the case may be, elect to deduct any outstanding fees and charges from the 90% Refund Amount for your convenience.

**7.5.1 Termination By Resident During Lifetime.** If you terminate the Agreement at any time after the Occupancy Date and the expiration of the right of rescission, we will have earned the Community Fee and shall pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your refund form or, if there is no refund form, then to you as the resident. If one Joint Resident terminates that Joint Resident's agreement, there will be no refund of any portion of the Refund Amount; instead, so long as the remaining resident continues to reside at the Community, the Entrance Fee (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the remaining resident to be used for the remaining resident's care if necessary, and the Refund Amount will eventually be paid to the remaining resident, to the beneficiaries named in the remaining resident's Refund Form, or to the remaining resident's estate.

**7.5.2 Termination Due To Death of Resident.** If you die after the Occupancy Date and the expiration of the right of rescission, we will have earned the Community Fee and shall pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in a refund form or, if there is no refund form, then to your estate. If one Joint Resident dies, there will be no refund of any portion of the 90% refund amount; instead, so long as a surviving resident continues to reside at the community, the Entrance Fee (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 90% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund form, or to the survivor's estate.

**7.5.3 Termination by WINDSOR RUN.** If we terminate the agreement for good cause (see subsection 12.3 of this Agreement), we will have earned the Community Fee and shall pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per Section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your refund form or, if there is no refund form, then to you as the resident. If we terminate this Agreement without good cause (see subsection 12.3 of this Agreement), we will not earn the Community Fee.

**7.6 Refund Account & Refund Eligibility.** These provisions describe how we pay the 90% Refund Amount to you, your representative, or beneficiaries, as the case may be:

**7.6.1** We have established a Refund Account for paying the 90% refund amount per the terms of this agreement. The Refund Account is funded by the receipt of all or a portion of new Entrance Fees from new residents who subscribe Participating Independent Living Units. Please see the definition of "Refund Account" in Section 15 for explanation on funding the Refund Account and Participating Independent Living

Units. When the Agreement terminates during your lifetime for any reason or if the Agreement terminates due to your death, you or your representative must (a) promptly vacate and remove all possessions from the Living Unit, (b) turn in the keys, (c) sign a Unit Release for the Living Unit, and (d) either pre-approve the final bill or, if you do not pre-approve the bill, then reach an agreement with us on the amount of the final bill. If you occupied any other Living Units at the Community, all previous units also must be vacated and released. When the foregoing steps are completed, we then assign you a refund number for the Refund Account.

7.6.2 We pay the 90% Refund Amount based on assigned refund numbers generally proceeding in sequential order. If you have the next assigned refund number in sequence, you are eligible for your 90% Refund Amount when: (i) your final bill has been generated and sent to you, (ii) you or your representative has paid your final bill, or, alternatively, has elected to have the final bill deducted from your refund, and (iii) the funds in the Refund Account are sufficient to fully pay the 90% Refund Amount to you.

## **Section 8. MONTHLY SERVICE PACKAGES**

**8.1 Monthly Service Package.** During the term of this Agreement, you must pay the applicable Monthly Service Package for the Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for Resident's current Living Unit is shown in Section 1 of this Agreement. The Monthly Service Package is due and payable each month, in advance, within five (5) days from the date of the monthly statement; provided, however, that the Monthly Service Package for the month during which you first take occupancy of the Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the term of this Agreement. Our acceptance of partial payment of the Monthly Service Package does not constitute a waiver of such outstanding fees and charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**8.2 Monthly Service Package for Joint Residents.** Joint Residents occupying the same Living Unit shall pay the appropriate Monthly Service Package for double occupancy of the Living Unit. If Joint Residents occupy different Living Units, both Residents shall be jointly and severally liable for the full Monthly Service Package for both Living Units. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a non-resident who are accepted to the Community on different dates.

**8.3 Adjustments to the Monthly Service Package.** The Monthly Service Package or Nursing Fees may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other purpose. We generally adjust fees on an annual basis after having evaluated those factors that we perceive to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you, to adjust the independent living Monthly Service Packages and

upon sixty (60) days' notice to adjust the Monthly Service Package or daily rates in Continuing Care to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Notice to residents in Assisted Living or units providing Memory Care Services may be less than thirty (30) days only if the adjustment is due to change in your level of care.

**8.4 Monthly Service Package in the Event of a Temporary Transfer.** In the event that you temporarily transfer to another Living Unit in the Community or to an Off-Site Facility, you must pay the Monthly Service Package for your permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for your permanent Living Unit assures that such permanent Living Unit will remain available to you during the time of the temporary transfer. The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period of the temporary transfer.

During the period of the temporary transfer, your Monthly Service Package for the permanent Living Unit is adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit if applicable and defined in Section 15 of this Agreement, (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit if applicable, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit if applicable.

Upon your return to the permanent Living Unit, you must continue to pay the current Monthly Service Package associated with such Living Unit.

**8.5 Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit.** If you permanently transfer from one Living Unit to another Living Unit at the Community, you are responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until you completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to us.

**8.6 Monthly Service Package in the Event of a Termination of Agreement.** If you terminate this Agreement, or if we terminate this Agreement for just cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit if applicable, for a period of up to and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you vacate the Living Unit and remove all possessions, and (ii) you sign a Unit-Release Form for the Living Unit and return your keys. If you are a permanent resident of our Continuing Care at the time that residency is terminated for any reason, please refer to the applicable Continuing Care service addendum for the applicable policy. If your vacated Living Unit is re-subscribed by

another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident. We do not automatically deduct the remaining Monthly Services Fees, Ancillary Fees, or other fees from the Refund of the Entrance Fee, minus the Community Fee, unless you or your representative so direct. Your final bill will be generated and sent to you following the expiration of the time period outlined in this Section 8.6.

## **Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS**

**9.1 Application Fee.** You shall pay or have paid us an Application Fee, as indicated in Section 16, in connection with your application for residence at the Community. If the Agreement is rescinded or canceled prior to occupancy as described in Section 12.1, we will retain the Application Fee as a reasonable service charge, not to exceed the greater of \$1000.00 or two percent (2%) of the Entrance Fee.

**9.2 Ancillary Services.** During the term of this Agreement, you must pay us the periodic charges for any Ancillary Services (as described in Section 5) provided to you by us. The current periodic charges for Ancillary Services are attached in Schedule I. Ancillary Services charges are normally used by us to cover the expense of providing such Ancillary Services but we may use the Ancillary Services charges for any other purpose. We may revise the periodic charges for Ancillary Services that we provide from time to time, and such change shall take effect upon our giving you thirty (30) days' notice of such increase. The charges which are based on published rates for State or Federal assistance programs (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services provided by us shall be billed on your monthly statement, and payment is due within five (5) days of your receipt of the monthly statement. Our acceptance of partial payment of the charges shall not constitute a waiver of the outstanding charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**9.3 Other Services.** Ancillary Services not provided by us and any other services that you arrange independently shall be billed directly to you, and we are not responsible for payment of or collecting payment for such services.

**9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage.** Each time that you permanently vacate an Independent Living Unit or Assisted Living or unit providing Memory Care Services, irrespective of the length of time of occupancy, we will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the "Refurbishing Charges") are charged as follows:

**9.4.1** If you first entered the Community in an Independent Living Unit and you then permanently transfer from that Independent Living Unit to an Assisted Living Unit, to a unit providing Memory Care Services, or to a Nursing Unit, we will cover any

portion of the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.2** If you first entered the Community in an Independent Living Unit and you then permanently leave the Community from an Independent Living Unit, we will cover the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit, or removing customized improvements. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.3** If you transfer from one Independent Living Unit to another Independent Living Unit, or if you transfer from an Assisted Living Unit or from a unit providing Memory Care Services to any other Living Unit, or if you permanently leave the Community from an Assisted Living Unit or from a unit providing Memory Care Services, you are responsible to pay the full Refurbishing Charges.

**9.4.4** If your last residence at the Community is a Nursing Unit and you either permanently leave the Community from that unit or you pass away, we will cover the full Refurbishing Charges for the Nursing Unit.

**9.5 Medical and Other Insurance.** You must procure and maintain in force at your own cost the following insurance coverages:

**9.5.1** You shall maintain, at your expense, one of the following coverages for health insurance: (a) the maximum coverage available to you under Medicare, Parts A, B & D and including a supplemental Medigap insurance policy; (b) a Medicare Part C/ Medicare Advantage Plan (including a Part D plan), or (c) Documented equivalent coverage, if submitted and accepted by us, if you are not eligible for Medicare or are insured under other adequate programs. Supplemental insurance is not provided by us.

**9.5.2** You must also procure and maintain, at your own expense, insurance coverage against damage of, loss to, or theft of your personal property (contents) maintained at the Community, including general liability coverage for personal liability and medical payments

should a claim be made or suit brought against you for damages because of a bodily injury, including death, or property damage caused by you. Such insurance shall include liability coverage for damage caused to the Living Unit or other living units or common areas which arise out of your negligent or intentional acts or omissions. We shall be responsible for insuring the building structures, common areas and building components, the Living Unit and fixtures in the Living Unit provided by us but not including any of your personal property. You are not included nor considered as an additional insured or co-insured under our policies. We reserve all rights of recovery or subrogation for damages caused to our property.

**9.6 Funeral Arrangements and Burial Expenses.** Funeral arrangements and burial expenses are your responsibility. We will not make such arrangements or provide such services.

**9.7 Non-Solicitation of Employees.** We expend significant resources on the hiring, training and development of our employees. Recognizing this expenditure, during the Term of the Agreement, you agree not to employ any person currently employed by us, either directly or indirectly by hiring the services of any such person through a third party. You also agree not to employ any person formerly employed by us, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with us. You further agree not to solicit any person employed by us to terminate his or her employment in order to work for you directly or indirectly through a third party.

## **Section 10. FINANCIAL INABILITY TO PAY**

It is our policy not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such resident's Residence and Care Agreement. To the extent that it is financially feasible, we will assist residents who are unable to pay full Monthly Service Packages by providing financial assistance as described in this Section 10.

To insure that our charitable intentions are equitably allocated for the benefit of as many residents as possible, we require that, in the event that you claim to be unable to make full monthly payment by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. We have the right, but not the obligation, to initiate financial assistance if we independently determine that you need financial assistance.

**10.1** If your sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for you to make the payments required under this Agreement, you must file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, you must disclose your remaining available assets and income. The Executive Director will review your financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for your care.

**10.2** If you have outside assets other than the Entrance Fee, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other

available means. If you can qualify, you will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. You agree to execute any and all documents necessary to make and perfect such claims or rights. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute good cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

**10.3** After you complete the Spending Plan or if you have no available assets other than the Entrance Fee, we will spend-down an amount up to the Entrance Fee minus the Community Fee. After depletion of outside assets, the Entrance Fee (less the Community Fee) is considered available to you for your maintenance and support. You may access these amounts, without moving from the Community, to pay any and all fees at the Community including any Monthly Service Packages or to pay another provider for support and maintenance if your income and other resources are insufficient to pay for support and maintenance. The Executive Director will notify you when spend-down is available and will give the effective date. You will receive periodic statements reflecting the remaining balance of the Entrance Fee (less the Community Fee).

**10.4** Upon completion of the spend-down, you may qualify for assistance from a resident benevolent care fund, when established and to the extent that it is financially feasible. If you are approved for such assistance, the Executive Director shall inform you of the amount which the resident benevolent care fund will contribute to the monthly fees and the amount which you must contribute to the Monthly Service Package.

**10.5** If requested by us, you will transfer to an alternate Living Unit at the Community if and when available.

**10.6** You will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by us. You will notify us of any and all assets acquired by you through any means thereafter, and you will assign or pay such property received to us in an amount equivalent to the total outstanding charges and fees, owed by you.

**10.7** At present, we are not authorized to accept Medicaid for payment of Monthly Service Packages for any Living Units. If in the future we are able to accept Medicaid as a payment source, then you agree to also apply for Medicaid if you can qualify. When you are notified by the Executive Director approximately three months before the projected depletion of your remaining Entrance Fee (less the Community Fee), you agree to immediately apply for Medicaid if available. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

## **Section 11. TRANSFERS**

**11.1 Temporary and Permanent Transfers.** For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, your permanent Living Unit shall remain available to you as long as you continue to pay the Monthly Service Package in accordance with Section 8.4. A permanent transfer is a transfer of

indeterminate duration. During a permanent transfer, you will be requested to release the Living Unit. After a permanent transfer, if you are able to qualify to return to the Living Unit previously occupied at the Community or to a different, medically appropriate Living Unit at the Community, you shall have the right to occupy the Living Unit subject to the availability of such Living Unit, subject to our approval.

**11.2 Transfer at the Election of Resident.** You may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Living Unit, to a unit providing Memory Care Services, Nursing Unit, or an Off-Site Facility by giving notice to us. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and subject to our approval.

**11.3 Transfer at the Election of WINDSOR RUN - Non-Emergency.** All decisions regarding a transfer of any resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with you or your legal representative. If you have a Guarantor or ombudsman, such person also will be consulted if you so request. We attempt to interact with you or your representative with the goal of achieving a consensus on the need for a transfer although a consensus is not always achieved.

You will not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of your health and/or safety or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If you are transferring due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit.

The Committee shall give you thirty (30) days advance written notice of the proposed transfer. You or your representative shall notify us of any objection to the permanent transfer within ten (10) days of receipt of the notice. If you or your representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to you if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of your health and safety or the welfare of other residents. If you or your representative do not consent to either the transfer or the provision of Ancillary Services, we may consider such refusal to constitute just cause to terminate the Agreement in accordance with Section 12.3 hereof.

**11.4 Transfer at the Election of WINDSOR RUN - Emergency.** If your health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or

permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Windsor Run during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

**11.5 Use of Living Unit.** In the event of a temporary transfer, whether at your election or at our election, your prior Living Unit will remain available to you as long as you continue to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4 hereof.

In the event of a permanent transfer, whether at your election or our election, you or your representative shall sign Living Unit Release Transfer form unless you are one of Joint Residents and the other Joint Resident remains in the Living Unit. After receipt of notice of permanent transfer, you shall take all reasonable steps to vacate the Living Unit before the date set for the transfer. You or your representative shall then be responsible for vacating the Living Unit and removing all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the Departure Date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by us, within sixty (60) days from the notice of transfer, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 12. TERMINATION**

**12.1 Termination Within Rescission Period or Prior to Occupancy.** Either party may terminate the Agreement in the following circumstances:

**12.1.1** You may rescind this Agreement within thirty (30) days of the later of the date you received the Windsor Run Disclosure Statement or the date you executed this Agreement (you are not required to move into the Living Unit before the expiration of the later thirty (30) day period). However, should you elect to occupy the Living Unit prior to the expiration of the thirty (30) day rescission period, such occupancy shall not be considered a waiver of the rescission period;

**12.1.2** Your Agreement will be automatically canceled if you die before occupying the Living Unit or are precluded from occupying the Living Unit due to illness, injury, or incapacity; or

**12.1.3** We elect to terminate the Agreement if it is determined that you are ineligible for entrance into the Community.

If the Agreement is rescinded or terminated as provided in this Section 12.1, you shall receive a refund of the Entrance Fee as described in Section 7.4. You will not receive a refund of any costs specifically incurred by us at your request as set forth in a separate written addendum, signed by both parties. You shall not receive a refund of any Monthly Service Package related to your actual occupancy of the Living Unit.

**12.2 Termination by Resident.** After occupancy and after the expiration of the rescission period described in Section 12.1, you may terminate this Agreement at any time and for any reason by giving sixty (60) days' notice to us of your intention to terminate.

**12.3 Termination by WINDSOR RUN.** Our decision to terminate this Agreement shall be made by the Executive Director of the Community. We may not terminate this Agreement without good cause. "Good cause" is defined as: (i) non-payment of Fees including non-payment of the Entrance Fee; (ii) a good faith determination in writing, signed by the Executive Director and Medical Director of the Community, that you are a danger to yourself or others while remaining in the Community; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the Community; (iv) persistent refusal to comply with reasonable written rules and regulations of the Community; (v) a material misrepresentation made intentionally or recklessly by you in your application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing care and service to you under the Agreement; or (vi) your material breach of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, we will give you sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, we will give you written notice that you are in default under this Agreement for non-payment of fees. We may charge you interest on the overdue amount of one and one-half percent (1 ½ %) per month. If you fail to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, we may, at our election, either terminate the Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Fee, in accordance with the Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Our acceptance of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless we agree to a waiver in writing.

**12.4 Vacating the Living Unit.** Upon termination of the Agreement either at your election, our election, or due to your death, you or your representative, shall sign and give to us Unit Release Form advising of your Departure Date. You or your representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by us within the required time for the notice of termination as provided in Section 12.3, we shall have the right to store your possessions in a general storage area at the Community

or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 13. RIGHTS OF WINDSOR RUN**

**13.1 Community Rules and Regulations.** We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents. You agree and acknowledge that you have received such rules and regulations including those in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations, and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

**13.2 Access to Living Units at the Community.** You acknowledge and accept our ability and authority to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; (6) to fix, repair, maintain, or update building elements in common which would include plumbing, drywall, electrical system, HVAC, or similar and (7) enforcement of the Community's policies and procedures. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

**13.3 Property Rights.** You acknowledge that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title, lease, or any other interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by us. Your rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for your right to occupy the Living Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in our real and personal property, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by us. You hereby agree, upon our request, to execute and deliver any document which is required to this effect by us, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoint WINDSOR RUN as your attorney-in-fact to accomplish that purpose.

**13.4 Limitation of Liability.** We will not be responsible for the loss of any of your personal property due to theft or any other cause. Our liability for damage to or loss of your personal property shall be limited to damage or loss caused by negligent acts or omissions of us or our employees acting within the scope of their employment.

**13.5 Unauthorized Transfers of Property.** The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. In determining financial criteria for residency, we consider the applicant's reported income and assets in light of the Community's current and future commitments and obligations. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

**13.6 Religious Affiliation and Sponsorship.** Windsor Run is a for-profit limited liability company. Windsor Run is not affiliated with any religious organization.

**13.7 Non-Smoking Policy.** You agree to abide by our prohibition against smoking including vaping or e-smoking in the Living Unit, including balconies or patios, and in common areas. Your guests, or contractors are also prohibited from smoking, including vaping or e-smoking in the Living Unit or in the common areas of the Community. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate the Residence and Care Agreement.

#### **Section 14. MISCELLANEOUS PROVISIONS**

**14.1 Documents Incorporated by Reference.** This Agreement includes the Arbitration Agreement, Nursing Arbitration Agreement, Priority List Application for residence, the Financial Information Form, the Resident Profile, including Resident's medical records, if any, the Key Receipt Form, the Refund Form, and the Club Membership application. This Agreement may include a Promissory Note, a Guaranty Agreement, Catered Living Addendum, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and your medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule II attached hereto). You acknowledge that we will rely on your statements in these documents and you warrant that all statements are true and complete to the best of your knowledge, information and belief.

**14.2 Rules of Construction.** In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

**14.3 Non-waiver.** The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

**14.4 Entire Agreement.** This Agreement, the documents referenced in Section 14.1, and the terms of the Disclosure Statement in effect for the Community, represents the entire agreement between us, you and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

**14.5 Amendment.** This Agreement shall be amended only in writing, signed by you and us.

**14.6 Disclosure Statement.** You hereby acknowledge that you received the latest disclosure statement of Windsor Run prior to signing this Agreement or before transferring any money to Windsor Run, whichever is earlier, and that you have reviewed such statement.

**14.7 Severability.** The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the remainder of this Agreement; however, you, to the extent provided by law, retain the right to rescind this Agreement if any provision is in violation of the laws of the State of North Carolina, as amended from time to time.

**14.8 Paragraph Headings.** Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

#### **14.9 Dispute Resolution.**

**14.9.1** Simultaneously with the signing of this Agreement, the parties shall enter into an Arbitration Agreement, which is attached hereto and incorporated herein by reference. Pursuant to the Arbitration Agreement, all parties agree that all Claims other than Excluded Claims (as such terms are defined in the Arbitration Agreement) shall be resolved through binding, individual arbitration in accordance with the terms of the Arbitration Agreement; provided that Claims involving or asserted by Joint Residents may be adjudicated in the same arbitration proceeding. The parties further agree that venue for the adjudication of any Excluded Claims shall be in Mecklenburg County, North Carolina.

**14.9.2** Notwithstanding the foregoing, if you occupy a Nursing Unit (whether temporarily or permanently), you (or your legal representative, individually and on your behalf) may elect to enter into a separate Nursing Arbitration Agreement with respect to claims arising out of or related to the Nursing Facility Addendum to the Residence and Care Agreement or the care you receive while residing in the Nursing Unit, but entering into the Nursing Arbitration Agreement will not be a condition of admission to or a requirement for continuing to receive care

in the Nursing Unit. The Nursing Arbitration Agreement, if entered into, will be incorporated herein by reference. If you do not enter into the Nursing Arbitration Agreement (or if the Nursing Arbitration Agreement is not entered into on your behalf), venue for any action for the enforcement, construction, termination of, or any action arising out of or related to the Nursing Contract Addendum to the Residence and Care Agreement or the care you receive while residing in the Nursing Unit shall be in Mecklenburg County, North Carolina.

**14.9.3** All parties agree that the filing of any arbitration demand pursuant to the Arbitration Agreement or the Nursing Arbitration Agreement or of any action not subject to either arbitration agreement may include a request for an expedited hearing.

**14.10 Assignment.** In the event that we or any of our successors or assigns shall give Resident notice that any or all of our rights, duties and obligations have been assigned to a new person or entity certified as a continuing care provider under the laws of North Carolina by the North Carolina Department of Insurance to provide services to residents of the Community, you agree to recognize such new person or entity as the provider under this Agreement, to the extent of such assignment.

**14.11 Electronic Signatures & Counter-Parts.** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

**14.12 Survival.** The provisions of Sections 7, 8, 9, 12, 13, 14, and 15 shall survive any termination of this Agreement. Additionally, any obligation, or liability of either party under this Agreement or under any ancillary agreement executed in connection herewith, or any subsequent addenda hereto that by its nature and context are intended to survive the termination of the Agreement, shall survive the termination of this Agreement.

## **Section 15. DEFINITIONS**

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

**Act:** The North Carolina Continuing Care Retirement Community Regulation and Financial Disclosure Act, as the same shall be amended and in effect from time to time hereunder.

**Agreement:** This document, including all exhibits, supplements, amendments or addenda, as signed by us, you, and Guarantor, if any.

**Ancillary Services:** Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not included in the Monthly Service Package or Nursing Fees. Periodic charges for Ancillary

Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

**Application Fee:** The fee payable when you submit an application for residency at the Community or for a position on the futures or standby list.

**Assisted Living Unit:** Accommodations for residents who need a higher level of care and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, personal care and service than is provided in a Nursing Unit.

**Catered Living:** Catered Living services are offered only to those residents who occupy designated Independent Living Units and sign a Catered Living Addendum which will include further detail on services. In general, Catered Living offers residents supportive services including supervision, cuing and limited assistance with the activities of daily living, medication reminders; resident Services Coordinator services, light housekeeping care, planned group activities and a meal plan. Catered living services will be offered on a temporary basis.

**Community:** The physical site and structures which we operate as a retirement community in Matthews, North Carolina.

**Community Fee:** The Community Fee is defined as ten percent (10%) of the original Entrance Fee paid by you at admission. The Community Fee is earned by the Community upon termination of this Agreement either by your death or pursuant to subsections 12.2 or 12.3 of this Agreement. If you later transfer to a Living Unit with a larger Entrance Fee and paid an additional sum towards the larger Entrance Fee, then the Community Fee is defined as ten percent (10%) of your original Entrance Fee paid at admission plus ten percent (10%) of the incremental Entrance Fee paid by you on transfer to the Living Unit with the larger Entrance Fee. The Community Fee does not decrease if you move to a Living Unit with a lower Entrance Fee.

**Continuing Care at Windsor Run:** The Community building in which the Assisted Living Units, units providing Memory Care Services, and Nursing Units will be situated. The Continuing Care facility will be licensed on completion for assisted living and memory care but will not be licensed to provide skilled nursing, long-term care nursing, chronic or acute hospital care or other institutional care. Such services, if required by you, are not services covered under the scope of this Agreement.

**Covered Services:** Those services specified in Section 4 of this Agreement which we make available for the applicable Monthly Service Package or Nursing Fees.

**Departure Date:** The date on which you or, in the event of your death, your personal representative or family, vacates the Living Unit after providing us with a signed Unit Release Form, removing all possessions from such Living Unit, and turning in the Living Unit keys. If you or your personal representative or family do not timely provide us with a signed Unit Release Form, remove the possessions, or turn in the keys, the Departure Date shall be the date

on which we remove all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

**Entrance Fee:** The Entrance Fee required to be paid to us on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Fee is generally paid in a series of deposits. The 10% Community Fee is deducted from the Entrance Fee.

**Executive Director:** The chief administrative officer of the Community appointed as such by Windsor Run.

**Guarantor:** Any person or persons who guarantee your obligations to pay the Monthly Service Package or any other fees or periodic charges payable by you under the terms of this Agreement.

**Independent Living Unit:** Living accommodations at the Community for a resident who is able to live independently within our guidelines.

**Joint Residents:** Two or more residents who enter into the same Residence and Care Agreement.

**Living Unit:** An Independent Living Unit, Assisted Living Unit, a unit providing Memory Care Services, or Nursing Unit.

**Medical Director:** A licensed physician whom we officially designate as the person responsible for the direction and control of medical services offered at the Community.

**Memory Care Services:** Services or programming for a resident who is unable to perform normal functions necessary to live in an Independent Living Unit and needs programming for dementia or similar memory care disorders but who needs a lesser degree of medical care, personal care and service than is provided in a Nursing Unit.

**Monthly Meal Credit Plan:** The standard meal plan for residents in Independent Living Units. Each Resident has a monthly meal credit which allows purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. In addition to offering premium meals, the community will always have a selection of meal offerings at the standard daily credit amount. You may use the meal credit on a daily basis or as otherwise desired through the calendar month until the allowance is exhausted for that calendar month. The meal credit may also be used by you for guest meals during the calendar month. At the beginning of each calendar month, you receive a new credit balance for that new month. If you do not use the all of the meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

**Monthly Service Package:** The fee payable with respect to a particular Living Unit as specified in Section 8.1 hereof, which fee includes the Covered Services specified in Section 4 hereof. Monthly Service Packages may be adjusted as provided in Section 8.3 hereof.

**(Ninety Percent) 90% Refund Amount:** The refund payable to you or your beneficiaries, as the case may be, upon termination of this Agreement. Your refund will be equal to ninety percent (90%) of the total Entrance Fee unless: (i) the Entrance Fee, minus the Community Fee, has been partially or fully spent down for your care per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct the outstanding fees and charges from the 90% Refund Amount for your convenience.

**Non-Occupancy Credit:** You may receive a Non-Occupancy Credit to reduce your Monthly Service Package when you are, or if one of Joint Residents, then the Joint Residents are, transferred temporarily to a different Living Unit. You may receive a Non-Occupancy Credit upon request in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule I, Ancillary Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by us in our sole discretion. Credit is given based on the required consecutive days of absence.

**Notice:** For the purposes of this Agreement, notice shall be deemed to have been given to you when deposited in your community mailbox or personally delivered to you, and given to Windsor Run when either personally delivered or delivered with return receipt to the office of the Executive Director at the Community and to General Counsel at the corporate office situated at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If you have not yet taken possession of the Living Unit, then notice to you shall be given by first-class mail, postage pre-paid, to your last known address and such notice shall be deemed to be effective on the third day following such mailing. If you have been transferred to an Off-Site Facility, notice shall be given by first-class mail, postage pre-paid, to you at such Off-Site Facility and shall be deemed to be effective on the third day following such mailing.

**Nursing Fee:** A rate based on the type of Nursing Unit occupied and Entrance Fee level for the Resident. Fees for care in a Nursing Unit are determined by us based on nursing personnel costs and other financial considerations. Adjustments to the Nursing Fee shall be made in accordance with Section 8.3.

**Nursing Unit:** Room accommodations for a resident who is unable to perform normal functions necessary to live in an Independent Living Unit, Assisted Living Unit, or unit providing Memory Care Services and who needs the degree of medical care, personal care and service that is provided in a Nursing Unit or a Special Service Facility.

**Occupancy Date:** The date on which you are authorized by Windsor Run to take possession of a Living Unit. On this date, you are allowed access to move belongings or to personally inhabit the Living Unit pursuant to this Agreement. Delivery of keys to you shall be deemed authorization to take possession.

**Off-Site Facility:** Any housing or health care facility not located within the Community and which is neither owned nor operated by Windsor Run.

**Participating Independent Living Unit:** A participating Independent Living Unit is an Independent Living Unit whose prior resident had either: i) a Residence and Care Agreement with a 90% Refund Amount obligation, as applicable, or ii) a Residence and Care Agreement with a refund obligation of 80% or less as applicable. We fund the Refund Account with all or a portion of such Entrance Fees. A Living Unit that has not been previously occupied with an initial Entrance Fee is not a participating unit.

**Refund Form:** An agreement signed by you, when accepted by us, designating to whom the 90% Refund Amount shall be made upon termination of this Agreement.

**Refund Account:** The balance(s) which we establish to fund the contracted Refund Amount to eligible residents upon termination of the Agreement. The Refund Account ledger is funded only when we receive all or a portion of new Entrance Fees from new residents who sign a Residence and Care Agreement for participating Independent Living Units. The new resident's right of rescission must also be expired for the Refund Account to receive all or a portion of the Entrance Fee. We make continued refunds from the Refund Account as new available funds are received into the Refund Account. We have the right to temporarily suspend refunds if the Refund Account has insufficient funds to pay the next sequential refund that is due. We pay the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order.

**Refund Form:** An agreement signed by you, when accepted by us, designating to whom the 90% Refund Amount shall be made upon termination of this Agreement.

**Refund Number:** The number assigned per Section 7.6 which determines eligibility for a refund of the 90% Refund Amount.

**Refurbishing Charges:** The reasonable costs and expenses of work performed to clean, refurbish, and restore that Living Unit after a resident permanently vacates the unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. It is intended that the Living Unit shall be restored to the condition that it was in before it was occupied by the recent resident. The determination as to the extent of refurbishment shall be established by the Executive Director.

**Repairing Extraordinary Damage:** By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those

improvements for re-subscription to a new resident. The extent of refurbishing is determined by WINDSOR RUN, in our sole discretion to put the Living Unit into like-new condition.

**Reserved Parking Space:** For an Independent Living Unit, Windsor Run will provide one designated parking space per Independent Living Unit for your personal vehicle. Your right to use a parking space will terminate if you no longer own or use a personal vehicle. If available, an additional parking space may be reserved for a 2<sup>nd</sup> second vehicle for an additional fee.

**Resident/ You:** Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

**Spending Plan:** A plan set forth by the Executive Director of the Community in the event that you are financially unable to pay your Monthly Service Packages.

**Weekly Light Housekeeping:** Residents in Independent Living Units may request housekeeping for an ancillary fee. For Assisted Living Units and units providing Memory Care Services, as part of the Covered Services, Windsor Run will perform weekly light housekeeping which generally includes vacuuming carpet/ floors, light dusting and wiping down bathrooms and kitchenette (if available). The extent of such services and the weekly schedule are determined by us and may be revised from time to time with appropriate notice. You are responsible for day-to-day housekeeping to maintain your Living Unit in a sanitary and orderly condition. Additional housekeeping services, including annual or seasonal deep cleaning services, are available upon request for an additional fee.

**Windsor Run (We/ Us):** Windsor Run, LLC.

[Section 16 on next page]

**Section 16. FEES.** You are responsible to pay the listed Application Fee, Entrance Fee and Monthly Service Package on or before the Occupancy Date. The Entrance Fee, the Monthly Service Package, and the Ancillary Fees may be revised as provided in Section 7.3, Section 8.3, and Section 9.2 respectively.

Total Entrance Fee for Unit: \$ \_\_\_\_\_

*Minus the 10% Community Fee:* \$ \_\_\_\_\_ (non-refundable)

Current Monthly Service Package for Unit: \$ \_\_\_\_\_ per month

Current Monthly Service Package Level:      Independent Living \_\_\_\_\_      Assisted Living \_\_\_\_\_  
(check one)      Memory Care \_\_\_\_\_      Nursing \_\_\_\_\_

Current Application Fee:      \$ \_\_\_\_\_ per applicant

Current Ancillary Fee Schedule:      See Schedule I

## **SIGNATURES**

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

### **WINDSOR RUN, LLC**

By: \_\_\_\_\_  
Witness \_\_\_\_\_ Date \_\_\_\_\_

Witness \_\_\_\_\_ Resident \_\_\_\_\_ Date \_\_\_\_\_

Witness \_\_\_\_\_ Resident \_\_\_\_\_ Date \_\_\_\_\_

If applicable: Guarantors: I (We) \_\_\_\_\_ have read and understand the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

Witness \_\_\_\_\_ Guarantor \_\_\_\_\_ Date \_\_\_\_\_

Witness \_\_\_\_\_ Guarantor \_\_\_\_\_ Date \_\_\_\_\_

**Schedule I**  
**Windsor Run - Periodic Charges for Ancillary Services**

<b>Service</b>	<b>2026 Rate</b>
Non-Occupancy (Independent Living) Credit for Absences per resident, per day (starting on 31st consecutive night)	\$12.00
Note: the Non-Occupancy Credit does not apply to residents in Assisted Living, Memory Care or Nursing Care.	
Additional Mailbox Key	\$15.00
Additional or replacement Living Unit Badge	\$25.00
Badge for Resident Family & Friends Program	\$25.00
First Car Reserved Parking Space (Ind. Living) (resident registered car only)	No. Add. Fee
Second Car Reserved Parking Space (Monthly if available) (resident registered car only)	\$75.00
Reserved Carport parking (Monthly if available) (resident registered car only)	\$50.00
Storage Bin (Monthly if available)	\$15.00
Maintenance Service per hour	\$56.00
Grounds Service per hour	\$56.00
Housekeeping per hour	\$50.00
Computer Services (first 30-minutes) Each additional 15 minutes	\$50.00 \$18.00
Catered Living Care Fee Non-Care Second Person Fee	\$7,900.00 \$500.00
Emergency Pendant (1-time fee) Emergency Pendant Monthly Fee Emergency Pendant Replacement	\$50.00 \$25.00 \$35.00
Wheelchair Escorts (one way)	\$10.00
Wheelchair Escorts (round trip)	\$20.00
Guest Suite (Per Night)	\$130.00
Transportation	
Premium TV Service	No add Fee
Personal Training 30 minute	\$20.00
Personal Training 30 minute – in Living Unit	\$25.00
Personal Training five 30 minute sessions package	\$85.00
Personal Training ten, 30 minute sessions package	\$150.00
Specialty Class (charged monthly)	\$16.00

Service	2026 Rate
Erickson Balance Class	\$50.00
Virtual Fitness Programs (digital)	Included
Specialty Health Club Group Fitness Classes	Add Fees Apply
Meal Delivery	\$7.00
Sales Tax	When Applicable

Ancillary fees in continuing care are available on request.

## Schedule II

### Documents Incorporated

- A. Arbitration Agreement / Nursing Arbitration Agreement
- B. Priority List Application
- C. Financial Information Form
- D. Resident Profile
- E. Refund Form
- F. Club Membership Application
- G. Key Receipt Form
- H. Promissory Note and Allonge to Promissory Note
- I. Custom Interiors Agreement (if any)
- J. Guaranty Agreement (if any)
- K. Unit Release forms
- L. Power of Attorney for property disposition (if any)
- M. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)
- N. Resident's medical insurance documentation (if any)

A. Arbitration Agreements

B. Priority List Application

C. Financial Information Form

D. Resident Profile

E. Refund Form

F. Club Membership Application

WINDSOR RUN CLUB  
APPLICATION FOR MEMBER

Unless otherwise noted by Resident's having initialed the statement below, execution of this Residence and Care Agreement will constitute Resident's application to become a member of the Windsor Run Club (the "Club"), a private social club. The Club is a social club which will hold a private club license permitting the service of alcoholic beverages to its members and their guests for on-premises consumption at certain facilities in the Windsor Run retirement community complex. In accordance with the Windsor Run Club Membership and Participation Policy and the requirements of the ABCE, the application shall be considered by the Club's membership committee, which will inform Resident if he or she has been accepted for membership. Copies of the Club's policy shall be provided to Resident upon his or her request.

\_\_\_\_\_ My execution of this Agreement shall not constitute my application to become a member of the Windsor Run Club.

G. Key Receipt Form

H. Promissory Note and Allonge to Promissory Note

I. Custom Interiors Agreement (if any)

J.      Guaranty Agreement (if any)

K. Unit Release Forms

***WINDSOR RUN  
RESIDENCE AND CARE AGREEMENT  
FULLY DECLINING REFUND***

December 2025

THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE AGREEMENT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.

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SCHEDULE I - ANCILLARY FEES

SCHEDULE II - DOCUMENTS INCORPORATED

**WINDSOR RUN  
RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (the "Agreement") is made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between WINDSOR RUN, LLC (referred to in this Agreement as "We", "us" or "Windsor Run") and \_\_\_\_\_ (referred to in this Agreement as "You" or the "Resident(s)").

**RECITALS**

R.1 Windsor Run Retirement Community (the "Community") is a continuing care retirement community located in Matthews, North Carolina, offering various living accommodations and services to seniors, as described herein.

R.2 WINDSOR RUN is a certified continuing care provider under the laws of the State of North Carolina. WINDSOR RUN desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**Section 1. DESCRIPTION OF COMMUNITY**

The Community is planned to include Independent Living Units, Assisted Living Units, and Nursing Units. The Community is a smoke-free campus and you agree to abide by our rules restricting smoking (see Section 13.7).

**1.1 Independent Living Units.** The Community currently includes approximately 700 Independent Living Units with the potential for additional Independent Living Units in future phases. The Community will also include community spaces such as dining areas, a beauty salon, classrooms, card rooms, lounges and other common areas. We also plan to feature amenities such as a center for on-site physician visits, a pool, and fitness center.

**1.2 Continuing Care at Windsor Run.** Continuing Care at Windsor Run refers to our on-site health care neighborhood. Each floor of the facility includes a dining room, a resident lounge, activity rooms and a bathing core. The initial phase of Continuing Care at Windsor Run includes approximately 7 Assisted Living Units and 22 Nursing Units, with different service packages including Memory Care Services in selected units. We anticipate that the aggregate number of Living Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Assisted Living Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in Resident's Independent Living Unit and second, if necessary, will assist in arranging for a

transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer. Continuing Care at Windsor Run is anticipated to open in 2021 but the opening date and number of units are approximate and may change according to regulatory requirements, weather conditions, market demands, etc. We may also open Continuing Care at Windsor Run by phasing in the available levels of care (See Section 4.2, 4.3 and 4.4). Until the facility is opened, we will enter into transfer agreements for residents with outside assisted living, memory care services, and nursing care.

## **Section 2. TERM**

The Term of this Agreement shall commence on the date on which this Agreement is executed by you and us and shall continue for your lifetime unless the Agreement is terminated earlier per Section 12 of this Agreement.

## **Section 3. LIVING ACCOMMODATIONS**

**3.1 Your Right to Occupy.** You have the right to occupy and to use the following Living Unit: \_\_\_\_\_, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. You may not assign or sublet the right to occupy a Living Unit to any other person. We will provide the Living Unit, in good condition, with neutral painted walls, and with standard carpeting/ and or floors in Independent Living Units and Assisted Living Units.

**3.2 Joint Residents.** When two (2) or more residents enter into the same Residence and Care Agreement, they are considered to be Joint Residents. Each Joint Resident is required to meet our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

**3.3 Rights of New Spouse.** If during the term of residency, you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

**3.4 Resident's Obligation to Furnish & Maintain Unit.** You are responsible for furnishing the Independent Living Unit or the Assisted Living Unit, and for procuring insurance for personal possessions and furnishings. We will provide furnishings and equipment, if required by law, for Assisted Living Units. We will provide furnishings and equipment, as required by law, for Nursing Units. You are also responsible to maintain any Living Unit in which you reside in reasonably clean and habitable condition.

**3.5 Customized Improvements.** You may decorate the Living Unit to your personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Unit. All other customized improvements to any Independent Living Unit or Assisted Living Unit that you want to undertake either before or after the Occupancy Date must be approved in writing by the Executive Director. If you contract with an outside contractor, the selection of your contractor and the proposed plans or work must be approved by the Executive Director. If you contract with us to do the work, we will sign a contract to agree upon the extent of work and the charges related to the work to be done. For charges related to the removal of any improvements, please see Section 9.4. No customized improvements may be made to a Nursing Unit.

#### **Section 4. SERVICES TO RESIDENTS**

We will make available the following services to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12. We may change your Monthly Service Package or the scope of services or care only after we provide you with thirty (30) days advance notice of the change, except for changes required by State or Federal assistance programs.

**4.1 Independent Living Services.** We provide the following Covered Services included in the Monthly Service Package for Independent Living:

- Monthly Meal Credit Plan (see Section 15);
- 24 hour on-site staff and emergency alert system;
- All utilities in the Living Unit including these cable/ telephone/ data services:
  - Basic Cable television service (premium channels additional charge);
  - Local, Long Distance and International landline phone service;
  - Wireless internet service;
- On-site Fitness Center basic membership (includes standard weekly classes as scheduled);
- One Reserved Parking Space per Living Unit (see Section 15)
- General Maintenance of buildings, grounds and fixtures;
- Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);
- Sewage, trash and snow removal from common areas only; and
- Use of all public rooms and common areas of the Community.

**4.2 Assisted Living Services.** After the opening of our Continuing Care building, we will provide several packages for Assisted Living residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available at each level of Assisted Living and additional rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;

Prescription evaluation and planning;

Service plan designed by a care team;

Medication administration;

At least three meals per day;

Regularly scheduled Registered Nurse review and assessment;

Personal laundry service;

Weekly Light House-keeping (See Section 15);

Assistance with Incontinence Care;

Regular social work team services related to cognitive, behavioral and safety issues;

Licensed nurse management of chronic/ stable conditions on a regular basis;

24 hour on-site staff and emergency alert system;

All utilities in the Living Unit including these cable/ telephone/ data services:

- Basic Cable television service (premium channels additional charge);
- Local, Long Distance and International landline phone service;
- Wireless internet service;

General Maintenance of buildings, grounds and fixtures;

Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);

Sewage, trash and snow removal from common areas only; and

Use of all public rooms and common areas of the Community.

**4.3 Memory Care Services.** After the opening of our Continuing Care building, we will provide memory care services for residents to serve different care needs. The services listed below are included in most care packages but some services may not be available for certain care packages. Further details on the services available and additional rights and obligations will be set forth in a contract Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;

Memory Care services/ programming

Prescription evaluation and planning;

Service plan designed by a care team;

Medication administration;

At least three meals per day;

Regularly scheduled Registered Nurse review and assessment;

Personal laundry service;

Weekly Light House-keeping (See Section 15);

Assistance with Incontinence Care;

Regular social work team services related to cognitive, behavioral and safety issues;

Licensed nurse management of chronic/ stable conditions on a regular basis;

24 hour on-site staff and emergency alert system;

All utilities in the Living Unit including these cable/ telephone/ data services:  
Basic Cable television service (premium channels additional charge);  
Local, Long Distance and International landline phone service;  
Wireless internet service;  
General Maintenance of buildings, grounds and fixtures;  
Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);  
Sewage, trash and snow removal from common areas only; and  
Use of all public rooms and common areas of the Community.

**4.4 Nursing Care Services.** After the opening of our Continuing Care building, we will provide the following Covered Services included in the Nursing Fee. Further details on the services available for nursing care will be set forth in the Nursing Admission Addendum to the Residence and Care Agreement:

Nursing care;  
Three meals a day;  
Tray service;  
Individual care plans;  
Planned activities;  
Social work services;  
Laundry services for linens and towels owned by us;  
Housekeeping;  
Nurse/ Resident communication system;  
Security/Safety Officers on duty 24 hours;  
Basic Cable Service (premium channels additional charge);  
All utilities in the Living Unit including these cable/ telephone/ data services:

Basic Cable television service (premium channels additional charge);  
Local, Long Distance and International landline phone service;  
Wireless internet service;  
General Maintenance of buildings, grounds and fixtures;  
Insurance of buildings and grounds including insurance for the Living Unit, including the structures and fixtures in such unit, except items owned by Resident (See Section 9.5);  
Sewage, trash and snow removal from common areas only; and  
Use of all public rooms and common areas of the Community.

## **Section 5. ANCILLARY SERVICES**

**5.1 Services Available through WINDSOR RUN.** In addition to the Covered Services described earlier in Sections 4.1, 4.2, 4.3, and 4.4, we expect to also make the following services available to you subject to availability as noted below. Other services that are not currently listed may also be available. Some of these services may be arranged and coordinated by Windsor Run but delivered by an outside provider depending on demand. We may change the scope of or fees charged for such Ancillary Services only after providing you with thirty (30) days advance notice, except for changes required by State or Federal assistance programs.

Meal Delivery service;  
Housekeeping and laundry service for residents in Independent Living  
Additional housekeeping or additional laundry service for residents in Assisted Living  
Units or units providing Memory Care Services;  
Extra meals for residents in Independent Living (unless covered by Monthly  
Meal Credit as defined);  
Guest meals (unless covered by Monthly Meal Credit as defined);  
On-site Fitness Center premium services or classes;  
Personal storage space (limited availability);  
Second Reserved parking space (limited availability);  
Off-campus transportation within a radius determined by us;  
Catered Living services (See Section 15); and  
Home support services

**5.2 Services Available through Outside Providers.** We expect to contract or make arrangements with outside providers to provide the following services to you at the Community: visiting physician services through an on-site center; laboratory services; medical supplies; prescription drugs, home health, therapy or rehab services. These services will be provided at an additional fee and will be billed separately by the outside provider. Such services may be covered by Medicare or by resident's other medical insurance. We do not charge any additional fee for use of or access to these outside providers. These services will be phased in as the Community is developed and some services may not be immediately available.

**5.3 Services Not Provided.** We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit, a unit providing Memory Care Services, or a Nursing Unit, or otherwise covered under the terms of this Agreement. We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.

## **Section 6. OTHER RESIDENT RIGHTS**

**6.1 Residents' Association.** You have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

**6.2 Resident Guests.** You have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a temporary basis, subject to our reasonable policies and procedures for use of the Community. Guest meals (unless covered by the Monthly Meal Credit Plan as defined) will be treated as an Ancillary Service, the costs of which are chargeable to you.

**6.3 Physicians and Other Professionals.** You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and state laws, rules and regulations. You are not required to use any of the on-site physician services.

## **Section 7. ENTRANCE FEE**

**7.1 Payment of Entrance Fee.** You will pay or have paid to us a total Entrance Fee as shown in Section 16 of this Agreement. The payment of the Entrance Fee may be made in a series of deposits on or before taking occupancy of your Living Unit at the Community. For Joint Residents, the total Entrance Fee shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident.

**7.2 Escrow of Entrance Fee and Release from Escrow.** The deposits made by you towards the total Entrance Fee will be held in escrow in a banking institution in North Carolina, acting as an escrow agent. While held in escrow, Entrance Fees are considered the property of the prospective resident but any interest earned will be for the benefit of Windsor Run. Prior to occupancy of a Living Unit, Entrance Fees deposited in escrow will be returned to a prospective resident before occupancy: (i) within thirty days of the written request of the Resident; ii) if Resident is precluded from occupying a unit due to death, injury, incapacity, or illness; iii) if Resident is determined to be ineligible for entrance into the community; or iv) upon rescission of the Residence and Care Agreement pursuant to Section 12 of this Agreement.

As new buildings are developed, the escrow agent will release 25% of escrow monies to Windsor Run when 50% of independent living units in a building are pre-sold, permanent financing is secured, and Entrance Fees plus proceeds of financing equals 90% or more of the costs to construct and equip the facility and provide cash flow funds equal 90% or more of funds needed to fund start-up losses and assure full performance of obligations. Seventy-five (75%) percent of funds can be released to Windsor Run when 75% of independent living units in the building are presold with at least a 10% deposit, construction is complete and units available for occupancy.

When the Entrance Fee is released in full, we can fully use the Entrance Fee. We normally use the Entrance Fees for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Fees can generally be used for capital repairs or improvements for the Community, equity distributions, operational costs including rent, and for any reserve funds, but the Entrance Fees, including refundable, non-refundable and appreciation amounts, may be used for any required purpose. However, you will retain the right to the Unearned Refund Amount as discussed in this Section 7. No interest shall be accrued or paid to you on your Entrance Fee.

**7.3 Adjustments to Entrance Fee.** You will not be required to pay an additional or increased Entrance Fee as long as you reside in your original Living Unit. You retain the right to the refund, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement.

**7.3.1** If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Fee and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount

of the additional deposit will vary, depending on market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer and may be a full second Entrance Fee. We will advise you of the additional deposit/ Entrance Fee prior to the transfer and you may then decide whether or not to proceed with the transfer. If you transfer and pay the new deposit, you agree that the new deposit is immediately subject to the original declining balance schedule consistent with your the Occupancy Date of your original Living Unit for purposes of Section 7.5.

**7.3.2** After the Occupancy Date, if you later wish to add a Joint Resident such as a new spouse to your Living Unit (See Section 3.2), the Joint Resident must qualify for residency per Section 1.4 and must be accepted by Windsor Run. If accepted as a Joint Resident in your current Living Unit, there is no additional Entrance Fee. If the proposed Joint Resident is offered residency in a different Living Unit, then he or she must pay the Entrance Fee associated with that second Unit.

**7.3.3** You will normally not be entitled to a refund or decrease of the Entrance Fee due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Fee, minus any portion of the Entrance Fee that we have earned for each month of your residency pursuant to Section 7.5, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Fee for the smaller Independent Living Unit is currently lower than the Entrance Fee that you originally paid for an Independent Living Unit. In these specific circumstances, we may elect to refund the difference between the current Entrance Fee for your new Independent Living Unit and the original Entrance Fee paid by you but minus any portion of the Entrance Fee that we have earned for each month of your residency pursuant to Section 7.5.

**7.4 Refund of Entrance Fee within Rescission Period or Prior to Occupancy** . We shall pay a refund of the Entrance Fee to you or your representative, as appropriate, if the agreement is terminated within the thirty (30) day rescission period as described in section 12.1 hereof, regardless of whether you occupy the unit. In addition, we shall pay a refund of the Entrance Fee to you if the agreement is terminated after the rescission right expires but prior to the Occupancy Date as described in section 12.1. We will refund the Entrance Fee within thirty (30) days following the rescission or the pre-occupancy termination, as the case may be. If one joint resident dies prior to occupancy, the remaining resident may, but is not required to, rescind this agreement. The surviving resident may also request a different living unit and we will refund or charge any difference in the Entrance Fee between the living units; provided, however, that this election is made in writing at least thirty (30) days prior to occupancy. Per Section 9.1 of this Agreement, we may keep the Application Fee as a reasonable processing charge.

## **7.5 Refund of Entrance Fee After Expiration of Right of Rescission and Occupancy Date**

**7.5.1 Refund Amount – Termination Within First 48 Months.** If this Agreement is terminated at the election of all Residents in the Living Unit during their lifetime following the thirty day period described in Section 12.1.1 and within and including the first forty-eight (48) months from the original Occupancy Date, we will refund an Unearned Refund amount equal to the Entrance Fee (i) minus a processing fee of 4% of the Entrance Fee, and (ii) minus a fee equal to 2% of the Entrance Fee per month for each month from the original Occupancy Date through the Departure Date (even if such final month is only a partial month). The payment of the refund is subject to Sections 7.5.4, 7.5.5 and 7.6 below.

**7.5.2 Refund Amount –Death of Resident(s) or Death of One Resident, and Subsequent Termination Within First 48 Months.** If (a) either a single Resident or both Joint Residents pass away after the expiration of the thirty day period described in Section 12.1.1 and within and including the first forty-eight (48) months from the Occupancy Date, or (b) One Joint Resident passes away and the surviving Joint Resident terminates this Agreement after the expiration of the thirty day period described in Section 12.1.1 and within and including the first forty-eight (48) months from the Occupancy Date, we will refund an Unearned Refund amount equal to the Entrance Fee (i) minus a processing fee of 4% of the Entrance Fee, and (ii) minus a fee equal to 2% of the Entrance Fee per month for each month following the Occupancy Date, including the final month of the term of this Agreement (even if such final month is only a partial month). The payment of the refund is subject to Sections 7.5.4, 7.5.5 and 7.6 below.

**7.5.3 No Refund After First 48 Months.** If this Agreement terminates after the first forty-eight (48) from the Occupancy Date or later, whether due to your choice, our choice, or your death, you will not be entitled to any refund of the Entrance Fee.

### **7.5.4 Timing of Unearned Refund Payment.**

- a. If you are entitled to an Unearned Refund of a portion of your Entrance Fee pursuant to Sections 7.5.1 or 7.5.2 of this Agreement due to the termination of this Agreement following the Occupancy Date, other than a termination by us under Section 12.3, we will pay the refund within one hundred eighty (180) days after you turn in your keys and vacate any Living Unit(s), including parking or storage spaces, which you were occupying on the Departure Date.
- b. If we terminate this Agreement for just cause as set forth in Section 12.3, we will pay you on your Departure Date any Unearned Refund to which you are entitled depending on your months of residency pursuant to this Section 7.5, less a reasonable offset of fees as described in Section 7.6. Any funds that we retain and do not use for such purposes will be refunded to you within 45 days

after you turn in your keys and vacate any Living Unit(s), including parking or storage spaces, which you were occupying on the Departure Date.

**7.5.5 How Unearned Refund is Payable.** If an Unearned Refund is due to you, we will pay the appropriate refund to the duly designated beneficiaries named in your refund form. If there is no refund form on file, then we will refund to you if you leave during your lifetime and to your estate if you pass away as a resident. If one Joint Resident dies or moves out of the Community, there will be no refund of any portion of the refund; instead, so long as a surviving/remaining Joint Resident continues to reside at the Community, the Entrance Fee shall be deemed to have been paid entirely on behalf of the remaining resident to be used for the remaining resident's care if necessary, and the refund will eventually be paid to the remaining resident, to the beneficiaries named in the remaining resident's refund form, or to the remaining resident's estate.

**7.6 Offset of Unpaid Fees from Entrance Fee Refund.** We may withhold from any Unearned Refund that is payable to you, your estate, or other duly designated beneficiaries such amounts as may be required to pay (a) any unpaid fees or charges for services provided to you at the Community, (b) the refurbishing charges as defined in Section 9.4, and (c) any other amounts to which we are entitled under this Agreement.

## **Section 8. MONTHLY SERVICE PACKAGES**

**8.1 Monthly Service Package.** During the term of this Agreement, you must pay the applicable Monthly Service Package for the Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for Resident's current Living Unit is shown in Schedule I. Monthly Service Package The Monthly Service Package is due and payable each month, in advance, within five (5) days from the date of the monthly invoice; provided, however, that the Monthly Service Package for the month during which you first take occupancy of the Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the term of this Agreement. Our acceptance of partial payment of the Monthly Service Package does not constitute a waiver of such outstanding fees and charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**8.2 Monthly Service Package for Joint Residents.** Joint Residents occupying the same Living Unit shall pay the appropriate Monthly Service Package for double occupancy of the Living Unit. If Joint Residents occupy different Living Units, both Residents shall be jointly and severally liable for the full Monthly Service Package for both Living Units. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a new spouse or other new Joint Resident who are accepted to the Community on different dates.

**8.3 Adjustments to the Monthly Service Package.** The Monthly Service Package may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other purpose. We generally adjust fees on an annual basis after having

evaluated those factors that we perceive to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, we reserve the right, at any time, upon thirty (30) days' notice to you, to adjust the independent living Monthly Service Packages and upon sixty (60) days' notice to adjust the Monthly Service Package or daily rates in Continuing Care to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Notice to residents in Assisted Living or units providing Memory Care Services may be less than thirty (30) days only if the adjustment is due to change in your level of care.

**8.4 Monthly Service Package in the Event of a Temporary Transfer.** In the event that you temporarily transfer to another Living Unit in the Community or to an Off-Site Facility, you must pay the Monthly Service Package for your permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for your permanent Living Unit assures that such permanent Living Unit will remain available to you during the time of the temporary transfer. The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period of the temporary transfer.

During the period of the temporary transfer, your Monthly Service Package for the permanent Living Unit is adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit if applicable and defined in Section 15 of this Agreement, (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit if applicable, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit if applicable.

Upon your return to the permanent Living Unit, you must continue to pay the current Monthly Service Package associated with such Living Unit.

**8.5 Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit.** If you permanently transfer from one Living Unit to another Living Unit at the Community, you are responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until you completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to us.

**8.6 Monthly Service Package in the Event of a Termination of Agreement.** If you terminate this Agreement, or if we terminate this Agreement for just cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit if applicable, for a period of up to

and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you vacate the Living Unit and remove all possessions, and (ii) you sign a Unit-Release Form for the Living Unit and return your keys. If you are a permanent resident of our Continuing Care at the time that residency is terminated for any reason, please refer to the applicable Continuing Care service addendum for the applicable policy. If your vacated Living Unit is re-subscribed by another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident.

## **Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS**

**9.1 Application Fee.** You shall pay or have paid us an Application Fee, as indicated in Section 16, in connection with your application for residence at the Community. If the Agreement is rescinded or canceled prior to occupancy as described in Section 12.1, we will retain the Application Fee as a reasonable service charge, not to exceed the greater of \$1000.00 or two percent (2%) of the Entrance Fee.

**9.2 Ancillary Services.** During the term of this Agreement, you must pay us the periodic charges for any Ancillary Services (as described in Section 5) provided to you by us. The current periodic charges for Ancillary Services are attached in Schedule I. The charges for Ancillary Services are normally used by us to cover the expense of providing such Ancillary Services but we may use the Ancillary Services charges for any other purpose. We may revise the periodic charges for Ancillary Services that we provide from time to time, and such change shall take effect upon our giving you thirty (30) days' notice of such increase in accordance with the rules and regulations of the Department. The charges which are based on published rates for State or Federal assistance programs (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services provided by us shall be billed on your monthly statement, and payment is due within five (5) days of your receipt of the monthly statement. Our acceptance of partial payment of the charges shall not constitute a waiver of the outstanding charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

**9.3 Other Services.** Ancillary Services not provided by us and any other services that you arrange independently shall be billed directly to you, and we are not responsible for payment of or collecting payment for such services.

**9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage.** Each time that you permanently vacate an Independent Living Unit or Assisted Living, irrespective of the length of time of occupancy, we will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the "Refurbishing Charges") are charged as follows:

**9.4.1** If you first entered the Community in an Independent Living Unit and you then permanently transfer from that Independent Living Unit to an Assisted Living Unit, Assisted Living Unit, to a unit providing Memory Care Services, or to a Nursing Unit, we will cover any portion of the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.2** If you first entered the Community in an Independent Living Unit and you then permanently leave the Community from an Independent Living Unit, we will cover the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit, or removing customized improvements. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

**9.4.3** If your last residence at the Community is a Nursing Unit and you either permanently leave the Community from that unit or you pass away, we will cover the full Refurbishing Charges for the Nursing Unit.

**9.4.4** If you transfer from one Independent Living Unit to another Independent Living Unit, or if you transfer from an Assisted Living Unit or from a unit providing Memory Care Services to any other Living Unit, or if you permanently leave the Community from an Assisted Living Unit or from a unit providing Memory Care Services, you are responsible to pay the full Refurbishing Charges.

**9.5 Medical and Other Insurance.** You must procure and maintain in force at your own cost the following insurance coverages:

**9.5.1** You shall maintain, at your expense, one of the following coverages for health insurance: (a) the maximum coverage available to you under Medicare, Parts A, B & D and including a supplemental Medigap insurance policy; (b) a Medicare Part C/ Medicare Advantage Plan (including a Part D plan), or (c) Documented equivalent coverage, if submitted and accepted by us, if you are not eligible for Medicare or are insured under other adequate programs. Supplemental insurance is not provided by us.

**9.5.2** You must also procure and maintain, at your own expense, insurance coverage against damage of, loss to, or theft of your personal property (contents) maintained at

the Community, including general liability coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury, including death, or property damage caused by you. Such insurance shall include liability coverage for damage caused to the Living Unit or other living units or common areas which arise out of your negligent or intentional acts or omissions. We shall be responsible for insuring the building structures, common areas and building components, the Living Unit and fixtures in the Living Unit provided by us but not including any of your personal property. You are not included nor considered as an additional insured or co-insured under our policies. We reserve all rights of recovery or subrogation for damages caused to our property.

**9.6 Funeral Arrangements and Burial Expenses.** Funeral arrangements and burial expenses are your responsibility. We will not make such arrangements or provide such services.

**9.7 Non-Solicitation of Employees.** We expend significant resources on the hiring, training and development of our employees. Recognizing this expenditure, during the Term of the Agreement, you agree not to employ any person currently employed by us, either directly or indirectly by hiring the services of any such person through a third party. You also agree not to employ any person formerly employed by us, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with us. You further agree not to solicit any person employed by us to terminate his or her employment in order to work for you directly or indirectly through a third party.

## **Section 10. FINANCIAL INABILITY TO PAY**

It is our policy not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such resident's Residence and Care Agreement. To the extent that it is financially feasible, we will assist residents who are unable to pay full Monthly Service Packages by providing financial assistance as described in this Section 10.

To insure that our charitable intentions are equitably allocated for the benefit of as many residents as possible, we require that, in the event that you claim to be unable to make full monthly payment by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. We have the right, but not the obligation, to initiate financial assistance if we independently determine that you need financial assistance.

**10.1** We require, in the event you claim to be unable to make full monthly payments by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. To qualify for assistance, a resident must otherwise be in compliance with the terms of such resident's Residence and Care Agreement. Our exercise of any rights or remedies under Section 10 due to your failure to pay will not constitute a waiver of any of our other rights or remedies, including our right to terminate this Agreement.

**10.2** If your sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for you to make the payments required under this Agreement, you must file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, you must disclose your remaining available assets and income. The Executive Director will review your financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for your care.

**10.3** If you have outside assets other than the Entrance Fee, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other available means. As part of the Spending Plan, you shall assign to us any health-related insurance benefits and any benefits under any governmental insurance or assistance program (including Medicare) that you receive, until the amount we have received equals the aggregate charges for the care and services that you have received, based upon the Community's standard rates. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute just cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

**10.4** Upon completion of the Spending Plan, and when we have fully earned the Entrance Fee as described in Section 7.5 per each month of your occupancy, you may qualify for assistance from the resident benevolent care fund when established and to the extent that it is financially feasible. If you are approved for such assistance, the Executive Director shall inform you of the amount which the resident care fund will contribute to the monthly fees and the amount which you must contribute to the Monthly Service Package.

**10.5** If requested by us, you will transfer to an alternate Living Unit at the Community if and when available.

**10.6** You will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by us. You will notify us of any and all assets acquired by you through any means thereafter, and you will assign or pay such property received to us in an amount equivalent to the total outstanding charges and fees, owed by you.

**10.7** At present, we are not authorized to accept Medicaid for payment of Monthly Service Packages for any Living Units. If in the future we are able to accept Medicaid as a payment source, then you agree to also apply for Medicaid if you can qualify. When you are notified by the Executive Director approximately three months before the projected depletion of your remaining un-earned Entrance Fee, you agree to immediately apply for Medicaid if available. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

## **Section 11. TRANSFERS**

**11.1 Temporary and Permanent Transfers.** For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer,

your permanent Living Unit shall remain available to you as long as you continue to pay the Monthly Service Package in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, you will be requested to release the Living Unit. After a permanent transfer, if you are able to qualify to return to the Living Unit previously occupied at the Community or to a different, medically appropriate Living Unit at the Community, you shall have the right to occupy the Living Unit subject to the availability of such Living Unit, subject to our approval.

**11.2 Transfer at the Election of Resident.** You may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Living Unit, to a unit providing Memory Care Services, Nursing Unit or an Off-Site Facility by giving notice to us. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and subject to our approval which may include a financial review.

**11.3 Transfer at the Election of WINDSOR RUN - Non-Emergency.** All decisions regarding a transfer of any resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with you or your legal representative. If you have a Guarantor or ombudsman, such person also will be consulted if you so request. We attempt to interact with you or your representative with the goal of achieving a consensus on the need for a transfer although a consensus is not always achieved.

You will not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of your health and/or safety or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If you are transferring due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit.

The Committee shall give you thirty (30) days advance written notice of the proposed transfer. You or your representative shall notify us of any objection to the permanent transfer within ten (10) days of receipt of the notice. If you or your representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to you if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of your health and safety or the welfare of other residents. If you or your representative do not consent to either the transfer or the provision of Ancillary Services, we may consider such refusal to constitute just cause to terminate the Agreement in accordance with Section 12.3 hereof.

**11.4 Transfer at the Election of WINDSOR RUN - Emergency.** If your health and safety or the health and safety of other residents require immediate action, the Executive Director

with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Windsor Run during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

**11.5 Use of Living Unit.** In the event of a temporary transfer, whether at your election or at our election, your prior Living Unit will remain available to you as long as you continue to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4 hereof.

In the event of a permanent transfer, whether at your election or our election, you or your representative shall sign Living Unit Release Transfer form unless you are one of Joint Residents and the other Joint Resident remains in the Living Unit. After receipt of notice of permanent transfer, you shall take all reasonable steps to vacate the Living Unit before the date set for the transfer. You or your representative shall then be responsible for vacating the Living Unit and removing all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the Departure Date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by us, within sixty (60) days from the notice of transfer, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 12. TERMINATION**

**12.1 Termination Within Rescission Period or Prior to Occupancy.** Either party may terminate the Agreement in the following circumstances:

**12.1.1** You may rescind this Agreement within thirty (30) days of the later of the date you received the Windsor Run Disclosure Statement or the date you executed this Agreement (you are not required to move into the Living Unit before the expiration of the later thirty (30) day period). However, should you elect to occupy the Living Unit prior to the expiration of the thirty (30) day rescission period, such occupancy shall not be considered a waiver of the rescission period;

**12.1.2** Your Agreement will be automatically canceled if you die before occupying the Living Unit or are precluded from occupying the Living Unit due to illness, injury, or incapacity; or

**12.1.3** We elect to terminate the Agreement if it is determined that you are ineligible for entrance into the Community.

If the Agreement is rescinded or terminated as provided in this Section 12.1, you shall receive a refund of the Entrance Fee as described in Section 7.4. You will not receive a refund of any costs specifically incurred by us at your request as set forth in a separate written addendum, signed by both parties. You shall not receive a refund of any Monthly Service Package related to your actual occupancy of the Living Unit.

**12.2 Termination by Resident.** After occupancy and after the expiration of the rescission period described in Section 12.1.1, you may terminate this Agreement at any time and for any reason by giving thirty (30) days' written notice to us of your intention to terminate. The notice may be given by you or by the person who provided the transfer of property or funds for your care in which case you are bound by that decision. The Agreement will also terminate upon the death of a single Resident or all Joint Residents in the Living Unit. If one Joint Resident dies and the other Joint Resident remains in the Living Unit, the Agreement shall not be terminated.

**12.3 Termination by WINDSOR RUN.** Our decision to terminate this Agreement shall be made by the Executive Director of the Community. We may not terminate this Agreement without good cause. "Good cause" is defined as: (i) non-payment of Fees including non-payment of the Entrance Fee; (ii) a good faith determination in writing, signed by the Executive Director and Medical Director of the Community, that you are a danger to yourself or others while remaining in the Community; (iii) repeated conduct by you that interferes with other residents' quiet enjoyment of the Community; (iv) persistent refusal to comply with reasonable written rules and regulations of the Community; (v) a material misrepresentation made intentionally or recklessly by you in your application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing care and service to you under the Agreement; or (vi) your material breach of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, we will give you sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, we will give you written notice that you are in default under this Agreement for non-payment of fees. We may charge you interest on the overdue amount of one and one-half percent (1 ½ %) per month. If you fail to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, we may, at our election, terminate the Agreement upon an additional thirty (30) days' notice and offset the overdue fees and charges against the Un-Earned Refund Amount, if any. Our acceptance of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless we agree to a waiver in writing.

**12.4 Vacating the Living Unit.** Upon termination of the Agreement either at your election, our election, or due to your death, you or your representative, shall sign and give to us Unit Release Form advising of your Departure Date. You or your representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by us within the required time for the notice of termination as provided in Section 12.3, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

## **Section 13. RIGHTS OF WINDSOR RUN**

**13.1 Community Rules and Regulations.** We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents and to thereafter revise such rules and regulations. You agree and acknowledge that you have received such rules and regulations including those in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations (as in effect from time to time), and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

**13.2 Access to Living Units at the Community.** You acknowledge and accept our ability and authority to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; (6) to fix, repair, maintain, or update building elements in common which would include plumbing, drywall, electrical system, HVAC, or similar and (7) enforcement of the Community's policies and procedures. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

**13.3 Property Rights.** You acknowledge that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title, lease, or any other interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by us. Your rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for your right to occupy the Living Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in our real and personal property, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by us. You hereby agree, upon our request, to execute and deliver any document which is required to this effect by us, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoint WINDSOR RUN as your attorney-in-fact to accomplish that purpose.

**13.4 Limitation of Liability.** You agree that we, along with our sole member/owner, any subsidiaries, our management company, and all of their members, directors, officers, and employees, are not responsible for the loss of any of your personal property due to theft or any other cause. Liability for damage to or loss of your personal property shall be limited to damage or loss caused by negligent acts or omissions of our employees acting within the scope of their employment.

**13.5 Unauthorized Transfers of Property.** The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. In determining financial criteria for residency, we consider the applicant's reported income and assets in light of the Community's current and future commitments and obligations. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us from a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

**13.6 Religious Affiliation and Sponsorship.** Windsor Run is a for-profit limited liability company. Windsor Run is not affiliated with any religious organization.

**13.7 Non-Smoking Policy.** You agree to abide by our prohibition against smoking including vaping or e-smoking in the Living Unit, including balconies or patios, and in common areas. You guests, or contractors are also prohibited from smoking, including vaping or e-smoking, in the Living Unit or in the common areas of the Community. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate the Residence and Care Agreement.

## **Section 14. MISCELLANEOUS PROVISIONS**

**14.1 Documents Incorporated by Reference.** This Agreement includes the Arbitration Agreement, Nursing Arbitration Agreement, Priority List Application for residence, the Financial Information Form, the Resident Profile, including Resident's medical records, if any, a Key Receipt form, and the Refund Form. This Agreement may include a Promissory Note, a Guaranty Agreement, Catered Living Addendum, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and your medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule II attached hereto). You acknowledge that we will rely on your statements in these documents and you warrant that all statements are true and complete to the best of your knowledge, information and belief.

**14.2 Rules of Construction.** In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

**14.3 Non-waiver.** The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

**14.4 Entire Agreement.** This Agreement, the documents referenced in Section 14.1, and the terms of the Disclosure Statement in effect for the Community, represents the entire agreement between us, you and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

**14.5 Amendment.** This Agreement shall be amended only in writing, signed by you and us.

**14.6 Disclosure Statement.** You hereby acknowledge that you received the latest disclosure statement of Windsor Run prior to signing this Agreement or before transferring any money to Windsor Run, whichever is earlier, and that you have reviewed such statement.

**14.7 Severability.** The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the remainder of this Agreement; however, you, to the extent provided by law, retain the right to rescind this Agreement if any provision is in violation of the laws of the State of North Carolina, as amended from time to time.

**14.8 Paragraph Headings.** Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

#### **14.9 Dispute Resolution.**

**14.9.1** Simultaneously with the signing of this Agreement, the parties shall enter into an Arbitration Agreement, which is attached hereto and incorporated herein by reference. Pursuant to the Arbitration Agreement, all parties agree that all Claims other than Excluded Claims (as such terms are defined in the Arbitration Agreement) shall be resolved through binding, individual arbitration in accordance with the terms of the Arbitration Agreement; provided that Claims involving or asserted by Joint Residents may be adjudicated in the same arbitration proceeding. The parties further agree that venue for the adjudication of any Excluded Claims shall be in Mecklenburg County, North Carolina.

**14.9.2** Notwithstanding the foregoing, if you occupy a Nursing Unit (whether temporarily or permanently), you (or your legal representative, individually and on your behalf) may elect to enter into a separate Nursing Arbitration Agreement with respect to claims arising out of or related to the Nursing Facility Addendum to the Residence and Care Agreement or the care you receive while residing in the Nursing Unit, but entering into the Nursing Arbitration Agreement will not be a condition of admission to or a requirement for continuing to receive care in the Nursing Unit. The Nursing Arbitration Agreement, if entered into, will be incorporated herein by reference. If you do not enter into the Nursing Arbitration Agreement (or if the Nursing Arbitration Agreement is not entered into on your behalf), venue for any action for the enforcement, construction, termination of, or any action arising out of or related to the Nursing Contract Addendum to the Residence and Care Agreement or the care you receive while residing in the Nursing Unit shall be in Mecklenburg County, North Carolina.

**14.9.3** All parties agree that the filing of any arbitration demand pursuant to the Arbitration Agreement or the Nursing Arbitration Agreement or of any action not subject to either arbitration agreement may include a request for an expedited hearing.

**14.10 Assignment.** In the event that we or any of our successors or assigns shall give Resident notice that any or all of our rights, duties and obligations have been assigned to a new person or entity certified as a continuing care provider under the laws of North Carolina by the North Carolina Department of Insurance to provide services to residents of the Community, you agree to recognize such new person or entity as the provider under this Agreement, to the extent of such assignment.

**14.11 Electronic Signatures & Counter-Parts.** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

**14.12 Survival.** The provisions of Sections 7, 8, 9, 12, 13, 14, and 15 shall survive any termination of this Agreement. Additionally, any obligation, or liability of either party under this Agreement or under any ancillary agreement executed in connection herewith, or any subsequent addenda hereto that by its nature and context are intended to survive the termination of the Agreement, shall survive the termination of this Agreement.

## **Section 15. DEFINITIONS**

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

**Act:** The North Carolina Continuing Care Retirement Community Regulation and Financial Disclosure Act, as the same shall be amended and in effect from time to time hereunder.

**Agreement:** This document, including all exhibits, supplements, amendments or addenda, as signed by us, you, and Guarantor, if any.

**Ancillary Services:** Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not included in the Monthly Service Package. Periodic charges for Ancillary Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

**Application Fee:** The fee payable when you submit an application for residency at the Community or for a position on the futures or standby list.

**Assisted Living Unit:** Accommodations for residents who need a higher level of care and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, personal care and service than is provided in the Nursing Units.

**Catered Living:** Catered Living services are offered only to those residents who occupy designated Independent Living Units and sign a Catered Living Addendum which will include further detail on services. In general, Catered Living offers residents supportive services including supervision, cuing and limited assistance with the activities of daily living, medication reminders; resident Services Coordinator services, light housekeeping care, planned group activities and a meal plan. Catered living services will be offered on a temporary basis.

**Community:** The physical site and structures which we operate as a retirement community in Matthews, North Carolina.

**Continuing Care at Windsor Run:** The Community building in which the Assisted Living Units, units providing Memory Care Services, and Nursing Units will be situated. The Continuing Care facility will be licensed on completion for assisted living, memory care, skilled and intermediate nursing care but will not be licensed to provide chronic or acute hospital care or other institutional care. Such services, if required by you, are not services covered under the scope of this Agreement.

**Covered Services:** Those services specified in Section 4 of this Agreement which we make available for the applicable Monthly Service Package.

**Departure Date:** The date on which you or, in the event of your death, your personal representative or family, vacates the Living Unit after providing us with a signed Unit Release Form, removing all possessions from such Living Unit, and turning in the Living Unit keys. If you or your personal representative or family do not timely provide us with a signed Unit Release Form, remove the possessions, or turn in the keys, the Departure Date shall be the date on which we remove all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

**Entrance Fee:** The Entrance Fee required to be paid to us on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Fee is generally paid in a series of deposits.

**Executive Director:** The chief administrative officer of the Community appointed as such by WINDSOR RUN.

**Guarantor:** Any person or persons who guarantee your obligations to pay the Monthly Service Package or any other fees or periodic charges payable by you under the terms of this Agreement.

**Independent Living Unit:** Living accommodations at the Community for a resident who is able to live independently within our guidelines.

**Joint Residents:** Two or more residents who enter into the same Residence and Care Agreement.

**Living Unit:** An Independent Living Unit, Assisted Living Unit, a unit providing Memory Care Services, or Nursing Unit.

**Medical Director:** A licensed physician whom we officially designate as the person responsible for the direction and control of medical services offered at the Community.

**Memory Care Services:** Services or programming for a resident who is unable to perform normal functions necessary to live in an Independent Living Unit and needs programming for dementia or similar memory care disorders but who needs a lesser degree of medical care, personal care and service than is provided in a Nursing Unit.

**Monthly Meal Credit Plan:** The standard meal plan for residents in Independent Living Units. Each Resident has a monthly meal credit which allows purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. In addition to offering premium meals, the community will always have a selection of meal offerings at the standard daily credit amount. You may use the meal credit on a daily basis or as otherwise desired through the calendar month until the allowance is exhausted for that calendar month. The meal credit may also be used by you for guest meals during the calendar month. At the beginning of each calendar month, you receive a new credit for that new month. If you do not use the all of the meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

**Monthly Service Package:** The fee payable with respect to a particular Living Unit as specified in Section 8.1 hereof, which fee includes the Covered Services specified in Section 4 hereof. Monthly Service Packages may be adjusted as provided in Section 8.3 hereof.

**Non-Occupancy Credit:** You may receive a Non-Occupancy Credit to reduce your Monthly Service Package when you are, or if one of Joint Residents, then the Joint Residents are,

transferred temporarily to a different Living Unit. You may receive a Non-Occupancy Credit upon request in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule I, Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by us in our sole discretion. Credit is given based on the required consecutive days of absence.

**Notice:** For the purposes of this Agreement, notice shall be deemed to have been given to you when deposited in your community mailbox or personally delivered to you, and given to WINDSOR RUN when either personally delivered or delivered with return receipt to the office of the Executive Director at the Community and to General Counsel at the corporate office situated at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If you have not yet taken possession of the Living Unit, then notice to you shall be given by first-class mail, postage pre-paid, to your last known address and such notice shall be deemed to be effective on the third day following such mailing. If you have been transferred to an Off-Site Facility, notice shall be given by first-class mail, postage pre-paid, to you at such Off-Site Facility and shall be deemed to be effective on the third day following such mailing.

**Nursing Unit:** Accommodations for residents who are unable to perform those functions necessary to live in an Independent Living Unit or an Assisted Living Unit or unit providing Memory Care Services and who need the degree of medical care, personal care and service that is provided in the Nursing Center.

**Occupancy Date:** The date on which you are authorized by WINDSOR RUN to take possession of a Living Unit. On this date, you are allowed access to move belongings or to personally inhabit the Living Unit pursuant to this Agreement. Delivery of keys to you shall be deemed authorization to take possession.

**Off-Site Facility:** Any housing or health care facility not located within the Community and which is neither owned nor operated by WINDSOR RUN.

**Refund Form:** An agreement signed by you, when accepted by us, designating to whom the Un-earned Refund Amount shall be made upon termination of this Agreement.

**Refurbishing Charges:** The reasonable costs and expenses of work performed to clean, refurbish, and restore that Living Unit after a resident permanently vacates the unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. It is intended that the Living Unit shall be restored to the condition that it was in before it was occupied by the recent resident. The determination as to the extent of refurbishment shall be established by the Executive Director.

**Repairing Extraordinary Damage:** By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material

damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident. The extent of refurbishing is determined by WINDSOR RUN, in our sole discretion to put the Living Unit into like-new condition.

**Reserved Parking Space:** For residents in Independent Living, Windsor Run will provide one designated parking space per Independent Living Unit for your personal vehicle. Your right to use the reserved parking space will terminate when you move to a higher level of care or when the Agreement terminates for any reason. An additional parking space may be designated for another personal vehicle at an additional fee subject to availability.

**Resident/ You:** Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

**Spending Plan:** A plan set forth by the Executive Director of the Community in the event that you are financially unable to pay your Monthly Service Packages.

**Un-Earned Refund Amount:** The difference between the total Entrance Fee paid by you and the amount credited to/ earned by Windsor Run during your residency per Section 7.5 of this Agreement. For purposes of any Refund, the Un-Earned Refund Amount will be calculated as of the month of your Departure Date from the Community (even if such final month is only a partial month).

**Weekly Light Housekeeping:** Residents in Independent Living Units may request housekeeping for an ancillary fee. For Assisted Living Units and units providing Memory Care Services, as part of the Covered Services, Windsor Run will perform weekly light housekeeping which generally includes vacuuming carpet/ floors, light dusting and wiping down bathrooms and kitchenette (if available). The extent of such services and the weekly schedule are determined by us and may be revised from time to time with appropriate notice. You are responsible for day-to-day housekeeping to maintain your Living Unit in a sanitary and orderly condition. Additional housekeeping services, including annual or seasonal deep cleaning services, are available upon request for an additional fee.

**Windsor Run (We/ Us):** Windsor Run, LLC.

**Section 16. FEES.** You are responsible to pay the listed Application Fee, Entrance Fee and Monthly Service Package on or before the Occupancy Date. The Entrance Fee, the Monthly Service Package, and the Ancillary Fees may be revised as provided in Section 7.3, Section 8.3, and Section 9.2 respectively.

Total Entrance Fee for Unit: \$ \_\_\_\_\_

Current Monthly Service Package for Unit: \$ \_\_\_\_\_ per month

Current Monthly Service Package Level:  Independent Living  Assisted Living  
 (check one)  Memory Care  Nursing

Current Application Fee: \$ \_\_\_\_\_ per applicant

Current Ancillary Fee Schedule: See Schedule I

## **SIGNATURES**

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

### **WINDSOR RUN, LLC**

\_\_\_\_\_  
Witness By: \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Witness \_\_\_\_\_ Resident \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Witness \_\_\_\_\_ Resident \_\_\_\_\_ Date \_\_\_\_\_

If applicable: Guarantors: I (We) \_\_\_\_\_ have read and understand the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

\_\_\_\_\_  
Witness \_\_\_\_\_ Guarantor \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Witness \_\_\_\_\_ Guarantor \_\_\_\_\_ Date \_\_\_\_\_

**Schedule I**  
**Windsor Run - Periodic Charges for Ancillary Services**

<b>Service</b>	<b>2026 Rate</b>
Non-Occupancy (Independent Living) Credit for Absences per resident, per day (starting on 31st consecutive night)	\$12.00
 Note: the Non-Occupancy Credit does not apply to residents in Assisted Living, Memory Care or Nursing Care.	
Additional Mailbox Key	\$15.00
Additional or replacement Living Unit Badge	\$25.00
Badge for Resident Family & Friends Program	\$25.00
First Car Reserved Parking Space (Ind. Living) (resident registered car only)	No. Add. Fee
Second Car Reserved Parking Space (Monthly if available) (resident registered car only)	\$75.00
Reserved Carport parking (Monthly if available) (resident registered car only)	\$50.00
Storage Bin (Monthly if available)	\$15.00
Maintenance Service per hour	\$56.00
Grounds Service per hour	\$56.00
Housekeeping per hour	\$50.00
Computer Services (first 30-minutes) Each additional 15 minutes	\$50.00 \$18.00
Catered Living Care Fee Non-Care Second Person Fee	\$7,900.00 \$500.00
Emergency Pendant (1-time fee) Emergency Pendant Monthly Fee Emergency Pendant Replacement	\$50.00 \$25.00 \$35.00
Wheelchair Escorts (one way)	\$10.00
Wheelchair Escorts (round trip)	\$20.00
Guest Suite (Per Night)	\$130.00
Transportation	
Premium TV Service	No add Fee
Personal Training 30 minute	\$20.00
Personal Training 30 minute – in Living Unit	\$25.00
Personal Training five 30 minute sessions package Personal Training ten, 30 minute sessions package	\$85.00 \$150.00
Specialty Class (charged monthly)	\$16.00

Service	2026 Rate
Erickson Balance Class	\$50.00
Virtual Fitness Programs (digital)	Included
Specialty Health Club Group Fitness Classes	Add Fees Apply
Meal Delivery	\$7.00
Sales Tax	When Applicable

Ancillary fees in continuing care are available on request.

## Schedule II

### Documents Incorporated

- A. Arbitration Agreement / Nursing Arbitration Agreement
- B. Priority List Application
- C. Financial Information Form
- D. Resident Profile
- E. Refund Form
- F. Club Membership Application
- G. Key Receipt Form
- H. Promissory Note and Allonge to Promissory Note
- I. Custom Interiors Agreement (if any)
- J. Guaranty Agreement (if any)
- K. Unit Release forms
- L. Power of Attorney for property disposition (if any)
- M. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)
- N. Resident's medical insurance documentation (if any)

## COMMON SCHEDULE II DOCUMENTS

A. Arbitration Agreement

**WINDSOR RUN**  
**ARBITRATION AGREEMENT**

This Arbitration Agreement (“Agreement”) is entered into between Windsor Run, LLC (the “**Provider**”) and **[Resident (Or Resident’s Representative) Name(s)]**. The Agreement binds and benefits the Provider, the Resident, and the other Provider Parties and Resident Parties, as defined in Section 3 below (the “**Parties**”). This Agreement is an exhibit to and part of the Residence and Care Agreement (the “**Care Agreement**”) governing the services rendered by the Provider to the Resident at Windsor Run (the “**Community**”).

1. **Binding Arbitration.** Arbitration can provide a faster and more efficient way of resolving disputes or controversies than going to court. It can also promote more amicable dispute resolution than a court proceeding. In an arbitration, rather than a jury or a judge deciding the outcome of the dispute in a public courtroom, a neutral third-party arbitrator (the “**Arbitrator**”) decides the outcome after a confidential hearing including the Parties and/or their attorneys. The Arbitrator’s decision is binding and, except in limited circumstances described in Section 5(H) below, cannot be appealed.

2. **Claims Subject to Arbitration.**

A. **Claims.** The Parties hereby agree that, other than **Excluded Claims** (as defined in Section 2(B) below), this Agreement applies to any and all disputes and disagreements (“**Claims**”) between any Resident Party and any Provider Party that arise out of or in any way relate to the Care Agreement, the Resident’s residency at the Community, the Resident’s admission to and stay at the Community (including any Claims arising out of or relating to pre-admission communications and processes), and the provision of services to the Resident pursuant to or in connection with the Care Agreement and any amendments, exhibits, or addenda thereto that may be made a part of the Care Agreement from time to time, including such addenda or additional agreements signed by a Resident Party in relation to any transfer of the Resident (whether temporary or permanent) from one place of residence and/or level of care at the Community to another. Claims include, but are not limited to, any disputes or causes of action arising out of or relating to admission, care, treatment, or diagnoses; claims related to injury or death, including from negligence or intentional tort; claims related to property damage or premises liability; claims seeking equitable relief or specific performance; statutory causes of action; medical malpractice; questions as to whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered; breach of the Care Agreement; claims for declaratory relief; and questions about the interpretation, validity, construction, and enforceability of this Agreement and the Care Agreement. The Parties agree to resolve all such Claims through binding arbitration, at the election of any Party bringing or defending a Claim, whether the conduct or events giving rise to the Claim occurred prior to or after the Parties’ execution of this Agreement or the Care Agreement.

**The Parties acknowledge and agree that, for all Claims subject to arbitration under this Agreement, they are waiving their constitutional right to trial by jury and/or the right to bring or participate in a class action. Any such Claims will be resolved exclusively through binding individual arbitration.**

B. **Excluded Claims.** This Agreement applies only to disputes and disagreements between the Resident and the Community and does not preclude or restrict any governmental oversight, investigation, or enforcement action. In addition, the Parties acknowledge and agree that claims involving unlawful detainer or involuntary discharge or transfer and claims eligible for small claims court proceedings can often be handled more quickly and efficiently without arbitration. Accordingly, the Parties hereby agree that (1) claims asserting unlawful detainer or seeking to enforce or challenge the involuntary discharge or transfer of the Resident from the Community, each of which will remain subject to any applicable state procedures; and (2) claims eligible (in the aggregate) for resolution in small claims court shall be "**Excluded Claims**" and shall not subject to this Agreement. If the Resident transfers to a Nursing Unit (as defined in the Care Agreement) and enters into the Nursing Facility Addendum to the Care Agreement (the "**Nursing Addendum**") or the Nursing Addendum is entered into on the Resident's behalf, Excluded Claims shall also include any claims arising out of or related to the Nursing Addendum and/or the care the Resident receives while residing in the Nursing Unit.

3. **Parties to Whom This Agreement Applies.** This Agreement and the definitions in this Section 3 will be interpreted as broadly as possible so as to bind and benefit any person who asserts any Claim or against whom a Claim is asserted. The Parties intend to allow any person alleged to be liable for any actions or inactions of the Community or the Resident or related to any care provided to the Resident to demand arbitration pursuant to this Agreement.

A. The term "**Provider Party**" includes (a) the Community, (b) the Provider, (c) any management or administrative services company engaged by the Provider, (d) any party holding an ownership interest in the real property or buildings on or at which the community is located and operated, and (e) the respective governing bodies, officers, directors, owners, members, shareholders, administrators, managers, employees, contractors, agents, parent companies, subsidiaries, or affiliates of the parties named in subsections (a) through (d), and each of their successors, heirs, and assigns.

B. The term "**Resident Party**" includes the Resident and each of the Resident's legally designated representatives, powers of attorney, guardians, attorneys-in-fact, agents, sponsors, or any other persons asserting a Claim, including any spouse, child, parent, executor, administrator, personal representative, heir, or survivor, as well as anyone entitled to bring a wrongful death claim relating to the Resident.

C. The Resident Parties and Provider Parties are intended third-party beneficiaries of this Agreement.

#### **4. Governing Law and Venue.**

- A. **Federal Arbitration Act (“FAA”) Applies.** The Parties agree that the Community’s services and operations, the Care Agreement, and this Agreement involve interstate commerce. Thus, this Agreement is governed by the FAA, which preempts any state arbitration law or other state laws with respect to arbitration procedure and the enforceability of this Agreement.
- B. **Substantive Laws.** Except for Claims arising out of or relating to the validity and enforceability of this Agreement and the arbitration process it creates, the Arbitrator shall apply the substantive laws of the state where the Community is located, which would have applied had the Claims been brought in court, including (but not limited to) laws with respect to applicable limitation periods and any caps on punitive or other damages.
- C. **Conflict of Laws.** Where the substantive state law conflicts with the FAA, the FAA, along with federal court decisions interpreting the FAA, shall control. The Parties stipulate that the FAA shall preempt any inconsistent state law and shall not be reverse preempted.
- D. **Venue.** Unless otherwise agreed by the Parties, the arbitration will take place in the county in which the Community is located.

#### **5. Arbitration Procedures.**

- A. **Arbitration Demand.** A mediation and/or subsequent arbitration is initiated by sending a written demand (“Demand”) to the other Party by certified mail or commercial overnight delivery service (e.g., FedEx or UPS.). The Demand must identify the issue(s) in dispute and the amount of damages and/or other relief claimed. All Claims based in whole or in part on the same incidents or circumstances must be included in the Demand or they will be deemed waived upon the conclusion of the arbitration. A Claim is barred if not asserted in a Demand within the limitation period prescribed for that type of claim by applicable law (the “Claim Deadline”).

For any Demand issued to a Resident Party, the Demand must be sent by certified mail or commercial overnight delivery service to the Resident, with a copy to the Resident’s legal representative then on file at the Community, if applicable. For any Demand issued to a Provider Party, the Demand must be sent by certified mail or commercial overnight delivery service to General Counsel at the corporate office located at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

- B. **Mediation.** The Parties agree that, prior to initiating arbitration, the Parties will first attempt to resolve any Claims in good faith through a mediation conducted by a neutral mediator selected by mutual agreement of the Parties or, if the Parties cannot agree on a mediator within thirty (30) days of the issuance of a Demand, either Party may petition a court of competent jurisdiction in the county in which

the Community is located to select the mediator. The mediation shall commence within sixty (60) days following the selection of the mediator unless otherwise agreed to in writing by the Parties and may be ended by either Party to the dispute upon notice to the other Party that it desires to terminate the mediation and proceed to arbitration; provided, however, that neither Party may so terminate the mediation process prior to the occurrence of at least one (1) mediation session with the mediator.

C. **Arbitration Administration.** After a proper Demand is made and a Party provides notice to the other Party that it desires to terminate the mediation and proceed to arbitration, the Parties will work cooperatively to select a commercial arbitration service (the “**Arbitration Service**”) to administer the arbitration process. If the Parties cannot agree upon an Arbitration Service within thirty (30) days of conclusion of a mediation, either Party may petition a court of competent jurisdiction in the county in which the Community is located to select the Arbitration Service (or, alternatively, an arbitrator who will conduct the arbitration without the assistance of an Arbitration Service). The court will not consider the validity or enforceability of the Agreement or the merits of the Demand. The Parties agree that the arbitration will be conducted in accordance with the rules of the selected Arbitration Service then in place (or the rules adopted by an arbitrator acting without the assistance of an Arbitration Service). The Party that issued the Demand shall initiate arbitration with the Arbitration Service by the Claim Deadline, which will be tolled for the period between the date of the original Demand for mediation through the conclusion of the mediation.

D. **Selection of Arbitrator.** The Parties will work cooperatively to select a neutral Arbitrator within fourteen (14) days after the Arbitration Service has been selected. If possible, the Arbitrator will be an attorney or retired judge with experience in one or more of the substantive areas of law invoked by the Claim(s) and will be chosen from a list of arbitrators to be provided by the Arbitration Service in accordance with its rules. If the parties choose not to use an Arbitration Service and cannot agree upon an Arbitrator, either Party may petition a court of competent jurisdiction in the county in which the Community is located to select the Arbitrator.

E. **Arbitrator’s Authority.** The Arbitrator has the sole jurisdiction to resolve all Claims (other than the Excluded Claims), including but not limited to wrongful death claims and any disputes about the signing, validity, enforceability, scope, applicability, interpretation, severability and waiver of this Agreement or competency of the parties. No Claim may be asserted in arbitration on a class basis or, except as a court determines otherwise, by a Party seeking a public injunction. The Arbitrator does not have jurisdiction to certify any person as a representative or member of a class of persons and, by doing so, hear Claims of persons not directly taking part in arbitration.

F. **Scheduling Order and Hearing.** With the input of the parties, the Arbitrator will enter a scheduling order in keeping with arbitration being a streamlined and cost-effective process with expedited and limited discovery. Unless the Parties consent or the Arbitrator otherwise orders, the hearing must occur within 180 days after selection of the Arbitrator. Unless the Parties otherwise agree, the Arbitrator will conduct any in-person arbitration at a location in the same county as the Community. The Arbitrator will conduct the arbitration in accordance with the FAA and the rules of the Arbitration Service (if an Arbitration Service is used). The Arbitrator will determine the scope of and place such limitations on written discovery and witness testimony as the Arbitrator deems appropriate for the Claims at issue and as advisable to ensure efficiency and cost effectiveness of arbitration.

G. **Decision.** The Arbitrator must make written findings on each matter in controversy. The decision must be marked “confidential,” must state the Arbitrator’s findings of fact and conclusions of law, and must be signed. If any damages are awarded, the decision must specify an amount for each type of damages awarded. The Arbitrator shall serve the decision, which shall state findings of fact and conclusions of law, within thirty (30) working days after the conclusion of the arbitration hearing.

H. **Appeals.** The Parties agree that the Arbitrator’s decision shall be final and binding, except that either Party may appeal the decision for the limited reasons for which the decision may be vacated, modified, or corrected under the FAA.

I. **Refusal to Participate.** If any party refuses to respond to a Demand or participate in arbitration, the party making the Demand may proceed with arbitration and obtain an award or a default award against the non-participating party.

## 6. **Fees and Costs**

A. **Mediation Fees and Costs.** The Parties agree that the cost of mediation, including filing fees, the fees of the mediator and any administrative fees of the mediation provider, shall be shared equally by the Parties.

B. **Arbitration Fees and Costs.** The Parties agree that the costs of arbitration, including the filing fees, the fees of the arbitrator(s) and any administrative fees of the arbitration provider, shall be shared equally by the Parties, unless otherwise required by law or determined by the arbitrator in the final award.

C. **Counsel and Attorneys’ Fees.** Each Party may be represented by its own counsel in any mediation and/or arbitration. Each party agrees to bear its own attorneys’ fees and costs, unless otherwise specifically awarded by the Arbitrator under state or federal law.

7. **Severability.** The Parties agree that the only essential terms of this Agreement are the agreement and willingness of both parties to arbitrate on an individual basis and the limits on class and representative actions in Section 5(E). Accordingly, notwithstanding any other provision of the Care Agreement to the contrary, if Section 5(E) is deemed invalid, the remainder of this

Agreement (other than this sentence) will be null and void, and if any other provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of the Agreement shall remain in full force and effect.

8. **Merger.** Upon execution, this Agreement shall merge into and become part of the Care Agreement.

9. **No Restrictions on Communications.** This Resident retains the right to communicate with federal, state, or local officials, including but not limited to, federal and state surveyors, other federal or state health department employees, and representatives of the state long-term care ombudsman, or any other regulatory agency. This Agreement in no way prohibits or otherwise discourages the Resident from communicating with such agencies and officials.

10. **Confidentiality.** All proceedings and materials related to the Arbitration including all depositions, documents, and other materials are confidential. Neither the information and documentation shared or specific to arbitration under this Agreement, nor the Arbitrator's findings and decision can be used by any other party or in any other legal proceeding. All originals and copies of documents exchanged during discovery and the arbitration hearing must be returned to the producing party within thirty (30) days following receipt of the Arbitrator's decision. The Community will maintain the Arbitrator's decision for five (5) years after the resolution of the dispute and, upon request, will make the decision available for inspection to Centers for Medicare and Medicaid Services (CMS) or its designee.

11. **Survival.** This agreement to arbitrate survives and will not be discharged or cancelled by the death of any party hereto, the termination of the Care Agreement, nor by the Resident ceasing to reside at the Community.

**BY SIGNING THIS ARBITRATION AGREEMENT, THE RESIDENT AND/OR THE  
RESIDENT'S REPRESENTATIVE AFFIRM THE FOLLOWING (PLEASE INITIAL):**

\_\_\_\_\_  
\_\_\_\_\_  
This Agreement has been explained to me in a form and manner and in a language that I understand.

I have read and understand this Arbitration Agreement.

I have had the opportunity to ask questions about this Agreement and my questions have been answered to my satisfaction.

\_\_\_\_ I have had the opportunity to discuss this Agreement with an attorney (even if I did not choose to do so).

I understand that, in the future, I may need or choose to move to another location or level of care within the Community one or more times and that I may be required to sign an addendum to the Care Agreement (or have such an addendum signed on my behalf) in connection with such a move. I acknowledge and agree that this Agreement will remain in effect following each move within the Community, and I hereby authorize any individual who signs such an addendum on my behalf to reaffirm this Agreement and/or enter into a new arbitration

agreement on my behalf (including a separate arbitration agreement covering those Excluded Claims relating to or arising out of the Nursing Addendum). I understand that this Agreement will remain in effect even if it is not reaffirmed.

**I understand, that by signing this Agreement, I have waived the right to a trial by jury and that all legal disputes I may have against the Provider, Community, and related parties, aside from those specifically excluded by this Agreement shall be resolved through binding, individual arbitration.**

**I understand that, by signing this Agreement, I am agreeing to have all Claims I may have against the Provider, Community, and related parties, decided by binding individual arbitration and that I am giving up my right to have such claims determined in court by a judge or a jury or in a class action.**

**EACH OF THE UNDERSIGNED ACKNOWLEDGES THAT HE/SHE FULLY UNDERSTANDS AND VOLUNTARILY CONSENTS TO THE TERMS AND CONDITIONS OF THIS ARBITRATION AGREEMENT, WHICH IS MADE PART OF THE RESIDENCE AND CARE AGREEMENT. EACH OF THE UNDERSIGNED FURTHER CERTIFIES THAT HE OR SHE IS THE RESIDENT OR A PERSON AUTHORIZED BY THE RESIDENT, OR OTHERWISE AUTHORIZED, TO ACCEPT THE TERMS OF THIS ARBITRATION AGREEMENT.**

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

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

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

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

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

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

*If Resident is unable to sign this Agreement, then a legal representative of the Resident may sign on his/her behalf below.*

---

My signature indicates that I am authorized or have authority to sign and enter into this Arbitration Agreement on behalf of the Resident, \_\_\_\_\_. I represent that the Resident (or a court) has vested in me the authority to sign this Agreement on the Resident's behalf. **By signing, I agree to be bound by this Arbitration Agreement in my individual capacity and on behalf of the Resident.**

Resident's Legal Representative  
Signature (if applicable): \_\_\_\_\_

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

**\*Copy of legal documents evidencing relationship/authority must be provided to Community**

---

My signature indicates that I am authorized or have authority to sign and enter into this Arbitration Agreement on behalf of the Resident, \_\_\_\_\_. I represent that the Resident (or a court) has vested in me the authority to sign this Agreement on the Resident's behalf. **By signing, I agree to be bound by this Arbitration Agreement in my individual capacity and on behalf of the Resident.**

Resident's Legal Representative  
Signature (if applicable): \_\_\_\_\_

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

**\*Copy of legal documents evidencing relationship/authority must be provided to Community**

---

Authorized Agent  
of the Community Signature: \_\_\_\_\_

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

**WINDSOR RUN**  
**NURSING ARBITRATION AGREEMENT**

This Nursing Arbitration Agreement (“Agreement”) is entered into between Windsor Run, LLC (the “**Provider**”) and [Resident (Or Resident’s Representative) Name(s)]. The Agreement binds and benefits the Provider, the Resident, and the other Provider Parties and Resident Parties, as defined in Section 3 below (the “**Parties**”). This Agreement is an exhibit to and part of the Residence and Care Agreement (the “**Care Agreement**”) governing the services rendered by the Provider to the Resident at Windsor Run (the “**Community**”).

1. **Binding Arbitration.** Arbitration can provide a faster and more efficient way of resolving disputes or controversies than going to court. It can also promote more amicable dispute resolution than a court proceeding. In an arbitration, rather than a jury or a judge deciding the outcome of the dispute in a public courtroom, a neutral third-party arbitrator (the “**Arbitrator**”) decides the outcome after a confidential hearing including the Parties and/or their attorneys. The Arbitrator’s decision is binding and, except in limited circumstances described in Section 5(H) below, cannot be appealed.

2. **Claims Subject to Arbitration.**

A. **Claims.** The Parties hereby agree that, other than **Excluded Claims** (as defined in Section 2(B) below), this Agreement applies to any and all disputes and disagreements (“**Claims**”) between any Resident Party and any Provider Party that arise out of or in any way relate to the Care Agreement, the Resident’s residency at the Community, the Resident’s admission to and stay at the Community (including any Claims arising out of or relating to pre-admission communications and processes), and the provision of services to the Resident pursuant to or in connection with the Care Agreement and any amendments, exhibits, or addenda thereto that may be made a part of the Care Agreement from time to time, including such addenda or additional agreements signed by a Resident Party in relation to any transfer of the Resident (whether temporary or permanent) from one place of residence and/or level of care at the Community to another. Claims include, but are not limited to, any disputes or causes of action arising out of or relating to admission, care, treatment, or diagnoses; claims related to injury or death, including from negligence or intentional tort; claims related to property damage or premises liability; claims seeking equitable relief or specific performance; statutory causes of action; medical malpractice; questions as to whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered; breach of the Care Agreement; claims for declaratory relief; and questions about the interpretation, validity, construction, and enforceability of this Agreement and the Care Agreement. The Parties agree to resolve all such Claims through binding arbitration, at the election of any Party bringing or defending a Claim, whether the conduct or events giving rise to the Claim occurred prior to or after the Parties’ execution of this Agreement or the Care Agreement.

**The Parties acknowledge and agree that, for all Claims subject to arbitration under this Agreement, they are waiving their constitutional right to trial by jury and/or the right to bring or participate in a class action. Any such Claims will be resolved exclusively through binding individual arbitration.**

B. **Excluded Claims.** This Agreement applies only to disputes and disagreements between the Resident and the Community and does not preclude or restrict any governmental oversight, investigation, or enforcement action. In addition, the Parties acknowledge and agree that claims involving unlawful detainer or involuntary discharge or transfer and claims eligible for small claims court proceedings can often be handled more quickly and efficiently without arbitration. Accordingly, the Parties hereby agree that (1) claims asserting unlawful detainer or seeking to enforce or challenge the involuntary discharge or transfer of the Resident from the Community, each of which will remain subject to any applicable state procedures; and (2) claims eligible (in the aggregate) for resolution in small claims court shall be “**Excluded Claims**” and shall not subject to this Agreement.

3. **Parties to Whom This Agreement Applies.** This Agreement and the definitions in this Section 3 will be interpreted as broadly as possible so as to bind and benefit any person who asserts any Claim or against whom a Claim is asserted. The Parties intend to allow any person alleged to be liable for any actions or inactions of the Community or the Resident or related to any care provided to the Resident to demand arbitration pursuant to this Agreement.

A. The term “**Provider Party**” includes (a) the Community, (b) the Provider, (c) any management or administrative services company engaged by the Provider, (d) any party holding an ownership interest in the real property or buildings on or at which the community is located and operated, and (e) the respective governing bodies, officers, directors, owners, members, shareholders, administrators, managers, employees, contractors, agents, parent companies, subsidiaries, or affiliates of the parties named in subsections (a) through (d), and each of their successors, heirs, and assigns.

B. The term “**Resident Party**” includes the Resident and each of the Resident’s legally designated representatives, powers of attorney, guardians, attorneys-in-fact, agents, sponsors, or any other persons asserting a Claim, including any spouse, child, parent, executor, administrator, personal representative, heir, or survivor, as well as anyone entitled to bring a wrongful death claim relating to the Resident.

C. The Resident Parties and Provider Parties are intended third-party beneficiaries of this Agreement.

4. **Governing Law and Venue.**

A. **Federal Arbitration Act (“FAA”) Applies.** The Parties agree that the Community’s services and operations, the Care Agreement, and this Agreement involve interstate commerce. Thus, this Agreement is governed by the FAA, which

preempts any state arbitration law or other state laws with respect to arbitration procedure and the enforceability of this Agreement.

- B. **Substantive Laws.** Except for Claims arising out of or relating to the validity and enforceability of this Agreement and the arbitration process it creates, the Arbitrator shall apply the substantive laws of the state where the Community is located, which would have applied had the Claims been brought in court, including (but not limited to) laws with respect to applicable limitation periods and any caps on punitive or other damages.
- C. **Conflict of Laws.** Where the substantive state law conflicts with the FAA, the FAA, along with federal court decisions interpreting the FAA, shall control. The Parties stipulate that the FAA shall preempt any inconsistent state law and shall not be reverse preempted.
- D. **Venue.** Unless otherwise agreed by the Parties, the arbitration will take place in the county in which the Community is located.

## 5. **Arbitration Procedures.**

- A. **Arbitration Demand.** A mediation and/or subsequent arbitration is initiated by sending a written demand (“**Demand**”) to the other Party by certified mail or commercial overnight delivery service (e.g., FedEx or UPS.). The Demand must identify the issue(s) in dispute and the amount of damages and/or other relief claimed. All Claims based in whole or in part on the same incidents or circumstances must be included in the Demand or they will be deemed waived upon the conclusion of the arbitration. A Claim is barred if not asserted in a Demand within the limitation period prescribed for that type of claim by applicable law (the “**Claim Deadline**”).

For any Demand issued to a Resident Party, the Demand must be sent by certified mail or commercial overnight delivery service to the Resident, with a copy to the Resident’s legal representative then on file at the Community, if applicable. For any Demand issued to a Provider Party, the Demand must be sent by certified mail or commercial overnight delivery service to General Counsel at the corporate office located at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

- B. **Mediation.** The Parties agree that, prior to initiating arbitration, the Parties will first attempt to resolve any Claims in good faith through a mediation conducted by a neutral mediator selected by mutual agreement of the Parties or, if the Parties cannot agree on a mediator within thirty (30) days of the issuance of a Demand, either Party may petition a court of competent jurisdiction in the county in which the Community is located to select the mediator. The mediation shall commence within sixty (60) days following the selection of the mediator unless otherwise agreed to in writing by the Parties and may be ended by either Party to the dispute upon notice to the other Party that it desires to terminate the mediation and proceed to arbitration; provided, however, that neither Party may so terminate the mediation

process prior to the occurrence of at least one (1) mediation session with the mediator.

C. **Arbitration Administration.** After a proper Demand is made and a Party provides notice to the other Party that it desires to terminate the mediation and proceed to arbitration, the Parties will work cooperatively to select a commercial arbitration service (the “**Arbitration Service**”) to administer the arbitration process. If the Parties cannot agree upon an Arbitration Service within thirty (30) days of conclusion of a mediation, either Party may petition a court of competent jurisdiction in the county in which the Community is located to select the Arbitration Service (or, alternatively, an arbitrator who will conduct the arbitration without the assistance of an Arbitration Service). The court will not consider the validity or enforceability of the Agreement or the merits of the Demand. The Parties agree that the arbitration will be conducted in accordance with the rules of the selected Arbitration Service then in place (or the rules adopted by an arbitrator acting without the assistance of an Arbitration Service). The Party that issued the Demand shall initiate arbitration with the Arbitration Service by the Claim Deadline, which will be tolled for the period between the date of the original Demand for mediation through the conclusion of the mediation.

D. **Selection of Arbitrator.** The Parties will work cooperatively to select a neutral Arbitrator within fourteen (14) days after the Arbitration Service has been selected. If possible, the Arbitrator will be an attorney or retired judge with experience in one or more of the substantive areas of law invoked by the Claim(s) and will be chosen from a list of arbitrators to be provided by the Arbitration Service in accordance with its rules. If the parties choose not to use an Arbitration Service and cannot agree upon an Arbitrator, either Party may petition a court of competent jurisdiction in the county in which the Community is located to select the Arbitrator.

E. **Arbitrator’s Authority.** The Arbitrator has the sole jurisdiction to resolve all Claims (other than the Excluded Claims), including but not limited to wrongful death claims and any disputes about the signing, validity, enforceability, scope, applicability, interpretation, severability and waiver of this Agreement or competency of the parties. No Claim may be asserted in arbitration on a class basis or, except as a court determines otherwise, by a Party seeking a public injunction. The Arbitrator does not have jurisdiction to certify any person as a representative or member of a class of persons and, by doing so, hear Claims of persons not directly taking part in arbitration.

F. **Scheduling Order and Hearing.** With the input of the parties, the Arbitrator will enter a scheduling order in keeping with arbitration being a streamlined and cost-effective process with expedited and limited discovery. Unless the Parties consent or the Arbitrator otherwise orders, the hearing must occur within 180 days after selection of the Arbitrator. Unless the Parties otherwise agree, the Arbitrator will conduct any in-person arbitration at a location in the same county as the Community. The Arbitrator will conduct the arbitration in accordance with the

FAA and the rules of the Arbitration Service (if an Arbitration Service is used). The Arbitrator will determine the scope of and place such limitations on written discovery and witness testimony as the Arbitrator deems appropriate for the Claims at issue and as advisable to ensure efficiency and cost effectiveness of arbitration.

- G. **Decision.** The Arbitrator must make written findings on each matter in controversy. The decision must be marked “confidential,” must state the Arbitrator’s findings of fact and conclusions of law, and must be signed. If any damages are awarded, the decision must specify an amount for each type of damages awarded. The Arbitrator shall serve the decision, which shall state findings of fact and conclusions of law, within thirty (30) working days after the conclusion of the arbitration hearing.
- H. **Appeals.** The Parties agree that the Arbitrator’s decision shall be final and binding, except that either Party may appeal the decision for the limited reasons for which the decision may be vacated, modified, or corrected under the FAA.
- I. **Refusal to Participate.** If any party refuses to respond to a Demand or participate in arbitration, the party making the Demand may proceed with arbitration and obtain an award or a default award against the non-participating party.

## 6. **Fees and Costs**

- A. **Mediation Fees and Costs.** The Parties agree that the cost of mediation, including filing fees, the fees of the mediator and any administrative fees of the mediation provider, shall be shared equally by the Parties.
- B. **Arbitration Fees and Costs.** The Parties agree that the costs of arbitration, including the filing fees, the fees of the arbitrator(s) and any administrative fees of the arbitration provider, shall be shared equally by the Parties, unless otherwise required by law or determined by the arbitrator in the final award.
- C. **Counsel and Attorneys’ Fees.** Each Party may be represented by its own counsel in any mediation and/or arbitration. Each party agrees to bear its own attorneys’ fees and costs, unless otherwise specifically awarded by the Arbitrator under state or federal law.

7. **Severability.** The Parties agree that the only essential terms of this Agreement are the agreement and willingness of both parties to arbitrate on an individual basis and the limits on class and representative actions in Section 5(E). Accordingly, notwithstanding any other provision of the Care Agreement to the contrary, if Section 5(E) is deemed invalid, the remainder of this Agreement (other than this sentence) will be null and void, and if any other provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, the remaining provisions of the Agreement shall remain in full force and effect.

8. **Merger.** Upon execution, this Agreement shall merge into and become part of the Care Agreement unless it is cancelled as described in Section 12 of this Agreement.

9. **No Restrictions on Communications.** This Resident retains the right to communicate with federal, state, or local officials, including but not limited to, federal and state surveyors, other federal or state health department employees, and representatives of the state long-term care ombudsman, or any other regulatory agency. This Agreement in no way prohibits or otherwise discourages the Resident from communicating with such agencies and officials.

10. **Confidentiality.** All proceedings and materials related to the Arbitration including all depositions, documents, and other materials are confidential. Neither the information and documentation shared or specific to arbitration under this Agreement, nor the Arbitrator's findings and decision can be used by any other party or in any other legal proceeding. All originals and copies of documents exchanged during discovery and the arbitration hearing must be returned to the producing party within thirty (30) days following receipt of the Arbitrator's decision. The Community will maintain the Arbitrator's decision for five (5) years after the resolution of the dispute and, upon request, will make the decision available for inspection to Centers for Medicare and Medicaid Services (CMS) or its designee.

11. **Not a Condition of Admission or Care.** You are not required to sign this Agreement as a condition of admission to the Community or to continue to receive care at the Community. You are encouraged to discuss this Agreement with an attorney before signing.

12. **Right to Cancel Agreement.** If you sign this Agreement but change your mind within thirty (30) days of signing it, you may cancel the Agreement by providing written notice, sent by certified mail, return receipt requested, to the Community's Executive Director.

13. **Survival.** This agreement to arbitrate survives and will not be discharged or cancelled by the death of any party hereto, the termination of the Care Agreement, nor by the Resident ceasing to reside at the Community.

**BY SIGNING THIS ARBITRATION AGREEMENT, THE RESIDENT AND/OR THE  
RESIDENT'S REPRESENTATIVE AFFIRM THE FOLLOWING (PLEASE INITIAL):**

\_\_\_\_\_  
\_\_\_\_\_  
This Agreement has been explained to me in a form and manner and in a language that I understand.

I understand that signing this Agreement is neither a condition of admission to the Community nor a requirement to continue receiving care at the Community.

I have read and understand this Arbitration Agreement.

I have had the opportunity to ask questions about this Agreement and my questions have been answered to my satisfaction.

\_\_\_\_ I have had the opportunity to discuss this Agreement with an attorney (even if I did not choose to do so).

I understand that, in the future, I may need to move to another location or level of care within the Community one or more times and that I will be required to sign an addendum to the Care Agreement (or have such an addendum signed on my behalf) in connection with each such move. I acknowledge and agree that this

Agreement will remain in effect following each such move, and I hereby authorize any individual who signs such an addendum on my behalf to reaffirm this Agreement and/or enter into a new arbitration agreement on my behalf.

**I understand, that by signing this Agreement, I have waived the right to a trial by jury and that all legal disputes I may have against the Provider, Community, and related parties, aside from those specifically excluded by this Agreement, shall be resolved through binding, individual arbitration.**

**I understand that, by signing this Agreement, I am agreeing to have all Claims I may have against the Provider, Community, and related parties, decided by binding individual arbitration and that I am giving up my right to have such claims determined in court by a judge or a jury or in a class action.**

**EACH OF THE UNDERSIGNED ACKNOWLEDGES THAT HE/SHE FULLY UNDERSTANDS AND VOLUNTARILY CONSENTS TO THE TERMS AND CONDITIONS OF THIS ARBITRATION AGREEMENT, WHICH IS MADE PART OF THE RESIDENCE AND CARE AGREEMENT. EACH OF THE UNDERSIGNED FURTHER CERTIFIES THAT HE OR SHE IS THE RESIDENT OR A PERSON AUTHORIZED BY THE RESIDENT, OR OTHERWISE AUTHORIZED, TO ACCEPT THE TERMS OF THIS ARBITRATION AGREEMENT.**

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

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

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

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

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

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

*If Resident is unable to sign this Agreement, then a legal representative of the Resident may sign on his/her behalf below.*

---

My signature indicates that I am authorized or have authority to sign and enter into this Arbitration Agreement on behalf of the Resident, \_\_\_\_\_. I represent that the Resident (or a court) has vested in me the authority to sign this Agreement on the Resident's behalf. **By signing, I agree to be bound by this Arbitration Agreement in my individual capacity and on behalf of the Resident.**

Resident's Legal Representative  
Signature (if applicable): \_\_\_\_\_

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

**\*Copy of legal documents evidencing relationship/authority must be provided to Community**

My signature indicates that I am authorized or have authority to sign and enter into this Arbitration Agreement on behalf of the Resident, \_\_\_\_\_. I represent that the Resident (or a court) has vested in me the authority to sign this Agreement on the Resident's behalf. **By signing, I agree to be bound by this Arbitration Agreement in my individual capacity and on behalf of the Resident.**

Resident's Legal Representative

Signature (if applicable): \_\_\_\_\_

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

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

**\*Copy of legal documents evidencing relationship/authority must be provided to Community**

---

Authorized Agent

of the Community Signature: \_\_\_\_\_

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

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

B. Priority List Application

# Windsor Run PRIORITY LIST APPLICATION

I hereby make application for a secured position on **Community Full Name Priority List**.

## Priority Date: PL Priority Date

*(To be completed by sales counselor. Priority date is determined by the date this application is received at the Sales and Information Office.)*  
As you join the Priority List, we ask that you further designate whether you wish to be on the "Standby" or "Futures" part of the Priority List. Both designations maintain your same, all-important priority date. If you would like to review available residences when selections are available for reservation, please designate "Standby Priority." Our sales counselor will call you as soon as the type of residence you specify is available. If you are not sure when you would like to move, please designate "Futures Priority."

### RESERVATION

I am reserving the  
following residence:  
\_\_\_\_\_  
Unit #

### STANDBY PRIORITY

I would like to move to  
the next available  
residence that meets  
my preferences.

### FUTURES PRIORITY

I wish to establish my  
priority status with the  
intent of moving at a  
later date.

## My living accommodation preference:

PL Accommodation Preference

NAME Full Name

DATE OF BIRTH Birthdate

MARITAL STATUS Marital Status

NAME Full Name

DATE OF BIRTH Birthdate

ADDRESS Mailing Street

CITY Mailing City

STATE Mailing State/Province

ZIP Mailing Zip/Postal Code

PHONE Home Phone

EMAIL Email

WERE YOU REFERRED BY ANYONE? PL Referred By

**Please sign this application and return it with your check to Community Full Name. A copy will be returned to you for your records. By signing below, you consent to receive an electronic copy of the Windsor Run Disclosure Statement by delivery to the email address provided by you above.**

APPLICANT(S)

Full Name

DATE

APPLICANT(S)

Full Name

DATE

Account Name Capitalized

Full Name

DATE

# Windsor Run PRIORITY LIST APPLICATION

- 1)** Your status on the Priority List is determined by your priority date with earlier dates having higher priority. Paying the refundable Priority List deposit and the application fee will ensure that you are placed on the list based on the day the Sales and Information Office receives your application.
- 2)** If you wish to move from the Priority List to a residence reservation, you will not need to complete another application or pay another Priority List deposit or application fee. You will need to pay an additional reservation deposit, which is always refundable as per the Residence and Care Agreement.
- 3)** Prior to moving to Windsor Run, applicants must complete the admissions process, which includes financial and health/service screenings. Windsor Run reserves the right to determine if the community offers appropriate care and services for the applicant. Windsor Run may offer conditional approval or may offer a different residence than the applicant's preference.
- 4)** Joining the Priority List does not ensure that the amount of the Entrance Fee will not change before the applicant enters the community. Reserving a residence does ensure that the Entrance Fee for that specific residence will not change if the applicant enters the community within the requisite time frame.
- 5)** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this application/agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. This agreement may be signed in counterparts, all of which together constitute one agreement.
- 1)** Your \$PL Refundable Deposit Priority List Deposit and any additional deposits will be applied in full toward your Entrance fee as you begin your move to Windsor Run. This Reservation Deposit Agreement is a binding agreement that can be cancelled as stated below.
- 2)** All deposits will be returned to you: (a) within 30 days of a written request; (b) if you are determined to be ineligible for entrance into the community; or (c) if you rescind the Residence and Care Agreement within 30 days of execution of the Agreement or receipt of a Disclosure Statement which meets the requirements of N.C.G.A. Chapter 58, Article 64, whichever is later and regardless of occupancy. In addition, all deposits are returned when this agreement is automatically cancelled due to your death, illness, injury, or incapacity that would preclude you from occupying a living unit in the community under the terms of the contract. All deposits will also be returned if the facility is not constructed or the residence does not meet the specifications in the Disclosure Statement received by the applicant.
- 3)** As you complete your move to Windsor Run, all of your deposits toward the Entrance Fee will remain in escrow until (a) the deposit is returned to you as described in Section 2 above; or (b) the escrow agent releases the Entrance Fee to Windsor Run as permitted by state law and/or the escrow agreement.
- 4)** Any interest earned on deposits in escrow will be used for the benefit of Windsor Run. Any interest earned on deposits in escrow will be used for the benefit of Windsor Run.
- 5)** Your \$PL Application Fee application fee is a one- time, nonrefundable fee. The application fee is refundable only if you exercise the right of rescission described in Section 2(c) above, but Windsor Run may retain the application fee as a reasonable service charge if it does not exceed two percent (2%) of the Entrance Fee.



2030 Windsor Run Lane  
Matthews, NC 28105  
[WindsorRunCommunity.com](http://WindsorRunCommunity.com)

# WINDSOR RUN Continuing Care Priority List Agreement

I hereby confirm my interest in obtaining Priority List status at continuing care at Trademark®. I understand and accept the Conditions of the Assisted Living Priority List and Priority List Fee Agreement.

**RESERVATION**

I am reserving the following apartment home

Apartment # \_\_\_\_\_

**STANDBY PRIORITY**

I would like to move to the next available apartment home that meets my preferences.

**FUTURES PRIORITY**

I wish to establish my priority status with the intent of moving at a later date.

## My living accommodation preference in continuing care:

Level of Care \_\_\_\_\_

Name: Full Name \_\_\_\_\_

Date of Birth: Birthdate \_\_\_\_\_ Age: Age \_\_\_\_\_

Gender: Gender \_\_\_\_\_

Marital Status: Marital Status \_\_\_\_\_

Spouse's Name: Full Name \_\_\_\_\_

Date of Birth: Birthdate \_\_\_\_\_ Age: Age \_\_\_\_\_

Address: Mailing Street \_\_\_\_\_

City: Mailing City \_\_\_\_\_

Mailing  
State: State/Province \_\_\_\_\_

Zip/Postal  
Zip: Code \_\_\_\_\_

Phone: Home Phone \_\_\_\_\_

Email: Email \_\_\_\_\_

Please sign this agreement and return it with your payment of \$PL Refundable Deposit to Community Full Name. Make check payable to Community Full Name. A copy will be returned to you for your records. By signing below, you consent to receive an electronic copy of the Windsor Run Disclosure Statement by delivery to the email address provided by you above.

Applicant or Legal Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant or Legal Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Representative Name: Full Name \_\_\_\_\_

Address: Mailing Street, Mailing City, Mailing State/Province, Mailing Zip/Postal Code \_\_\_\_\_

Authority to sign for Resident (power of attorney, guardian, health care agent, etc.): \_\_\_\_\_ Authority to sign \_\_\_\_\_

Community Full Name Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Office use only: Priority date PL Priority Date

*(Priority date is determined by the date this completed application is received at the continuing care neighborhood at Windsor Run.)*

## Conditions of the Continuing Care Priority List

1. Your status on the continuing care Priority List is determined by your Priority List date with earlier dates having higher priority. Paying the refundable Priority List Fee will ensure that you are placed on the list based on the day the community receives your agreement.
2. If you wish to move from the continuing care Futures List to the Standby List, you will not need to complete another agreement or pay a second Priority List Fee. If accepted to continuing care at Windsor Run, you will need to pay the Community Fee.
3. Prior to moving to continuing care at Windsor Run, you must complete the admissions process, which includes a health/service screening. We reserve the right to determine if we can offer appropriate care and services for you. We may offer conditional approval or may offer a different apartment than your original preference. We make no representation about acceptance with this agreement.

## Priority List Fee Agreement

This payment entitles you to priority status with the intent of moving into continuing care at Windsor Run at a later date. Any refunds will be in accordance with the terms and conditions set forth below and in the Agreement signed at the date of admission.

1. You will receive a full refund of the continuing care Priority List Fee if you cancel the agreement prior to moving in. You will also receive a full refund if Windsor Run cancels because you are not eligible for continuing care services. Refunds will be made within thirty (30) days of the cancellation by either party. All deposits will be returned to you: (a) within 30 days of a written request or (b) if you are determined to be ineligible for entrance into the community.
2. If you move into continuing care, we will apply the Priority List Fee, in the form of credit, to the Community Fee.
3. Once paid, the Priority List Fee is the property of Windsor Run. You have a right to refund, prior to moving in, as described herein. If you move out of continuing care at Windsor Run within the first thirty (30) days of occupancy, for any reason, a pro-rated refund will be issued based on your actual number of occupancy days. After the first thirty (30) days of occupancy, no refund of the Community Fee will be issued. Any interest earned on the Priority List Fee is used for the benefit of Windsor Run.



1807 Windsor Run Lane  
Matthews, NC 28105  
[WindsorRunCommunity.com](http://WindsorRunCommunity.com)

Independent Living | Assisted Living Services | Memory Support Services | Long-Term Care

**704-443-6400**



C. Financial Information Form

**FINANCIAL INFORMATION FORM**  
**CONFIDENTIAL**

Note: The following questions will be discussed at the financial appointment. If you would like to answer below, please feel free to do so.

<b>Additional Questions</b>	<b>Detailed Answer</b> (Name, Amount, Valuation Date, Etc.)
1. Please provide details for joint account holders/joint asset holders (such as children, POA, other family members) for assets listed in "Assets" section.	
2. Other than personal liabilities listed above, have you cosigned/guaranteed anyone else's debts?	
3. In the last 5 years, have you transferred any of your assets worth more than \$20,000 to others? If so, please describe the circumstances and the value received by others. Also, what is the value, if any, you received back?	
4. Do you regularly make monetary gifts or provide regular monetary support to family members, friends, favorite charities, or other programs?	
5. Do you plan on making significant future monetary gifts in addition to the above?	
6. In the last 10 years, have you filed for protection from creditors or been judged bankrupt?	
7. In the last 5 years, have you loaned money to family/friends and have money owed back to you as the lender?	

Resident Name: \_\_\_\_\_ Current Date: \_\_\_\_\_

Page 4 of 4

# Financial Information Form

**FINANCIAL INFORMATION FORM**  
**CONFIDENTIAL**

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Marital Status: \_\_\_\_\_  
 Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Note: Please ensure that below amounts are as current as possible and please bring support for stated amounts to financial appointment.

Assets	Name (Bank, Location, Description)	Value as of Date	Amount
A) Checking Account	_____	_____/_____/____	\$ _____
B) Savings Account	_____	_____/_____/____	\$ _____
C) Savings Account	_____	_____/_____/____	\$ _____
D) Certificate of Deposit	_____	_____/_____/____	\$ _____
E) Certificate of Deposit	_____	_____/_____/____	\$ _____
F) Mutual Funds	_____	_____/_____/____	\$ _____
G) Stocks and Bonds	_____	_____/_____/____	\$ _____
H) Stocks and Bonds	_____	_____/_____/____	\$ _____
I) Real Estate—Plan to Sell	_____	_____/_____/____	\$ _____
J) Real Estate—Plan to Hold	_____	_____/_____/____	\$ _____
K) Other Financial Assets <small>(e.g., Trusts available for resident use, life insurance, long-term care insurance)</small>	_____	_____/_____/____	\$ _____
			Total Assets \$ _____
<b>Liabilities</b>			
A) Home Mortgage	_____	_____/_____/____	\$ _____
B) Loan on Autos	_____	_____/_____/____	\$ _____
C) Credit Cards	_____	_____/_____/____	\$ _____
D) Other Debts/Liabilities	_____	_____/_____/____	\$ _____
E) Other Debts/Liabilities	_____	_____/_____/____	\$ _____
			Total Liabilities \$ _____
(Assets minus Liabilities) Total Net Worth \$ _____			

**FINANCIAL INFORMATION FORM**  
**CONFIDENTIAL**

Sources of Monthly Income:	Resident Name	Term of Income (# of months, whole life, etc.)	Survivor Benefits (Yes or No)	Amount
A) Social Security	_____	_____	_____	\$ _____
B) Social Security	_____	_____	_____	\$ _____
C) Pension	_____	_____	_____	\$ _____
D) Pension	_____	_____	_____	\$ _____
E) Annuity	_____	_____	_____	\$ _____
F) Annuity	_____	_____	_____	\$ _____
G) IRA	_____	_____	_____	\$ _____
H) IRA	_____	_____	_____	\$ _____
I) Investment Income Source:	_____	_____	_____	\$ _____
J) Other Income	_____	_____	_____	\$ _____
K) Other Income	_____	_____	_____	\$ _____
				Total Monthly Income \$ _____

If we have additional financial questions, whom should we contact?

You  Your Financial Advisor

Financial advisor's information (if applicable):

Name \_\_\_\_\_  
 Street \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, \_\_\_\_\_  
 Zip Code \_\_\_\_\_  
 Phone \_\_\_\_\_  
 Email \_\_\_\_\_

Who will be responsible for your bills?

You  Other

If Other, please give information (if applicable):

Name \_\_\_\_\_  
 Street \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, \_\_\_\_\_  
 Zip Code \_\_\_\_\_  
 Phone \_\_\_\_\_  
 Email \_\_\_\_\_

I hereby certify that the information supplied herein is complete and accurate to the best of my knowledge, and I agree to provide whatever information Windsor Run deems necessary to verify my financial position. I also understand that my approval for residency is predicated upon the accuracy of this information and said approval may be revoked at any time should any of the information prove to be substantially false.

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

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

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, sexual orientation, or national origin.

D. Resident Profile

Thank you for completing this form.

We are looking forward to getting to know you when you come to Windsor Run for your pre-residency meeting. Please bring the following to your appointment:

- This completed form
- The Financial Information Form and related documents
- All health insurance cards
- Power of attorney for finances
- Advance directives for health care to include your power of attorney for health care and/or living will
- Document indicating the executor of estate
- Long-term care insurance

My signature confirms that I understand the information I provide on the Resident Profile and at the pre-residency meeting will be treated with confidentiality and that it is accurate as signed and dated. The information will be used only by authorized employees or agents of the community. The information may also be subject to disclosure as provided by applicable laws.

---

(Applicant's Signature)

---

(Date)

If this form was completed by someone other than the applicant, please have that person state the reason and sign below.

Form completed by \_\_\_\_\_

Reason \_\_\_\_\_

Relationship to applicant \_\_\_\_\_

---

(Applicant's Signature)

---

(Date)



2030 Windsor Run Lane  
Matthews, NC 28105  
WindsorRunCommunity.com



# Resident Profile

We are excited you have chosen Windsor Run, managed by Erickson Senior Living®, as your next home! As you proceed with your planning, one of your next steps is to come in for a pre-residency meeting. During this session, you will meet with a Windsor Run staff member and begin to understand how the community can help support a successful transition to your new home, while also learning more about the amenities that are available to you. This dedicated time is an opportunity for us to learn more about you and for you to continue to develop relationships with the rest of the Windsor Run team.

In preparation for your pre-residency meeting, we ask that you please complete the pages that follow this letter; this information will be used to start your unique Resident Profile. During this meeting, we will be happy to answer any questions you have and to provide you with any additional amenity information you may desire.

We look forward to partnering with you as you begin this new chapter of your life; we view this pre-residency meeting as the beginning of a lasting relationship.

Best regards,

The Windsor Run Team



Windsor Run  
BY ERICKSON SENIOR LIVING®

# RESIDENT PROFILE

## PERSONAL & DEMOGRAPHIC INFORMATION

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_ Title \_\_\_\_\_

Maiden Name \_\_\_\_\_ Preferred Name \_\_\_\_\_

Sex:  Male  Female

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Email \_\_\_\_\_

Date of Birth \_\_\_\_\_ Place of Birth \_\_\_\_\_  
(City, State, Country)

## WORK INFORMATION

If retired, what was your main occupation? \_\_\_\_\_

Are you currently working?  Yes  No

If Yes:  Full-Time  Part-Time

Company \_\_\_\_\_ Occupation \_\_\_\_\_

Military Service:  Veteran  Nonveteran

## RELIGIOUS PREFERENCE (Optional)

Please Specify (Example: Buddhist, Catholic, Jewish, Muslim, Protestant):  
\_\_\_\_\_

## ADDITIONAL DEMOGRAPHICS

Primary Language \_\_\_\_\_

Marital Status:  Single  Married  Widowed  Separated  
 Divorced  Domestic Partner  Other \_\_\_\_\_

## WILL YOU BE BRINGING A DOG OR CAT TO CAMPUS? Yes No

Dog Breed? \_\_\_\_\_ Cat Breed? \_\_\_\_\_

Who would take care of your pet if you could not?

Name \_\_\_\_\_ Phone \_\_\_\_\_  
(Home or Mobile)

## WILL YOU BE BRINGING A MOTOR VEHICLE TO CAMPUS? Yes No

We will help you to register your vehicle.

## NOTIFY IN CASE OF EMERGENCY (List three contacts, if possible.)

1. Name \_\_\_\_\_ Relationship \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_  
Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

2. Name \_\_\_\_\_ Relationship \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_  
Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

3. Name \_\_\_\_\_ Relationship \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_  
Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

## ADVANCE DIRECTIVES

Have you completed an advance directive for health care or a living will?  Yes  No

Have you completed a financial power of attorney?  Yes  No

## END-OF-LIFE-PROVISIONS (Optional)

Funeral Home \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

## EXECUTOR OF ESTATE

Name \_\_\_\_\_ Relationship \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Phone \_\_\_\_\_ Mobile \_\_\_\_\_ Work \_\_\_\_\_

## INSURANCE INFORMATION (Please bring all of your health insurance cards to the pre-residency meeting.)

1. Primary \_\_\_\_\_ Policy # \_\_\_\_\_  
Secondary \_\_\_\_\_ Policy # \_\_\_\_\_

2. Do you have long-term care insurance?  Yes  No

Insurance Company Name \_\_\_\_\_

Policy # \_\_\_\_\_

E. Refund Form

**WINDSOR RUN**  
**REFUND FORM**

Name of Resident(s): \_\_\_\_\_

Living Unit: \_\_\_\_\_

Date of Receipt by

WINDSOR RUN: \_\_\_\_\_

**Preliminary Statements and Directions**

1. Pursuant to the Residence and Care Agreement (the "Care Agreement") with WINDSOR RUN, Resident is entitled to the contracted refund (if any) of the Entrance Fee paid to WINDSOR RUN under certain specified conditions during Resident's lifetime or upon Resident's death based upon termination of the applicable Care Agreement (referred to as the "Refund"). Resident's right to the Refund is set forth in the Care Agreement. This Refund Form is only for the purpose of designating the beneficiaries and does not change the terms and conditions for the Refund. Resident and Resident's beneficiaries are subject to all terms and conditions for the Refund and should review the same carefully. For the purpose of these Refund Forms, the term "Resident" includes the plural.

2. Resident understands that the purpose and effect of this Refund Form is to designate the beneficiary(ies) of the right to the Refund. By signing this Refund Form, Resident is hereby revoking any previously executed Refund Forms.

3. If the Entrance Fee is being paid on behalf of two (or more) Joint Residents, both Joint Residents understand that the Entrance Fee of the first Joint Resident to pass on will be treated as though it has been paid by the survivor, to be used for the survivor's care if necessary (minus the Community Fee if applicable), and that the Refund will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund Form, or to the survivor's estate.

4. **Resident understands that it is Resident's responsibility to review the terms of this Refund Form to make sure that its terms are coordinated with Resident's current will or other trusts and estate plan. WINDSOR RUN strongly recommends that Resident review this Refund Form with an attorney or other estate planning professional prior to execution to ensure such coordination and to review potential tax liability in making these designations or in the eventual payment of the refund.** WINDSOR RUN reserves the right to review and approve the forms so that the right to the refund is clearly delineated for WINDSOR RUN's staff.

5. WINDSOR RUN will make the Refund only as specified in the most recent duly executed and approved Refund Form. Resident may revise the right to the Refund by duly executing a new Refund Form.

6. Please sign one of the following forms designating the right to the Refund. Be sure to read all of the forms before making a selection. If you do not understand the forms, please consult with your estate planning professional. If you do not understand the directions, please consult with the Sales and Admissions Staff. **You may select and sign only one form.**

7. If Resident is designating the Refund to more than 1 beneficiary, percentages must add up to 100%. Please do not fill in cash amounts. WINDSOR RUN can only refund based upon percentages of the Refund, due to the possibility of a spend-down or partial spend-down of the Entrance Fee.

8. It is the responsibility of Resident or Resident's representative, if applicable, to give WINDSOR RUN the most recent addresses for all listed beneficiaries.

9. There are no third-party beneficiaries to this agreement between WINDSOR RUN and Resident. WINDSOR RUN is not responsible for notifying or advising any beneficiaries of changes in the designation of the Refund.

10. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Refund Form shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Refund Form may sign separately in several counter-parts, all of which together shall constitute one and the same Refund Form.

**11. Resident hereby acknowledges that he or she has read the preliminary statements and instructions, reviewed the attached options for a Refund, and understands the purpose and consequences of this Refund Form.**

---

Date

---

Resident

---

Date

---

Resident

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.):

---

Received by WINDSOR RUN:

By: \_\_\_\_\_  
WINDSOR RUN Representative

---

Date

## **REFUND FORM 1**

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to: **(please check one option)**

Resident \_\_\_\_\_ Beneficiaries as designated below \_\_\_\_\_

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be paid directly for convenience to the beneficiaries listed below, *per stirpes*, in the percentages indicated. **Percentages listed below may go up to two decimal places and must add up to 100 (i.e. 33.33%, 33.33%, 33.34%).**

### Percentage Interest, Name & Address of Beneficiary

1. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. \_\_\_\_ % \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): \_\_\_\_\_

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund of Form as Resident's own act.

---

Witness

---

Address

---

Witness

---

Address

Received by WINDSOR RUN:

By: \_\_\_\_\_  
WINDSOR RUN Representative

---

\_\_\_\_\_ Date

Note 1 - Per stirpes generally means that if a named person is not living at the time the Refund is to be distributed, his or her children will share that person's share of the Refund equally. A pattern of children substituting for and sharing equally in their deceased parent's share continues through succeeding generations existing as of the date of the Resident's passing or, in the case of Joint Residents, the last Resident's passing.

## **REFUND FORM 2**

1. Refund During Lifetime or Upon Death - If a Refund becomes due during Resident's Lifetime or upon Resident's death under the Residence and Care Agreement, Resident hereby designates that the Refund be made payable to the Resident's Trust designated below. In the event that the Trust is revoked, Resident understands and agrees that he/ she must provide to WINDSOR RUN proof of the revocation of the trust and a new, duly executed Refund Form disposing of the right to a Refund. If a new Refund Form is not executed, the Refund will be paid by WINDSOR RUN to the Resident or to the Resident's Estate. (See Form 3 for requirements to confirm due qualification.) **Percentages listed below may go up to two decimal places and must add up to 100.**

\_\_\_\_ % The Trust dated  
Mail to Trustee or qualified Successor Trustee

\_\_\_\_% The Trust dated  
Mail to Trustee or qualified Successor Trustee

(Note: The person representing to be the Trustee or Successor Trustee must provide a Certificate of Trust confirming the authority. The Trustee or Successor Trustee should consult with legal counsel/estate planner to understand the requirements.)

---

Resident \_\_\_\_\_ Date \_\_\_\_\_

---

Resident \_\_\_\_\_ Date \_\_\_\_\_

---

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.):

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

---

Witness

---

---

## Address

---

**Witness**

---

---

## Address

Received by WINDSOR RUN:

### **REFUND FORM 3**

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to the Resident. If the Entrance Fee was paid on behalf of Joint Residents, the Refund will be paid to both joint residents.

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be made payable to the Estate of Resident. In the case of Joint Residents, the Refund will be made payable to the Estate of the final surviving Joint Resident. The check payable to the Estate of Resident or the Estate of the surviving Joint Resident should be mailed to the duly qualified personal representative, Executor, or Executrix, as the case may be, of the Estate. (Note: The person representing to be the "duly qualified" executor/representative of the Estate must present official letters of administration/appointment from the probate office, probate court, or other appropriate legal forum. A will or copy of a will is not qualification. Resident should consult with resident's legal counsel/estate planner to understand the requirements.)

---

Resident

---

Date

---

Resident

---

Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): \_\_\_\_\_

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

---

Witness

---

Address

---

Witness

---

Address

Received by WINDSOR RUN:

By: \_\_\_\_\_  
WINDSOR RUN Representative

---

Date

F. Club Membership Application

WINDSOR RUN CLUB  
APPLICATION FOR MEMBER

Unless otherwise noted by Resident's having initialed the statement below, execution of this Residence and Care Agreement will constitute Resident's application to become a member of the Windsor Run Club (the "Club"), a private social club. The Club is a social club which will hold a private club license permitting the service of alcoholic beverages to its members and their guests for on-premises consumption at certain facilities in the Windsor Run retirement community complex. In accordance with the Windsor Run Club Membership and Participation Policy and the requirements of the ABCE, the application shall be considered by the Club's membership committee, which will inform Resident if he or she has been accepted for membership. Copies of the Club's policy shall be provided to Resident upon his or her request.

\_\_\_\_\_ My execution of this Agreement shall not constitute my application to become a member of the Windsor Run Club.

G. Key Receipt Form

## WINDSOR RUN KEY RECEIPT FORM

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

Apartment/ Unit #: \_\_\_\_\_

I/We have received the following items on the date shown next to signature(s):

# \_\_\_\_\_ Apartment Keys [if applicable]

# \_\_\_\_\_ Resident Key Badges [if applicable]

# \_\_\_\_\_ Exterior Door Keys [if applicable]

# \_\_\_\_\_ Mailbox Keys [if applicable]

# \_\_\_\_\_ Storage Keys [if applicable]

For purposes of the Residence & Care Agreement, if applicable, taking apartment keys is considered the Occupancy Date and the Monthly Service Package fees start as of the take keys date.

Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this form shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this form may sign separately in several counterparts, all of which together shall constitute one and the same form.

---

Resident/Representative Signature

---

Date

---

Resident/Representative Signature

---

Date

If signed by a Representative, indicate name of Representative and nature of authority (i.e. power of attorney, guardian, etc.) \_\_\_\_\_

---

Community Representative Signature

---

Date

H. Promissory Note and Allonge to Promissory Note

\$ \_\_\_\_\_  
Matthews, North Carolina

Date of Note: \_\_\_\_\_ 20\_\_\_\_

**WINDSOR RUN, LLC**  
**PROMISSORY NOTE**

Now, therefore, the undersigned, \_\_\_\_\_, (the "Maker"), hereby promises to pay to the order of WINDSOR RUN, LLC at its offices located at 2030 Windsor Run Lane, Matthews, North Carolina 28105 or at such other place as the holder of this Note may, from time to time designate, the principal sum of: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), plus all accrued interest (unless waived under Section 1 hereof), payable on or before the Maturity Date as defined in Section 2 hereof.

1. **Interest Rate.** Interest on the unpaid principal balance shall begin accruing on the **DATE OF THIS NOTE** which appears in the upper right hand corner of this Note, at the rate of nine percent (9%) per annum (360 days per year) and said accrued interest shall be invoiced and paid monthly **(in arrears)** beginning the first day of the second calendar month following the **DATE OF THIS NOTE**. In the event that the Maker of this Note pays the entire principal balance due on or before the Maturity Date, the interest for the period through the payment date shall be **waived**. In the event that the **entire** principal balance is not paid on or before the Maturity Date, **accrued interest will be charged every month from the Date of this Note on the unpaid principal balance until satisfaction and termination of this Note.**

2. **Maturity Date.** The Maturity Date of this Note shall be: the earlier of (i) \_\_\_\_\_, 20\_\_\_\_ or (ii) five business days from the sale and settlement of the Maker's property located at \_\_\_\_\_.

3. **Repayment.** The entire principal balance shall be due and payable on or before the Maturity Date. In addition to payment of the principal balance, Maker agrees to pay any assessed interest as provided in Section 1.

4. **Application of Payments.** All payments made hereunder shall be applied first to accrued interest, before being applied to principal, unless the interest is waived under Section 1.

5. **Prepayment.** The undersigned may prepay this Note in whole or in part at any time without any penalty.

6. **Default.** Upon a default in the payment of any installment of principal or interest due hereunder which has continued for a period of thirty (30) days after written notice of default, the Holder may, in addition to any other remedy provided by law, recover attorneys fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/ Resident is terminated for non-payment.

7. Assignment. In the event the Holder of this Note shall assign or transfer this Note for value, the undersigned agrees that all subsequent Holders of this Note shall not be subject to any claims or defenses which the undersigned may have against a prior Holder, all of which are waived as to the subsequent Holder, and that all subsequent Holders shall have all of the rights of a Holder in due course with respect to the undersigned even though the subsequent Holder may not qualify, under applicable law, absent this paragraph, as a Holder in due course.

8. Waiver. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers of this Note. This Note shall be the joint and several obligation of all makers, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

9. Notice. Any notice provided for in the Note shall be in writing and shall be given and be deemed to have been given and received (i) when personally delivered against a signed receipt or (ii) three (3) days after being mailed by both registered or certified mail, return receipt requested and also by first-class mail, addressed to the maker or Holder at the appropriate address first above set forth or to such other address as may be hereinafter specified by written notice by the Maker or Holder.

10. Miscellaneous. This Note shall be construed and governed according to the laws of the State of North Carolina. Venue for any action arising out of the making of this Note shall be in Mecklenburg County, North Carolina.

11. Electronic Signature. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Note shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Note may sign separately in several counter-parts, all of which together shall constitute one and the same Note.

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

WITNESS(ES):

---

MAKER:

---

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

## **ALLONGE TO PROMISSORY NOTE**

**THIS ALLONGE TO PROMISSORY NOTE** (the "Allonge") is effective as of \_\_\_\_\_, 20\_\_\_\_ by and between Windsor Run, LLC ("HOLDER"), and \_\_\_\_\_, ("MAKER").

### **Recitals**

R.1. MAKER executed that certain Promissory Note in favor of HOLDER in the principal sum of \$\_\_\_\_\_, dated as of \_\_\_\_\_ (the "Note").

R.2 MAKER and HOLDER have agreed to amend the Note per the terms and conditions stated herein.

### **Agreement**

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MAKER and HOLDER hereby agree as follows:

1. **Amendment.** The Note is hereby amended as follows (**initial as applicable**):

\_\_\_\_\_  
a. Each reference in the Note to the Maturity Date is hereby amended to mean and refer to \_\_\_\_\_, 20\_\_\_\_ (the "Revised Maturity Date"). MAKER agrees to pay an additional \$\_\_\_\_\_ (the "10% Deposit") in principal on the date of this Allonge and agrees to continue paying equal 10% Deposit payments every thirty (30) days from the date of this Allonge until the Revised Maturity Date. On the Revised Maturity Date, MAKER agrees to pay all outstanding principal to HOLDER.

If MAKER pays each required 10% Deposit payment when due and also pays the outstanding principal by the Revised Maturity Date, then HOLDER will waive interest on the principal. However, if MAKER fails to make any of the required 10% Deposit payments on each due date or if MAKER fails to pay the outstanding principal by the Revised Maturity Date, then MAKER agrees and acknowledges that HOLDER will assess interest at the rate provided in the Note from the date of default of payment until full payment of the principal and accrued interest.

OR

\_\_\_\_\_  
b. MAKER acknowledges that payment was not made by the Maturity Date and that MAKER cannot make additional principal payments. HOLDER agrees to permit MAKER to extend payment of the principal until \_\_\_\_\_, 20\_\_\_\_ (the "Extension Date"). However, MAKER will be assessed and must pay interest of 9% per

annum on the unpaid principal until the Extension Date when all outstanding principal and interest are due and payable.

2. **Affirmation.** The representations of MAKER contained in the Note are true and correct as of this date and MAKER represents to HOLDER the accuracy of each representation as if they have been made on this date. This Allonge (a) is being physically attached to the Note simultaneously with the entry into this Allonge by the parties hereto, to evidence the modification of the provisions of the Note effected hereby, and (b) shall upon such attachment be deemed to be a part of the Note, as fully and completely as if its provisions were set forth in the body of the Note.

3. **Definition.** The term "this Note" as used in the Note, shall mean the Note as modified herein unless the context clearly indicates or dictates a contrary meaning. Other defined terms in this Allonge were previously defined in the Note and have the same meaning as defined in the Note.

4. **Default.** In the event of a default in the payment of any installment of interest or principal due hereunder, HOLDER may, in addition to any other remedy provided by law, recover attorneys' fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/Resident is terminated for non-payment.

5. **Liability and Obligations; No Novation.** MAKER ratifies and confirms all of its liabilities and obligations under the Note and agrees that, except as expressly modified in this Allonge, the Note continues in full force and effect as if set forth specifically herein. MAKER and HOLDER agree that this Allonge shall not be construed as an agreement to extinguish the original obligations under the Note and shall not constitute a novation as to the obligations of MAKER under the Note.

6. **Electronic Signature.** Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Allonge shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Allonge may sign separately in several counter-parts, all of which together shall constitute one and the same Allonge.

7. **Prior Consent.** This Allonge may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of HOLDER.

**Maker(s):**

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**HOLDER: Windsor Run, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Living Unit: \_\_\_\_\_

I. Custom Interiors Agreement (if any)

**CUSTOM INTERIORS AGREEMENT ADDENDUM TO**  
**RESIDENCE AND CARE AGREEMENT**

THIS CUSTOM INTERIORS AGREEMENT (the “**Agreement**”) is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, by and between Windsor Run, LLC, having an address of 2030 Windsor Run Lane, Matthews, North Carolina 28105 (herein referred to as “**Windsor Run**”) and \_\_\_\_\_ (“**Resident**”).

**RECITALS**

R.1 Resident has entered or shall enter into a Residence and Care Agreement (the “**Care Agreement**”) with Windsor Run to occupy the following residential unit at the Community: \_\_\_\_\_ (the “**Living Unit**”).

R.2 Resident desires to purchase certain upgrades or make certain changes to the current condition of the Living Unit to customize the Living Unit for Resident. Windsor Run is willing to make the changes desired by Resident only upon the following terms and conditions.

R.3 Terms that are not defined in this Agreement have the same meaning as in the Resident’s Care Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **The Improvements**. Resident and Windsor Run agree that Resident’s Living Unit will be customized with the upgrades and improvements (the “**Improvements**”) which are listed in the Statement of Work/Price Quote in **Exhibit A**, attached to and incorporated into this Agreement.

2. **Cost of the Improvements**. Resident agrees to pay to Windsor Run the contract fee (“**Contract Fee**”) for the Improvements as listed in **Exhibit A**. The Contract Fee is due and payable in full upon signature of this Agreement, prior to ordering any custom materials or starting the work. Once Windsor Run has commenced the work by engaging contractors and/or ordering materials, the Contract Fee is then non-refundable. If Resident withdraws his or her application, rescinds the Care Agreement, or fails to occupy the Living Unit for any reason after commencement of the work, Resident understands and agrees that Resident shall **not** be entitled to any reduction or refund of the Contract Fee except as provided in Section 3 hereof.

3. **Refurbishing Charges:**

a. **Pre-Occupancy**. If Resident does not occupy the Living Unit for any of the reasons described in Section 2 hereof, Windsor Run may, in its sole discretion, elect to refurbishing the Living Unit to its previous condition or to market the Living Unit with the Improvements to a new resident. If Windsor Run elects to restore the Living Unit, Resident is responsible for any Refurbishing Charges as provided in Section 9.4 of the Residence and Care Agreement (see Section 9.4).

b. Post-Occupancy. After the Occupancy Date by Resident, if the Residence and Care Agreement is terminated by either party for any reason or terminates due to the death of Resident, or if Resident is permanently transferred to a different Living Unit, Windsor Run may, in its sole discretion, elect to refurbishing the Living Unit to its pre-upgrade condition or to market the Living Unit with the Improvements to a new resident. When Windsor Run elects to restore the Living Unit, Resident is responsible for any Refurbishing Charges as provided in Section 9.4 of the Residence and Care Agreement.

4. Entire Agreement. This Agreement and the Care Agreement constitute the entire agreement between the parties in respect of customizing and restoring the Living Unit, and there are no oral agreements between the parties in connection herewith. This Agreement is incorporated into the Care Agreement. The Care Agreement remains in full force and effect, and, if there is any inconsistency between this Agreement and the Care Agreement, the Care Agreement shall govern. This Agreement may be amended only in writing executed by all parties.

5. Governing Law; Venue. This Agreement shall be governed by the law of the State of North Carolina. The parties agree that venue for any claim or action arising out of this Agreement shall be in Mecklenburg County, North Carolina.

6. Severability. In the event that any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Agreement which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

7. Notices. Any notice, invoice, or payment under this Agreement to be given to a party may be either personally delivered or sent by first-class mail, postage prepaid, to the addresses of the parties herein given, unless another address shall have been substituted for such address by notice in writing.

8. Electronic Signatures. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this form may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

INTENDING TO BE LEGALLY BOUND, the parties have set forth their signatures below.

RESIDENT

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WINDSOR RUN, LLC

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A – STATEMENT OF WORK/PRICE QUOTE**

1. The work to be performed by Windsor Run is described in the attached Price Quote. Windsor Run has the right to sub-contract or assign portions of the work to its subcontractors, vendors or suppliers. If Resident requests additional work to the Living Unit, such requests must be made in writing. No work can be commenced in the unit until Resident has taken keys for the Living Unit. Windsor Run shall advise Resident of any changes to the Contract Fee due to the additional requested work.

2. Limitation of Liability. Windsor Run will perform the work in a timely manner and in workmanlike fashion. **WINDSOR RUN'S LIABILITY TO RESIDENT FOR ANY CLAIMS OF DEFECTS IN MATERIALS OR WORKMANSHIP OR ANY OTHER CLAIMS ARISING FROM THE WORK SHALL NOT, IN ANY CIRCUMSTANCE, EXCEED THE AMOUNT OF THE CONTRACT FEE PAID BY RESIDENT TO WINDSOR RUN.**

J.      Guaranty Agreement (if any)

**WINDSOR RUN**  
**GUARANTY AGREEMENT ADDENDUM TO**  
**RESIDENCE AND CARE AGREEMENT**

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between Windsor Run, LLC, ("Windsor Run") and \_\_\_\_\_ (herein collectively referred to as "Guarantor").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident at the Windsor Run Retirement Community and has entered or will enter into a Residence and Care Agreement with Windsor Run;

WHEREAS, Beneficiary's current financial status does not meet Windsor Run's standard qualifications, and Windsor Run cannot allow Beneficiary to become a resident without additional assurances;

WHEREAS, Guarantor desires to give Windsor Run additional assurances in order to induce Windsor Run to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as follows:

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Windsor Run incurred relative to Beneficiary's residence at Windsor Run pursuant to the terms of the Residence and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Windsor Run pursuant to Section 8 of this Agreement. The Guaranty is unlimited as to amount.

2. Guarantor understands that this is an unconditional Guaranty of payment, not collection. If Windsor Run believes, in its sole discretion, that an attempt to collect from the Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable considering Beneficiary's economic condition, Windsor Run will not attempt to collect from the Beneficiary first.

3. Windsor Run will use its sole discretion in determining whether or not to proceed to collect amounts from Guarantor or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Windsor Run will first determine if Beneficiary has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek to obtain the funds from such source; second, seek to obtain payment from Guarantor; third, from spending down the Entrance Fee paid to Windsor Run; fourth, seek to obtain payment from medical assistance if Windsor Run believes medical assistance is available to Beneficiary; and finally, seek to obtain funds from any remaining source of available funds.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Windsor Run agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Windsor Run shall be made and decided solely between Windsor Run and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6. Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Windsor Run all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Windsor Run for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Windsor Run in enforcing the Agreement. The parties agree that this agreement shall be interpreted under the laws of the State of North Carolina and that venue for any claim arising out of this Guaranty Agreement shall be in Mecklenburg County, North Carolina.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime or dies during residence at Windsor Run, Windsor Run agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all of Beneficiary's outstanding charges.

9. This Guaranty is incorporated into the Residence and Care Agreement. The Residence and Care Agreement remains in full force and effect, and, if there is any inconsistency between this Guaranty and the Residence and Care Agreement, the Residence and Care Agreement shall govern.

10. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Guaranty Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Guaranty Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

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Witness

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Guarantor

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Witness

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Guarantor

Windsor Run, LLC

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Witness

By: \_\_\_\_\_

**WINDSOR RUN**  
**LIMITED GUARANTY AGREEMENT (JOINT ASSETS)**  
**ADDENDUM TO RESIDENCE AND CARE AGREEMENT**

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between Windsor Run, LLC ("Windsor Run") and \_\_\_\_\_ (herein collectively referred to as "Guarantor").

**Recitals**

R.1 \_\_\_\_\_ ("Beneficiary") desires to become a resident at the Windsor Run Retirement Community and will enter into a Residence and Care Agreement with Windsor Run;

R.2 Beneficiary and Guarantor own jointly the assets (the "Joint Assets") set forth in Exhibit A, attached to and incorporated in this Agreement which Joint Assets have the value set forth in Exhibit A as of the date of this Agreement;

R.3 Due to the ownership of the Joint Assets, Beneficiary's individual financial status does not meet Windsor Run's standard qualifications for residency;

R.4 Guarantor desires to give Windsor Run additional assurances as to the Joint Assets in order to induce Windsor Run to accept the Beneficiary as a resident;

**Agreement**

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as follows:

1. Subject to the limitations set forth in Section 2 hereof, Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Windsor Run incurred relative to Beneficiary's residence at Windsor Run pursuant to the terms of the Residence and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Windsor Run pursuant to Section 9 of this Agreement.

2. Unless Guarantor has committed a Default under this Guaranty as defined in Section 5 hereof, the Guaranty is limited to payment from the Joint Assets as set forth in Exhibit A. Guarantor understands that this is an unconditional Guaranty of payment, not collection.

3. Subject to Windsor Run's verification of Beneficiary's financial qualifications other than the Joint Assets and to Windsor Run's determination of the appropriate level of care for

Beneficiary, Windsor Run agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

4. In the event that Beneficiary is unable to meet his/her obligations under the Residence and Care Agreement without use of the Joint Assets, Windsor Run will use its sole discretion in determining whether or not to proceed to collect amounts from the Beneficiary, the Joint Assets, the Guarantor, or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Windsor Run will take the following steps:

- 4.1. Upon Beneficiary's or Beneficiary's duly authorized representative's request for assistance pursuant to the Residence and Care Agreement, Windsor Run shall review the Beneficiary's then-current financial status, including but not limited to the balance of the Joint Assets. Windsor Run may request further documentation to show that any changes in the value of the Joint Assets, as shown in Exhibit A, were either expenditures made for the direct benefit of the Beneficiary or market fluctuations in the value of the Joint Assets.
- 4.2. If Windsor Run believes in its sole discretion that any expenditures from the Joint Assets were spent for the benefit of Beneficiary and that Beneficiary is not otherwise in breach of the Residence and Care Agreement, Windsor Run may then initiate a spend-down plan with the Beneficiary or the duly authorized representative for Beneficiary's assets, including the Joint Assets, other than the Entrance Fee. Windsor Run may require that Resident seek to obtain funds from outside sources such as medical assistance. If Windsor Run believes in its sole discretion that any expenditures from the Joint Assets were due to a Default by Guarantor, Windsor Run shall proceed as provided in Section 5 hereof.
- 4.3. After spend-down of Beneficiary's assets, including the Joint Assets, Windsor Run shall release the Guaranty and shall initiate a spend-down of the entrance fee.

5. Guarantor will be in Default under this Guaranty Agreement in the event that Guarantor withdraws, spends, distributes, pledges, assigns, or otherwise uses the Joint Assets for any purpose other than for the direct benefit of the Beneficiary. In the event of a Default, as a matter of policy but not obligation, Windsor Run shall normally proceed as follows:

- 5.1. Prior to initiating a spend-down plan as described in Section 4.2, Windsor Run shall first enforce the Guaranty. Windsor Run shall have the right to enforce payment of the Guaranty against any and all of Guarantor's personal assets in any form whatsoever and shall not be limited to payment from the Joint Assets. The Guaranty shall be limited to the amount of the Joint Assets withdrawn, spent, distributed, pledged, assigned, or otherwise used by the

Guarantor other than for the direct benefit of the Beneficiary, which amount shall be determined by Windsor Run in its sole discretion.

- 5.2. In the event that Windsor Run is required to hire a collection agency or to initiate legal proceedings to enforce the Guaranty, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any and all interest, collection costs, and court costs, including reasonable attorneys' fees, that might be incurred by Windsor Run in enforcing the Guaranty.
- 5.3. After payment to Windsor Run of all sums due pursuant to the Guaranty and any interest, collection costs, court costs, including reasonable attorney's fees, which may be due pursuant to Section 5.2, Windsor Run will work with the Beneficiary or the Beneficiary's duly authorized representative to initiate the steps listed in Section 4.2 and 4.3 hereof for the spend-down program.

6. The parties agree that this agreement shall be interpreted under the laws of the State of North Carolina and that venue for any claim arising out of this Guaranty Agreement shall be in Mecklenburg County, North Carolina.

7. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Windsor Run shall be made and decided solely between Windsor Run and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

8. In addition to all rights available to Windsor Run under this Agreement, Windsor Run shall also have all of the rights and remedies enumerated in the Residence and Care Agreement, up to and including termination of residency, for non-payment of fees.

9. Windsor Run agrees that it will release Guarantor from the obligations under this Guaranty Agreement upon the sooner of:

- a. The termination of the Residence and Care Agreement either during his/ her lifetime or due to Beneficiary's death, upon satisfaction of all Guarantor's obligation under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date or resale of the Living Unit, whichever event shall occur first;
- b. The completion of the steps listed in Sections 4.1, 4.2 and 4.3 hereof; or
- c. The payment of all sums due to Windsor Run, as enumerated in Section 5.3, in the event of a Default.

10. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Guaranty Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Guaranty Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Guaranty Agreement.

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Witness

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Guarantor

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Witness

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Guarantor

Windsor Run, LLC

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Witness

By: \_\_\_\_\_

EXHIBIT A

Joint Assets

Value as of Date of Agreement

WINDSOR RUN TRUST GUARANTY  
ADDENDUM TO THE RESIDENCE & CARE AGREEMENT

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_  
between Windsor Run, LLC ("Windsor Run") and  
\_\_\_\_\_ (herein collectively referred to as "Trustee(s)").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident at the Windsor Run Retirement Community and has entered or will enter into a Residence and Care Agreement with Windsor Run.

WHEREAS, Beneficiary has certain assets and/ or income in a trust settled for his/her benefit known as the \_\_\_\_\_ Trust dated \_\_\_\_\_ (the "Trust");

WHEREAS, Beneficiary's individual financial status, without consideration of the Trust assets, does not meet Windsor Run' standard qualifications, and Windsor Run cannot allow Beneficiary to become a resident without additional assurances of the Trust;

WHEREAS, the Trustee(s), on behalf of the Trust, desires to give Windsor Run additional assurances in order to induce Windsor Run to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as follows:

1. Trustee(s), for and on behalf of the Trust, agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due or may become due to Windsor Run incurred relative to Beneficiary's residence at Windsor Run pursuant to the terms of the Residence and Care Agreement to the extent of the assets of the Trust dated \_\_\_\_\_ (the "Trust") which assets are listed in Exhibit A, attached and incorporated hereto. This Guaranty shall continue in effect from the date of this Agreement until the Trustee(s) is released by Windsor Run pursuant to Section 9 of this Agreement.

2. In the event that the Trust is revoked, Beneficiary and/ or Trustee(s) shall give written notice to Windsor Run of the disposition of any and all of the assets of the Trust.

3. Trustee(s) understands that this is an unconditional Guaranty of payment, not collection. If Windsor Run believes, in its sole discretion, that an attempt to collect from the Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable considering Beneficiary's economic condition, Windsor Run will not attempt to collect from the Beneficiary first.

4. Windsor Run will use its sole discretion in determining whether or not to proceed to collect amounts from Trustee(s) or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Windsor Run will first determine if Beneficiary has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek to obtain the funds from such source; second, seek to obtain payment from Trustee(s); third, from spending down the Entrance Fee paid to Windsor Run; fourth, seek to obtain payment from Medicaid if Windsor Run believes Medicaid is available to Beneficiary; and finally, seek to obtain funds from any remaining source of available funds.

5. Subject to verification of Beneficiary's financial qualifications and health-related status, Windsor Run agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

6. Trustee(s), for the Trust, hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Trustee(s) further agrees that all arrangements concerning Beneficiary's financial obligations to Windsor Run shall be made and decided solely between Windsor Run and the Beneficiary. However, Trustee(s) shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

7. The Trust will be deemed to have defaulted under this Guaranty Agreement in the event that Trustee(s) fails to pay to Windsor Run all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Windsor Run for payment pursuant to the Guaranty.

8. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Trustee(s) shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Windsor Run in enforcing the Agreement. The parties agree that this agreement shall be interpreted under the laws of the Commonwealth of North Carolina and that venue for any claim arising out of this Guaranty Agreement shall be in Loudoun County, North Carolina.

9. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime or dies during residence at Windsor Run, Windsor Run agrees that Trustee(s) and the Trust shall be released from its obligations under this Guaranty Agreement upon satisfaction of all Guarantor's obligation under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date or resale of the Continuing Care Unit, whichever event shall occur first.

10. Trustee(s) hereby acknowledges that he/ she is fully authorized by the Beneficiary(ies) to guaranty the assets of the Trust.

IN WITNESS WHEREOF, the parties have executed this Agreement.

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Witness

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Trustee of the Trust

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Witness

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Trustee of the Trust

Windsor Run, LLC

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Witness

By: \_\_\_\_\_

EXHIBIT A

Trust Assets as of \_\_\_\_\_, 20\_\_\_:

**WINDSOR RUN MONTHLY CONTRIBUTION GUARANTY**  
**ADDENDUM TO THE RESIDENCE & CARE AGREEMENT**

This Guaranty Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between WINDSOR RUN, LLC. (herein referred to as "Windsor Run") and \_\_\_\_\_ (herein \_\_\_\_\_ collectively referred to as "Guarantor").

WHEREAS, \_\_\_\_\_ ("Beneficiary") desires to become a resident of Windsor Run Retirement Community (the "Community"), operated by Windsor Run and has entered or will enter into a Residence and Care Agreement with Windsor Run;

WHEREAS, Beneficiary's current financial status does not meet Windsor Run's standard qualifications, and Windsor Run cannot allow Beneficiary to become a resident without additional assurances;

WHEREAS, Guarantor desires to give Windsor Run additional assurances in order to induce Windsor Run to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as follows:

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the "Guaranty") of a portion of Beneficiary's obligations which are due or may become due to Windsor Run incurred relative to Beneficiary's residence at the Community pursuant to the terms of the Residence and Care Agreement. Specifically, Guarantor agrees to voluntarily and unconditionally pay to the order of Windsor Run \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per month towards Beneficiary's Monthly Service Package which will assist Beneficiary to continue payment of the remaining monthly balance without depleting Beneficiary's stated assets verified during the admission process. This Guaranty shall continue in effect from the date of this Agreement until the Guarantor is released by Windsor Run pursuant to Section 8 of this Agreement. If applicable, this Guaranty is limited to a total of \_\_\_\_\_ Dollars (\$\_\_\_\_\_\_).

2. Guarantor understands that this is an unconditional Guaranty of payment, not collection.

3. Until the total limit of the guaranty is reached, Guarantor will remit monthly payment by the 15<sup>th</sup> day of each month to Windsor Run at the following address: \_\_\_\_\_. Payments are due in advance for each month.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Windsor Run agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Windsor Run shall be made and decided solely between Windsor Run and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6. Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Windsor Run all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Windsor Run for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Windsor Run in enforcing the Agreement. The parties agree that this Agreement shall be interpreted under the laws of the State of North Carolina, and venue for any claim arising out of this Guaranty Agreement shall be in Mecklenburg County, North Carolina.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime, dies during residence at the Community, or Beneficiary becomes a permanent resident of the nursing facility to be located at Windsor Run, Windsor Run agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all of Guarantor's obligations pursuant to this Guaranty Agreement. In addition, Windsor Run agrees that Guarantor shall be released from its obligations when and if Guarantor has paid the total limit of the guaranty as stated in Section 1 hereof.

9. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Guaranty Agreement shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this Guaranty Agreement may sign separately in several counter-parts, all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

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Witness

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Guarantor

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Witness

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Guarantor

WINDSOR RUN, LLC

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Witness

By: \_\_\_\_\_

K. Unit Release Forms

**WINDSOR RUN  
UNIT RELEASE ADDENDUM**

Resident(s): \_\_\_\_\_ Unit: \_\_\_\_\_

Storage bin: \_\_\_\_\_ Parking Space/ Covered Parking: \_\_\_\_\_

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

This form is used to release the current Living Unit in the event of a termination of the Residence and Care Agreement. The term "Community" refers to Windsor Run, LLC.

1. I/ We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Fee, the Community has my/our permission to show this Unit as of \_\_\_\_\_. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. I/We will be responsible for the monthly service package, minus the non-occupancy credit as applicable, for the period defined in Section 8.6 of the Residence and Care Agreement or the Refund Section of the Continuing Care Addendum to the Residence and Care Agreement, as applicable.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for the Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy; however, depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

ILU Release     ALF/Memory Care Release     Nursing Unit Release

5. The Community will provide the Refund per the terms and conditions of Section 7 of the Residence and Care Agreement. After the conditions are met, the Community will generate the Refund within the 60 day period. The full 60 day period may be needed to generate the Refund. The Community also offers these options (*please initial one*):

a. To expedite the Refund, I/ We direct the Community to deduct the amount of the final bill from the Refund and to send a copy of the final bill with the Refund check(s) depending on the designation of beneficiaries per the Refund Form. I/We will still have a reasonable opportunity to review the final bill and discuss charges deducted from the Refund. The Community will refund charges that were deducted in error. **Initializing this option constitutes pre-approval of the final bill per the terms of Section 7.6.**

\_\_\_\_\_ b. I/ We direct the Community to send the final bill for approval before any Refund. I/We understand that this may extend the processing for the Refund to the full 60 day period. **Initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

6. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Addendum shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this form may sign separately in several counter-parts, all of which together shall constitute one and the same Addendum.

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum and any inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

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Date

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Signature of Resident or Resident's Representative

If signed by a Representative, Name, Address and Phone # of Representative:

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Staff Member: \_\_\_\_\_

**WINDSOR RUN**  
**UNIT RELEASE - TRANSFER ADDENDUM**

Resident(s): \_\_\_\_\_ Unit: \_\_\_\_\_

Storage bin: \_\_\_\_\_ Parking Space/ Covered Parking: \_\_\_\_\_

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

This form is used to release the current Living Unit in the event of a transfer and to modify the Residence and Care Agreement for changes in the Resident's new Living Unit, monthly service package, and Entrance Fee, if any. The term "Community" refers to Windsor Run.

1. I/ We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Fee, the Community has my/our permission to show this Unit as of \_\_\_\_\_. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. Per Section 8.5 of the Residence and Care Agreement, I am responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until I completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to Windsor Run.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for the Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy; however, depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

ILU to ILU  
 ILU to ALF/Memory Care/ Nursing  
 ALF/Memory Care to any unit  
 Nursing Unit to any unit  
 Any unit to another Erickson campus

5. I/ We are making the following transfer:

a. I am/We are moving to Unit \_\_\_\_\_ at the Community. The new monthly fee shall be \$ \_\_\_\_\_ and the Entrance Fee (circle one): remains the same/ is changed to \$ \_\_\_\_\_. I/We

have the right to occupy the new Unit from the Occupancy Date for such new Unit to the Departure Date for such new Unit.

\_\_\_\_\_

b. I am/ We are moving to \_\_\_\_\_, an Erickson managed community. The Community will provide the Refund per the terms and conditions of Section 7 of the Residence and Care Agreement. I/ We direct the Community to send the Refund to \_\_\_\_\_ after the final bill at this Community is settled.

i. I/ We direct the Community to automatically deduct the final bill at this Community from the Refund. **Initialing this option constitutes pre-approval of the final bill per the terms of Section 7.6**

ii. I/ We do not want the final bill automatically deducted. I/ We understand that the final bill must be paid separately before the Refund is made to the new community and that this may extend the time for move-in to the new community. **Initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

6. Any electronic signature (including any electronic symbol or process used by a signatory with the intent to sign or authenticate) of this Addendum shall have the same legal validity and enforceability as an original, manual signature to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any similar state law based on the Uniform Electronic Transactions Act. The parties to this form may sign separately in several counter-parts, all of which together shall constitute one and the same Addendum.

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum, and any other inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

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Date

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Signature of Resident or Resident's Representative

If signed by a Representative, Name, Address and Phone # of Representative:

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(\_\_\_\_)

Staff Member: \_\_\_\_\_  
85611-2

**EXHIBIT 2**  
**ANTICIPATED PROJECT SCHEDULE**

**Summary:**

Exhibit Two presents the anticipated construction schedule of the Community, reflecting the program of adding amenities such as the clubhouse style community buildings, the Continuing Care neighborhood, and other amenities in order to match the Community's increase in resident population. Although this is a projected schedule, construction will progress in response to market demand and is subject to delays for weather, licensing approval, etc.

As of the date of this Disclosure Statement, the first residential neighborhood including a clubhouse and 3 residential buildings were completed as well as the first phase of the Continuing Care services neighborhood.

<b>Building Name</b>	<b>Projected Start Date</b>	<b>Projected Completion Date</b>
RB 2.1	May 2021	October 2023
RB 2.2	February 2021	August 2023
RB 2.3	July 2022	August 2024
RB 2.4	September 2023	December 2025
RB 2.5	November 2023	February 2026
Continuing Care Phase 2	June 2027	May 2029

## **EXHIBIT 3**

### **CERTIFIED FINANCIAL STATEMENTS OF PROVIDER**

#### **Summary:**

As a form of consumer protection for prospective residents, the North Carolina Department of Insurance has required the Provider to include audits from an independent accounting firm, expressing that firm's opinion on the Provider's financial statements. Windsor Run, LLC operates within a multi-entity organizational structure, with its audited financial statements prepared in compliance with GAAP standards. The unaudited statements of May 2025 are also included in Exhibit 3.

# **Windsor Run, LLC**

**Financial Statements and Supplemental Information  
December 31, 2024 and 2023**

## Independent Auditor's Report

Members  
Windsor Run, LLC

### Opinion

We have audited the financial statements of Windsor Run, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, the related statements of operations and changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

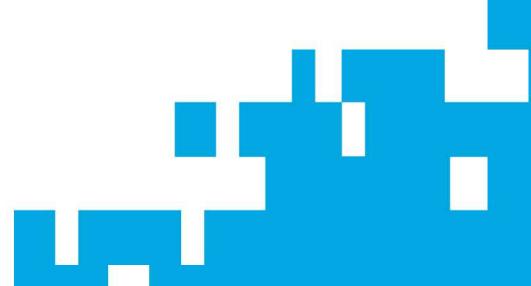
### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

*RSM US LLP*

Baltimore, Maryland  
April 21, 2025

**Windsor Run, LLC**  
**Balance Sheets**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,769,450	\$ 8,674,860
Accounts receivable, net	276,105	228,460
Prepaid expenses and other current assets	256,105	242,741
Promissory notes receivable	9,583,842	12,059,600
Restricted cash - current	40,341	29,610
Total current assets	<u>11,925,843</u>	<u>21,235,271</u>
Non-current assets		
Resident capital cash and cash equivalents	19,434,900	4,590,807
Property and equipment, net	325,998,856	262,957,521
Intangible assets	2,504,559	2,103,559
Total non-current assets	<u>347,938,315</u>	<u>269,651,887</u>
Total assets	<u>\$ 359,864,158</u>	<u>\$ 290,887,158</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 22,183,123	\$ 21,549,854
Insurance claims reserve	381,594	308,416
Resident refunds payable	3,509,271	2,268,620
Other current liabilities	79,397	58,346
Total current liabilities	<u>26,153,385</u>	<u>24,185,236</u>
Non-current liabilities		
Resident entrance fees, net of accumulated amortization of \$16,642,506 and \$11,596,480 for 2024 and 2023, respectively	209,793,840	155,790,469
Working capital loan and accrued interest	11,685,079	24,127,299
Advance deposits	854,900	2,723,000
Total non-current liabilities	<u>222,333,819</u>	<u>182,640,768</u>
Total liabilities	<u>248,487,204</u>	<u>206,826,004</u>
Commitments (Footnote 8)		
Members' equity	<u>111,376,954</u>	<u>84,061,154</u>
Total liabilities and members' equity	<u>\$ 359,864,158</u>	<u>\$ 290,887,158</u>

The accompanying notes are an integral part of these financial statements

# Windsor Run, LLC

## Statements of Operations and Changes in Members' Equity

For the years ended December 31, 2024 and 2023

	2024	2023
Operating revenue		
Resident occupancy revenue	\$ 31,823,972	\$ 23,346,914
Amortization of resident entrance fees	7,006,931	4,418,609
Ancillary fee revenue	809,965	576,913
Other revenue	333,526	256,403
Total operating revenue	<u>39,974,394</u>	<u>28,598,839</u>
Operating expenses		
Salaries, wages and benefits	15,027,290	11,906,822
General and administrative	7,607,153	5,664,502
Professional and contracted services	7,259,634	5,044,937
Management fees	1,587,935	1,166,919
Interest	1,559,157	1,905,805
Real estate taxes	1,384,222	1,163,093
Depreciation	7,970,448	5,731,545
Total operating expenses	<u>42,395,839</u>	<u>32,583,623</u>
Operating loss	(2,421,445)	(3,984,784)
Non-operating income		
Investment return, net	251,686	145,093
Total non-operating income	<u>251,686</u>	<u>145,093</u>
Net loss	(2,169,759)	(3,839,691)
Members' equity, beginning	84,061,154	49,243,741
Contributions from member	79,072,909	49,307,704
Distributions to member	(49,587,350)	(10,650,600)
Members' equity, ending	<u>\$ 111,376,954</u>	<u>\$ 84,061,154</u>

**Windsor Run, LLC**  
**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (2,169,759)	\$ (3,839,691)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	7,970,448	5,731,545
Amortization of resident entrance fees	(7,006,931)	(4,418,609)
Interest on working capital loan	1,559,157	1,905,805
Spend down	(549,994)	(321,717)
Proceeds from non-refundable entrance fees	20,209,920	10,813,920
Increase in accounts receivable, net	(47,645)	(38,455)
(Increase) decrease in prepaid expenses and other current assets	(13,364)	172,416
Increase in accounts payable and accrued expenses	1,019,221	101,944
Increase (decrease) in insurance claims reserve	73,178	(18,619)
Increase in other current liabilities	21,051	6,877
Net cash provided by operating activities	<b>21,065,282</b>	<b>10,095,416</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(71,397,735)	(53,776,520)
Purchases of intangible assets	(401,000)	—
Net cash used in investing activities	<b>(71,798,735)</b>	<b>(53,776,520)</b>
<b>Cash flows from financing activities:</b>		
Repayments of working capital loan	(14,001,377)	(366,308)
(Decrease) increase in advance deposits	(1,868,100)	1,288,900
Proceeds from refundable resident entrance fees	56,994,138	17,324,188
Refunds of refundable entrance fees	(11,927,353)	(6,023,535)
Contributions from member	79,072,909	49,307,704
Distributions to member	(49,587,350)	(10,650,600)
Net cash provided by financing activities	<b>58,682,867</b>	<b>50,880,349</b>
Increase in cash, cash equivalents and restricted cash	7,949,414	7,199,245
Cash, cash equivalents and restricted cash, beginning of year	<b>13,295,277</b>	<b>6,096,032</b>
Cash, cash equivalents and restricted cash, end of year	<b>\$ 21,244,691</b>	<b>\$ 13,295,277</b>
<b>Supplemental cash flow disclosures:</b>		
Acquisitions of property and equipment financed through accounts payable and accrued expenses	\$ 18,262,117	\$ 18,648,069
Cash paid for interest	\$ 1,670,241	\$ 491,494

The accompanying notes are an integral part of these financial statements

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**1. Organization**

Windsor Run, LLC (the "Company") was established on April 9, 2014 as a Maryland limited liability company, to acquire, own, and develop real property. The Company operates a continuing care retirement community ("CCRC") in Matthews, North Carolina. As of December 31, 2024 and 2023, there were 696 and 519 total independent living units, respectively. As of December 31, 2024 and 2023, there were 34 total skilled nursing units.

The Company is a majority owned subsidiary of Erickson Living Properties II, LLC ("ELP II"), and ELP II is a wholly owned subsidiary of Erickson Living Holdings, LLC ("ELH"), whose purpose is to develop, manage and lease or operate CCRCs.

ELH also wholly owns other entities that have economic relationships with the Company:

- Erickson Senior Living, LLC ("ESL"), whose purpose is to provide management services to large scale CCRCs throughout the United States.
- EA Campus Care, LLC ("EA"), whose purpose is to manage health care delivery systems that support CCRCs managed by ESL and provides physician practice management services and medical management services to those CCRCs.
- Erickson Living Development, LLC ("ELD"), whose purpose is to provide land and construction development services and construction management oversight to large scale CCRCs throughout the United States.

On April 30, 2020, the Company's operating agreement was amended and restated to admit a new member of the Company, NSC – Windsor Run, LLC ("NSCWR"), and provided for one class of outstanding membership interests of the Company. NSCWR is a subsidiary of National Senior Communities, Inc. ("NSC"), a not-for profit organization that provides governance oversight, supervision and strategic planning for numerous CCRCs that are managed by ESL. ELP II was designated as the manager of the Company and the initial capital percentages are 90% held by ELP II and 10% held by NSCWR. Both members have a right of first offer to purchase the other member's interest in the Company if that member decides to dispose of it.

ELP II made an initial capital contribution and will continue to make additional capital contributions to fund further development of the Company. Distributions of net operating cash flow from operations are made to each member based on their respective net operating cash flow percentages, as defined in the agreement. No distributions of net cash flows are permitted while there is an outstanding balance under the Working Capital Loan (see Footnote 5). Distributions of all resident entrance fees net of refunds paid and advance deposits ("entrance fee cash flow") as well as proceeds from any debt financing may only be distributed to ELP II. Distributions of net cash from capital transactions are first made to members pro rata until the capital contributions are returned and then to the members in proportion to their respective capital percentages.

During the year ended December 31, 2024, ELP II made contributions of \$79,072,909 and received distributions of \$49,587,350 from the Company. During the year ended December 31, 2023, ELP II made contributions of \$49,307,704 and received distributions of \$10,650,600 from the Company. During the years ended December 31, 2024 and 2023, NSCWR made no contributions and received no distributions from the Company.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The 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").

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Pooled Cash Accounts**

The Company utilizes a controlled disbursement account owned by ESL with other related parties and CCRCs that ESL manages. The account funds checks as they are presented for payment which may result in a book overdraft due to timing. There were no book overdrafts as of December 31, 2024 and 2023.

**Cash, Cash Equivalents and Restricted Cash**

The following table provides a reconciliation of cash, restricted cash, and resident capital cash reported within the Balance Sheets that sum to the total of the same amounts shown within the Statements of Cash Flows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,769,450	\$ 8,674,860
Restricted cash - current	40,341	29,610
Resident capital cash and cash equivalents	19,434,900	4,590,807
<b>Cash, cash equivalents and restricted cash</b>	<b>\$ 21,244,691</b>	<b>\$ 13,295,277</b>

Resident capital cash consists of advance deposits received from prospective residents to reserve a residence prior to settlement and certain entrance fees. In compliance with North Carolina law, entrance deposits are escrowed until occupancy requirements for the specific building are met. Deposits for the Company's building which opened in November 2024 are included in resident capital cash as of December 31, 2024 and will not be released until those requirements are met, which is expected to occur in the second quarter of 2025.

**Concentration of Credit Risk**

Financial instruments which subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents include overnight investment arrangements with banks and investments. The Company maintains its cash in financial institutions that are federally insured under the Federal Deposit Insurance Corporation ("FDIC"). Total deposits maintained at these institutions at times exceed the FDIC insurance limits, and therefore, bear a risk of loss. The Company has not experienced any losses to date on these funds, and believes it is not exposed to any significant credit risk related to cash.

**Accounts Receivable, Net**

The accounts receivable are comprised of billed occupancy and ancillary charges that are still outstanding. The Company writes off uncollectible accounts receivable after all collection efforts have been exhausted and management determines they will not be collected. Uncollectible accounts receivable written off were not significant for the years ended December 31, 2024 and 2023.

**Accounts Payable and Accrued Expenses**

In addition to payables due to unrelated parties, accounts payable and accrued expenses include amounts due to ESL, ELD and EA (see Footnote 10).

**Promissory Notes Receivable**

Promissory notes receivable consist of short-term receivables from residents related to payment of the final installment of their entrance fee. Often, there is a timing difference between when the sale of a prospective resident's home will be finalized, and the due date of the final installment on their resident entrance fee. In these cases, a short-term promissory note is issued by the resident. If the resident does not pay the note by the agreed upon due date, interest may be charged from the day the note was issued through the date of payment.

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Statutory Operating Restricted Reserves**

The North Carolina Department of Insurance ("NCDOI") requires a CCRC to maintain an operating reserve that is a certain percentage of projected operating costs, less depreciation and amortization, depending on the occupancy levels. The Company purchased a surety bond to maintain compliance with this reserve requirement, as permitted by the NCDOI. As of December 31, 2024, the bond was \$9,040,000. The operating reserve is determined based on the annual report filed with NCDOI due May 31 of the year subsequent to the audit; i.e., the annual report that will be filed by May 31, 2025 and includes projected operating results for the year ending December 31, 2025 that will be the basis for the calculation of the operating reserve effective for the year ending December 31, 2025.

**Property and Equipment, Net**

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of 3 to 40 years. Improvements to property and equipment that substantially extend the useful life of the asset are capitalized. Repair and maintenance costs are expensed as incurred.

Construction in progress includes the direct and indirect costs associated with the acquisition, development, and construction of specific real estate development projects.

Gains or losses on the disposition of property and equipment are recorded at the time of the disposition.

The useful lives of property and equipment are as follows (in years):

	Useful life
Buildings and building improvements	7 - 40
Land improvements	15
Furniture, fixtures, and equipment	3 - 15

**Intangible Assets**

During 2018, the Company acquired 36 skilled nursing bed licenses and obtained the required Certificate of Need ("CON") from the State of North Carolina to operate the care center at the community. The cost to obtain these licenses in 2018 was \$2,103,559. In 2024, the company received approval of a CON permitting the purchase of 10 and development of 82 additional bed licenses for a planned expansion of the care facility. In August 2024, the Company closed on the settlement of the 10 purchased bed licenses for a purchase price of \$300,000. The purchase price plus additional costs related to obtaining the licenses are included in intangible assets on the Balance Sheets. The Company's development of the additional bed licenses is expected to be completed during 2029. The licenses do not expire and are transferable, thus they were assessed to have an indefinite life and are not subject to amortization.

**Valuation of Long-Lived Assets**

The Company accounts for the valuation of long-lived assets in accordance with Accounting Standards Codification ("ASC") 360-10-15, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. Management has reviewed the valuation of long-lived assets of the Company and has determined that no events of impairment occurred for the years ended December 31, 2024 and 2023.

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Compensated Absences**

The Company records a liability for amounts due to employees for future absences that are attributable to services performed in the current and prior periods, which is included in accounts payable and accrued expenses on the Balance Sheets.

**Insurance**

The Company participates in insurance plans which cover claims for employee health, professional and general liability, workers' compensation, and property insurance.

**Insurance Claims Reserve**

Insurance claims reserves are estimated accrued insurance liabilities for the employee health plan, professional and general liability, workers' compensation insurance plans, and property claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided. Claims incurred but not reported represent amounts accrued for the current year, which were actuarially determined to be the amount of potential claim payments for events occurring prior to year-end, including excess amounts covered by reinsurance. The Company does not discount this liability.

**Employee Health Plan**

The Company participates in a self-funded employee health plan with ESL and other communities managed by ESL. A specific stop loss policy has been purchased to reduce a portion of the plan risk. The Company also participates in a self-funded employee dental plan. Participants in each plan share in the payment of claims within the deductible based on their percentage of participation in the plan.

**Professional and General Liability Insurance**

The Company participates in a high retention professional and general liability insurance plan with ESL and other communities managed by ESL. To the extent a participant incurs a loss, all participants will share in paying for that loss, subject to the retention and the aggregate limits. The Company follows the accounting policy of establishing reserves for all losses unpaid at the end of the year, including amounts in excess of coverage. These reserves have been established by management through consultation with actuaries and are recorded at the expected value to be paid.

**Workers' Compensation**

The Company is covered by a commercial workers' compensation policy. Deductible amounts per the policy are covered by a separate policy that limits the Company's exposure to their monthly premiums.

**Property Insurance**

The Company participates in a high deductible plan with ESL and other communities managed by ESL. To the extent a participant incurs a loss, all participants will share in paying for that loss, subject to the deductible.

**Revenue Recognition**

*Resident occupancy revenue*

Resident occupancy revenue is reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. 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 occupancy revenue is recognized as performance obligations are satisfied.

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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Under the Company's Resident and Care Agreements ("RCAs"), which are generally for the resident's lifetime, but can be terminated at any time by the resident with 60 days' notice, the Company provides continuing care services to residents for a stated daily or monthly fee. The Company recognizes revenue for continuing care services under the RCAs for independent living in accordance with the provisions of ASC 842, *Leases* ("ASC 842"). The Company recognizes revenue for assisted living services, skilled nursing residency and care, memory care residency and therapy services in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The Company has determined that the continuing care 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.

The independent living portion of resident occupancy revenue that qualified under the provisions of lease guidance was \$27,569,687 and \$19,567,701 for the years ended December 31, 2024 and 2023, respectively. The Company expects independent living resident occupancy revenue for the year ended December 31, 2024 to remain consistent over the next five years.

The Company determines the transaction price based on standard charges for continuing care services provided, reduced by contractual adjustments (explicit price concessions) provided to third-party payers, where applicable. The Company estimates contractual adjustments and discounts based on contractual agreements and historical experiences. The Company evaluates a resident's ability to pay for provided services through an assessment of their available assets, future sources of revenue and the security of their entrance fee at the time of entrance to the community. Through this evaluation, the Company has determined that it does not offer implicit price concessions. The lack of implicit price concessions is considered in estimating the transaction price billed to residents and the amounts the Company expects to collect based on its collection history with those residents.

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

- Medicare: Certain nursing care services are paid at prospectively determined rates based on clinical, diagnostic, and other factors. Other services are paid based on cost-reimbursement methodologies subject to certain limits.
- Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per occasion of service, or per covered member.
- Other: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates.

Generally, residents covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. Management estimates the transaction price for residents with deductibles and coinsurance, and for those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments. Subsequent changes to the estimate of the transaction prices are recorded as adjustments to resident occupancy revenue or ancillary fees in the period of the change. These changes to estimates recorded in the subsequent period were insignificant for the years ended December 31, 2024 and 2023.

#### ***Ancillary fees***

Ancillary fees, which include nursing and aide services, housekeeping, dining room sales and other services provided to the residents of the Community are reported at the amount that reflects the

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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consideration to which the Company expects to be entitled in exchange for providing these services. The Company recognizes revenue for these ancillary services in accordance with the provisions of ASC 606. Each service provided under the contract is capable of being distinct, therefore, the services are considered individual and separate performance obligations, which are satisfied as services are provided, and revenue is recognized as services are provided.

**Disaggregation of Revenue**

The Company disaggregates its revenue from contracts with customers by payer source as well as the main lines of business, as the Company believes it best depicts how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors.

The composition of resident occupancy revenue by payer and level of care was as follows for the years ended December 31:

	2024		
	Independent living	Skilled nursing and other	Total
Private pay	\$ 27,566,326	\$ 4,254,285	\$ 31,820,611
Medicare and Medicaid	—	—	—
Third party	3,361	—	3,361
Total resident occupancy revenue	<u>\$ 27,569,687</u>	<u>\$ 4,254,285</u>	<u>\$ 31,823,972</u>

	2023		
	Independent living	Skilled nursing and other	Total
Private pay	\$ 19,563,850	\$ 3,779,213	\$ 23,343,063
Medicare and Medicaid	—	—	—
Third party	3,851	—	3,851
Total resident occupancy revenue	<u>\$ 19,567,701</u>	<u>\$ 3,779,213</u>	<u>\$ 23,346,914</u>

The composition of ancillary fees by payer and level of care was as follows for the years ended December 31:

	2024		
	Independent living	Total	
Private pay	\$ 809,306	\$ 809,306	
Medicare and Medicaid	—	—	
Third party	659	659	
Total ancillary fees	<u>\$ 809,965</u>	<u>\$ 809,965</u>	

	2023		
	Independent living	Total	
Private pay	\$ 576,608	\$ 576,608	
Medicare and Medicaid	—	—	
Third party	305	305	
Total ancillary fees	<u>\$ 576,913</u>	<u>\$ 576,913</u>	

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Advertising**

Advertising costs are charged to operations when incurred. The Company's advertising expense for the years ended December 31, 2024 and 2023, was \$2,835,899 and \$2,459,291, respectively.

**Income Taxes**

The Company has elected to be disregarded for all federal and state income tax purposes and generally is not subject to federal and state income taxes. Accordingly, income taxes are not provided for in the accompanying financial statements, as taxable income is reported by the individual members. Management has evaluated the Company's tax positions and has concluded that the Company has taken no uncertain tax positions that would require recognition or disclosure in the financial statements.

**Management Estimates**

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification**

Certain 2023 amounts were reclassified to conform to the 2024 presentation. These reclassifications had no effect on the previously reported members' equity or net loss.

**3. Property and Equipment, Net**

Property and equipment, net consisted of the following as of December 31:

	2024	2023
Buildings and building improvements	\$ 260,176,656	\$ 178,913,705
Land and land improvements	16,712,431	13,667,999
Equipment and vehicles	12,933,247	9,733,561
Furniture and fixtures	2,652,582	2,581,865
Construction in progress	66,699,376	83,447,265
	<hr/> 359,174,292	<hr/> 288,344,395
Accumulated depreciation	(33,175,436)	(25,386,874)
Total property and equipment, net	<hr/> \$ 325,998,856	<hr/> \$ 262,957,521

Depreciation expense was \$7,970,448 and \$5,731,545 for the years ended December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the Company disposed of fully depreciated assets totaling \$181,886 and \$16,761, respectively. There were gains of \$19,185 and \$0 related to these disposals for the years ended December 31, 2024 and 2023, respectively.

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**4. Resident Entrance Fees**

The composition of resident entrance fees, net, was as follows as of December 31:

	2024	2023
90% Contracts		
Resident entrance fees		
90% refundable portion	\$ 167,998,145	\$ 127,759,630
10% non-refundable portion	19,062,005	14,526,070
Less: Accumulated amortization	(6,903,290)	(5,482,270)
0% contracts		
Resident entrance fees		
0% non-refundable portion	40,294,100	25,684,220
Less: Accumulated amortization	(9,739,216)	(6,114,210)
Less: Spend down	(917,904)	(582,971)
Resident entrance fees, net	<u>\$ 209,793,840</u>	<u>\$ 155,790,469</u>

Residents are required to remit entrance fees, which may vary in amount depending upon the unit to be occupied. The terms of the RCAs between the residents and the Company require the residents to pay monthly service fees and an entrance fee. The RCAs provide for a non-refundable portion of the entrance fee of either 10%, or 0%, depending on the agreement chosen. The non-refundable portion is recorded as deferred revenue and amortized on a straight-line basis over an 8.5-year period which approximates the estimated average length of time a resident resides at the community based on community and industry data, or over a shorter period if the RCA is terminated sooner.

Entrance fees may be used to satisfy monthly fees if insufficient resident funds are available, resulting in a spend down of the resident's entrance fees. The amounts charged to spend down are subsequently recovered by the Company through a reduction of the amounts refunded to the resident when they leave the community and any required refund is made. Residents' final bills are also charged to spend down which reduces the amount of their refundable entrance fee under the terms of the RCA. For the years ended December 31, 2024 and 2023, spend down activity to offset monthly charges was \$549,994 and \$321,717, respectively.

**5. Working Capital Loan**

In the event the Company's operating expenses exceed the revenues, income, receipts and cash flows of the Company for a given period, the terms of the amendment require ELP II to make a Working Capital Loan ("WCL") to the Company in the amount of such net operating deficit. There was \$11,619,457 plus accrued interest of \$65,622 outstanding under the WCL as of December 31, 2024. There was \$20,576,248 plus accrued interest of \$3,551,051 outstanding under the WCL as of December 31, 2023.

Interest accrues monthly on the WCL balance at the prime rate less 0.25%. The prime rate was 7.50% and 8.50% as of December 31, 2024 and 2023, respectively. Total interest expense was \$1,559,157 and \$1,905,805 for the years ended December 31, 2024 and 2023, respectively.

**6. Defined Contribution Plan**

The Company maintains a defined contribution plan for its employees meeting certain eligibility requirements. Eligible employees may contribute up to 100% of their salary subject to the maximum allowed by the Internal Revenue Code on a pretax basis. The Company may make discretionary contributions to the plan equal to a percentage of the participant's elective deferrals. Total expense recognized by the Company was \$164,005 and \$142,975 related to the plan for the years ended

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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December 31, 2024 and 2023, respectively, and is included in salaries, wages, and benefits on the Statements of Operations and Changes in Members' Equity.

**7. Management and Marketing Agreement**

The Company and ESL have a Management and Marketing Agreement, which was amended effective January 1, 2023, whereby ESL will provide management and marketing services to the Company during the term of the agreement which expires on January 1, 2028. The agreement provides for the Company to pay ESL a monthly management fee of 5% of facility revenue. Other corporate services as required by the Company are also reimbursed to ESL as defined in the management agreement. The total management fee for the years ended December 31, 2024 and 2023, were \$1,587,935 and \$1,166,919, respectively.

The direct and shared costs allocated to the Company by ESL for the years ended December 31, 2024 and 2023 were \$4,672,548 and \$4,018,788, respectively, and are included in professional and contracted services and salaries, wages, and benefits on the Statements of Operations and Changes in Members' Equity. Direct and shared costs include salaries and benefits for management personnel and the use of services such as finance, legal, human resources, information systems and operations.

**8. Commitments and Contingencies**

The Company is committed under several construction-related contracts. Commitments for the portion of the contracts not completed as of December 31, 2024 and 2023 totaled \$28,937,400 and \$89,024,148, respectively.

The Company is subject to legal proceedings and claims which arise from the normal course of business. In the opinion of management, the amount of ultimate liability with respect to these proceedings and claims will not materially affect the financial position, cash flow, or results of operations of the Company.

**9. Credit Agreement**

The Company is a guarantor on a credit facility that ELH entered into with a syndicate of financial institutions led by Truist Bank in June 2021.

This arrangement includes a \$400 million term loan and a revolving line of credit. In December 2023, ELH exercised its option under the facility to increase the revolving line of credit from its original capacity from \$600 million to \$776 million. In January 2025, ELH exercised a second amendment to the agreement to increase the capacity on the revolving line of credit from \$776 million to \$800 million. Interest on the credit arrangement is SOFR plus a varying spread (based on outstanding loan to EBITDA). Repayment of the term loan is quarterly based on a 25-year amortization schedule and matures on June 30, 2026. The revolving credit facility has no repayment terms other than it must be paid in full on June 30, 2026. As of December 31, 2024, borrowings under the term loan and revolving line of credit were \$367 million and \$284 million, respectively. As of December 31, 2023, borrowings under the term loan and revolving line of credit were \$377 million and \$275 million, respectively.

**10. Related Party Transactions**

The Company has a central services agreement with ESL. The central services agreement allows for allocation of general and administrative expenses for all companies under common ownership, and CCRC entities for which ESL provides management services. During the years ended December 31, 2024 and 2023, the Company incurred expenses of \$3,197,517 and \$2,497,045, respectively, related to the central services agreement. During the years ended December 31, 2024 and 2023, the

**Windsor Run, LLC**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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Company made payments of \$3,179,053 and \$2,515,509, respectively, related to the central services agreement.

The Company has an agreement with ELD to pay for certain development services provided by employees of ELD. The agreement requires the Company to pay ELD a 5% development fee on hard and soft construction costs incurred by the Company. The development fee totaled \$3,275,266 and \$3,015,846 during the years ended December 31, 2024 and 2023, respectively, and is capitalized as part of ongoing construction costs. During the years ended December 31, 2024 and 2023, the Company made payments of \$2,676,901 and \$2,616,248, respectively, related to the development fee agreement.

The amounts due to ESL, ELD and EA on the accompanying Balance Sheets are included in accounts payable and accrued expenses and are comprised of the following items as of December 31:

	2024	2023
(Payable to) receivable from ESL:		
General reimbursement	\$ (611,563)	\$ (488,738)
Central services	—	18,464
Total payable to ESL, net	<u>\$ (611,563)</u>	<u>\$ (470,274)</u>
Payable to ELD	<u>\$ (1,342,606)</u>	<u>\$ (744,241)</u>
Payable to EA	<u>\$ —</u>	<u>\$ (8,718)</u>

## **11. Subsequent Events**

The Company has evaluated subsequent events through April 21, 2025, the date on which the financial statements were available to be issued. There were no subsequent events noted.

## Independent Auditor's Report on the Supplementary Information

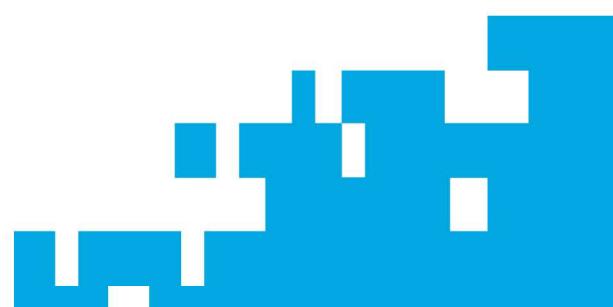
Members  
Windsor Run, LLC

We have audited the financial statements of Windsor Run, LLC as of December 31, 2024 and 2023, and for the years then ended, and have issued our report thereon, which contains an unmodified opinion on these financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*RSM US LLP*

Baltimore, Maryland  
April 21, 2025



**Windsor Run, LLC**  
**Supplemental Schedule**  
**December 31, 2024 and 2023**

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	2024	2023
Cash, end of year	\$ 1,769,450	\$ 8,674,860
Cash, beginning of year	8,674,860	698,299
Change in cash	<u>(6,905,410)</u>	<u>7,976,561</u>
 Cash provided by business operations:		
Total revenue	39,974,394	28,598,839
Less: Amortization of resident entrance fees	(7,006,931)	(4,418,609)
Add: Net cash flows related to entrance fees	<u>48,014,518</u>	<u>23,848,638</u>
Cash provided by business operations	<u>80,981,981</u>	<u>48,028,868</u>
 Total expenses	(42,395,839)	(32,583,623)
Less: Depreciation	7,970,448	5,731,545
Less: Interest expense	<u>1,559,157</u>	<u>1,905,805</u>
Cash used for operating expenses	<u>(32,866,234)</u>	<u>(24,946,273)</u>
 Purchases of property and equipment (ongoing)	(71,397,735)	(53,776,520)
Purchases of intangible assets	<u>(401,000)</u>	<u>—</u>
Cash used in business operations	<u>(104,664,969)</u>	<u>(78,722,793)</u>
 Net cash used in business operations	<u>(23,682,988)</u>	<u>(30,693,925)</u>
 Other sources and uses of cash:		
Investment return, net	251,686	145,093
Increase in working capital	1,041,710	234,597
Repayment of working capital loan	(14,001,377)	(366,308)
Contributions from members, net	<u>29,485,559</u>	<u>38,657,104</u>
Net cash provided by non-operating activities	<u>16,777,578</u>	<u>38,670,486</u>
 Total change in cash	<u>\$ (6,905,410)</u>	<u>\$ 7,976,561</u>

## Windsor Run

### Statement of Operations by Natural Expense

April 2025

(in thousands)

	Current April 2025			FY24			YTD April 2025			FY24	
				Apr	MTD April 2024	Actual	Actual	Budget	Variance	YTD (Apr)	
	Actual	Budget	Variance	Actual	Actual	Budget	Variance	Actual	Actual	Variance	YTD April 2024
<b>Operating Revenue</b>											
Resident Monthly Fees	\$ 3,104	2,982	\$ 122		2,638	\$ 12,302	11,867	\$ 435	3.7 %		9,994
Departmental Revenues	\$ 98	84	14		97	\$ 340	288	52	17.9 %		317
<b>Total Operating Revenue</b>	<b>\$ 3,202</b>	<b>3,066</b>	<b>136</b>		<b>2,735</b>	<b>\$ 12,642</b>	<b>12,155</b>	<b>487</b>	<b>4.0 %</b>		<b>10,311</b>
<b>Operating Expenses</b>											
Wages	\$ 1,232	1,206	(26)		889	\$ 4,711	4,902	191	3.9 %		3,648
Employee Benefits / Other EE	\$ 200	268	68		213	\$ 1,051	1,104	53	4.8 %		899
Contract Labor	\$ 387	419	32		288	\$ 1,114	1,547	433	28.0 %		787
Supplies	\$ 151	114	(37)		78	\$ 497	409	(88)	(21.6)%		353
Food & Beverage	\$ 207	201	(7)		169	\$ 853	793	(60)	(7.5)%		639
Repairs & Maintenance	\$ 149	95	(54)		46	\$ 801	436	(365)	(83.8)%		257
Professional Fees	\$ 17	8	(9)		3	\$ 32	33	1	1.7 %		13
Central Services	\$ 323	323	—		282	\$ 1,293	1,293	—	— %		1,101
Insurance	\$ 46	50	4		42	\$ 187	200	13	6.4 %		166
Utilities	\$ 126	146	21		103	\$ 576	583	7	1.1 %		435
Taxes	\$ 144	115	(29)		128	\$ 485	462	(23)	(5.1)%		567
Management Fees	\$ 155	149	(6)		132	\$ 615	593	(22)	(3.7)%		500
Marketing Costs	\$ 142	192	51		173	\$ 517	751	233	31.1 %		651
Management Reserve	\$ —	—	—		—	\$ —	—	—	— %		—
Other	\$ 154	77	(77)		56	\$ 513	303	(209)	(68.9)%		243
Capitalized Costs	\$ (241)	(251)	(10)		(221)	\$ (673)	(1,013)	(341)	(33.6)%		(284)
Bad Debt Reserve	\$ 13	13	—		11	\$ 51	51	—	— %		42
<b>Total Operating Expenses</b>	<b>3,206</b>	<b>3,127</b>	<b>(79)</b>		<b>2,393</b>	<b>12,623</b>	<b>12,445</b>	<b>(178)</b>	<b>(1.4)%</b>		<b>10,018</b>
<b>Operating Income</b>	<b>(4)</b>	<b>(61)</b>	<b>57</b>		<b>342</b>	<b>19</b>	<b>(290)</b>	<b>309</b>	<b>106.4 %</b>		<b>294</b>

**Windsor Run**  
**Comparative Balance Sheet**

April, FY25

(in thousands)

	<b>FY25</b>	<b>FY25</b>	<b>MTD</b>	<b>FY24</b>	<b>YTD</b>
	<b>YTD(Apr)</b>	<b>YTD(Mar)</b>	<b>Change</b>	<b>YTD(Dec)</b>	<b>Change</b>
<b>ASSETS</b>					
Current Assets					
Cash	1,379	838	541	1,769	(390)
Designated Cash	46	46	—	40	6
Accounts Receivable	(34)	326	(360)	350	(384)
Inventory	60	49	10	88	(29)
Prepays	312	350	(38)	94	217
Short Term Notes Receivable	7,625	8,231	(606)	9,584	(1,959)
Short Term Investments (Tier II)	—	—	—	—	—
Capital Expenditure Reserve	—	—	—	—	—
<b>Total Current Assets</b>	<b>9,388</b>	<b>9,841</b>	<b>(453)</b>	<b>11,926</b>	<b>(2,538)</b>
Limited Use Cash and Investments					
Escrow Deposits	5,669	29,336	(23,667)	19,435	(13,766)
Restricted Funds Accounts	—	—	—	—	—
Capital Repositioning Reserve	—	—	—	—	—
<b>Total Limited Use Cash &amp; Investments</b>	<b>5,669</b>	<b>29,336</b>	<b>(23,667)</b>	<b>19,435</b>	<b>(13,766)</b>
Non-Current Assets					
Designated Securities (Tier III)	—	—	—	—	—
Designated Securitites (Tier IV)	—	—	—	—	—
Fixed Assets - Net	2,975	3,046	(71)	4,561	(1,585)
Net Rights of use Assets	—	—	—	—	—
Construction In Process	338,065	334,887	3,179	321,438	16,627
Deferred Assets	—	—	—	—	—
Intangible Assets	2,505	2,505	—	2,505	—
Derivative Instrument Asset	—	—	—	—	—
Long Term Mortgage & Note Receivables	—	—	—	—	—
<b>Total Non-Current Assets</b>	<b>343,545</b>	<b>340,437</b>	<b>3,108</b>	<b>328,503</b>	<b>15,042</b>
<b>TOTAL ASSETS</b>	<b>358,602</b>	<b>379,614</b>	<b>(21,012)</b>	<b>359,864</b>	<b>(1,262)</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable and Accrued Liabilities	18,206	18,198	7	22,569	(4,364)
Resident Refunds Payable	2,557	1,985	573	3,509	(952)
Short Term Obligations Debt	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>20,763</b>	<b>20,183</b>	<b>580</b>	<b>26,078</b>	<b>(5,316)</b>

**Windsor Run**  
**Comparative Balance Sheet**

April, FY25

(in thousands)

	<b>FY25</b> <b>YTD(Apr)</b>	<b>FY25</b> <b>YTD(Mar)</b>	<b>MTD</b> <b>Change</b>	<b>FY24</b> <b>YTD(Dec)</b>	<b>YTD</b> <b>Change</b>
<b>Non-Current Liabilities</b>					
Advance Deposits	1,219	1,064	155	855	364
Parking Deposits	—	—	—	—	—
Capital - 100%	—	—	—	—	—
Capital - 90%	176,750	175,119	1,631	167,998	8,752
Capital - 80%	—	—	—	—	—
Capital - 50%	—	—	—	—	—
Capital - 50% Non Refundable	—	—	—	—	—
Capital - 20% Non Refundable	—	—	—	—	—
Capital - 10% Non Refundable	19,887	19,716	171	19,062	825
Capital - 0%	41,923	41,378	544	40,294	1,629
Refundable Deposit	—	—	—	—	—
MRB Payable	—	—	—	—	—
Contra Capital	(1,172)	(1,109)	(63)	(918)	(254)
Amortization of Capital - 100%	—	—	—	—	—
Amortization of Capital - 90%	(903)	(862)	(41)	(785)	(118)
Accum. Amort 50% Non refundable	—	—	—	—	—
Accum. Amort 20% Non refundable	—	—	—	—	—
Accum. Amort 10% Non refundable	(6,526)	(6,391)	(136)	(6,118)	(408)
Accum. Amort 0% Non refundable	(11,358)	(10,948)	(411)	(9,739)	(1,619)
Working Capital/Line of Credit	4,127	7,436	(3,309)	11,619	(7,492)
Long Term Liabilities	114	133	(19)	141	(27)
<b>Total Non-Current Liabilities</b>	<b>224,059</b>	<b>225,538</b>	<b>(1,478)</b>	<b>222,409</b>	<b>1,650</b>
<b>TOTAL LIABILITIES</b>	<b>244,822</b>	<b>245,720</b>	<b>(898)</b>	<b>248,487</b>	<b>(3,665)</b>
<b>NET ASSETS</b>					
Unrestricted Net Assets	114,264	134,241	(19,977)	113,547	717
Temporarily Restricted	—	—	—	—	—
Permanently Restricted	—	—	—	—	—
Current Year Increase (Decrease) in Net Assets	(484)	(347)	(137)	(2,170)	1,686
<b>TOTAL NET ASSETS</b>	<b>113,780</b>	<b>133,893</b>	<b>(20,113)</b>	<b>111,377</b>	<b>2,403</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>358,602</b>	<b>379,614</b>	<b>(21,012)</b>	<b>359,864</b>	<b>(1,262)</b>

**Windsor Run**  
**Statement of Cash Flows**  
**April, FY25**  
**(in thousands)**

	<b>Current</b>	<b>YTD</b>
<b>Cash Flows from Operating Activities</b>		
<b>Net Income</b>	(20,113)	2,403
Adjustments to Reconcile Income		
Depreciation and Amortization Expense	789	3,163
Provision for Bad Debt	13	51
Amortization Income	(617)	(2,592)
Unrealized (Gain) / Loss on Investments	—	—
Realized (Gain) / Loss on Investments	—	—
Amortization of Bond Discount	—	—
Proceeds from non refundable entrance fees	611	2,890
Increase / (Decrease) in Resident Contra Capital	(63)	(254)
Earned Inc-Nonrefund Dep	—	—
(Increase) / Decrease in Accounts Receivable	347	332
(Increase) / Decrease in Inventory	(10)	29
(Increase) / Decrease in Prepaid Expenses	38	(217)
Increase / (Decrease) in Accounts Payable and Accrued Liabilities	7	(4,364)
<b>Net Cash Provided / (Used) by Operating Activities</b>	<b>(18,999)</b>	<b>1,442</b>
<b>Cash Flows from Investing Activities</b>		
(Increase) / Decrease in Limited Use Cash and Investments	23,667	13,766
(Increase) / Decrease in Short Term Investments	—	—
(Increase) / Decrease in Capital Expenditure Reserve	—	—
(Increase) / Decrease in Capital Repositioning Reserve	—	—
(Increase) / Decrease in Designated Cash	—	(6)
(Increase) / Decrease in Designated Securities	—	—
(Increase) / Decrease in Fixed Assets	(718)	(1,578)
(Increase) / Decrease in Rights of use Assets	—	—
(Increase) / Decrease in Construction in Process	(3,179)	(16,627)
(Increase) / Decrease in Deferred Assets	—	—
(Increase) / Decrease in Intangible Asset	—	—
(Increase) / Decrease in Derivative instrument	—	—
(Increase) / Decrease in Long Term Mortgage & Note Receivables	—	—
<b>Net Cash Provided / (Used) in Investing Activities</b>	<b>19,770</b>	<b>(4,445)</b>

**Windsor Run**  
**Statement of Cash Flows**

April, FY25

(in thousands)

	Current	YTD
<b>Cash Flows from Financing Activities</b>		
Increase / (Decrease) in Advance Deposits	155	364
Increase / (Decrease) in Parking Deposits	—	—
Increase / (Decrease) in Resident Capital - 50%	—	—
Increase / (Decrease) in Refundable Deposit	—	—
Increase / (Decrease) in Refundable Entrance Deposits	2,338	7,809
(Increase) / Decrease in Short Term Notes	606	1,959
Increase / (Decrease) in Short Term Obligations	—	—
Increase / (Decrease) in Working Capital/Line of Credit	(3,309)	(7,492)
Increase / (Decrease) in Long Term Liabilities	(19)	(27)
Increase / (Decrease) in Contribution/Distribution from Member	(19,977)	2,887
<b>Net Cash Provided / (Used) in Financing Activities</b>	<b>(231)</b>	<b>2,613</b>
<b>Increase / (Decrease) in Cash</b>	<b>541</b>	<b>(390)</b>
<b>Cash, Beginning of Period</b>	<b>838</b>	<b>1,769</b>
<b>Cash, End of Period</b>	<b>1,379</b>	<b>1,379</b>

**EXHIBIT 4**

**PROJECTED FINANCIAL STATEMENTS  
INCLUDING PROJECTED BALANCE SHEETS, PROJECTED  
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS,  
AND PROJECTED STATEMENTS OF CASH FLOWS**

**Summary:**

Exhibit Four shows the 5 year projection for the projected balance sheets, projected statements of operations and changes in net assets, and projected statements of cash flows, including assumptions, for the Provider.

**Windsor Run, LLC**

**Compilation of a Financial Projection**

**For Each of the Five Years Ending**

**December 31, 2029**

(with Accountant's Compilation Report thereon)

## **Windsor Run, LLC**

### **Compilation of a Financial Projection**

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### Accountant's Compilation Report

To the Members  
Windsor Run, LLC  
Matthews, North Carolina

Management of Windsor Run, LLC (the “Company”) and Erickson Senior Living, LLC (collectively referred to as “Management”) is responsible for the accompanying financial projection of the Company, which comprises the projected balance sheets as of and for each of the five years ending December 31, 2029 and the related projected statements of operations, changes in members’ equity and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial projection established by the American Institute of Certified Public Accountants (“AICPA”).

The Company is currently expanding its existing retirement community with a phased construction master plan providing for additional independent living units and continuing care beds (the “Projects”).

The accompanying projection and this report were prepared for inclusion with the disclosure statement filing requirements of North Carolina General Statutes, Chapter 58, Article 64 and 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 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. Furthermore, even if the following hypothetical assumptions occur during the projection period:

- Construction, development, marketing, and other related costs for the Projects occur in the assumed timeline and at the assumed costs; and
- The phased Project units are successfully marketed and occupied at the assumed occupancy levels.

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.

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

*Forvis Mazars, LLP*

Atlanta, Georgia  
May 29, 2025

**Windsor Run, LLC**  
**Projected Statements of Operations and Changes in Members' Equity**  
**For the Years Ending December 31,**  
**(In Thousands)**

	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Revenues</b>					
Amortization of entrance fees	\$ 7,627	\$ 8,743	\$ 9,766	\$ 9,935	\$ 10,159
Independent living	32,802	40,338	45,065	46,597	47,995
Continuing care:					
Skilled nursing	3,009	3,101	3,194	3,289	3,388
Assisted living	1,161	1,195	1,230	1,267	3,334
Ancillary fees and other income	1,428	1,756	1,962	2,029	2,089
Total revenues	\$ 46,027	\$ 55,133	\$ 61,217	\$ 63,117	\$ 66,965
<b>Expenses</b>					
Salaries, wages and benefits	18,667	21,305	21,944	22,603	25,215
Professional and contracted services	2,884	3,530	3,882	3,995	4,296
Supplies	1,182	1,415	1,450	1,447	1,547
Dietary and other supplies	2,550	3,118	3,411	3,502	3,741
Building grounds and maintenance	1,586	1,948	2,119	2,168	2,243
Utilities	1,887	2,276	2,378	2,393	2,549
Administrative and other	6,207	7,037	7,597	7,817	8,108
Management and Marketing Fee	1,920	2,319	2,573	2,659	2,840
Resident relations	70	84	83	82	83
Insurance	715	851	830	808	802
Real estate taxes	1,520	1,600	1,651	1,748	1,813
Interest expense	961	85	-	-	-
Depreciation	8,443	8,986	9,391	10,062	10,572
Total expenses	48,592	54,554	57,309	59,284	63,809
Operating income (loss)	(2,565)	579	3,908	3,833	3,156
Non-operating income:					
Investment income	142	245	249	328	253
Non-operating income:	142	245	249	328	253
Net income (loss)	(2,423)	824	4,157	4,161	3,409
Members' equity, beginning of year	111,377	108,954	83,482	80,139	84,300
Member contributions (distribution), net	-	(26,296)	(7,500)	-	1,200
Members' equity, end of year	\$ 108,954	\$ 83,482	\$ 80,139	\$ 84,300	\$ 88,909

See accompanying Summary of Significant Projection Assumptions and Rationale and  
Accountant's Compilation Report  
(2)

# Windsor Run, LLC

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

	2025	2026	2027	2028	2029
<b>Cash flows from operating activities</b>					
Net income (loss)	\$ (2,423)	\$ 824	\$ 4,157	\$ 4,161	\$ 3,409
Adjustments to reconcile change in net loss cash provided by (used in) operating activities:					
Depreciation	8,443	8,986	9,391	10,062	10,572
Amortization of entrance fees	(7,627)	(8,743)	(9,766)	(9,935)	(10,159)
Entrance fees received-attrition (non-refundable)	3,813	5,021	5,924	6,451	6,979
Changes in Construction Payable	6,252	(6,076)	3,711	-	(2,591)
Changes in other current assets and current liabilities	(19,505)	(10,432)	13,661	850	(256)
Addition to deferred interest on Working Capital Loan	961	85	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (10,086)</u>	<u>\$ (10,335)</u>	<u>\$ 27,078</u>	<u>\$ 11,589</u>	<u>\$ 7,954</u>
<b>Cash flows from investing activities</b>					
Construction costs	(31,262)	(881)	(19,436)	(19,436)	(6,479)
Routine capital additions	(3,109)	(4,313)	(4,878)	(5,080)	(6,122)
Net cash used in investing activities	<u>(34,371)</u>	<u>(5,194)</u>	<u>(24,314)</u>	<u>(24,516)</u>	<u>(12,601)</u>
<b>Cash flows from financing activities</b>					
Initial Entrance Fees received	26,600	68,814	5,562	-	-
Entrance Fees received-attrition (refundable)	11,254	14,821	17,487	19,041	20,601
Entrance Fees refunded	(7,156)	(11,029)	(13,012)	(14,168)	(15,329)
Member contributions (distribution), net	-	(26,296)	(7,500)	-	1,200
Working Capital Loan proceeds (payments)	(500)	(11,119)	-	-	-
Payment of interest on Working Capital Loan	-	(1,112)	-	-	-
Decrease in advance deposits	(855)	-	-	-	-
Net cash provided by financing activities	<u>29,343</u>	<u>34,079</u>	<u>2,537</u>	<u>4,873</u>	<u>6,472</u>
Change in cash and cash equivalents and restricted cash	\$ (15,114)	\$ 18,550	\$ 5,301	\$ (8,054)	\$ 1,825
Cash and cash equivalents and restricted cash - beginning of year	21,244	6,130	24,680	29,981	21,927
Cash and cash equivalents and restricted cash - end of year	<u>\$ 6,130</u>	<u>\$ 24,680</u>	<u>\$ 29,981</u>	<u>\$ 21,927</u>	<u>\$ 23,752</u>
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 3,332	\$ 18,727	\$ 28,035	\$ 20,215	\$ 21,900
Restricted cash	2,798	5,953	1,946	1,712	1,852
Total cash and cash equivalents and restricted cash	<u>\$ 6,130</u>	<u>\$ 24,680</u>	<u>\$ 29,981</u>	<u>\$ 21,927</u>	<u>\$ 23,752</u>

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

# Windsor Run, LLC

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

	2025	2026	2027	2028	2029
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 3,332	\$ 18,727	\$ 28,035	\$ 20,215	\$ 21,900
Restricted cash	2,798	5,953	1,946	1,712	1,852
Operating reserve (provided by Surety Bond)	-	-	-	-	-
Accounts receivable, net	1,052	1,271	1,410	1,457	1,556
Resident promissory note receivable	9,500	20,213	6,606	5,812	6,288
Prepaid expenses and other current assets	322	374	394	405	438
Total current assets	17,004	46,538	38,391	29,601	32,034
Property and equipment	393,545	398,739	423,053	447,569	460,170
Less: accumulated depreciation	(41,618)	(50,604)	(59,995)	(70,057)	(80,629)
Property and equipment, net	351,927	348,135	363,058	377,512	379,541
Intangible assets	2,505	2,505	2,505	2,505	2,505
<b>Total assets</b>	<b>\$ 371,436</b>	<b>\$ 397,178</b>	<b>\$ 403,954</b>	<b>\$ 409,618</b>	<b>\$ 414,080</b>
<b>Liabilities and members' equity</b>					
Current liabilities					
Accounts payable	\$ 1,933	\$ 2,243	\$ 2,363	\$ 2,427	\$ 2,625
Construction payable	6,252	176	3,887	3,887	1,296
Accrued expenses	1,503	1,745	1,838	1,888	2,042
Other current liabilities	461	461	461	461	461
Resident refunds payable	3,509	3,509	3,509	3,509	3,509
Total current liabilities	13,658	8,134	12,058	12,172	9,933
Working Capital Loan	11,119	-	-	-	-
Deferred interest from Working Capital Loan	1,027	-	-	-	-
Refundable entrance fees	196,200	245,210	248,384	248,444	249,469
Deferred revenue from entrance fees	40,478	60,352	63,373	64,702	65,769
Total liabilities	262,482	313,696	323,815	325,318	325,171
Members' equity	108,954	83,482	80,139	84,300	88,909
<b>Total liabilities and members' equity</b>	<b>\$ 371,436</b>	<b>\$ 397,178</b>	<b>\$ 403,954</b>	<b>\$ 409,618</b>	<b>\$ 414,080</b>

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

## Basis of Presentation

The accompanying financial projection presents, to the best of the knowledge and belief of management of Windsor Run, LLC (the “Company”) and Erickson Senior Living, LLC (collectively referred to as “Management”), the expected financial position, results of operations, and cash flows of the Company as of and for each of the five years ending December 31, 2029. Accordingly, the accompanying projection reflects Management’s judgment as of May 29, 2025, the date of this projection, based on present circumstances and the expected course of action during the projection period assuming the hypothetical assumptions defined below. The assumptions disclosed herein are those that Management believes are significant to the projection.

Management’s purpose in releasing this financial projection is for inclusion in the Company’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes and 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 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. Furthermore, even if the following hypothetical assumptions occur during the projection period,

- Construction, development, marketing, and other related costs for the phased projects occur in the assumed timeline and at the assumed costs; and
- The phased project units are successfully marketed and occupied at the assumed occupancy levels.

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.

## Description of the Community

The Company, a Maryland limited liability company qualified to do business in North Carolina, was formed in 2014 to develop and operate a life plan community (“LPC”), known as Windsor Run (the “Community”) on an approximate 106-acre site in Matthews, North Carolina. The Community opened in May 2018 and is licensed by the North Carolina Department of Insurance (“NCDOI”). The Community is managed by Erickson Senior Living, LLC (the “Manager”). The Manager was formed in 2009 and currently manages 24 LPCs in eleven states (including the Community). Effective April 30, 2020, the ownership of the Company is shared between the prior 100% owner, Erickson Living Properties II, LLC (“Erickson”), and a minority owner, NSC – Windsor Run, LLC (“NSC-WR, LLC”). NSC-WR, LLC is a newly formed limited liability company and is wholly owned by National Senior Campuses, Inc. (“NSC, Inc.”), a 501(c)(3) charitable organization. NSC-WR, LLC holds a ten percent (10%) minority ownership interest in the Company and Erickson holds a ninety percent (90%) majority interest in the Company. Erickson and NSC, Inc. are collectively defined as the “Parent”.

The Company offers a fee-for-service or “Type C” contract in which residents transferring through the continuum of care receive priority access into the health care services on campus. Entrance fees (“Entrance Fees”) at the Community are offered under either a 90 percent refundable or a fully declining refund contract. For the purpose of the projection, Management assumes 21 percent of new Entrance Fee contracts are to be fully declining refund contracts and the remaining 79 percent to be 90 percent refundable contracts. As of December 31, 2024, the Company has 644 contracts outstanding: 159 (22.6%) with non-refundable contracts and 544 (77.4%) with 90 percent refund contracts.

The independent living units of the Community have been and will be built in phases according to demand. Upon full build out, the Community is expected to include 900 independent living units (the “Independent Living Units”). The Community currently consists of 710 independent living units in seven buildings (the “Existing ILUs”), with the first building available for occupancy in May 2018 and the most recent available for occupancy in November 2024, as well as two community buildings (the “Community Buildings”). In addition to the Existing ILUs, the Community has two buildings, consisting of 93 and 97 independent living units, respectively, under construction, which are expected to be available for occupancy in November 2025 and January 2026, respectively (the “Construction ILUs”) (See Table 2 for further detail). For the purpose of the report, the Existing ILUs and the Construction ILUs are collectively referred to as the “Independent Living Units”.

The Community currently includes a healthcare neighborhood as part of the campus known as “Continuing Care at Windsor Run,” licensed for 46 skilled nursing beds. Management currently operates the healthcare beds consisting of 36 skilled nursing beds (“Existing Skilled Nursing Beds”) and 10 assisted living beds (“Existing Assisted Living Beds”). The Existing Skilled Nursing Beds and Existing Assisted Living Beds are collectively known as the “Existing Continuing Care Beds.” The Company plans to expand the Continuing Care at Windsor Run campus which would include, upon full build out, a 71-unit traditional assisted living (96 beds) (the “Future Assisted Living Beds” and the “Future Continuing Care Beds”). For the purposes of the report, the Existing Continuing Care Beds and Future Continuing Care Beds are collectively referred to as the “Continuing Care Beds”.

The Community Buildings includes dining options including multiple restaurants and a café, classrooms, activity spaces, beauty salon, aquatic and fitness center, and on-site medical center with services provided by both primary care practitioners and sub-specialists.

Future projects constructed by the Company are assumed to be financed internally through a Working Capital Loan or member contribution (as described later in this report).

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

The following table provides a summary of the anticipated full build out of the Community.

**Table 1**  
**Community Configuration and Timeline**  
**(upon full build out)**

<b>Unit/Bed Type</b>	<b>Units</b>	<b>Status</b>
<i>Independent Living Units:</i>		
Existing ILUs	710	In service
Construction ILUs	190	The two projects started in 2023 and are assumed to be available in November 2025 and January 2026, respectively
<b>Total Independent Living Units</b>	<b>900</b>	
<i>Continuing Care Beds:</i>		
Existing Continuing Care Beds	36	In service
Future Assisted Living Beds	96	Construction is assumed to start in 2027
<b>Total Continuing Care Beds</b>	<b>132</b>	
<b>Community Total</b>	<b>1,032</b>	

Source: Management

### Detail of Future Project Timeline/Schedules

Management has begun the construction of the Construction ILUs, consisting of 93, and 97 additional independent living units (the “Building WRC-2.4 Project,” and the “Building WRC-2.5 Project,” respectively). As of April 2025, 30.1 percent of the WRC 2.4 Construction ILUs have been reserved. Management has not commenced marketing the WRC 2.5 Construction ILUs nor collected priority deposits.

The following table provides the actual and anticipated timeline for the Independent Living Units through completion.

**Table 2**  
**Actual and Anticipated Timeline for the Independent Living Units**

<b>Phase</b>	<b>Number of IL Units</b>	<b>Cumulative Number of Units</b>	<b>Start</b>	<b>Substantial Completion</b>	<b>Move In</b>	<b>Status</b>
WRC 1.0/1.1/1.2	217	217	6/1/2016	5/1/2018	7/1/2018	In service
WRC 1.3	101	318	8/1/2017	6/1/2019	8/1/2019	In service
WRC 1.4	113	431	10/1/2019	7/1/2021	8/1/2021	In service
WRC 2.2	88	519	2/1/2021	7/1/2023	10/1/2023	In service
WRC 2.1	100	619	5/1/2021	10/1/2023	1/1/2024	In service
WRC 2.3	91	710	7/1/2022	9/1/2024	11/1/2024	In service
WRC 2.4	93	803	9/1/2023	10/1/2025	11/1/2025	Under construction
WRC 2.5	97	900	11/1/2023	12/1/2025	1/1/2026	Under construction

Source: Management

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

The following table provides the actual and anticipated timeline for construction, completion and move-in to the two phases of the Continuing Care Beds.

**Table 3**  
**Actual and Anticipated Timeline for the Continuing Care Beds**

CC Phase	Number of Beds	Cumulative Number of Beds	Start	Substantial Completion	Move In / Licensing	Status
CC Phase I – SNF/AL	36	36	10/1/2019	5/1/2021	8/1/2021	In service
CC Phase II – Future AL	96	132	1/1/2027	1/1/2029	5/1/2029	To be built

Source: Management

### Existing Community Configuration

The Existing Independent Living Unit configuration, approximate square footages, Entrance Fees, and monthly fees (“Monthly Fees”) for the Existing ILUs and Construction ILUs are summarized in the following table.

**Table 4**  
**Configuration of the Existing ILUs and Construction ILUs**

Independent Living Unit Type	Existing ILUs <sup>(5)</sup>	Construction ILUs <sup>(1)</sup>	Square Footage	90% Refundable Entrance Fee Plan <sup>(2)(3)</sup>	Monthly Fee <sup>(2)(4)</sup>
<i>One-Bedroom Apartments:</i>					
1 BR, 1.5 Bath	205	69	800 – 1,171	\$ 306,000 – 420,000	\$ 2,861 – 3,546
1 BR, 1.5 Bath, Den	49	8	1,041 – 1,111	\$ 404,000 – 418,000	\$ 3,310 – 3,482
<i>Two-Bedroom Apartments:</i>					
2 BR, 2 Bath	389	57	1,106 – 1,795	\$ 402,000 – 826,000	\$ 3,482 – 5,016
2 BR, 2.5 Bath	15	22	1,241 – 1,306	\$ 461,000 – 581,000	\$ 3,782 – 3,936
2 BR, 2 Bath, Den	38	25	1,347 – 2,048	\$ 526,000 – 994,000	\$ 3,936 – 5,562
2 BR, 2.5 Bath, Den	14	9	1,506 – 1,926	\$ 664,000 – 928,000	\$ 4,470 – 5,344
<b>Total/Weighted Average</b>	<b>710</b>	<b>190</b>	<b>1,202</b>	<b>\$ 486,851</b>	<b>\$ 3,683</b>

Source: Management

- (1) The Construction ILUs are expected to be available for occupancy in November 2025 and January 2026.
- (2) Entrance Fees and Monthly Fees are effective as of January 1, 2025, and weighted averages are approximated.
- (3) Entrance Fees for the fully declining refund entrance fee plan range from approximately \$214,000 to \$294,000 for the one-bedroom apartments and range from approximately \$281,000 to \$696,000 for the two-bedroom apartments.
- (4) The second person Monthly Fee is an additional \$1,120.
- (5) Management assumes that in April 2025, 10 of the 710 Existing ILUs will be available for occupancy and are to be used as catered living upon opening, for residents who require assistance with daily living.

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

The Existing Continuing Care Beds unit/bed configuration and assumed Monthly Fees are summarized in the following table:

**Table 5**  
**Configuration of the Existing Continuing Care Beds**

<b>Continuing Care Unit Type</b>	<b>Units <sup>(1)</sup></b>	<b>Beds <sup>(1)</sup></b>	<b>Monthly Fees <sup>(2)(3)</sup></b>
Skilled Nursing	19	36	\$6,969 – \$9,835
Assisted Living	5	10	\$6,969 – \$9,835
<b>Total Continuing Care Units/Beds</b>	<b>24</b>	<b>46</b>	

Source: Management

- (1) All Existing Continuing Care Beds are licensed as skilled nursing home beds but are also available for assisted living services.
- (2) The Monthly Fees are the same for both assisted living and skilled nursing services as they follow the same base room rate pricing structure. In addition to the base rate, four levels of care are to be offered in continuing care as follows: enhanced service package is \$1,299 per month; premium service package is \$2,598 per month; deluxe service package is \$3,896 per month; and custom service package is \$5,870 per month. Total Monthly Fees would range from \$8,268- \$15,705, dependent on the base Monthly Fee plus the applicable level of care.
- (3) External admissions pay a non-refundable community fee of \$2,500 upon admission into the Continuing Care Beds.

See accompanying Summary of Significant Projection Assumptions and Rationale and  
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## Management and Marketing Agreement

The Company and the Manager have entered into a management and marketing agreement (the “Management and Marketing Agreement”) under which the Manager is required to provide all management services necessary to operate the Community, including but not limited to, financial management, record and report management, recruitment of personnel, supervision of the day-to-day operations and programs, building maintenance, and marketing of the Community.

As compensation for its performance under the Management and Marketing Agreement, the Company is obligated to pay the Manager a monthly fee equal to five percent (5.0%) of gross revenues of the Community (the “Management and Marketing Fee”).

## Residence and Care Agreements

### *Reservation Process*

Prospective residents of the Community are able to secure priority selection and/or reserve a specific Independent Living Unit by placing a fully refundable, initial deposit of \$1,000 (the “Priority List Deposit” or “Non-Binding Reservation”) and completing a priority list application (the “Priority List Application”).

In order to reserve an Independent Living Unit, a prospective resident must execute a residence and care agreement (the “Residence and Care Agreement”), complete a profile application, provide self-disclosure of his or her finances and pay an Entrance Fee which consists of the following:

1. The Priority List Deposit;
2. A \$4,000 reservation deposit (the “Binding Reservation Deposit”), which is fully refundable, due when the prospective Resident reserves a unit type in a particular residential building;
3. A signing deposit, bringing the total to 10 percent of the total Entrance Fee, is due when the Resident signs the Residence and Care Agreement (“Reserved”); and
4. A final deposit, which is the remainder of the Entrance Fee after the prior deposits are paid (“Settled”), due when the Resident takes possession of the Independent Living Unit (the “Occupancy Date”).

### *Residence and Care Agreement*

Under the terms of the Residence and Care Agreement, the Company generally accepts as residents (“Resident” or “Residents”) those persons at least 62 years of age at the time of occupancy (only one member of a couple must meet this requirement) who are able to care for themselves with limited or no assistance and are able to demonstrate the necessary financial resources to meet the Company’s minimum fee requirements. As defined in the Residence and Care Agreement, a Resident is required

to pay an initial Entrance Fee and a Monthly Fee on an on-going basis. Payment of these amounts entitles Residents to occupy and use the residence.

### The Independent Living Units

As provided in the Residence and Care Agreement, the Resident is entitled to the use of an Independent Living Unit and the following services and amenities:

- Monthly meal credit which allows for the purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used;
- 24-hour security system with safety officers and emergency communications;
- All utilities;
- Basic cable television service;
- Local and long-distance telephone service;
- Wireless internet;
- One reserved parking space;
- On-site fitness center basic membership;
- Campus shuttle transportation;
- Scheduled local transportation;
- Maintenance and insurance of buildings, grounds and equipment;
- Insurance for the Independent Living Unit and all items in such unit, except items owned by the Resident;
- Sewage, trash and snow removal from common areas;
- Use of all public rooms and common areas; and,
- Priority access to the Continuing Care Beds.

The Resident may purchase additional services for additional fees including, but not limited to, tray service, housekeeping and laundry services, extra meals, guest meals and lodging.

### Assisted Living

The Residence and Care Agreement is also utilized for assisted living care which includes the following services: at least three meals per day; fresh linens and personal laundry service; light housekeeping on a weekly basis; 24 hour security system with safety officers and emergency communications; all utilities; local and long-distance telephone service; basic cable television service; on-campus shuttle transportation; scheduled off-campus shuttle transportation; maintenance and insurance of buildings, grounds and equipment; and use of all public rooms and common areas.

In addition, several service packages are offered for assisted living care, but not limited to the following services: provision of supervision, verbal cuing and physical assistance in the performance of activities of daily living (as appropriate for the Resident's designated service package), including ambulation, personal hygiene, dressing, toileting and eating; prescription evaluation and planning; service plan designed by a care team; medication management; regularly schedule registered nurse review and assessment; assistance with incontinence care; regular social work team services related to cognitive, behavioral and safety issues; licensed nurse management of chronic/stable conditions on a regular basis. The assisted living care services are to be provided through a third-party provider.

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Further details regarding the assisted living care services, including additional rights and obligations are addressed in an assisted living addendum to the Residence and Care Agreement.

### Skilled Nursing

The Residence and Care Agreement is also utilized for skilled nursing care. Services included in the daily fee for skilled nursing care are to include: nursing care; prescription evaluation and planning; medication administration; service plan designed by a care team; three meals per day; regularly schedule Registered Nurse review and assessment; medically related social services; fresh linens and personal laundry service; daily housekeeping services; planned recreation and activities; mental health services, as needed; incontinence care; assistance in obtaining dental services; flu shots; frequent involvement of licensed medical personnel to manage chronic conditions; 24 hour security system with safety officers and emergency communications; all utilities; local and long-distance telephone service; basic cable television service; campus shuttle transportation; maintenance and insurance of buildings, grounds and equipment; sewage and trash removal; and, use of all public rooms and common areas.

### *Entrance Fee Plan*

The Company offers two Entrance Fee plans for occupancy of a Residence as follows. According to both Entrance Fee plans, the Entrance Fee is paid upon occupancy. In the event of a cancellation after occupancy, the Entrance Fee refund will be paid within 60 days of the date the Resident becomes eligible for a refund. Refunds of Entrance Fees for the 90 percent guaranteed refundable plan are projected to be paid in sequential order of the vacancy date from funds received from the resale of unit(s) for any Independent Living Unit at the Community, not limited to similar or like units, to a new resident or new residents providing sufficient proceeds for payment of the refund and for which there are no prior claims. Refunds, if any, for the fully declining refund plan are projected to be paid within 90 days of the vacancy date.

Refund Options	Amortization Schedule
“Plan A” – 90% Refund Plan	Upon termination of the Residence and Care Agreement, the Resident is refunded 90 percent of the Entrance Fee paid less any outstanding fees.
“Plan B” – Fully Declining Refund Plan	Upon termination of the Residence and Care Agreement, the Resident is refunded the Entrance Fee paid, less (i) four percent of the Entrance Fee (ii) and less an amount equal to two percent of the Entrance Fee per month for each month following the occupancy date. After 48 months of occupancy, no refund is available.

Source: Management

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

The following table summarizes the assumed Entrance Fee Plans and refund utilization.

**Table 6**  
**Projected Utilization of Entrance Fees**

<b>Entrance Fee Plan Type</b>	<u>Existing Independent Living Units</u> Percentage of Residents	<u>Projected Independent Living Units</u> Percentage of Residents
90% Refundable Plan	77.4%	77.4%
Traditional Plan	22.6%	22.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Management

*Health Care Benefit*

If a Resident is unable to live independently within the range of the services provided in the Independent Living Unit, as determined by the staff in appropriate consultation with the medical director of the Community and in conjunction with the Resident's physician and family, the Resident will be transferred to a Continuing Care Bed, on either a temporary or permanent basis.

Upon permanent transfer, the Resident is responsible for paying the applicable per diem charge for the level of care required.

*Terminations and Refunds*

The Resident may terminate the Residence and Care Agreement within 30 days of execution of the Residence and Care Agreement or making an Entrance Fee deposit (the "Rescission Period"). The Company will refund the initial deposit less the cost of any resident requested unit modifications within 30 days following the Rescission Period or termination.

If a Resident terminates the Residence and Care Agreement after the Rescission Period and/or occupancy of the residence, the Company is required to pay the applicable refund within 60 days of the date the Resident becomes eligible for a refund ("Refund Eligibility"). Refund Eligibility under Plan A is established when the Residence and Care Agreement is terminated, the unit has been vacated and released, all outstanding obligations have been paid, and funds are available in the refund account. Refunds of Entrance Fees for Plan A are projected to be paid in sequential order of the vacancy date for the unit from funds received from the resale of unit(s) for any Independent Living Unit at the Community, not limited to similar or like units, to a new Resident or new Residents providing sufficient proceeds for payment of the refund and for which there are no prior claims. Refunds, if any, for Plan B are projected to be paid within 90 days of the vacancy date.

## Summary of Significant Accounting Policies

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

Use of Estimates – The preparation of prospective financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the prospective financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents includes cash on hand, amounts on deposit in banks and highly liquid debt instruments with a maturity of 90 days or less when purchased, excluding amounts whose use is limited. Financial instruments that potentially subject the Company to credit risk consist principally of cash, accounts receivable and investments. The Company maintains its cash in bank accounts which, at times, may exceed federally depository insurance (“FDIC”) limits. Management believes the credit risk associated with these deposits is minimal.

Accounts Receivable – The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment – Property and equipment are stated at cost less accumulated depreciation. Donated property is recorded at its estimated fair value at the time of receipt. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	15 years
Buildings	40 years
Furniture and equipment	3 to 15 years

Marketing Costs – Marketing and advertising costs are charged to operations when incurred by the Company in connection with acquiring new Residents of the Community.

Deferred Revenue from Entrance Fees – Entrance Fees paid by a Resident upon entering into a Residence and Care Agreement are recorded as deferred revenue and amortized into income using the straight-line method over the estimated remaining life expectancy of the Resident, adjusted on an annual basis. The estimated amount of the contractual refund obligations that are expected to be refunded in a subsequent year are classified as a current liability on the projected balance sheet.

Refundable Entrance Fees – Refundable Entrance Fees received are deferred and the refundable portion of the Entrance Fee is maintained as a liability, reflecting the Company’s future obligation for repayment.

Restricted Cash – Potential Residents sign a nonbinding reservation agreement with the Company and pay a deposit (the “Deposit”). The Deposits from Residents are kept in an escrow account in the Resident’s name and identification number. Any interest earnings will accumulate to the benefit of the Company.

Leases – In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to contracts (i.e., lessees and lessors). The standard requires lessees to apply a dual approach, classifying leases as whether finance or operating leases based on the principle of whether the lease is effectively a financed purchase by the lessees. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The Company implemented the accounting standard in 2022 and determined that it has no material leases for the year ended December 31, 2024.

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(15)

**Summary of Revenue and Entrance Fee Assumptions***Community Cumulative Average Occupancy*

The following table presents the cumulative average annual occupancy at the Community by level of care.

**Table 7**  
**Cumulative Average Annual Occupancy**  
**(Net Move-ins)**

Years Ended December 31,	Average Beds/Units Occupied			Average Occupancy Total	Average Occupancy Percentage
	Independent Living Units	Skilled Nursing Beds	Assisted Living Beds <sup>(1)</sup>		
2025	660.2	23.1	8.9	692.2	90.1%
2026	799.4	23.1	8.9	831.4	87.9%
2027	860.9	23.1	8.9	892.9	94.4%
2028	863.7	23.1	8.9	895.7	94.7%
2029	863.7	23.1	34.4	921.2	91.2%

Source: Management

(1) The Future Assisted Living Beds are assumed to be available for occupancy in fiscal year 2029.

*Independent Living Unit Revenue*

Service fee revenue for Residents in the Independent Living Units is based upon the assumed occupancy and the Monthly Fee of the respective units. The Independent Living Unit Monthly Fees are assumed to increase 3.0 percent annually during the projection period. The following table summarizes the assumed utilization of the Independent Living Units during the projection period.

**Table 8**  
**Utilization of the Independent Living Units**

Years Ended December 31,	Average Units Occupied <sup>(2)</sup>	Average Units Available <sup>(2)</sup>	Average Occupancy
2025 <sup>(1)</sup>	660.2	722.0	91.4%
2026	799.4	900.0	88.8%
2027	860.9	900.0	95.7%
2028	863.7	900.0	96.0%
2029	863.7	900.0	96.0%

Source: Management

(1) Independent Living Unit average occupancy for the year ended December 31, 2024 was 636.4 units.

(2) The average units available and occupied varies each year based on the opening of the future scheduled projects at the Community, which are subject to demand.

The double occupancy percentage for the Independent Living Units is assumed to approximate 38.5 percent throughout the projection period.

See accompanying Summary of Significant Projection Assumptions and Rationale and  
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Quarterly Move-in Schedule – Independent Living Units

The following table summarizes the fill-up assumptions of the Community's Existing ILUs and Construction ILUs during the projection period.

**Table 9**  
**Independent Living Units Fill-Up Schedule**  
**(Move-ins)**

	Existing ILUs	Construction ILUs	Cumulative Occupancy Total	Average Available Units	Cumulative Occupancy Percentage <sup>(1)</sup>
Fiscal Year/Quarter	Move-ins	Move-ins			
<i>Occupancy December 2024<sup>(2)</sup></i>	<i>636.4</i>				
<b>2025</b>					
1 <sup>st</sup> Quarter	1.6	-	638.0	696.0	91.7%
2 <sup>nd</sup> Quarter	15.0	-	653.0	710.0	92.0%
3 <sup>rd</sup> Quarter	17.0	-	670.0	710.0	94.4%
4 <sup>th</sup> Quarter	17.0	18.0	705.0	772.0	91.3%
<b>2026</b>					
1 <sup>st</sup> Quarter	-	49.6	754.6	900.0	83.8%
2 <sup>nd</sup> Quarter	-	46.1	800.6	900.0	89.0%
3 <sup>rd</sup> Quarter	-	35.5	836.1	900.0	92.9%
4 <sup>th</sup> Quarter	-	16.1	852.2	900.0	94.7%
<b>2027</b>					
1 <sup>st</sup> Quarter	-	5.3	857.5	900.0	95.3%
2 <sup>nd</sup> Quarter	-	4.4	861.9	900.0	95.8%
3 <sup>rd</sup> Quarter	-	1.8	863.7	900.0	96.0%
4 <sup>th</sup> Quarter	-	-	863.7	900.0	96.0%
<b>2028</b>					
1 <sup>st</sup> Quarter	-	-	863.7	900.0	96.0%
2 <sup>nd</sup> Quarter	-	-	863.7	900.0	96.0%
3 <sup>rd</sup> Quarter	-	-	863.7	900.0	96.0%
4 <sup>th</sup> Quarter	-	-	863.7	900.0	96.0%
<b>2029</b>					
1 <sup>st</sup> Quarter	-	-	863.7	900.0	96.0%
2 <sup>nd</sup> Quarter	-	-	863.7	900.0	96.0%
3 <sup>rd</sup> Quarter	-	-	863.7	900.0	96.0%
4 <sup>th</sup> Quarter	-	-	863.7	900.0	96.0%
<b>Total</b>	<b>687.0</b>	<b>176.7</b>	<b>863.7</b>	<b>900.0</b>	<b>96.0%</b>

Source: Management

- (1) The average units available and occupied varies each year based on the opening of the future scheduled projects at the Community, which are subject to demand.
- (2) The December 2024 occupancy total represents the average occupancy for the month ended December 31, 2024.

See accompanying Summary of Significant Projection Assumptions and Rationale and  
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*Entrance Fees*

The assumed number of Independent Living Units becoming available due to Resident turnover, the double occupancy rate, the number of annual Resident Entrance Fee receipts and refunds, and the movement of Independent Living Unit Residents into the Continuing Care Beds due to death, withdrawal or transfer are provided by Management.

Inflation on the Independent Living Units Entrance Fees are assumed to be 3.0 percent annually throughout the projection period. The following table presents the assumed initial and attrition Entrance Fees received and the total Entrance Fees refunded.

**Table 10**  
**Entrance Fees Receipts and Entrance Fees Refunds**  
**(In Thousands)**

	2025	2026	2027	2028	2029
<b>Number of Entrance Fees Received</b>					
Initial – Existing ILUs (WRC-2.3)	50.6	-	-	-	-
Initial – Construction ILUs (WRC-2.4)	18.0	64.4	4.4	-	-
Initial – Construction ILUs (WRC-2.5)	-	82.8	7.2	-	-
Attrition	33.2	42.4	48.6	51.4	54.0
<b>Total Number of Entrance Fees Received</b>	<b>101.8</b>	<b>189.6</b>	<b>60.2</b>	<b>51.4</b>	<b>54.0</b>
<b>Entrance Fees Received</b>					
Initial	\$ 26,600	\$ 68,814	\$ 5,562	\$ -	\$ -
Attrition	15,067	19,842	23,411	25,492	27,580
<b>Total Entrance Fees Received</b>	<b>\$ 41,667</b>	<b>\$ 88,656</b>	<b>\$ 28,973</b>	<b>\$ 25,492</b>	<b>\$ 27,580</b>
Total Entrance Fees Refunded	\$ (7,156)	\$ (11,029)	\$ (13,012)	\$ (14,168)	\$ (15,329)
<b>Entrance Fees Received, Net of Refunds</b>	<b>\$ 34,511</b>	<b>\$ 77,627</b>	<b>\$ 15,961</b>	<b>\$ 11,324</b>	<b>\$ 12,251</b>

Source: Management

*Continuing Care Beds Revenue*

The Existing Continuing Care Beds are licensed as skilled nursing home beds but are also used for assisted living services. Management is licensed for a total of 46 skilled nursing beds. For the purpose of the projection, Management plans to operate approximately 36 of the 46 existing licensed beds. The Continuing Care Bed Project provides for 96 Assisted Living Beds, anticipated to be licensed assisted living beds, which are assumed to be available for occupancy in May 2029.

Assisted Living Beds Revenue

Service fee revenue for Residents living in the Assisted Living Beds is based upon the assumed occupancy and the Monthly Fee of the respective units. The Assisted Living Beds Monthly Fees are assumed to increase 3.0 percent annually during the projection period. The assumed occupancy levels for the Assisted Living Beds are presented in the following table:

**Table 11**  
**Utilization of the Assisted Living Beds**

<b>Years Ended December 31,</b>	<b>Average Beds Occupied</b>		<b>Average Beds Available</b> <sup>(1)(2)</sup>	<b>Average Occupancy</b> <sup>(2)</sup>
	<b>Occupied Beds</b>	<b>Total</b> <sup>(1)</sup>		
2025	8.9	8.9	10.0	89.0%
2026	8.9	8.9	10.0	89.0%
2027	8.9	8.9	10.0	89.0%
2028	8.9	8.9	10.0	89.0%
2029	34.4	34.4	74.0	46.5%

Source: Management

- (1) The Continuing Care Bed Project provides for 96 Assisted Living Beds which are assumed to be available for occupancy in May 2029.
- (2) Average beds occupied include both direct admits from outside the community and internal Resident transfers. Resident transfers are responsible for paying the applicable per diem charge for the level of care required.

Existing Skilled Nursing Beds Revenue

Service fee revenue for Residents living in the Existing Skilled Nursing Beds is based upon the assumed occupancy and the daily service fee of the respective bed. The Existing Skilled Nursing Bed daily service fees are assumed to increase 3.0 percent for private-pay Residents annually during the projection period. The assumed occupancy levels for the Existing Skilled Nursing Beds are presented in the following table.

**Table 12**  
**Utilization of the Existing Skilled Nursing Beds**

<b>Years Ended December 31,</b>	<b>Average Beds Occupied</b>			<b>Average Beds Available</b> <sup>(1)</sup>	<b>Average Occupancy</b> <sup>(1)</sup>
	<b>Direct Admits</b>	<b>Resident Transfers</b>	<b>Total</b>		
2025	7.7	15.4	23.1	36.0	64.2%
2026	4.8	18.3	23.1	36.0	64.2%
2027	1.9	21.2	23.1	36.0	64.2%
2028	-	23.1	23.1	36.0	64.2%
2029	-	23.1	23.1	36.0	64.2%

Source: Management

- (1) Average beds occupied include both direct admits from outside the community and internal Resident transfers. Resident transfers are responsible for paying the applicable per diem charge for the level of care required.

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*Other Revenue*

Management assumes meal revenue and other miscellaneous revenue to increase 3.0 percent annually throughout the projection period.

*Investment Income*

Interest earnings are assumed to approximate 1.10 percent annually throughout the projection period on the Company's cash and cash equivalents and restricted cash.

**Summary of Operating Expense Assumptions**

Management assumes all departmental, residential, assisted living, and long-term care expenses to increase approximately 3.0 percent annually throughout the projection period. The below table shows the assumed total number of FTEs in 2025 and 2029, the last year of the projection.

**Table 13**  
**Schedule of Assumed Staffing Levels (FTEs)**

<b>Department</b>	<b>2025 Budgeted FTEs</b>		<b>2029 Projected FTEs</b>	
	Independent Living Units	Continuing Care Beds	Independent Living Units	Continuing Care Beds
Administration and general	14.5	4.0	16.1	9.4
Marketing	7.5	-	9.5	-
Dining	115.3	6.9	127.6	11.0
Facilities and maintenance	21.2	0.9	25.7	1.8
Laundry and housekeeping	19.8	2.1	25.3	2.1
Resident general services	50.7	3.7	59.9	8.7
Healthcare	-	23.9	-	32.3
<b>Total FTE's</b>	<b>229.0</b>	<b>41.5</b>	<b>264.1</b>	<b>65.3</b>

Source: Management

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, real estate taxes and other miscellaneous expenses and are assumed to increase 3.0 percent annually throughout the projected period. Management and Marketing Fees are projected based on the payment provisions of the Management and Marketing Agreement.

## Restricted Cash and Operating Reserve

The following restricted accounts represents funds required by the Company's statutory and contractual requirements:

### *Restricted Cash*

Restricted cash consists of resident deposits held in escrow and funded with initial refundable deposits from prospective Residents to hold an Independent Living Unit and funds held for Residents.

### *Operating Reserve*

Designated for statutory operating reserve fund, required by the North Carolina General Statute Section 58-64-33 maintain an operating reserve equal to 50 percent of the total operating expenses (adjusted for non-cash items) for the next 12 month period, or 25 percent of such total operating expenses (adjusted for non-cash items) if the occupancy exceeds 90 percent.

Due to the timing and nature of the ongoing future projects, the NCDOI agreed to measure expansion units beginning six months after completion of the expansion project completion/occupancy. Additionally, the NCDOI has agreed to allow for a surety bond (the "Surety Bond") to satisfy the operating reserve fund requirement. During the year ended December 31, 2020, the Company purchased a Surety Bond to meet the requirement of the statutory operating reserve fund. As of December 31, 2024 the Surety Bond is \$9,040,000. It is assumed that in June 2025 the Surety Bond will be increased to \$10,037,000.

For the purpose of the projection, Management is assumed to meet the statutory operating reserve requirements in all years of the projection period with the Surety Bond.

## Property and Equipment and Depreciation Expense

The Company is to incur routine capital additions during the projection period 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 35 and 15 years, respectively. The Company's property and equipment costs, net of accumulated depreciation, during the projection period are summarized in the table below.

**Table 14**  
**Schedule of Property and Equipment**  
**(In Thousands)**

<b>Years Ended December 31,</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Property and equipment,					
Gross beginning balance	\$ 359,174	\$ 393,545	\$ 398,739	\$ 423,053	\$ 447,569
Project construction costs	31,262	881	19,436	19,436	6,479
Routine capital additions	3,109	4,313	4,878	5,080	6,122
Property and equipment, gross	\$ 393,545	\$ 398,739	\$ 423,053	\$ 447,569	\$ 460,170
Accumulated depreciation	(41,618)	(50,604)	(59,995)	(70,057)	(80,629)
Property and equipment,					
Net ending balance	\$ 351,927	\$ 348,135	\$ 363,058	\$ 377,512	\$ 379,541

See accompanying Summary of Significant Projection Assumptions and Rationale and  
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Source: Management

### Working Capital Loan

In 2020, the Company's operating agreement was amended and restated as part of the joint-venture agreement with the Parent. In the event the Company's operating expenses exceed the revenues, income, receipts, and cash flows of the Company for a given period, the terms of the amendment require the Parent to make a working capital loan (the "Working Capital Loan") to the Company in the amount of such net operating deficit. Interest accrues monthly on the Working Capital Loan balance at the prime rate less 0.25%. The prime rate was 7.50% as of December 31, 2024. There was approximately \$11,619,000, plus accrued interest of approximately \$66,000, outstanding as of December 31, 2024. The Company intends to repay deferred interest and Working Capital Loan balances with unrestricted cash that exceeds 120 days operating expenses at fiscal year-end, annually.

The following table presents the assumed annual debt service for the Working Capital Loan during the projection period.

**Table 15**  
**Schedule of Working Capital Loan**  
**Annual Debt Service**  
**(In Thousands)**

Year Ending December 31,	Deferred Interest	Deferred Interest Balance	Principal Payment	Deferred Interest Payment	Current Interest Payment	Total Debt Service
Beg. Balance		\$ 66				
2025	\$ 961	1,027	\$ 500	\$ -	\$ -	\$ 500
2026	85	-	11,119	1,027	85	12,231
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-

Source: Management

### Parent Line of Credit

On June 30, 2021, the Parent closed on a \$1 billion credit facility with Truist Bank, which includes a \$400 million term loan and a revolving line of credit. In December 2023, the Parent exercised its option under the facility to increase the revolving line of credit from its original capacity from \$600 million to 776 million. Then in January 2025, the Parent exercised its second amendment to the line of credit to increase the revolving line of credit from \$776 million to \$800 million (collectively, the "2021 Line of Credit"). The Company is a guarantor of this credit facility, along with most subsidiaries of the Parent.

Interest on the 2021 Line of Credit was LIBOR plus a varying spread, based on the outstanding loan to EBITDA. In connection with the phase out of LIBOR, the interest on the credit arrangement was amended to SOFR plus a varying spread, based on the outstanding loan to EBITDA in December 2023 as part of the amendment that was exercised to increase the capacity on the facility. Repayment of the loan portion of the 2021 Line of Credit is quarterly based on a 25-year amortization schedule with the remaining balance due on June 30, 2026. The revolving line of credit portion of the 2021 Line of Credit has no repayment terms other than it must be paid in full on June 30, 2026. As of December 31, 2024,

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

borrowings under the term loan were \$367,000,000 and borrowings under the revolving line of credit were \$284,000,000.

The 2021 Line of Credit contains financial performance covenants that require the Parent to maintain a minimum adjusted EBITDA, as defined in the 2021 Line of Credit agreement, minimum liquidity, and minimum occupancy percentages.

### **Resident Promissory Notes Receivable**

Resident promissory notes receivable consists of short-term receivable from Residents related to payment of the final installment of their Entrance Fee. Often, there is a timing difference between the sale of a prospective Resident's home and the due date of the final installment on the Resident's Entrance Fee. In these cases, a short-term promissory note is issued by the Resident. Resident promissory notes receivable was \$9,584,000 on December 31, 2024. Management's projection is based on historical information and trends.

### **Erickson Contribution and Distribution**

Erickson made an initial capital contribution and will continue to make additional capital contributions to fund further development of the Company. Distributions of net operating cash flow from operations are made to each member based on their respective net operating cash flow percentages, as defined in the agreement. No distributions of net cash flows are permitted while there is an outstanding balance under the Working Capital Loan. Distributions of all resident entrance fees, net of refunds paid, and advance deposits as well as proceeds from any debt financing may only be distributed to Erickson. Distributions of net cash from capital transactions are first made to member pro rata until the capital contributions are returned and then to the members in proportion to their respective capital percentages.

### **Current Assets and Current Liabilities**

Operating revenue, as used below, includes long-term care revenue, residential revenue, assisted living revenue and ancillary fees and other income revenue. Operating expenses exclude amortization, depreciation, and interest expense. Management has assumed the following working capital components based on the Company's historical trends:

**Table 16**  
**Working Capital – Days on Hand**

Accounts receivables, net	10	days of operating revenues
Prepaid expenses and other current assets	3	days of operating expenses
Accounts payable	18	days of operating expenses
Accrued expenses	14	days of operating expenses

Source: Management

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

## **EXHIBIT 5**

### **EXPLANATION OF MATERIAL DIFFERENCES**

#### **Summary:**

Exhibit Five provides a narrative describing any material differences between (i) projected statements of revenues and expenses and cash flows and (ii) the actual results of operations for the Provider.

**WINDSOR RUN, LLC**  
**EXPLANATION OF MATERIAL DIFFERENCES**

Pursuant to Section 58-64A-150(a)(38) of the North Carolina General Statutes, we are required to provide a narrative describing any material differences between (i) the five-year prospective financial statements included as a part of the disclosure statement recorded most immediately subsequent to the start of the provider's most recently completed fiscal year and (ii) the actual results of operations of the provider's most recently completed fiscal year.

All differences between projected results and actual results of \$500,000 or more are deemed material and the Provider has provided an explanation of each line item herein. The higher threshold for a material difference is attributable to the accelerated start-up of operations for the community. If there is a related account to the material item, the related account is referenced also.

On the following pages are the various explanations of material differences for the Balance Sheet, Statement of Operations, and Statement of Cash Flows projected for 2024 and the 2024 actual results.

**WINDSOR RUN, LLC**  
**Comparison of 2024 Actual Results to 2024 Projected Results**  
**(000s omitted)**

	2024 Audit	2024 Projected	Favorable (Unfavorable) Variance	Percentage Variance
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,769	\$ 2,967	\$ (1,198) <sup>(1)</sup>	(40.4%)
Restricted cash	19,475	4,925	14,550 <sup>(2)</sup>	295.4%
	<u>21,245</u>	<u>7,892</u>	<u>13,353</u> <sup>(3)</sup>	
Operating reserve	-	-	-	N/A
Resident accounts receivable	276	858	(582) <sup>(4)</sup>	(67.8%)
Resident promissory notes receivable	9,584	16,745	(7,161) <sup>(5)</sup>	(42.8%)
Other current assets	256	263	(7)	(2.6%)
	<u>31,361</u>	<u>25,758</u>	<u>5,603</u>	
Long-term assets				
Property, plant and equipment, net	325,999	325,886	113	0.0%
Intangible assets	2,505	2,104	401	19.0%
	<u>328,503</u>	<u>327,990</u>	<u>513</u>	
Total assets	<u>\$ 359,864</u>	<u>\$ 353,748</u>	<u>\$ 6,116</u>	
<b>LIABILITIES AND MEMBER'S EQUITY</b>				
Current liabilities				
Accounts payable and accrued expenses	\$ 21,154	\$ 15,304	\$ 5,850 <sup>(5)</sup>	38.2%
Accrued payroll and insurance claims	1,411	1,230	181	14.7%
Resident refunds payable	3,509	2,269	1,240 <sup>(6)</sup>	54.7%
Other current liabilities	79	367	(288)	(78.4%)
	<u>26,153</u>	<u>19,170</u>	<u>6,983</u>	
Long-term liabilities				
Advance deposits	855		855 <sup>(7)</sup>	N/A
Working capital loan and accrued interest	11,685	52,032	(40,347) <sup>(6)</sup>	(77.5%)
Resident entrance fees, net	209,794	204,481	5,313 <sup>(8)</sup>	2.6%
	<u>222,334</u>	<u>256,513</u>	<u>(34,179)</u>	
Total long-term liabilities	<u>248,487</u>	<u>275,683</u>	<u>(27,196)</u>	
Total liabilities	<u>111,377</u>	<u>78,065</u>	<u>33,312</u> <sup>(8)</sup>	42.7%
Members' equity				
	<u>\$ 359,864</u>	<u>\$ 353,748</u>	<u>\$ 6,116</u>	

Notes:

- (1) Increase in deposits from prospective residents to reserve apartment units prior to settlement.
- (2) The operating reserve is funded by a surety bond.
- (3) Decrease in number of days in accounts receivable.
- (4) New building opened in November 2024. Promissory notes payable to Windsor Run were issued to be collected upon the settlement of Resident's home.
- (5) Increase in construction payables at year end.
- (6) Timing of refunds due.
- (7) In late 2024, a new independent living building opened. Prior to moving in, 10% advanced deposits were collected.
- (8) Less equity funding was needed for construction than anticipated.

Notes:

**WINDSOR RUN, LLC**  
**Comparison of 2024 Actual Results to 2024 Projected Results**  
**(000s omitted)**

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY	2024 Audit	2024 Projected	Favorable (Unfavorable) Variance	Percentage Variance
<b>Revenue</b>				
Resident occupancy revenue				
Independent living	\$ 27,570	\$ 26,586	984 <sup>(1)</sup>	3.7%
Assisted living and skilled nursing	4,254	3,830	424 <sup>(2)</sup>	11.1%
Ancillary fees	810	911	(101) <sup>(2)</sup>	(11.1%)
Amortization of resident entrance fees	7,007	5,378	1,629 <sup>(3)</sup>	30.3%
Other income	334		334	N/A
Total income	39,974	36,705	3,269	
<b>Expenses</b>				
Salaries, wages and benefits	15,027	15,872	(845) <sup>(4)</sup>	(5.3%)
Professional and contracted services	7,260	2,380	4,880 <sup>(5)</sup>	205.0%
Supplies		490	(490) <sup>(6)</sup>	(100.0%)
Dietary and other supplies		1,911	(1,911) <sup>(6)</sup>	(100.0%)
Building grounds and maintenance		1,237	(1,237) <sup>(6)</sup>	(100.0%)
Utilities		1,661	(1,661) <sup>(6)</sup>	(100.0%)
Administrative and other	7,607	4,564	3,043 <sup>(7)</sup>	66.7%
Management fees	1,588	1,566	22	1.4%
Resident relations		179	(179)	(100.0%)
Insurance		311	(311)	(100.0%)
Real estate taxes	1,384	1,884	(500) <sup>(8)</sup>	(26.5%)
Depreciation	7,970	6,688	1,282 <sup>(9)</sup>	19.2%
Total expenses	40,837	38,743	2,094	
Operating loss	(862)	(2,038)	1,176	
<b>Non-operating income</b>				
Payment Protection Program loan forgiveness			-	N/A
Interest income	252	147	105 <sup>(10)</sup>	71.2%
Interest expenses	(1,559)	(4,105)	2,546 <sup>(10)</sup>	(62.0%)
Total non-operating income	(1,307)	(3,958)	2,651	
Net loss	(2,170)	(5,996)	3,826	
<b>Members' equity, beginning</b>				
Contributions from member	84,061	84,061	0	
Distributions to members	79,073		79,073 <sup>(11)</sup>	N/A
<b>Members' equity, ending</b>	<b>\$ 111,377</b>	<b>\$ 78,065</b>	<b>\$ 33,312</b>	<b>N/A</b>
<b>Notes:</b>				
(1)	Higher occupancy in independent living than anticipated			
(2)	Ancillary Fees less than anticipated			
(3)	More non-refundable contracts were selected by residents than projected creating additional amortization of resident entrance fees			
(4)	Salaries less than anticipated			
(5)	Utilization of contract and professional services greater than anticipated and classification of support services - see (6)			
(6)	The audit does not break out Dietary, Building, Grounds, Maintenance and Utilities			
(7)	A corporate overhead allocation was classified in professional and contract services for the audit and in administrative for the projection.			
(8)	Real estate taxes less than anticipated			
(9)	Depreciation greater than anticipated dependent on when buildings are placed in service.			
(10)	Interest expense less than anticipated			
(11)	Less equity funding was needed for construction than anticipated.			

STATEMENT OF CASH FLOW	2024 Audit	Projected	Favorable	Percentage Variance
			(Unfavorable)	
<b>Cash flows from operating activities:</b>				
Net loss	\$ (2,170)	\$ (5,996)	3,826 <sup>(1)</sup>	
Adjustments to reconcile net loss to net cash and cash equivalents provided by (used in) operating activities				
Depreciation	7,970	6,688	1,282 <sup>(2)</sup>	19.2%
Amortization of resident entrance fees	(7,007)	(5,378)	(1,629) <sup>(3)</sup>	30.3%
Spend down	(550)		(550)	N/A
Increase in accounts receivable	(48)		(48)	N/A
Increase in prepaid expenses and other current assets	(13)		(13)	N/A
Change in current assets and current liabilities	73	(24,074)	24,147 <sup>(4)</sup>	(100.3%)
Increase in non-refundable entrance fees	20,210	2,913	17,297 <sup>(3)</sup>	593.8%
Increase in accounts payable and accrued expenses	1,019	13,723	(12,704) <sup>(4)</sup>	(92.6%)
Increase in other current liabilities	21		21	N/A
Increase in deferred interest	1,559	4,105	(2,546) <sup>(5)</sup>	(62.0%)
Net cash and cash equivalents provided by (used in) operating activities	21,065	(8,019)	29,084	
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(71,398)	(68,617)	(2,781) <sup>(2)</sup>	4.1%
Purchase of intangible assets	(401)	(1,000)	599	(59.9%)
Net cash and cash equivalents used in investing activities	(71,799)	(69,617)	(2,182)	
<b>Cash flows from financing activities:</b>				
Proceeds of working capital loan		23,800	(23,800) <sup>(5)</sup>	(100.0%)
Repayments of working capital loan	(14,001)		(14,001) <sup>(5)</sup>	N/A
Proceeds from refundable resident entrance fees	56,994	50,288	6,706 <sup>(3)</sup>	13.3%
Entrance fees received-attrition (refundable)		8,023	(8,023) <sup>(3)</sup>	(100.0%)
Refunds of refundable entrance fees	(11,927)	(7,155)	(4,772) <sup>(6)</sup>	66.7%
Increase (decrease) in advance deposits	(1,868)	(2,723)	855 <sup>(3)</sup>	(31.4%)
Contributions from member	79,073		79,073 <sup>(5)</sup>	N/A
Distributions to member	(49,587)		(49,587) <sup>(5)</sup>	N/A
Net cash and cash equivalents provided by financing activities	58,683	72,233	(13,550)	
<b>Increase in cash and cash equivalents</b>	<b>7,949</b>	<b>(5,403)</b>	<b>13,352</b>	
<b>Cash and cash equivalents, beginning of year</b>	<b>13,295</b>	<b>13,295</b>	<b>0</b>	
<b>Cash and cash equivalents, end of year</b>	<b>\$ 21,245</b>	<b>\$ 7,892</b>	<b>\$ 13,353</b>	

**Notes:**

- (1) Interest expense less than expected.
- (2) Depreciation greater than anticipated dependent on when buildings are placed in service.
- (3) More non-refundable contracts were selected by residents than projected creating additional amortization of resident entrance fees.
- (4) Difference in presentation of current assets and current liabilities – summarized per projection and detailed per audit.
- (5) Funding of start up losses anticipated in 2004 projection.
- (6) Increase in refunds of refundable contracts.

**EXHIBIT 6**

**COMPANY STRUCTURE CHART SHOWING WINDSOR RUN'S RELATIONSHIP WITH OTHER ENTITIES IN THE  
MULTI-ENTITY ORGANIZATION**

