



THE BARCLAY

AT SOUTHPARK

Disclosure Statement

May 31, 2024

**4801 Barclay Downs Drive
Charlotte, North Carolina 28210
(980) 224-8540**

The Barclay at SouthPark, like all other continuing care retirement communities in the state of North Carolina, is subject to an article concerning licensure and disclosure. In accordance with Chapter 58, article 64 of the North Carolina General Statutes of the State of North Carolina: Unless earlier revised, The Barclay at SouthPark intends for this Disclosure Statement to remain effective for up to one (1) year and 150 days through October 31, 2025. The Barclay at SouthPark must deliver a Disclosure Statement to a prospective member prior to or at the time a prospective resident executes a residency agreement or at the time a prospective resident transfers any money or other property to The Barclay at SouthPark, whichever occurs first. This Disclosure Statement has not been reviewed or approved by any governmental agency or representative to ensure accuracy or completeness of the information set out.

Updated July 31, 2024

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I. Introduction

The Barclay at SouthPark (the “CCRC” or the “Community”) is a continuing care retirement community which offers its residents (“Residents”) one hundred sixty-five (165) independent living rental apartments (each an “Apartment”) located in an independent living facility (the “Independent Living Building”), a wide array of services, a clubhouse (the “Clubhouse”), and the security of access to an adjacent one-hundred-thirty-six (136) bed healthcare center (the “Healthcare Center”). The Community is situated on an approximately 10.5-acre campus located in Charlotte, North Carolina (the “Site”). As of December 31, 2023, there were one-hundred-seventy-six (176) independent living residents under Residency and Care Agreements.

II. Organization, Ownership and Management

A. Organization

Charlotte SP Senior Housing OPCO, LLC (“SouthPark OPCO”) is a Delaware for-profit limited liability company registered to do business in North Carolina formed for the purpose of leasing and operating a continuing care retirement community. SouthPark OPCO is solely owned by Charlotte SP Senior Housing JV OPCO, LLC (“SouthPark Joint Venture OPCO”). SouthPark Joint Venture OPCO is the only entity having, directly or indirectly, a ten percent (10%) or greater beneficial interest in SouthPark OPCO.

B. Facility Ownership

Charlotte SP Senior Housing PROPCO, LLC (the “SouthPark PROPCO”) is a Delaware for-profit limited liability company registered to do business in North Carolina formed for the purpose of developing and owning real property and the buildings of the Company (defined below).

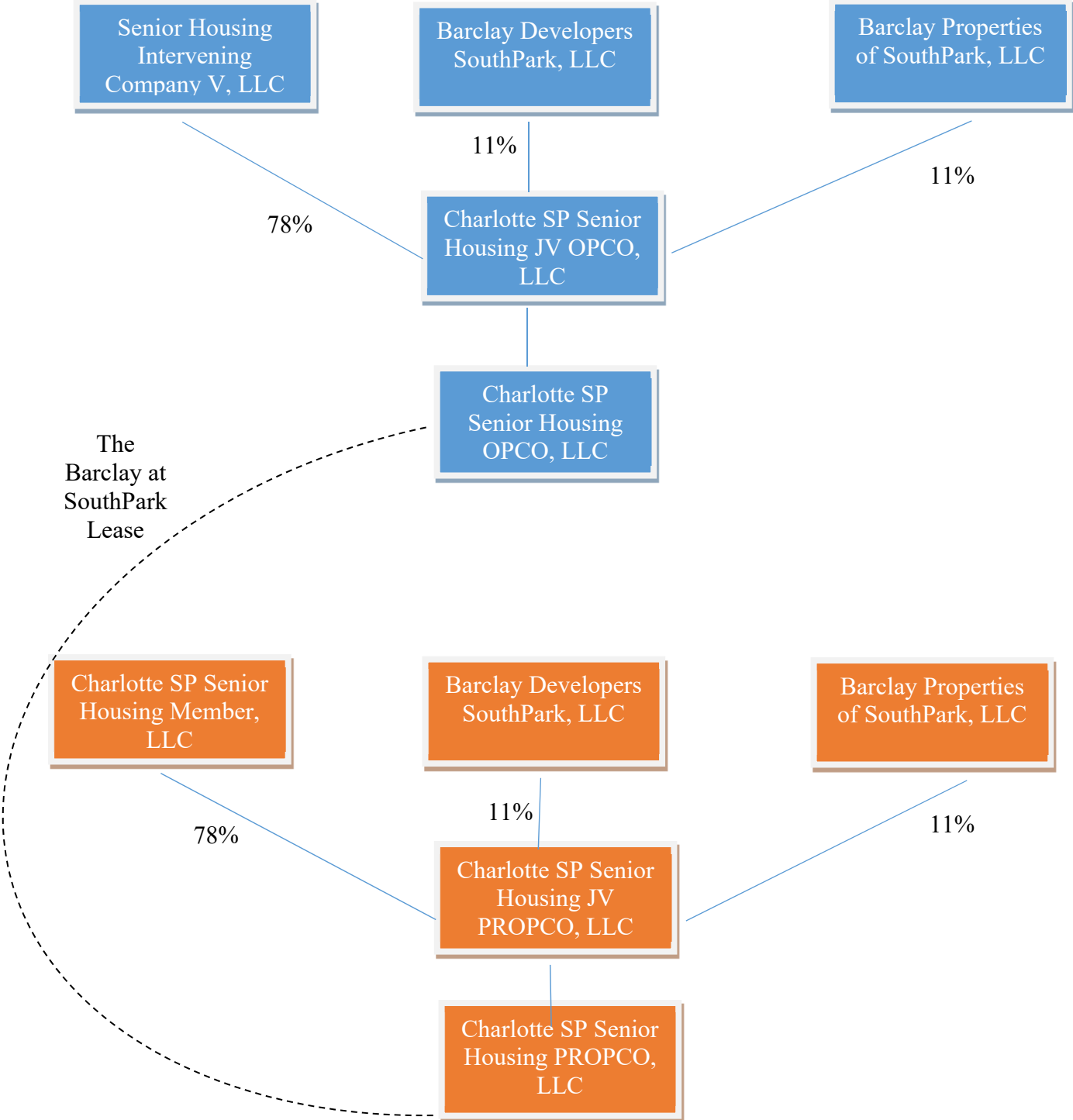
SouthPark PROPCO purchased the Site in July 2018, together with all of the improvements comprising the Company (defined below). SouthPark OPCO has executed a lease agreement (“The Barclay at SouthPark Lease”) for SouthPark OPCO’s use and operation of the Independent Living Building, the Clubhouse, the Healthcare Center, and the associated common areas. The Barclay at SouthPark Lease has a term of eighteen (18) years and rent under the lease is in an amount sufficient to satisfy the debt service coverage ratio required by SouthPark PROPCO’s lender. SouthPark PROPCO is responsible for constructing, at SouthPark PROPCO’s sole cost and expense, all of the improvements leased pursuant to The Barclay at SouthPark Lease.

In August 2020, the North Carolina Department of Insurance issued a Continuing Care Retirement Community Conditional License (the “License”) to SouthPark OPCO, Barclay Senior Living (defined below), and SouthPark PROPCO (individually and collectively the “Company”), as co-providers. The License allowed the Community to open and provide continuing care with certain reporting

requirements until break-even occupancy is attained. The business address of the Company is One Town Center Road, Suite 300; Boca Raton, Florida 33486.

See the organization/ownership chart below.

Organization/Ownership Chart



C. Healthcare

The CCRC provides the Resident temporary or permanent assisted living services and skilled nursing services in the beds located within the Healthcare Center. The Healthcare Center is licensed for one-hundred-thirty (130) assisted living beds and six (6) skilled nursing beds. One-hundred-two (102) of the assisted living beds are reserved for the Residents of the CCRC (the “Closed Beds”). The remaining Healthcare Center beds are available to the public (the “Open Beds”). In the event that the Closed Beds are fully occupied, the Resident will be given priority access to the available Open Beds.

D. Management

The Company operates the CCRC.

Guarantors on the loan amended August 30, 2022 are Barclay Senior Living SouthPark, LLC, a North Carolina limited liability company, charlotte SP Senior Housing OPCO, LLC, a Delaware limited liability company, Liberty Healthcare Group, LLC, a North Carolina limited liability company, Liberty Real Properties, LLC, a North Carolina limited liability company, Liberty Real Properties II, LLC, a North Carolina limited liability company, Liberty Real Properties III, LLC, a North Carolina limited liability company, Liberty Real Properties V, LLC, a North Carolina limited liability company, Liberty Real Properties VI, LLC, a North Carolina limited liability company, Liberty Home Care V, LLC, a North Carolina limited liability company, by ERAJ Holdings, LLC, a North Carolina limited liability company, its Manager, JARE Holdings, LLC, a North Carolina limited liability company, Shoreland Healthcare and Retirement Center, Inc., a North Carolina corporation, and J.A. McNeil & Sons, Inc., a North Carolina corporation. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the Company’s agreements or obligations, except as otherwise stated. In June of 2023, a guarantor letter on the loan was provided by John A. McNeill Jr and Ronald B. McNeill. The letter will remain in affect until the loan is extended or refinanced.

Barclay Senior Living SouthPark, LLC

Barclay Senior Living SouthPark, LLC (“Barclay Senior Living”) is a North Carolina for-profit limited liability company formed for the purpose of providing staffing and payroll management services to the SouthPark OPCO and providing property management services to SouthPark PROPCO.

SouthPark OPCO has executed a staffing agreement (the “Staffing Agreement”) with a fee of five percent (5%) of total revenues derived from independent living units and six percent (6%) of total revenues derived from assisted living beds, memory care beds, and skilled nursing beds paid to Barclay Senior Living.

Liberty Living Management, LLC

Liberty Living Management, LLC (“Liberty Living Management”) has executed a management agreement with Barclay Senior Living in which Barclay Senior Living pays Liberty Living Management fees equal to the fees derived from the Staffing Agreement. Liberty Living Management’s headquarters are at 2334 S. 41st St., Wilmington, NC 28403. The following individuals are key managers or corporate executives:

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

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

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

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

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

William B. Purvis

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

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

Cindy Stancil

Cindy Stancil, LNHA is the President of Operations of Liberty Living Management. Cindy started her career in assisted living as the Administrator of Northridge Retirement Village in Raleigh, North Carolina in 1985. After four years of service, she moved to Wilmington, North Carolina, to open a new assisted living community, Liberty Commons Assisted Living. Over the past 39 years, Mrs. Stancil’s responsibilities have grown from being the Administrator of an assisted living community to budgeting and training, policy and procedures development and implementation, research, design and development of nursing home, independent, and assisted living projects.

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

Nicole Cook

Nicole Cook, RN LNHA provides operational support to Liberty Living Management team in the role of Regional Operations Manager. Nicole is a native of Nashville, Tennessee, educated in North Carolina and has enjoyed a career in Healthcare for over 25 years. Nicole is an RN and is also licensed as a Nursing Home Administrator. Spending her career in both clinical and operational management, Nicole brings years of patient care and operational leadership to the team. With a passion for customer service and a dedication to quality patient care, she is active in ensuring

that our Liberty Living communities provide the best possible experience for those we serve. Nicole resides in Wilmington, NC with her husband and daughter.

Facility Management

Carol Cyr. Carol Cyr serves as the Executive Director of The Barclay at South Park. Carol was born and raised in the hotel industry, as her family owned and operated a full-service hotel in Maine. She graduated from the University of Southern Maine with a degree in education. Despite this, her family roots lead her to a lifelong career in hospitality, managing several Hilton and Marriott hotels in Maine, including the Embassy Suites Portland Jetport and the Portland Marriott. After relocating to Charlotte in 2016, she accepted an Executive Director position with Atria Senior Living. In 2022, Carol came on board with Liberty Senior Living as the Executive Director of The Barclay at South Park,

E. Related Parties

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

F. Legal Disclaimer

Neither the managers nor any principals of the Company (i) have been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment for a felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property or (ii) are subject to a currently effective injunctive or restrictive court order, or within the past five years, had any state or federal license or permit suspended or revoked as a result of an action brought by any governmental agency or department, arising out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged, or facility subject to N.C.G.S. Section 58-64 or similar law in another state.

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

G. Affiliations

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

III. Facility Description and Amenities

A. Location

The Community is located on an approximately 10.5-acre site, having an address of 4801 Barclay Downs Drive, Charlotte, North Carolina and is situated within a larger medical park development that will also include additional medical office buildings. The Site is a mixed-use development that includes a variety of residential choices, shops, and restaurants.

B. Layout and Types of Accommodations

Accommodations of the CCRC include one hundred sixty-five (165) Apartments within the Independent Living Building with one and two bedroom floor plans that range from approximately 740 to 1,760 square feet. The CCRC is able to accommodate up to two hundred fifty (250) Residents, all of whom will be provided services pursuant to their respective Residency and Care Agreements. Subject to the terms and conditions of the Residency and Care Agreement and the limits of the Company's license, a full continuum of healthcare services is provided in the Healthcare Center. In addition, in the event the Closed Beds are fully occupied, Residents will be given priority access to the available Open Beds.

C. Amenities

Clubhouse. The Clubhouse is a social center for Residents to gather. The Clubhouse features opportunities for formal and informal dining, a corner market with all day service, wireless internet, a business center, billiards and card rooms, and a multi-purpose room.

Wellness Center. The on-site wellness center (the "Wellness Center") provides an array of wellness programs for the Residents. Facilities and services include state-of-the-art fitness equipment, exercise classes, indoor heated pool and certain wellness education programs.

IV. Services

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

Appliances and Furnishings. The Apartments shall include the following appliances and furnishings: window coverings; standard flooring; appliances, including an electric range/self-cleaning oven, refrigerator/freezer with icemaker, garbage disposal, microwave, dishwasher, washer and dryer; smoke and fire detectors; an individual climate control system; an individual water heater; a 24-hour emergency

call system and other permanent fixtures. All other appliances and furnishings for the Apartments not listed above are to be provided by the Resident.

Utilities. Included with residency in an Apartment are heating, air conditioning, water, sewer, gas, electricity, basic cable television, trash removal and pest control.

Meals. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The Resident shall be entitled to dine in any of the CCRC’s dining options and charges for the food and beverages, including alcoholic beverages, of the Resident or of any guest of the Resident shall be deducted from such Declining Balance Meal Credit. Upon termination of the Residency and Care Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credits, such additional charges shall be billed to the Resident on a monthly basis.

Housekeeping Service. The Resident agrees to keep the Apartment in a clean and orderly condition. On a weekly basis, the Company will provide basic housekeeping services in the Apartment.

Maintenance Services. The Company will be responsible for normal wear and tear, maintenance and replacement of the property, furnishings and equipment owned or leased by the Company for use in the CCRC. The Resident will be responsible for any damage to such property, furnishings and equipment, including the cost of repair or replacement or the diminution in value thereof, caused by the Resident, the Resident’s guests or the Resident’s pets. The Resident will be responsible for the maintenance and repair of their personal property.

Grounds Keeping. The Company will maintain and repair the CCRC’s grounds, including lawns, trees and shrubbery. Personal plantings and customization of landscaped areas are subject to the Company’s approval.

Use of Community Common Areas. The Resident has the non-exclusive right, along with other residents, to use the CCRC’s common areas, including, but not limited to, the dining rooms, lounges, lobbies, library, social and recreational rooms and designated outdoor activity areas.

Use of the Wellness Center. The Company will provide health and wellness programs and services at the on-site Wellness Center, including use of fitness equipment, exercise classes, use of an indoor heated pool and certain wellness education programs. The Resident will be advised of any required fee for a wellness program before enrolling in such program.

Programs. Recreational, social, educational and cultural activities will be coordinated by the CCRC’s staff. Some activities are subject to an additional charge.

Parking. The Company will provide parking areas for one personal vehicle per Resident and limited parking for the Residents’ guests.

Transportation. The Company will provide scheduled transportation to locations routinely visited by Residents of the CCRC, such as shopping centers, medical offices and social events. Some transportation is subject to an additional charge.

Emergency Response System. The Company will provide, on a twenty-four (24) hour basis, an emergency call system. Response to a call shall be limited to an evaluation of the Resident's needs. If other medical response is determined necessary, the Resident is responsible for any costs associated with such other medical response, including emergency medical transportation.

Insurance. The Company will maintain general liability and hazard insurance on the property within the CCRC owned or leased by the Company, but will not be responsible for the Resident's personal property.

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

Transportation Services. If a Resident requests transportation in addition to that provided as a Basic Service, the Company may provide such transportation provided that the Company has adequate transportation staff available at such date and time and to destinations that the Company identifies as being within the geographic area of transportation services.

Food Services. If a Resident requests food services or catered services in addition to those provided as a Basic Service, the Company may provide such additional food services or catered services for an additional cost.

Tray Service. Residents may request that meals be delivered to the Apartment ("Tray Service") for a delivery charge; provided, however, that the Tray Service may not be requested for more than three (3) consecutive days except at a physician's or nurse's direction.

Activities. Due to their special nature, a special fee may be required for some wellness and life enrichment programs.

Additional Housekeeping Service. If a Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the Company may provide such services if staff is available to provide such services.

Spa Services. Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.

Upgraded Television Channels. Upgraded television channels will be available to the Resident in accordance with a published fee schedule.

Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.

Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC’s Concierge Desk.

C. Healthcare

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

The Healthcare Center’s Medical Director will determine the appropriate level of nursing care required by the Resident upon admission to the Healthcare Center. Residents who are unable to return to their Apartment will have the benefit of permanent care in the Healthcare Center. If the appropriate level of healthcare based upon the needs of the Resident may not be obtained or are not provided within the Healthcare Center, such level of care must be provided by another provider of healthcare services, including, but not necessarily limited to, a hospital, and the costs of those services are the responsibility of the Resident. The Resident (i) acknowledges and agrees that the Company will not be responsible for any claims, damages or expenses resulting from injury or death suffered by the Resident which is caused by, attributable to or in any way connected with the negligence or intentional acts or omissions of the physicians, employees or agents of such any such other provider of healthcare services and (ii) releases the Company from liability for any such claims, damages or expenses.

V. **Expansion/Development**

The CCRC opened one hundred sixty-five (165) independent living rental apartments in January 2021 and opened a one hundred thirty (130) bed healthcare center in March 2021.

Planned future phases of the Community may include the construction of up to an additional two-hundred and twenty-four (224) Apartments. The additional Apartments will be constructed as dictated by demand for residency in the Community. The expected date for commencement of such construction is not known at this time. The Community reduced the number of skilled nursing beds from twenty-two (22) to six (6) in April 2024. In conjunction with the reduction of skilled nursing beds, the Community added twenty-two (22) assisted living beds, bringing the total to one-hundred-thirty (130) assisted living beds, to better meet the needs of the Community.

VI. The Continuing Care Concept

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

VII. The Residency and Care Agreement

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

- A. Term. The initial term of the Residency and Care Agreement shall be for thirteen (13) months beginning on the Occupancy Date. After the initial term, the Residency and Care Agreement will automatically renew for additional thirteen (13) months periods, unless terminated as set forth in the Residency and Care Agreement.
- B. Eligibility Requirements. Eligibility for residency in the Community is conditioned upon, among other things more particularly described in the Residency and Care Agreement, the following:

Age Criteria. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An underage second occupant may be approved for residency in the Apartment in the Company's sole discretion but must, at a minimum, be fifty (50) years of age and meet the other requirements for residency in the CCRC. The Company reserves the right to limit the number of Residents under the age of sixty-two (62) that will live in the CCRC.

Preliminary Health Screen. The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the Company, which criteria may be amended from time to time in the Company's sole discretion. The Resident shall provide to the Company an internal preliminary health screen substantially in the form attached to the Apartment Selection Agreement executed by the Resident and the Company, completed by the Resident's primary physician and certifying that the Resident meets the independent living criteria within the period outlined in the Residency and Care Agreement.

Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee, extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of the Residency and Care Agreement. Immediately prior to the Occupancy Date (as defined in the Residency and Care Agreement), the Resident will affirm to the Company that the Resident's financial situation does not differ materially and adversely from the financial situation presented in the Application Forms (substantially in the form attached to the Apartment Selection Agreement). If the Resident's then personal financial situation differs materially and adversely from the Resident's prior financial situation, the Company may terminate the Residency and Care Agreement. After the Occupancy Date, the Company may require updated financial information. In the case of two Residents occupying an Apartment, and in the event of the death of one of the occupants, the surviving Resident will be required to submit an update of the original Application Forms within thirty (30) days after the Company's request for the same.

- C. Priority Partner Agreement. A prospective resident may execute a Priority Partner Agreement (the "Priority Partner Agreement") with the Company to be placed on the waiting list for an Apartment.
- D. Apartment Selection Agreement. At the time of selecting an Apartment, the Resident shall execute an Apartment Selection Agreement ("Apartment Selection Agreement") and submit it to the Company along with an Apartment Selection Fee and Community Fee, as defined in the Residency and Care Agreement.
- E. Residency and Care Agreement. Within seven (7) days of executing an Apartment Selection Agreement, the Resident shall execute a Residency and Care Agreement.
- F. Changes to Apartment. Any structural or physical change or redecoration and remodeling of any kind within or outside the Apartment may only be made by the Resident only with the prior written consent of the Company, which shall be granted at the Company's sole discretion, and at the sole expense of the Resident. All such improvements or changes shall be the property of the Company. Upon vacating the Apartment, the Resident, or the Resident's estate, shall be responsible for the costs of returning the Apartment to the condition that existed prior to the Resident taking possession of the Apartment.
- G. Changes in Condition Prior to Occupancy. If after the execution of the Residency and Care Agreement and prior to the Occupancy Date the Resident's health or mental condition is such that, in the sole discretion of the Company, the Resident no longer meets the qualifications to live independently in the CCRC, and the Residency and Care Agreement is not otherwise terminated, the Resident may be transferred directly to the Healthcare Center. All fees and other charges due must be paid prior to any direct transfer. In the event there is more than one Resident occupying the Apartment, and one Resident is transferred directly to the Healthcare Center, the other Resident shall continue to be obligated under the Residency and

Care Agreement and pay the required Monthly Service Fee applicable to a single Resident.

- H. Fees and Billing. The Resident shall be required to pay the Monthly Service Fee and other fees as set forth in the Residency and Care Agreement. Fees payable by the Resident are described in more detail below.
- I. Permitted Occupants. The Resident(s) named in the Residency and Care Agreement and no other person shall reside in or occupy the Apartment during the term of the Residency and Care Agreement, except with the express prior written approval of the Company. If a second occupant who is not a party to the Residency and Care Agreement is accepted for residency in the CCRC after the date of the Residency and Care Agreement, such acceptance shall be subject to the approval of the Company and adherence to policies then governing all other admissions and such second resident shall enter into a Residency and Care Agreement. If the second occupant does not meet the requirements for residency, or does not execute a Residency and Care Agreement, he or she shall not be permitted to occupy the Apartment.
- A second occupant includes, but is not limited to, a spouse as defined by State statute.
- J. Transfers. Should the Resident desire to transfer to another Apartment, the Resident must notify the Company in writing. Following receipt of this request, and subject to availability, the Company may grant the Resident an option to move to the next available Apartment of the size requested. Upon transfer to a new residence, the Monthly Service Fee for the month in which the move takes place shall be prorated to reflect the percentage of the month that the Resident spends in each type of residence. With all transfers, there will be an up-fitting charge for the vacated residence based on the current rate established by the CCRC at the time of the transfer. The Resident will move all furnishings and belongings to the new residence within ten (10) days of the established occupancy date for the new residence. Any moving expense will be the responsibility of the Resident.
- K. Death or Transfer of One Resident. If one of the Residents named in the Residency and Care Agreement dies, moves out or is permanently transferred to the Healthcare Center or any other nursing center, the remaining Resident will continue to be bound by the terms of the Residency and Care Agreement except that the Monthly Service Fee will be reduced to the single occupancy rate then in effect.
- L. Smoking Policy. The CCRC is smoke-free. No smoking is permitted in the Apartment (to include balconies) or in any other building or location in or on the CCRC's premises. The Resident agrees to abide by the CCRC's Rules and Regulations concerning smoking.
- M. Pets. Subject to the prior written consent of the Company, which such consent shall be at the sole and absolute discretion of the Company, pets may be permitted in the

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

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

Termination by Resident. Upon the termination of the Residency and Care Agreement, the Resident shall have no further right to reside in the CCRC. The Residency and Care Agreement may be terminated or cancelled by the Resident under the following terms and conditions:

- (a) Rescission During First Thirty (30) Days. The Resident may terminate the Residency and Care Agreement for any reason within thirty (30) days following the later of the execution of the Residency and Care Agreement or receipt by the Resident of the Disclosure Statement (the "Rescission Period"), and the Resident is not required to move into the facility before expiration of the Rescission Period. The Resident's termination of the Residency and Care Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One-Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident's request and set forth in Exhibit A of the Residency and Care Agreement or in writing in a separate addendum to the Residency and Care Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company receives written notice of the Resident's election to terminate the Residency and Care Agreement.
- (b) Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in an Apartment, the Resident

may terminate the Residency and Care Agreement for any reason after the Rescission Period but prior the Occupancy Date upon written notice to the Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, the Community Fee, the Apartment Selection Fee, and any costs or other charges that the Resident and the Company agree in advance are non-refundable.

- (c) General Termination Right. The Resident may terminate the Residency and Care Agreement at any time for any reason by giving the Company thirty (30) days' written notice signed by the Resident (or both of them if there are two Residents). In the event of such termination by a Resident for reasons other than those permitted in the Residency and Care Agreement, the Resident shall pay the Company for all Optional Services rendered by the Company to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at the existing market rate.

Termination by Death or Serious Illness

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

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

Termination by the Company

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

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

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

VIII. Fees

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

- A. Priority Deposit. Upon the execution of the Priority Partner Agreement, the prospective resident shall submit to the Company a payment of One-Thousand Dollars (\$1,000.00) (the "Priority Deposit"). The Priority Deposit is fully refundable should the prospective resident choose not to proceed with the reservation process and not enter into a Residency and Care Agreement for any reason. The Priority Deposit will be fully applied toward the Security Deposit should the prospective resident proceed with the reservation process and execute a Residency and Care Agreement.

- B. Apartment Selection Fee. Upon the execution of the Apartment Selection Agreement, the Resident shall submit to the Company a fee equal to one Monthly Service Fee payment (the "Apartment Selection Fee"). The Apartment Selection Fee is a non-refundable fee (except as defined in the Residency and Care Agreement) and shall be fully applied toward the first month's Monthly Service Fee.

- C. Community Fee. Upon the execution of the Apartment Selection Agreement, the Resident shall submit to the Company a fee equal to one Monthly Service Fee payment (the "Community Fee"). The Community Fee is a one-time, non-

refundable fee (except as defined in the Residency and Care Agreement) which entitles the Resident priority access to all services and amenities of the Community. A Community Fee will not be charged to Residents upon any renewal of the Residency and Care Agreement.

- D. Security Deposit. Upon the execution of the Residency and Care Agreement, the Resident shall make a Security Deposit payment to the Company equal to one Monthly Service Fee payment (the “Security Deposit”), which shall be deposited in accordance with statute, law or regulation of the federal, state, and local Government. If the Resident has complied with all terms of the Residency and Care Agreement and returns the Apartment in the same or materially similar condition as when the Resident moved into the Apartment, the Company will return the Security Deposit to the Resident within thirty (30) days after the Resident’s move-out date. The Security Deposit shall be credited to the Resident as the last Monthly Service Fee payment in the event of the Resident’s death. In the event that the Resident breaches or otherwise violates the Residency and Care Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Company. The Resident is additionally responsible for any expense incurred by the Company resulting from damages to the Apartment that are in excess of the Security Deposit. In the event that the Resident has entered into a Priority Partner Agreement and paid a refundable deposit to the Company, the Priority Deposit shall be applied to the amount due as the Security Deposit.
- E. Monthly Service Fee. Throughout the Term, the Resident shall pay to the Company a Monthly Service Fee (the “Monthly Service Fee”) as described in Exhibit A attached to the Residency and Care Agreement. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5th) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Apartment is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Apartment prior to the first of a month, the Resident shall pay the Company the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If the Residency and Care Agreement does not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in the Residency and Care Agreement.
- F. Adjustments to Monthly Service Fees. The Company reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days’ written notice prior to any renewal of the Residency and Care Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC and the level and quality of services provided to the residents of the CCRC and consistent with operating on a

sound financial basis. See Exhibit F for five years of the historical average dollar amount of increases in fees.

- G. Fees for Optional Services. The Resident shall receive a monthly statement from the Company showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5th) day of each month. A list of fees for recurring Optional Services the Resident has elected to purchase as of the date of the Residency and Care Agreement shall be attached to the Residency and Care Agreement as Exhibit A.
- H. Healthcare Center Fees and Charges. The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, assisted housing with services, skilled nursing care and memory care services on a temporary or permanent basis. The Company shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty (30) days of residency in the Healthcare Center (each day being a "Discounted Fee Day"). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Care Agreement and in accordance with the then published Healthcare Center per diem charge.
- I. Refund of Fees. If the Resident cancels during the Rescission Period as defined in the Residency and Care Agreement, the Priority Deposit, Apartment Selection Fee, Community Fee, and Security Deposit (and any other fees paid by Resident) in accordance with the Residency and Care Agreement will be refunded to the Resident, without interest, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident's request and set forth in Exhibit A of the Residency and Care Agreement or in writing in a separate addendum to the Residency and Care Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company's receipt of the Resident's written notice of rescission. The Apartment Selection Fee and the Community Fee become non-refundable after the Rescission Period. The Security Deposit is refundable and will be returned to the Resident within thirty (30) days after the Resident's move-out date if the Resident has complied with all terms of the Residency and Care Agreement and returns the Apartment in the same or materially similar condition as when Resident moved into the Apartment. If the Resident breaches or otherwise violates the Residency and Care Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Company.
- J. Late Charges. The Company will charge a one percent (1%) late payment charge per month on any Monthly Service Fees and extra charges that have not been paid within five (5) days after their due date.

IX. Financial Information

- A. Audited Financial Statements. Audited financial statements of the Company as of and for the year ended December 31, 2023 are included as Exhibit A.
- B. Actual versus Projected Results. A narrative of material differences between the previously projected financial statements and actual results of operations for the year ended December 31, 2023 for the Company are included in Exhibit B.
- C. Interim Financial Statements. Interim financial statements for the three-month period ended March 31, 2024 for the Company are included as Exhibit C.
- D. Five-Year Prospective Financial Statements. Financial projections for each of the five years ending December 2028 for the Company as compiled by an independent public accountant are included as Exhibit D.
- E. Reserves, Escrow and Trusts. North Carolina law requires continuing care retirement communities such as the Community to maintain operating reserves equal to fifty percent (50%) of the total operating costs in a given year, or twenty-five percent (25%) of such total operating costs if occupancy as of a certain date exceeds ninety percent (90%) of the Community's capacity (such reserve amount is referred to herein as the "Statutory Reserve"). This law provides security to the Residents that the Company will be able to meet its contractual obligations to provide continuing care. The Company's Statutory Reserve will be maintained through a letter of credit issued by a financial institution approved by the North Carolina Department of Insurance (the "Letter of Credit"). The Letter of Credit will name the Company as the beneficiary and be in an amount sufficient to satisfy the Statutory Reserve requirement.

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

X. Other Material Information

None.

EXHIBIT A
AUDITED FINANCIAL STATEMENTS
[ATTACHED]

THE BARCLAY AT SOUTHPARK

COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended December 31, 2023

And Report of Independent Auditor

THE BARCLAY AT SOUTHPARK
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Report of Independent Auditor

To the Members
The Barclay at SouthPark
Wilmington, North Carolina

Opinion

We have audited the accompanying combined financial statements of The Barclay at SouthPark (the “Company”), a group of entities under common control, which comprise the combined balance sheet as of December 31, 2023, and the related combined statements of operations and changes in members’ equity and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Correction of Error

As discussed in Note 11 to the combined financial statements, in a prior year the Company recorded an error in the calculation of capitalized interest and did not record the special allocation of capital contributions in connection with an investment in a joint venture. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, the Company changed its method of accounting for credit losses as of January 1, 2023, due to the adoption of Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Combined Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

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

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

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

Supplementary Information

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

Cherry Bekaert LLP

Atlanta, Georgia
June 25, 2024

THE BARCLAY AT SOUTHPARK
COMBINED BALANCE SHEET

DECEMBER 31, 2023

ASSETS

Current Assets:

Cash	\$	1,565,576
Restricted cash		3,620,291
Resident accounts receivable, net		595,878
Accounts receivable - other		1,805
Prepaid expenses		379,364
Total Current Assets		<u>6,162,914</u>

Property and Equipment, Net

141,910,546

Noncurrent Assets:

Intangible asset		1,120,065
Accounts receivable - related parties		816,605
Other assets		600,573
Total Noncurrent Assets		<u>2,537,243</u>

Total Assets

\$ 150,610,703

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Current portion of long-term debt, net of debt issuance costs	\$	105,621,608
Accrued expenses and other payables		3,371,515
Deferred revenue		312,368
Total Current Liabilities		<u>109,305,491</u>

Noncurrent Liabilities:

Accounts payable - related parties		<u>1,913,093</u>
Total Noncurrent Liabilities		<u>1,913,093</u>
Total Liabilities		111,218,584

Members' Equity

39,392,119

Total Liabilities and Members' Equity

\$ 150,610,703

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

THE BARCLAY AT SOUTHPARK
COMBINED STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY

YEAR ENDED DECEMBER 31, 2023

Revenues:	
Resident revenue - Independent living	\$ 9,470,089
Resident revenue - Assisted living	7,836,660
Resident revenue - Skilled nursing	3,740,359
Community fee	369,956
Other revenue	219,086
Total Revenue	<u>21,636,150</u>
Expenses:	
Resident services - Independent living	509,604
Resident services - Assisted living	2,619,849
Resident services - Skilled nursing	3,339,536
Dietary	3,403,860
Laundry	196,298
Housekeeping	759,922
Plant operations	2,070,634
Physical plant	279,523
General and administrative	4,517,948
Management fees	1,204,961
Interest	9,262,010
Depreciation and amortization	4,673,045
Other expense	49,457
Total Expense	<u>32,886,647</u>
Net Loss	<u>(11,250,497)</u>
Members' equity, beginning of year	33,096,738
Correction of error	5,888,663
Members' equity, beginning of year, as restated	<u>38,985,401</u>
Contributions	11,680,549
Cumulative effect of adoption of ASC 326 (Note 2)	<u>(23,334)</u>
Members' equity, end of year	<u><u>\$ 39,392,119</u></u>

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

THE BARCLAY AT SOUTHPARK
COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:	
Net loss	\$ (11,250,497)
Adjustments to reconcile net loss to net cash flows from operating activities:	
Depreciation and amortization	4,673,045
Amortization of debt issuance costs	300,606
Cumulative effect of adoption of ASC 326 (Note 2)	(23,334)
Changes in operating assets and liabilities:	
Resident accounts receivable, net	(41,247)
Accounts receivable - other	8,110
Accounts receivable - related parties	944,708
Prepaid expenses	(172,232)
Other assets	(308,035)
Accrued expenses and other payables	(3,432,000)
Deferred revenue	(65,199)
Accounts payable - related parties	(1,484,773)
Net cash flows from operating activities	<u>(10,850,848)</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(814,245)</u>
Net cash flows from investing activities	<u>(814,245)</u>
Cash flows from financing activities:	
Proceeds from long-term debt	2,865,009
Debt issuance cost payments	(353,922)
Contributions from members	<u>11,680,549</u>
Net cash flows from financing activities	<u>14,191,636</u>
Net change in cash and restricted cash	2,526,543
Cash and restricted cash, beginning of year	<u>2,659,324</u>
Cash and restricted cash, end of year	<u><u>\$ 5,185,867</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 9,174,882</u></u>
Reconciliation of cash and restricted cash to combined balance sheet:	
Cash per combined balance sheet	\$ 1,565,576
Restricted cash per combined balance sheet	<u>3,620,291</u>
	<u><u>\$ 5,185,867</u></u>

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

THE BARCLAY AT SOUTHPARK

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 1—Nature of operations

Nature of Operations – The Barclay at SouthPark (the “Company” or “CCRC”) is an economic entity comprised of three individual companies listed below. The Company was organized to provide senior living services in Charlotte, North Carolina. Services will include providing and maintaining 165-unit independent living rental apartments with assisted living services, skilled nursing care, and supporting services. The Company received a Permanent CCRC License from the North Carolina Department of Insurance (“NC DOI”) in August 2021. The CCRC opened the independent living units in January 2021 and the healthcare units in March 2021.

Charlotte SP Senior Housing PROPCO, LLC (“SouthPark PROPCO”) is a Delaware for-profit limited liability company registered to do business in North Carolina and formed for the purpose of developing and owning real property and the buildings of the Company. SouthPark PROPCO is owned by Charlotte SP Senior Housing JV PROPCO, LLC, a Delaware limited liability company.

Charlotte SP Senior Housing OPCO, LLC (“Barclay at SouthPark”) is a Delaware for-profit limited liability company registered to do business in North Carolina and formed for the purpose of leasing and operating a continuing care retirement community known as The Barclay at SouthPark. The Company is owned by Charlotte SP Senior Housing JV OPCO, LLC, a Delaware limited liability company.

Barclay Senior Living SouthPark, LLC (“Barclay Senior Living”) is a North Carolina for-profit limited liability company formed for the purpose of employing the employees of the Company and providing management services to the two entities listed above.

SouthPark PROPCO holds the certificate of need (“CON”) for 42 skilled nursing beds. The collective value of the CON is recorded as an intangible asset on SouthPark PROPCO.

Note 2—Summary of significant accounting policies

Principles of Combination – The combined financial statements include the accounts of SouthPark PROPCO and Barclay at SouthPark, which are owned and controlled by the members of the limited liability companies, and Barclay Senior Living who provides management services. All significant inter-company accounts and transactions have been eliminated, including right of use assets and right of use lease liability amounts. The combined financial statements do not and are not intended to represent the activity of a legal entity.

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

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

No assets or liabilities (real or contingent) of the individual members of any of the limited liability companies are included in the combined financial statements of the Company. Individual members are not liable for the Company’s debt.

Cash and Cash Equivalents – Cash includes deposit accounts and investments purchased with an original maturity of three months or less. There were no cash equivalents as of December 31, 2023.

THE BARCLAY AT SOUTHPARK

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2—Summary of significant accounting policies (continued)

Restricted Cash – Restricted cash is comprised of refundable priority deposits (the “Priority Deposit”) received from future residents, which are held in accordance with statute, law, or regulation of the federal, state, and local government. The Priority Deposit will be applied to the security deposit paid by the resident upon execution of a Residency and Care Agreement. The liability associated with refundable priority deposits is included within accrued expenses and other payables on the combined balance sheet, and totaled \$152,850 as of December 31, 2023.

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

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Depreciation and amortization amounted to \$4,678,335 for the year ended December 31, 2023.

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

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

Debt Issuance Costs – Financing costs associated with the notes payable have been deferred and are being amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Amortization of debt issuance costs is recognized as interest expense in the statement of operations and changes in members’ equity. Unamortized debt issuance costs are included as a reduction related to debt liabilities.

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

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

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

THE BARCLAY AT SOUTHPARK

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2—Summary of significant accounting policies (continued)

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

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

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

The Company receives revenue from independent living residents containing a lease component that would fall under the guidance of ASC 842, *Leases*. The amount of revenue recorded under this guidance was approximately \$9,826,000 and there would be no difference in how the revenue would be recognized under ASC 606 or ASC 842.

Disaggregated Revenue – The Company has determined that the senior living services included under the daily or monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time.

Contract Balances – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying combined balance sheet related to the nonrefundable community fee and prepaid resident revenue totaled \$142,956 and \$169,412, respectively, as of December 31, 2023 and is recorded as deferred revenue on the combined balance sheet. There were no contract assets as of December 31, 2023.

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

Income Taxes – The Company, with the consent of its members, has elected under the Internal Revenue Code to be taxed as a partnership. In lieu of corporate federal income taxes, the members of a limited liability company are taxed on their proportionate share of the Company’s taxable income. Management has evaluated the effect of the guidance provided by U.S. GAAP on accounting for uncertainty in income taxes. Management has evaluated all other income tax positions that could have a significant effect on the combined financial statements and determined the Company had no uncertain income tax positions at December 31, 2023.

THE BARCLAY AT SOUTHPARK
NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2—Summary of significant accounting policies (continued)

Intangible Assets – In accordance with U.S. GAAP, intangible assets that have indefinite useful lives are not amortized but rather are tested at least annually for impairment. For the Company, this asset includes a CON. Intangible assets with indefinite useful lives are reviewed for impairment in accordance with ASC 350, *Intangibles – Goodwill and Other*, which requires the Company to evaluate the recoverability of long-lived assets annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of its CON may warrant revision or that the remaining carrying value may not be recoverable. As permitted by ASC 350, the Company performed a qualitative assessment of impairment to determine whether the value of the CON was impaired. Based on the results of this qualitative assessment, the CON was not impaired as of December 31, 2023.

Impairment of Long-Lived Assets – The Company reviews the carrying value of its long-lived assets such as property and equipment, whether held for use or disposal when events and circumstances indicate that the carrying amount of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. The amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. Based on results of this review, property and equipment was not impaired as of December 31, 2023.

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

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

In order to meet the North Carolina General Statute operating reserve requirement for 2023, the Company maintained an irrevocable standby letter of credit throughout the year. At December 31, 2023, the amount of the letter of credit was \$10,105,000.

Credit Concentrations – The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. During the year ended December 31, 2023, the Company from time to time may have had amounts on deposit in excess of insured limits.

The Company grants credit without collateral to its residents, most of whom are insured by third party payors. The mix of receivables from third party payors at December 31, 2023 was as follows:

Medicare	75%
Commercial insurance/private pay/other	25%
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	100%
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THE BARCLAY AT SOUTHPARK
NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2—Summary of significant accounting policies (continued)

The Company's mix of revenue sources for the period ended December 31, 2023 was as follows:

Medicare	15%
Commercial insurance/private pay/other	85%
	<hr/>
	100%
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Advertising Costs – Advertising costs are expensed in the year incurred and totaled \$598,237 for the year ended December 31, 2023.

Deferred Marketing Costs – Management has implemented Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* and adopted the treatment of deferred marketing costs. Under the standard, the Company capitalizes marketing sales commissions associated with securing new Residency and Care Agreements as an asset and amortizes these commissions over five years, the estimated term of the respective Residency and Care Agreements. The net amount of deferred marketing costs as of December 31, 2023 are included within other assets, net on the combined balance sheet. Amortization of deferred marketing costs amounted to \$59,076 for the year ended December 31, 2023.

Residence and Care Agreement Services – The Residency and Care Agreement (“Residency Agreement”) is a rental contract under which the Company is obligated, upon payment by the resident of a community fee and ongoing payments of the monthly fee to the Company, to provide certain services to the resident. While the resident occupies an independent living unit, services provided include: one meal per day; all utilities, except telephone; for apartment and garden flat residents, housekeeping services; maintenance of both the unit and the grounds and equipment; scheduled local transportation; use of the wellness center; planned social, recreational, and cultural activities; and use of the community area and other common activity facilities.

Admittance Standards – To be accepted for admission to the independent living units at the CCRC, each prospective resident must be at least 62 years of age at the time residency is established, with the exception of an underage spouse, who must be at least 50 years of age, have financial assets adequate to pay the admission fee, and have sufficient income to meet the anticipated monthly fee and other personal expenses not provided under the Residency Agreement. A reservation requires a signed Residency Agreement and the payment of a one-time community fee equal to one month's monthly resident fee. The community fee is refundable within the first 30 days of the execution of the Residency Agreement.

Terms of Residency – For residents living in an apartment, the initial agreement shall be for a term of 13 months. After the initial term, the Residency Agreement will automatically renew for an additional 13-month period, unless terminated as set forth in the Residency Agreement applicable to the apartments.

Termination by the Resident Prior to Occupancy – The resident may terminate the Residency Agreement prior to moving into the CCRC for any reason at any time by giving written notice. The community fee will be refundable at termination, except for costs or other charges that the resident and the CCRC agree in advance are non-refundable.

Termination by the Resident After Occupancy – The resident may terminate the Residency Agreement after moving into the CCRC by giving a 30-day prior written notice of termination, which shall be effective and irrevocable upon delivery. If the resident terminates the Residency Agreement prior to the expiration of the initial term or renewal term, then the resident will be obligated to pay the monthly fee throughout the remainder of the term until the later of (i) removal of possessions from the apartment and key return to administration or (ii) re-occupancy of the apartment by a new resident.

THE BARCLAY AT SOUTHPARK
NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2—Summary of significant accounting policies (continued)

The Residency Agreement will automatically terminate upon death of the resident (unless there is a surviving joint resident) and a personal representative will have 30 days from the day of death to remove personal property from the apartment. The resident's estate will be obligated to pay the monthly fee until the removal of possessions from the apartment and key return to administration.

Termination by the Company – The CCRC may terminate the Residency Agreement for just cause. Just cause includes (i) breach of agreement; (ii) misrepresenting information in admission process; (iii) failure to pay any charges; (iv) resident becomes infected with dangerous or contagious disease; and (v) a major change in physical or medical condition that cannot be cared for or is beyond the limits of the CCRC's license.

New Accounting Pronouncement – In June 2016, FASB issued ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, which requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new rules also require certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The standard is effective for the Company for the year ending December 31, 2023. The Company adopted this ASU effective January 1, 2023, using the new modified retrospective approach. The Company recognized the cumulative effect of initially applying the new credit loss standard to its accounts receivable by recording a \$23,334 adjustment to the opening balance of members' equity. There was no significant impact to the Company's operating results for the current period due to this standard update.

Note 3—Property and equipment, net

Property and equipment, net at December 31, 2023 consists of the following:

	SouthPark PROPCO	Barclay at SouthPark	Barclay Senior Living	Total
Buildings and improvements	\$ 130,434,518	\$ -	\$ -	\$ 130,434,518
Land and land improvements	19,626,527	80,189	-	19,706,716
Furniture and fixtures	2,659,358	65,245	-	2,724,603
Vehicles	193,107	-	-	193,107
Equipment	3,160,778	294,325	-	3,455,103
	156,074,288	439,759	-	156,514,047
Less accumulated depreciation	(14,507,566)	(95,935)	-	(14,603,501)
Property and equipment, net	<u>\$ 141,566,722</u>	<u>\$ 343,824</u>	<u>\$ -</u>	<u>\$ 141,910,546</u>

Note 4—Intangible asset

Intangible asset (indefinite-lived) consists of the following at December 31, 2023:

Certificate of need	<u>\$ 1,120,065</u>
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THE BARCLAY AT SOUTHPARK
NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 5—Long-term debt

Long-term debt for the Company consists of the following at December 31, 2023:

Building loan agreement bearing interest at a fixed rate of 6% with interest only payments due monthly from the note effective date through July 24, 2024 and payment in full due upon the maturity date of July 24, 2024. The Company has an option to extend the note. This note is collateralized by the real property and improvements and related real and personal property as well as any additional property and improvements located thereon.	\$ 105,894,476
Less debt issuance costs	(272,868)
Less current portion of long-term debt	<u>(105,621,608)</u>
Long-term debt, net	<u><u>\$ -</u></u>

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u> 2024	<u><u>\$ 105,621,608</u></u>
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Interest expense amounted to \$9,074,747 for the year ended December 31, 2023, including \$300,606 of amortization of debt issuance costs.

Future amortization of debt issuance costs at December 31, 2023 is as follows:

<u>Year Ending December 31,</u> 2024	<u><u>\$ 272,868</u></u>
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The loan agreement contains customary affirmative and negative financial covenants. Management is not aware of any violations of covenants at December 31, 2023.

Note 6—Related party transactions

Other entities owned by Liberty Healthcare provide other benefits to the Company. These transactions are also considered related party transactions and are settled through related party cash accounts and payments to the other entities. As of December 31, 2023, total receivables and payables to related parties were \$846,810 and \$1,913,093, respectively.

Barclay at SouthPark has entered into management agreements with a fee of 5% of total revenue derived from independent living units and 6% of total revenue derived from assisted living units, memory care units, and skilled nursing units paid to Barclay Senior Living. These fees totaled \$1,204,961 for the year ended December 31, 2023.

THE BARCLAY AT SOUTHPARK

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 7—Leases

SouthPark PROPCO (the “Lessor”) leases real estate which includes office space, nursing homes, and long-term care centers to Barclay at SouthPark (the “Lessee”), under the terms of the Operating Lease Agreement (the “Operating Lease”) effective July 24, 2018. The Operating Lease expires on June 30, 2037, and the Lessee has the option to renew for two additional terms of five years each. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the Lessee.

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

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

The cost basis of land, buildings and improvements, and office furniture and equipment held under the terms of the lease agreement was \$156,074,288 and related accumulated depreciation was \$14,507,566 at December 31, 2023.

The lessor receives rent payments directly from the lessee. For the year ended December 31, 2023, the monthly payments were \$655,417 for the lessee. According to the terms of certain leasing arrangements, the annual rent to be paid by the lessees will be increased according to the agreed upon payment schedules included as part of the lease agreements.

Total rent receivables from intercompany related parties on a straight-line basis as of December 31, 2023 was \$10,533,276 and has been eliminated in the combined financial statements.

Total rental income for the year ended December 31, 2023 was approximately \$9,826,000 for the lessor and has been eliminated in the combined financial statements.

Minimum future cash rentals due on a straight-line basis to the lessor under the terms of the operating lease agreement are as follows:

Years Ending December 31,

2024	\$ 8,132,502
2025	8,610,000
2026	8,820,000
2027	8,820,000
2028	8,820,000
Thereafter	<u>66,150,000</u>
	<u>\$ 109,352,502</u>

Total rent expense incurred by the lessee to the lessor was approximately \$9,826,000 for the year ended December 31, 2023, including amortization of the right-of-use asset of approximately \$4,089,379. These amounts have been eliminated in the combined financial statements.

THE BARCLAY AT SOUTHPARK

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 8—Contingencies

The Company is subject to legal proceedings and claims which arise in the course of providing health care services. The Company maintains malpractice insurance coverage (\$1,000,000 per claim, \$3,000,000 aggregate) for claims made during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include but are not necessarily limited to matters such as licensure, accreditation, government-health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Note 9—Pension plan

The Company offers a defined contribution plan (the "Plan") to eligible employees as defined by the Plan. The Company will match employee contributions at the discretion of management. The Company contributed \$86,645 to the Plan for the year ended December 31, 2023.

Note 10—Litigation

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

Note 11—Members' equity restatement

In a prior year, the Company recorded an error in the calculation of capitalized interest and did not record the special allocation of capital contributions in connection with an investment in a joint venture which resulted in a restatement of members' equity. The restatement increased property and equipment, net and members' equity as previously reported at December 31, 2022, by \$5,888,663. Had the correct calculation of capitalized interest been used and the special allocation of capital contributions been recorded during December 31, 2022, net loss as previously reported would have been increased by \$159,333.

Note 12—Subsequent events

The Company has evaluated subsequent events through June 25, 2024, in connection with the preparation of these combined financial statements, which is the date the combined financial statements were available to be issued. The Company is unaware of any subsequent events that should be recognized or disclosed in the combined financial statements.

SUPPLEMENTARY INFORMATION

THE BARCLAY AT SOUTHPARK
COMBINING BALANCE SHEET

DECEMBER 31, 2023

	<u>Barclay at SouthPark</u>	<u>Barclay Senior Living</u>	<u>SouthPark PROPCO</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash	\$ 884,525	\$ 79,358	\$ 601,693	\$ -	\$ 1,565,576
Restricted cash	154,622	-	3,465,669	-	3,620,291
Resident accounts receivable, net	595,878	-	-	-	595,878
Accounts receivable - The Barclay at SouthPark	4,924,475	2,220,990	23,629,339	(30,774,804)	-
Accounts receivable - other	1,805	-	-	-	1,805
Prepaid expenses	379,364	-	-	-	379,364
Total Current Assets	<u>6,940,669</u>	<u>2,300,348</u>	<u>27,696,701</u>	<u>(30,774,804)</u>	<u>6,162,914</u>
Property and Equipment, Net	<u>343,824</u>	<u>-</u>	<u>141,566,722</u>	<u>-</u>	<u>141,910,546</u>
Noncurrent Assets:					
Intangible asset	-	-	1,120,065	-	1,120,065
Accounts receivable - related parties	288,460	38,585	489,560	-	816,605
Straight-line rent receivable - The Barclay at SouthPark	-	-	10,533,276	(10,533,276)	-
Right-of-use asset	73,498,660	-	-	(73,498,660)	-
Other assets	254,721	-	345,852	-	600,573
Total Noncurrent Assets	<u>74,041,841</u>	<u>38,585</u>	<u>12,488,753</u>	<u>(84,031,936)</u>	<u>2,537,243</u>
Total Assets	<u><u>\$ 81,326,334</u></u>	<u><u>\$ 2,338,933</u></u>	<u><u>\$ 181,752,176</u></u>	<u><u>\$ (114,806,740)</u></u>	<u><u>\$ 150,610,703</u></u>

THE BARCLAY AT SOUTHPARK
COMBINING BALANCE SHEET (CONTINUED)

DECEMBER 31, 2023

	Barclay at SouthPark	Barclay Senior Living	SouthPark PROPCO	Eliminations	Total
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)					
Current Liabilities:					
Current portion of long-term debt, net of debit issuance costs	\$ -	\$ -	\$ 105,621,608	\$ -	\$ 105,621,608
Accrued expenses and other payables	6,830,414	319,572	2,049,908	(5,828,379)	3,371,515
Deferred revenue	312,368	-	-	-	312,368
Current portion of right-of-use lease liability	4,366,468	-	-	(4,366,468)	-
Accounts payable - The Barclay at SouthPark	21,125,738	1,502,721	3,735,851	(26,364,310)	-
Total Current Liabilities	<u>32,634,988</u>	<u>1,822,293</u>	<u>111,407,367</u>	<u>(36,559,157)</u>	<u>109,305,491</u>
Noncurrent Liabilities:					
Accounts payable - related parties	592,174	527,721	793,198	-	1,913,093
Right-of-use lease liability, net of current portion	78,247,583	-	-	(78,247,583)	-
Total Noncurrent Liabilities	<u>78,839,757</u>	<u>527,721</u>	<u>793,198</u>	<u>(78,247,583)</u>	<u>1,913,093</u>
Total Liabilities	111,474,745	2,350,014	112,200,565	(114,806,740)	111,218,584
Members' Equity (Deficit)	<u>(30,148,411)</u>	<u>(11,081)</u>	<u>69,551,611</u>	<u>-</u>	<u>39,392,119</u>
Total Liabilities and Members' Equity (Deficit)	<u><u>\$ 81,326,334</u></u>	<u><u>\$ 2,338,933</u></u>	<u><u>\$ 181,752,176</u></u>	<u><u>\$ (114,806,740)</u></u>	<u><u>\$ 150,610,703</u></u>

THE BARCLAY AT SOUTHPARK

COMBINING STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY (DEFICIT)

YEAR ENDED DECEMBER 31, 2023

	Barclay at SouthPark	Barclay Senior Living	SouthPark PROPCO	Eliminations	Total
Revenues:					
Resident revenue - Independent living	\$ 9,470,089	\$ -	\$ -	\$ -	\$ 9,470,089
Resident revenue - Assisted living	7,836,660	-	-	-	7,836,660
Resident revenue - Skilled nursing	3,740,359	-	-	-	3,740,359
Straight-line rent revenue	-	-	8,029,675	(8,029,675)	-
Variable rent revenue	-	-	1,783,371	(1,783,371)	-
Community fee	369,956	-	-	-	369,956
Other revenue	206,015	11,215,649	13,072	(11,215,650)	219,086
Total Revenue	21,623,079	11,215,649	9,826,118	(21,028,696)	21,636,150
Expenses:					
Resident services - Independent living	509,604	319,237	-	(319,237)	509,604
Resident services - Assisted living	2,619,849	1,078,837	-	(1,078,837)	2,619,849
Resident services - Skilled nursing	3,339,536	3,775,182	-	(3,775,182)	3,339,536
Dietary	3,403,860	2,124,736	-	(2,124,736)	3,403,860
Laundry	196,298	78,145	-	(78,145)	196,298
Housekeeping	759,922	707,122	-	(707,122)	759,922
Plant operations	1,952,897	320,967	117,737	(320,967)	2,070,634
Physical plant	6,003,190	-	-	(5,723,667)	279,523
General and administrative	4,271,133	1,609,575	243,703	(1,606,463)	4,517,948
Management fees	1,204,961	1,204,961	-	(1,204,961)	1,204,961
Interest	-	-	9,262,010	-	9,262,010
Depreciation and amortization	4,197,048	-	4,565,376	(4,089,379)	4,673,045
Other expense	44,707	-	4,750	-	49,457
Total Expenses	28,503,005	11,218,762	14,193,576	(21,028,696)	32,886,647
Net loss	(6,879,926)	(3,113)	(4,367,458)	-	(11,250,497)
Members' equity (deficit), beginning of year	(23,245,151)	(7,968)	56,349,857	-	33,096,738
Correction of error	-	-	5,888,663	-	5,888,663
Members' equity (deficit), beginning of year, as restated	(23,245,151)	(7,968)	62,238,520	-	38,985,401
Contributions	-	-	11,680,549	-	11,680,549
Cumulative effect of adoption of ASC 326 (Note 2)	(23,334)	-	-	-	(23,334)
Members' equity (deficit), end of year	\$ (30,148,411)	\$ (11,081)	\$ 69,551,611	\$ -	\$ 39,392,119

THE BARCLAY AT SOUTHPARK
COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	<u>Barclay at SouthPark</u>	<u>Barclay Senior Living</u>	<u>SouthPark PROPCO</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operating activities:					
Net loss	\$ (6,879,926)	\$ (3,113)	\$ (4,367,458)	\$ -	\$ (11,250,497)
Adjustments to reconcile net loss to net cash flows from operating activities:					
Depreciation and amortization	4,197,048	-	4,565,376	(4,089,379)	4,673,045
Amortization of debt issuance costs	-	-	300,606	-	300,606
Cumulative effect of adoption of ASC 326 (Note 2)	(23,334)	-	-	-	(23,334)
Changes in operating assets and liabilities:					
Resident accounts receivable, net	(41,247)	-	-	-	(41,247)
Accounts receivable - other	8,110	-	-	-	8,110
Accounts receivable - related parties	(96,539)	(4,949)	1,046,196	-	944,708
Accounts receivable - The Barclay at SouthPark	(1,945,937)	357,561	(12,031,150)	13,619,526	-
Prepaid expenses	(172,232)	-	-	-	(172,232)
Other assets	(147,298)	-	(160,737)	-	(308,035)
Accrued expenses and other payables	4,917,535	23,557	(2,544,713)	(5,828,379)	(3,432,000)
Lease liabilities	(3,567,210)	-	-	3,567,210	-
Deferred revenue	(65,199)	-	-	-	(65,199)
Accounts payable - related parties	(547,033)	231,414	(1,169,154)	-	(1,484,773)
Accounts payable - The Barclay at SouthPark	5,323,041	(609,124)	2,555,061	(7,268,978)	-
Net cash flows from operating activities	<u>959,779</u>	<u>(4,654)</u>	<u>(11,805,973)</u>	<u>-</u>	<u>(10,850,848)</u>
Cash flows from investing activities:					
Purchases of property and equipment	<u>(137,583)</u>	<u>-</u>	<u>(676,662)</u>	<u>-</u>	<u>(814,245)</u>
Cash flows from financing activities:					
Proceeds from long-term debt	-	-	2,865,009	-	2,865,009
Debt issuance cost payments	-	-	(353,922)	-	(353,922)
Contributions from members	-	-	11,680,549	-	11,680,549
Net cash flows from financing activities	<u>-</u>	<u>-</u>	<u>14,191,636</u>	<u>-</u>	<u>14,191,636</u>
Net change in cash and restricted cash	822,196	(4,654)	1,709,001	-	2,526,543
Cash and restricted cash, beginning of year	216,951	84,012	2,358,361	-	2,659,324
Cash and restricted cash, end of year	<u>\$ 1,039,147</u>	<u>\$ 79,358</u>	<u>\$ 4,067,362</u>	<u>\$ -</u>	<u>\$ 5,185,867</u>

THE BARCLAY AT SOUTHPARK
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED DECEMBER 31, 2023

	Barclay at SouthPark	Barclay Senior Living	SouthPark PROPCO	Eliminations	Total
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	\$ -	\$ -	\$ 9,174,882	\$ -	\$ 9,174,882
Reconciliation of cash and restricted cash to combining balance sheet:					
Cash per combining balance sheet	\$ 884,525	\$ 79,358	\$ 601,693	\$ -	\$ 1,565,576
Restricted cash per combining balance sheet	154,622	-	3,465,669	-	3,620,291
	<u>\$ 1,039,147</u>	<u>\$ 79,358</u>	<u>\$ 4,067,362</u>	<u>\$ -</u>	<u>\$ 5,185,867</u>

EXHIBIT B
ACTUAL VERSUS PROJECTED RESULTS
[ATTACHED]

The Barclay at SouthPark
Material Difference Narrative
As of and for the Year Ended December 31, 2023

Charlotte SP Senior Housing PROPCO, LLC, Charlotte SP Senior Housing OPCO, LLC, and Barclay Senior Living SouthPark, LLC ("The Barclay at SouthPark") used the following financial reports as of and for the year ended (actual)/ending (projected) December 31, 2023:

Audited - Obtained from the combined audited financial statements of The Barclay at SouthPark as of and for the year ended December 31, 2023.

Projected - Obtained from the projected financial statements for the Company with the Independent Accountants' Compilation Report dated June 28, 2024, which was included in The Barclay at SouthPark Disclosure Statement dated May 31, 2024.

The following explanations are furnished pursuant to Section 58-64-30 of the General Statutes of North Carolina. The explanations pertain to material differences between The Barclay at SouthPark's audited and projected financial statements, as described above, as of and for the year ending December 31, 2023. See the summary Balance Sheets, Statements of Operations and Statements of Cash Flows behind this narrative for amounts and percentages.

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

Balance Sheets:

1. Cash Restricted - Restricted cash was approximately \$3,380,000 (1408%) above projected. This is due to the refinancing of the loan
- 2 Due From/To Related Parties - There are transactions throughout the year between other companies related to The Barclay at SouthPark which are not part of the economic entity. Below is a summary of the net balances due to and from these companies (shown in a comprehensive total) at December 31, 2023:

	Forecasted			Actual		
	<u>Due From</u>	<u>Due To</u>	<u>Net Rec/(Pay)</u>	<u>Due From</u>	<u>Due To</u>	<u>Net Rec/(Pay)</u>
Total receivable/(payable)	\$ 21,847	\$ (32,177)	\$ (10,330)	\$ 817	\$ (1,913)	\$ (1,096)
						\$ 9,234
						-89%

The Barclay at SouthPark received less from related parties, and owes less to the related parties, than forecasted by a net amount of approximately \$9,234,000 (89%). Intercompany activity was much less than was expected.

3. Accrued Expenses and Other Payables - Accrued Expenses and Other Payables were approximately \$1,482,000 (78%) more than projected. This is due to recording rent due to the property in an accrued rent account and not the related party due to.
4. Members' Deficit - Members' Deficit was above projections approximately by \$13,472,000 (52%) at December 31, 2023. This is mainly due to the variance in the related party accounts in Note 2.

Statements of Operations and Changes in Members' Equity:

5. Assisted Living Revenue - Assisted living revenue was less than projected by approximately \$1,073,000 (12%) primarily due to a slower fill-up than projected.
6. Operating Income - Operating income was approximately \$1,982,000 (42%) lower than projected. This was mainly due to lower revenues and increased expenses in operations.
7. Interest Expense - The interest expense was approximately \$2,062,000 (29%) higher than projected. This was due to the loan refinancing.
8. Net income (loss) from operations - The net loss from operating activities was greater than projected by approximately \$4,073,000 (57%). Total occupancy was below the projection (see note #6 above). Total expenses were more than projected for the year. See notes# 4, 6, and 7.
9. Members' contributions - Members' contributions were more than projected by approximately \$17,546,000 (100%). This is due to investors contributing capital during the year and none projected.

Statements of Cash Flows:

10. Changes in Operating Assets and Liabilities - Changes in Operating Assets and Liabilities was less than projected by approximately \$7,758,000 (244%). This is largely the result in the lower than expected net income (see note #6 above). The effect on cash was offset with the members' contribution (see note #5 above), and through intercompany payables/receivables.
11. Proceeds from Long-term Debt - Proceeds from Long-term debt was approximately \$2,865,000 (100%) higher than projected since none was projected for the year. It is projected these funds will be used for construction costs.

The Barclay at SouthPark
Financial Statements
As of and for the Year Ended December 31, 2023

Balance Sheet (in '000s)	2023 Projection	2023 Audited	Variance	See Material Difference Narrative
Assets:				
Current assets:				
Cash	\$ 2,000	\$ 1,566	\$ (434)	-22%
Cash - restricted	240	3,620	3,380	1408% (1)
Resident accounts receivable, net	710	596	(114)	-16%
Inventory	49	-	(49)	-100%
Prepaid expenses	195	379	184	95%
Accounts receivable - other		2	2	100%
Intercompany Receivable- Barclay at Southpark		-	-	100%
Total current assets	3,194	6,163	2,969	
Noncurrent assets:				
Operating reserve - Company	\$ 500	\$ -	(500)	-100%
Property and equipment, net	\$ 135,326	141,911	6,585	5%
Intangible asset	\$ 1,120	1,120	0	0%
Due from related parties	21,847	817	(21,030)	-96% (2)
Deferred Marketing costs, Net of Amortization	171	-	(171)	-100%
Other assets	186	601	415	223%
Total noncurrent assets	159,150	144,448	(14,702)	
Total assets	\$ 162,344	\$ 150,611	\$ (11,733)	
Liabilities and Members' Deficit:				
Current liabilities:				
Long-term debt, current portion	\$ 102,357	\$ 105,622	3,265	3%
Deferred revenue, current portion	-	312	312	100%
Accrued expenses and other payables	1,890	3,372	1,482	78% (3)
Accrued payroll and related withholdings	-	-	-	100%
Total current liabilities	104,247	109,305	5,058	
Long-term liabilities:				
Long-term debt, less current portion	-	-	-	100%
Deferred revenue, non-current	-	-	-	100%
Due to related parties	32,177	1,913	(30,264)	-94% (2)
Total long-term liabilities	32,177	1,913	(30,264)	
Total liabilities	136,424	111,219	(25,205)	
Members' deficit	25,920	39,392	13,472	52% (4)
Total liabilities and members' deficit	\$ 162,344	\$ 150,611	\$ (11,733)	

The Barclay at SouthPark
As of and for the Year Ended December 31, 2023

Statement of Operations and Changes in Members' Equity(in 000s)	2023 Projection	2023 Audited	Variance	See Material Difference Narrative
Revenue:				
Community fee amortization	\$ -	\$ 370	370	100%
Independent living	9,172	9,470	298	3%
Assisted living	8,910	7,837	(1,073)	-12% (5)
Skilled nursing	4,042	3,740	(302)	-7%
Provision for Bad Debt	-	-	-	100%
Other revenue	410	219	(191)	-47%
Total Revenue	22,534	21,636	(898)	
Expenses:				
Independent living resident services	460	510	50	11%
Assisted living resident services	3,183	2,620	(563)	-18%
Skilled nursing resident services	2,694	3,340	646	24%
Dietary	3,357	3,404	47	1%
Housekeeping	705	760	55	8%
Laundry	166	196	30	18%
General, administrative, and marketing	4,025	4,518	493	12%
Management fee	1,259	1,205	(54)	-4%
Plant operations	1,749	2,071	322	18%
Physical plant	220	280	60	27%
Total expenses	17,818	18,902	1,084	
Operating income/(loss)	4,716	2,734	(1,982)	-42% (6)
Other operating income (expenses):				
Interest expense	7,200	9,262	2,062	29% (7)
Deferred financing cost amortization	65	-	(65)	
Deferred marketing cost amortization	25	-	(25)	
Depreciation and amortization	4,578	4,673	95	2%
Other expense	25	49	24	98%
Total other operating income (expenses)	11,893	13,985	2,092	
Net income/(loss)	(7,177)	(11,250)	(4,073)	57% (8)
Members' equity, beginning of year	33,097	33,097	(0)	0%

Members' contributions	-	17,546	17,546	100%	(9)
Members' equity, end of year	\$ 25,920	\$ 39,392	\$ 13,472	52%	

The Barclay at SouthPark
As of and for the Year Ended December 31, 2023

Statement of Cash Flows (in 000s)	2023 Projection	2023 Audited	Variance		See Material Difference Narrative
Cash flows from operating activities:					
Net income (loss) from operations	\$ (7,177)	\$ (11,250)	(4,073)	57%	(8)
Adjustments to reconcile net income (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation	4,578	4,673	95	2%	
Amortization of debt issuance costs	65	301	236	363%	
Amortization of deferred marketing costs	25	-	(25)	-100%	
Provision for Bad Debt	-	-	-	100%	
Changes in operating assets and liabilities, net	3,183	(4,575)	(7,758)	-244%	(10)
Net cash flows from operating activities	674	(10,851)	(11,525)		
Cash flows from investing activities:					
Capital additions	(75)	(814)	(739)	986%	
Purchases of Intangibles	-	-	-	100%	
Net cash flows from investing activities	(75)	(814)	(739)		
Cash flows from financing activities:					
Proceeds from long-term debt	-	2,865	2,865	100%	(11)
Deferred Financing Costs	-	(354)	(354)	100%	
Principal payment of long-term debt	(518)	-	518	-100%	
Member contributions	-	11,681	11,681	100%	(9)
Net cash flows from financing activities	(518)	14,192	14,710		
Change in cash	81	2,527	2,445		
Cash, beginning of year	2,659	2,659	-		
Cash, end of year	\$ 2,740	\$ 5,186	\$ 2,445		
Cash Reconciliation:					
Cash	\$ 2,040	\$ 1,566	\$ (474)	-23%	
Cash - restricted	240	3,620	3,380	1408%	(1)
Operating reserve - Company	500	-	(500)	-100%	
Total cash	\$ 2,780	\$ 5,186	\$ 2,906		

EXHIBIT C
INTERIM FINANCIAL STATEMENTS
[ATTACHED]

The Barclay of SouthPark
Combined Statements of Operations and Changes in Members' Equity
For the Three Months Ended March 31, 2024

	Charlotte SP Senior Housing OPKO, LLC	Barclay Senior Housing SouthPark, LLC	Charlotte SP Senior Housing PROPCO, LLC	Eliminations	Consolidated
Revenue:					
Community fee amortization (IL only)	\$ 98,315	\$ -	\$ -	\$ -	\$ 98,315
Net resident revenue:					
Independent living	2,996,836	-	-	-	2,996,836
Assisted living	1,680,656	-	-	-	1,680,656
Skilled nursing	815,193	-	-	-	815,193
Provision for bad debt	(5,482)	-	-	-	(5,482)
Management fees	-	336,781	-	(336,781)	-
Other revenue	593,901	2,705,726	-	(2,705,726)	593,901
Total operating revenue	6,179,419	3,042,507	-	(3,042,507)	6,179,419
Expense:					
Direct expenses:					
Nursing services	1,121,256	1,047,840	-	(1,047,840)	1,121,256
Dietary	852,647	556,640	-	(556,640)	852,647
Wellness	24,689	22,469	-	(22,469)	24,689
Patient activities	94,688	76,869	-	(76,869)	94,688
Social Services	17,135	18,274	-	(18,274)	17,135
Physical therapy	107,102	113,088	-	(113,088)	107,102
Occupational therapy	43,029	46,876	-	(46,876)	43,029
Speech therapy	12,485	12,545	-	(12,545)	12,485
Medical supplies	50,676	-	-	-	50,676
Other ancillaries	11,339	-	-	-	11,339
Total direct expenses	2,335,046	1,894,601	-	(1,894,601)	2,335,046
GROSS MARGIN	3,844,373	1,147,906	-	(1,147,906)	3,844,373
Indirect expenses:					
Housekeeping	203,027	206,337	-	(206,337)	203,027
Laundry and linen	46,635	21,462	-	(21,462)	46,635
Barber & beauty	-	-	-	-	-
General and administrative	1,024,809	458,872	9,021	(458,482)	1,034,220
Management fee	336,781	336,781	-	(336,781)	336,781
Transportation	58,991	53,246	-	(53,246)	58,991
Plant operations	351,559	70,861	199,549	(70,861)	551,108
Property costs	97,305	-	-	-	97,305
Total indirect expenses	2,119,107	1,147,559	208,570	(1,147,169)	2,328,067
Total operating expenses	4,454,153	3,042,160	208,570	(3,041,770)	4,663,113
EBITDAR	1,725,266	347	(208,570)	(737)	1,516,306
Other revenue/(expense):					
Gain/(loss) on disposal of assets	-	-	-	-	-
Investment/interest income	-	-	-	-	-
Investment/interest expense	(127)	-	(2,389,833)	-	(2,389,960)
Amortization of deferred financing costs	-	-	-	-	-
Rent revenue	-	-	2,620,833	(2,620,833)	-
Rent expense	(2,620,832)	-	-	2,620,832	-
Amortization of marketing costs	(19,318)	-	-	-	(19,318)
Depreciation	(15,461)	-	(1,262,326)	-	(1,277,787)
Extraordinary expense	(76,301)	-	-	-	(76,301)
COVID expense	-	-	-	-	-
Owner's expense	(1,622)	-	(1,862)	-	(3,484)
Total other revenue/(expense)	(2,732,039)	-	(1,033,188)	(1)	(3,766,850)
NET INCOME/(LOSS)	(1,008,395)	347	(1,241,758)	(738)	(2,250,544)
Members' equity/(deficit), beginning of year	(30,134,340)	(11,082)	63,714,931	-	33,569,510
Members' contributions	-	-	-	-	-
Members' distributions	-	12	-	-	12
Members' equity/(deficit), end of year	\$ (31,142,735)	\$ (10,723)	\$ 62,473,173	\$ (738)	\$ 31,318,978

The Barclay of SouthPark
Combined Statements of Cash Flows
For the Three Months Ended March 31, 2024

	Charlotte SP Senior Housing OPCO, LLC	Barclay Senior Housing SouthPark, LLC	Charlotte SP Senior Housing PROPCO, LLC	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	\$ (1,008,395)	\$ 347	(1,241,758)	-	(2,249,806)
Adjustments to reconcile income/(loss) to net cash provided by operating activities:					
Depreciation	15,461	-	1,262,326	-	1,277,787
Amortization of deferred financing costs	-	-	-	-	-
(Gain)/Loss on sale of property and equipment	-	-	-	-	-
Amortization of community fees	(98,315)	-	-	-	(98,315)
Amortization of deferred marketing costs	19,318	-	-	-	19,318
Provision for bad debts	5,482	-	-	-	5,482
Unrealized (gain)/loss on investments	-	-	-	-	-
Change in working capital:					
Resident accounts receivable	67,090	-	-	-	67,090
Other receivables	162	-	(11,516,320)	-	(11,516,158)
Inventories	-	-	-	-	-
Prepaid expenses	179,057	(4,841)	-	-	174,216
Accounts receivables - related parties	(42,654)	(7,978)	(25,000)	-	(75,632)
Intercompany receivable - Barclay at SouthPark	(1,507,300)	(362,566)	9,295,488	(7,425,622)	(0)
Other assets	1,033,170	-	187,263	-	1,220,433
Deferred revenue, current portion	126,749	-	-	-	126,749
Accounts payable and other accrued expenses and other payables	2,592,880	(16,179)	(991,414)	-	1,585,286
Accrued payroll and related withholdings	-	281,612	-	-	281,612
Resident refunds	-	-	-	-	-
Deferred revenue, noncurrent portion	-	-	-	-	-
Accounts payable - related parties	73,257	32,129	35,001	-	140,387
Intercompany payable - Barclay at SouthPark	(36,324)	0	1,507,300	7,425,622	8,896,598
Cash flows from operating activities	1,419,638	(77,477)	(1,487,115)	-	(144,953)
Cash flows from investing activities:					
Routine capital purchases	(43,621)	-	(161,585)	-	(205,206)
Proceeds from sale of assets	-	-	-	-	-
Change in investments	-	-	-	-	-
Cash flows from investing activities	(43,621)	-	(161,585)	-	(205,206)
Cash flows from financing activities:					
Proceeds from long-term debt	(1,206,577)	-	-	-	(1,206,577)
Deferred financing costs	-	-	-	-	-
Principal payment of long-term debt	195,256	-	(319,746)	-	(124,490)
Member contributions/(distributions)	-	12	-	-	12
Cash flows from financing activities	(1,011,321)	12	(319,746)	-	(1,331,055)
Change in cash and cash equivalents	364,696	(77,465)	(1,968,446)	-	(1,681,215)
Cash and cash equivalents, beginning of year	1,008,942	79,358	4,067,362	-	5,155,663
Cash and cash equivalents, end of year	\$ 1,373,638	\$ 1,894	\$ 2,098,916	\$ -	\$ 3,474,448
Cash - unrestricted	1,227,100	1,894	693,008	-	1,922,002
Cash - restricted/invested	146,538	-	1,405,908	-	1,552,446
Total cash	\$ 1,373,638	\$ 1,894	\$ 2,098,916	\$ -	\$ 3,474,448

The Barclay of SouthPark
Combined Balance Sheets
March 31, 2024

Assets	Charlotte SP Senior Housing OPCO, LLC	Barclay Senior Housing SouthPark, LLC	Charlotte SP Senior Housing PROPCO, LLC	Eliminations	Consolidated
Current assets:					
Cash	\$ 1,227,100	1,894	693,008	-	1,922,002
Cash - restricted	146,538	-	1,405,908	-	1,552,446
Accounts receivable:					
Resident accounts receivable, net	523,934	-	-	-	523,934
Other	1,016	-	22,049,596	-	22,050,612
Inventories	-	-	-	-	-
Prepaid expenses	200,307	15,112	-	-	215,419
Intercompany receivable - Barclay at SouthPark	6,431,775	2,583,556	14,333,851	(23,349,182)	-
Total current assets	8,530,670	2,600,561	38,482,363	(23,349,182)	26,264,413
Non-current assets:					
Investments	-	-	-	-	-
Property and equipment	350,721	-	134,542,708	-	134,893,429
Intangible assets	270,421	-	1,288,708	-	1,559,129
Due from related parties	361,318	46,563	514,560	-	922,441
Deferred marketing costs, net of amortization	-	-	-	-	-
Other non-current assets	72,446,172	-	345,852	-	72,792,024
Total non-current assets	73,428,632	46,563	136,691,828	-	210,167,023
Total assets	\$ 81,959,302	\$ 2,647,124	\$ 175,174,191	\$ (23,349,182)	\$ 236,431,436
Liabilities and Members' Equity/(Deficits)					
Current liabilities:					
Long-term debt, current portion	\$ 4,561,725	-	-	-	4,561,725
Resident refunds payable, current portion:					
Deferred revenue, current portion	493,652	-	-	-	493,652
Accounts payable and accrued expenses	9,262,185	583	1,062,188	-	10,324,956
Accrued payroll and related withholdings	-	584,423	-	-	584,423
Intercompany payable - Barclay at SouthPark	21,089,414	1,502,721	5,243,151	(23,349,182)	4,486,104
Total current liabilities	35,406,976	2,087,727	6,305,339	(23,349,182)	20,450,860
Non-current liabilities and deferred revenue:					
Long-term debt, less current portion	77,041,006	-	105,574,730	-	182,615,736
Deferred financing costs, net of accumulated amortization	-	-	-	-	-
Due to related parties	654,055	570,120	820,949	-	2,045,124
Deferred revenue, noncurrent	-	-	-	-	-
Total non-current liabilities and deferred revenue	77,695,061	570,120	106,395,679	-	184,660,860
Total liabilities and deferred revenue	113,102,037	2,657,847	112,701,018	(23,349,182)	205,111,720
Members' equity/(deficit)	(31,142,735)	(10,723)	62,473,173	-	31,319,716
Total liabilities and members' equity/(deficit)	\$ 81,959,302	\$ 2,647,124	\$ 175,174,191	\$ (23,349,182)	\$ 236,431,436

EXHIBIT D
5-YEAR PROSPECTIVE FINANCIAL STATEMENTS
[ATTACHED]

The Barclay at SouthPark

Compilation of a Financial Projection

For Each of the Five Years Ending
December 31, 2028

(with Accountant's Compilation Report thereon)

The Barclay at SouthPark

Compilation of a Financial Projection

Five Years Ending December 31, 2028

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Accountant's Compilation Report

The Barclay at SouthPark
Wilmington, North Carolina

Management of The Barclay at SouthPark (the “Company”) and the day-to-day operating manager, Liberty Living Management, LLC (collectively “Management”) is responsible for the accompanying financial projection of the Company, which comprises the projected combined balance sheets as of and for each of the five years ending December 31, 2028, the related projected combined statements of operations, changes in members’ equity, and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial projection established by the American Institute of Certified Public Accountants (“AICPA”).

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

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

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

- the independent living apartments and health center units and beds are successfully marketed and achieve and maintain projected occupancy levels during the projection period; and
- Management refinances its construction loan during fiscal year 2025 at terms and rates similar to those reflected in the projection.

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

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

Forvis Mazars, LLP

Atlanta, Georgia
June 28, 2024

The Barclay at SouthPark

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

	2024	2025	2026	2027	2028
Revenue:					
Independent living	\$ 13,194	\$ 16,425	\$ 16,918	\$ 17,425	\$ 17,948
Assisted living	10,745	13,053	14,093	14,516	14,952
Skilled nursing	920	530	546	562	579
Other revenue	504	449	472	486	501
Total operating revenue	25,363	30,457	32,029	32,989	33,980
Expense:					
Independent living	340	350	361	372	383
Assisted living	3,728	4,664	5,628	5,797	5,971
Skilled nursing	586	604	622	641	660
Dietary	3,277	3,581	3,688	3,799	3,913
Housekeeping	983	1,012	1,042	1,073	1,105
Laundry	198	204	210	216	222
General and administrative	4,363	4,494	4,629	4,768	4,911
Management Fee	1,386	1,659	1,749	1,801	1,854
Plant operations	1,970	2,029	2,090	2,153	2,218
Physical plant	426	439	452	466	480
Total operating expenses	17,257	19,036	20,471	21,086	21,717
Operating income	8,106	11,421	11,558	11,903	12,263
Other expense:					
Interest expense	6,105	6,115	6,212	6,151	6,070
Deferred financing cost amortization	106	104	104	104	104
Deferred marketing cost amortization	59	42	49	38	36
Depreciation	4,759	4,750	4,756	4,762	4,768
Other expense	49	49	49	49	49
Total other expense	11,078	11,060	11,170	11,104	11,027
Net income (loss)	(2,972)	361	388	799	1,236
Members' equity, beginning of year	39,392	36,420	36,781	37,169	37,968
Members' equity, end of year	\$ 36,420	\$ 36,781	\$ 37,169	\$ 37,968	\$ 39,204

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

The Barclay at SouthPark

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Net income (loss)	\$ (2,972)	\$ 361	\$ 388	\$ 799	\$ 1,236
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Depreciation	4,759	4,750	4,756	4,762	4,768
Deferred financing cost amortization	106	104	104	104	104
Deferred marketing cost amortization	59	42	49	38	36
Accounts receivable - related parties	(2,248)	(5,573)	(6,837)	(6,816)	(7,296)
Accounts payable - related parties	1,913	1,000	1,500	2,000	2,500
Change in current assets and liabilities, net	312	296	233	96	100
Cash flows from operating activities	1,929	980	193	983	1,448
Cash flows from investing activities:					
Capital additions	(501)	(167)	(172)	(178)	(183)
Cash flows from investing activities	(501)	(167)	(172)	(178)	(183)
Cash flows from financing activities:					
Proceeds from long-term debt	-	103,623	-	-	-
Refinance of long-term debt	-	(103,623)	-	-	-
Deferred financing costs	-	(1,036)	-	-	-
Principal payments of long-term debt	(1,494)	(777)	(521)	(1,305)	(1,385)
Cash flows from financing activities	(1,494)	(1,813)	(521)	(1,305)	(1,385)
Change in cash and restricted cash	(66)	(1,000)	(500)	(500)	(120)
Cash and restricted cash, beginning of year	5,186	5,120	4,120	3,620	3,120
Cash and restricted cash, end of year	\$ 5,120	\$ 4,120	\$ 3,620	\$ 3,120	\$ 3,000
Cash and restricted cash reconciliation:					
Cash	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Cash - restricted	2,620	1,620	1,120	620	500
Operating reserve - Company	500	500	500	500	500
Total cash and restricted cash	\$ 5,120	\$ 4,120	\$ 3,620	\$ 3,120	\$ 3,000

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

The Barclay at SouthPark

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

Assets	2024	2025	2026	2027	2028
Current assets:					
Cash	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Cash - restricted	2,620	1,620	1,120	620	500
Resident accounts receivable, net	120	124	128	132	136
Accounts receivable - other	2	2	2	2	2
Inventories	47	52	56	58	59
Prepaid expenses	189	209	224	231	238
Total current assets	\$ 4,978	\$ 4,007	\$ 3,530	\$ 3,043	\$ 2,935
Non-current assets:					
Operating reserve - Company	500	500	500	500	500
Property and equipment, net	137,651	133,068	128,484	123,900	119,315
Intangible asset	1,120	1,120	1,120	1,120	1,120
Accounts receivable - related parties	3,065	8,638	15,475	22,291	29,587
Deferred marketing costs, net of amortization	241	199	150	112	76
Other non-current assets	301	301	301	301	301
Total non-current assets	142,878	143,826	146,030	148,224	150,899
Total assets	147,856	147,833	149,560	151,267	153,834
Liabilities and Members' Equity					
Current liabilities:					
Long-term debt, current portion	\$ 104,233	\$ 521	\$ 1,305	\$ 1,385	\$ 1,471
Deferred revenue, current portion	312	312	312	312	312
Accounts payable and accrued expenses	3,065	3,390	3,646	3,755	3,867
Total current liabilities	\$ 107,610	\$ 4,223	\$ 5,263	\$ 5,452	\$ 5,650
Non-current liabilities:					
Long-term debt, net	-	102,003	100,802	99,521	98,154
Accounts payable - related parties	3,826	4,826	6,326	8,326	10,826
Total non-current liabilities	3,826	106,829	107,128	107,847	108,980
Total liabilities	111,436	111,052	112,391	113,299	114,630
Members' equity	36,420	36,781	37,169	37,968	39,204
Total liabilities and members' equity	\$ 147,856	\$ 147,833	\$ 149,560	\$ 151,267	\$ 153,834

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

The Barclay at SouthPark

Summary of Significant Projection Assumptions and Rationale

General

The accompanying financial projection presents, to the best of the knowledge and belief of management of The Barclay at SouthPark, a group of entities under common control, (the “Company” or the “Community”) and the day-to-day operating manager, Liberty Living Management, LLC (the “Operating Manager”) (collectively “Management”), the expected financial position, results of operations and changes in members’ equity, and cash flows of the Company as of and for each of the five years ending December 31, 2028. Accordingly, the accompanying financial projection reflects Management’s judgment as of June 28, 2024, the date of this projection, of the expected conditions and its expected course of action during the projection period assuming the hypothetical assumptions defined below occur. However, even if the hypothetical assumptions stated below were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

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

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

- the independent living units and health center units and beds achieve and maintain projected occupancy levels during the projection period; and
- Management refinances its construction loan during fiscal year 2025 at terms and rates similar to those reflected in the projection.

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Background

The Company is an economic entity comprised of three individual companies listed below. The Company was organized to provide senior living services in Charlotte, North Carolina. Services include providing and maintaining an independent living retirement community, assisted living services, skilled nursing care, and supporting services. The independent living units opened in January 2021, and the assisted living units and skilled nursing beds opened in March 2021.

Charlotte SP Senior Housing PROPCO, LLC (“SouthPark PROPCO”) is a Delaware for-profit limited liability company registered to do business in North Carolina and formed for the purpose of developing and owning real property and the buildings of the Company. SouthPark PROPCO is owned by Charlotte SP Senior Housing JV PROPCO, LLC, a Delaware limited liability company.

Charlotte SP Senior Housing OPCO, LLC (“Barclay at SouthPark”) is a Delaware for-profit limited liability company registered to do business in North Carolina and formed for the purpose of leasing and operating the Community. Barclay at SouthPark is owned by Charlotte SP Senior Housing JV OPCO, LLC, a Delaware limited liability company.

Barclay Senior Living SouthPark, LLC (“Barclay Senior Living”) is a North Carolina for-profit limited liability company formed for the purpose of employing the employees of the Company and providing management services to the two entities listed above.

The activities of SouthPark PROPCO, Barclay at SouthPark, and Barclay Senior Living (collectively, the “Company”) are included in Management’s projection.

SouthPark PROPCO and Barclay at SouthPark hold the certificate of need (“CON”) for 108 assisted living beds and 22 skilled nursing beds. The Company holds a permanent Continuing Care Retirement Community (“CCRC”) license from the North Carolina Department of Insurance (“NCDOI”).

See Accountant’s Compilation Report

Related Parties

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

Barclay Senior Living entered into management agreements with the Operating Manager in which Barclay Senior Living pays a management fee of 5.0 percent of total revenues derived from the Independent Living Units and 6.0 percent of total revenues derived from the Healthcare Center (defined hereafter) (the “Management Fee”) to the Operating Manager, a related party to the Company.

The Community

The Community is located in Charlotte, North Carolina on a 6-acre site owned by SouthPark PROPCO. Prior to April 2024 the Community consisted of 165 independent living rental apartments, 78 assisted living units, 24 memory support units, and 22 skilled nursing beds.

Healthcare Conversion

Management began converting 16 skilled nursing beds to 19 assisted living units, for a total of 121 assisted living units and 6 semi-private skilled nursing beds in April 2024 (the “Healthcare Conversion”). Upon completion of the Healthcare Conversion, the Community shall consist of 165 independent living rental apartments (the “Independent Living Units”), 97 assisted living units and 24 memory support units (collectively, the “Assisted Living Units”), and 6 skilled nursing beds (the “Skilled Nursing Beds”). The Assisted Living Units and the Skilled Nursing Beds are collectively referred to as the (“Healthcare Center.”)

The Healthcare Conversion costs are estimated to be approximately \$356,000 and to be completed by the end of fiscal year 2024. The following table summarizes the Community’s unit configuration prior to and after completion of the Healthcare Conversion:

See Accountant’s Compilation Report

Table 1
Unit Configuration

Level of care	Prior Unit Configuration	Converted ⁽¹⁾	Upon Completion
Independent Living	165	–	165
Assisted Living	102	19	121
Skilled Nursing	22	(16)	6
Total	289	3	292

Source: Management

- (1) Management began to decrease the occupancy of the Skilled Nursing Beds in April 2024 and anticipates the completion of the Healthcare Conversion to occur by December 2024.

The following table summarizes the types of units, approximate square footage and assumed monthly fee (“Monthly Fee”) or daily fees (“Daily Fee”) of the Community upon completion of the Healthcare Conversion:

Table 2
Community Configuration and Fees

Unit Type	Number of Units / Beds	Square Footage	Monthly Fee ⁽¹⁾⁽²⁾⁽³⁾
<i>Independent Living Units:</i>			
One-bedroom	60	1,009	\$ 7,429
Two-bedroom	105	1,338	\$ 8,854
Total/Weighted Average	165	1,218	\$ 8,336
<i>Assisted Living Units:</i>			
Memory Support	24	420	\$ 8,707
Standard	97	590	\$ 8,139
Total/Weighted Average	121	556	\$ 8,252
<i>Skilled Nursing Beds:</i>			Daily Fee
Private			\$ 525
Medicare – Traditional			\$ 604
Medicare – Managed Care			\$ 474
Total/Weighted Average	6	425	\$ 534
Total Units/Beds	292		

Source: Management

- (1) Upon move-in residents of the Independent Living Units are required to pay a one-time non-refundable fee equal to one month’s Monthly Fee (the “Community Fee”); a one-time non-refundable fee equal to one month’s Monthly Fee (the “Apartment Selection Fee”); and a one-time refundable security deposit equal to one month’s Monthly Fee (the “Security Deposit”).
- (2) The second person Monthly Fee is \$1,313 for the Independent Living Units and \$3,197 for the Assisted Living Units.
- (3) Monthly Fees and Daily Fees increase each January. Residents renew their respective leases at renewal dates throughout the year. The Monthly Fees and Daily Fees shown are an average of the Monthly Fees and Daily Fees effective as of January 1, 2024.

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Residency and Care Agreement

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

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

Optional services, including covered parking, personal laundry, additional transportation, additional dining, and additional housekeeping services, are available for extra fees.

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

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

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

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

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

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

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

See Accountant’s Compilation Report

Summary of Significant Accounting Policies

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

Principles of Combination – The combined financial statements include the accounts of SouthPark PROPCO and Barclay at SouthPark, which are owned and controlled by the members of the limited liability companies, and Barclay Senior Living who provides management services. All significant inter-company accounts and transactions have been eliminated, including right of use assets and right of use lease liability amounts. The combined projected financial statements do not and are not intended to represent the activity of a legal entity.

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

Restricted Cash – Restricted cash is comprised of refundable priority deposits (the “Priority Deposit”) received from future residents, which are held in accordance with statute, law, or regulation of the federal, state, and local government. The Priority Deposit shall be applied to the security deposit paid by the resident upon execution of a Residency and Care Agreement.

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

Statutory Operating Reserve – North Carolina General Statute section 58-64-33, requires licensed CCRCs to maintain an operating reserve equal to 50 percent (50%) of the total projected operating costs (adjusted for non-cash items) in a given year. If a CCRC maintains a combined independent and assisted living occupancy in excess of 90 percent (90%), the operating reserve amount required equals 25 percent (25%) of projected operating expenses (adjusted for non-cash items). The reserve may be funded by cash, invested cash, or investment grade securities. Management assumes that the statutory operating reserve shall be funded by an irrevocable standby letter of credit from a financial institution. At December 31, 2023, the amount of the letter of credit was \$10,105,000. Management has funded a \$500,000 operating reserve, at its discretion, to provide additional liquidity for Community operations.

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

See Accountant’s Compilation Report

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

Deferred Marketing Costs – Management has implemented ASU No. 2014-09 “Revenue from Contracts with Customers” and adopted the treatment of deferred marketing costs. Under the standard, the Company capitalizes marketing sales commissions associated with securing new Residency and Care Agreements as an asset and amortizes these commissions over five (5) years, the estimated term of the respective Residency and Care Agreements.

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

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

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

See Accountant’s Compilation Report

Summary of Revenue Assumptions

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

Table 3
Assumed Quarterly Fill-Up for the
Independent Living Units/Assisted Living Units/Skilled Nursing Beds

Fiscal Year/Quarter	Independent Living Move-in Schedule ⁽¹⁾			Assisted Living Units Move-in Schedule ⁽¹⁾			Skilled Nursing Beds Move-in Schedule ⁽¹⁾		
	Quarterly Move-ins (outs) Total	Unit Total	Unit % ⁽²⁾	Quarterly Move-ins Total	Unit Total	Unit % ⁽²⁾	Quarterly Move-ins (outs) Total	Bed Total	Bed % ⁽²⁾
Occupancy on Dec 31, 2023		130	79%		75	74%		17	77%
2024									
1 st Quarter	(8)	122	74%	9	84	82%	(11)	6	27%
2 nd Quarter	13	135	82%	11	95	79%	(3)	3	50%
3 rd Quarter	11	146	88%	2	97	80%	-	3	50%
4 th Quarter	12	158	96%	-	97	80%	-	3	50%
2025									
1 st Quarter	1	159	96%	6	103	85%	-	3	50%
2 nd Quarter	-	159	96%	6	109	90%	-	3	50%
3 rd Quarter	-	159	96%	5	114	94%	-	3	50%
4 th Quarter	-	159	96%	-	114	94%	-	3	50%
Total		159	96%		114	94%		3	50%

Source: Management

- (1) Cumulative occupancy is based on 165 available Independent Living Units, 121 Assisted Living Units, and 6 Skilled Nursing Beds.
- (2) The Healthcare Conversion began in April 2024 to convert 22 Skilled Nursing Beds into a cumulative total of 121 Assisted Living Units and 6 Skilled Nursing Beds and is anticipated on being complete by December 2024.

See Accountant's Compilation Report

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

Year Ending December 31,	Average Units Available	Average Units Occupied	Occupied Percentage
<i>Independent Living Units:</i> ⁽¹⁾			
2024 ⁽³⁾	165	137	83%
2025-2028	165	159	96%
<i>Assisted Living Units:</i>			
2024 ⁽³⁾	115	92	80%
2025	121	109	90%
2026-2028	121	114	94%
<i>Skilled Nursing Beds:</i> ⁽²⁾			
2024 ⁽³⁾	11	5	45%
2025-2028	6	3	50%

Source: Management

- (1) The double occupancy percentage for the Independent Living Units is assumed to be 37 percent throughout the projection period.
- (2) The payor mix for the Skilled Nursing Beds is assumed to be 13 percent, 64 percent, and 23 percent for private pay, Medicare-traditional, and Medicare-managed care, respectively, throughout the projection period.
- (3) The Healthcare Conversion began in April 2024 and is anticipated to be completed by December 2024.

Independent Living and Assisted Living Revenue

Resident service revenue for the Independent Living Units and the Assisted Living Units is based upon the assumed Monthly Fees for services provided to Residents and the assumed occupancy of the Independent Living Units and the Assisted Living Units. Monthly Fees for the Independent Living Units and the Assisted Living Units are assumed to increase 3.0 percent annually throughout the projection period.

Skilled Nursing Revenue

Resident service revenue for the Skilled Nursing Beds is based upon assumed Daily Fees for services provided to Residents and the assumed occupancy of Skilled Nursing Beds. Daily Fees for the Skilled Nursing Beds are assumed to increase 3.0 percent annually throughout the projection period.

Other Revenues

Revenue from other revenue is assumed to be generated from guest meals and other miscellaneous sources and is assumed to increase 3.0 percent annually during the projection period.

See Accountant’s Compilation Report

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

Salaries, wages, and employee benefits are assumed to increase incrementally during the fill-up period and 3.0 percent annually thereafter.

Non-Salary Expenses

Non-salary expenses are assumed to increase incrementally during the fill-up period and 3.0 percent annually thereafter.

Management Fee Expense

The Company is assumed to pay the Management Fee for the day-to-day management of the Community. The Management Fee is assumed to be based on 5.0 percent of Independent Living Units revenue and 6.0 percent of Healthcare Center revenue.

Statutory Operating Reserve

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

Table 5					
Operating Reserve Requirement					
(in Thousands)					
	2024	2025	2026	2027	2028
Projected operating expenses	\$ 28,335	\$ 30,096	\$ 31,641	\$ 32,190	\$ 32,744
Add: principal payments on long-term debt	1,494	777	521	1,305	1,385
Subtract:					
Depreciation	(4,759)	(4,750)	(4,756)	(4,762)	(4,768)
Amortization	(165)	(146)	(153)	(142)	(140)
Projected operating expenses-adjusted	24,905	25,977	27,253	28,591	29,221
Operating reserve % required ⁽¹⁾	50%	25%	25%	25%	25%
Operating reserve ⁽²⁾	\$ 12,453	\$ 6,494	\$ 6,813	\$ 7,148	\$ 7,305
Independent Living Units and Assisted Living Units:					
Available, beginning of year	280	286	286	286	286
Occupied, beginning of year	229	268	273	273	273
Occupancy percentage	82%	94%	95%	95%	95%

Source: Management

- (1) North Carolina state statute requires an operating reserve 50% or 25% of projected operating expenses-adjusted for occupancy of the Independent Living Units and the Assisted Living Units below 90% or 90% or above, respectively.
- (2) Management satisfies statutory operating reserve requirement through an irrevocable standby letter of credit with a financial institution. Management also funds a \$500,000 operating reserve, at its discretion, to provide additional liquidity for Community operations.

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Property and Equipment

The Company is assumed 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 40, 15 or 10 years. The Company's property and equipment costs, net of accumulated depreciation, during the projection period are summarized in the table below.

Table 6
Schedule of Property and Equipment
(in Thousands)

	2024	2025	2026	2027	2028
Beginning balance	\$ 156,514	\$ 157,015	\$ 157,182	\$ 157,354	\$ 157,532
Routine capital additions	501 ⁽¹⁾	167	172	178	183
Property and equipment, cost	157,015	157,182	157,354	157,532	157,715
Accumulated depreciation	(19,364)	(24,114)	(28,870)	(33,632)	(38,400)
Property and equipment, net	\$ 137,651	\$ 133,068	\$ 128,484	\$ 123,900	\$ 119,315

Source: Management

(1) Includes the cost of the Healthcare Conversion of approximately \$356,000.

See Accountant's Compilation Report

Long-Term Debt*Construction Loan*

SouthPark PROPCO has a construction loan agreement (the “Construction Loan”) with a financial institution bearing interest at a fixed rate of 6.0 percent with interest only payments due monthly from the note effective date through July 24, 2024, with payment in full due upon the maturity date of July 24, 2024. The outstanding balance of the Construction Loan was approximately \$105,894,000 as of December 31, 2023.

SouthPark PROPCO has an option to extend the Construction Loan. If exercised, commencing on August 1, 2024, payments of principal would be due in equal monthly amounts sufficient to amortize the outstanding principal balance of the loan, as of July 24, 2024, in level monthly payments over 30 years, at a fixed interest rate of 6.0 percent. For purposes of the projection, Management assumes the option to extend is to be exercised in July 2024 with a maturity date of July 24, 2025.

Permanent Loan

For purposes of the projection, Management assumes the outstanding balance of the Construction Loan shall be refinanced with a permanent loan (the “Permanent Loan”) in July 2025. The Permanent Loan is assumed to be \$103,623,000 with a fixed interest rate of 6.0 percent per annum with interest only payments due monthly from the note effective date through July 2026. Principal and interest on the Permanent Loan are assumed to be paid monthly beginning in August 2026 and amortize over a 30-year period.

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

Table 7
Principal and Interest Payments
(in Thousands)

Years Ended December 31,	Construction Loan		Permanent Loan		Total Debt Service
	Principal Payment	Interest Payment	Principal Payment	Interest Payment	
2024	\$ 1,494	\$ 6,105	\$ -	\$ -	\$ 7,599
2025 ⁽¹⁾	104,400	3,524	-	2,591	110,515
2026	-	-	521	6,212	6,733
2027	-	-	1,305	6,151	7,456
2028	-	-	1,385	6,070	7,455
Thereafter	-	-	100,412	32,165	132,577
Total	\$ 105,894	\$ 9,629	\$ 103,623	\$ 53,189	\$ 272,335

Source: Management

(1) The refinance payment \$104,400,000 includes a principal payment of \$777,0000 and a refinance of \$103,623,000.

See Accountant’s Compilation Report

Current Assets and Current Liabilities

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

Table 8

Working Capital – Days on Hand

Resident accounts receivable, net	75	days of skilled nursing revenue
Inventory	1	day of operating expenses
Prepaid expenses	4	days of operating expenses
Accounts payable and accrued expenses	65	days of operating expenses

Source: Management

See Accountant's Compilation Report

EXHIBIT E

CONTRACT FOR INDEPENDENT LIVING CONTINUING CARE

[ATTACHED]



THE BARCLAY

AT SOUTHPARK

Residency and Care Agreement

**4801 Barclay Downs Drive
Charlotte, North Carolina 28210
(980) 224-8540**

7/02/2024

**Term of Agreement Begins
("Occupancy Date"):** _____

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THE BARCLAY AT SOUTHPARK

RESIDENCY AND CARE AGREEMENT

This RESIDENCY AND CARE AGREEMENT (the “Agreement”) is made this ___ day of _____, _____, between CHARLOTTE SP SENIOR HOUSING OPCO, LLC, a Delaware for-profit limited liability company registered to do business in North Carolina, CHARLOTTE SP SENIOR HOUSING PROPCO, LLC, a Delaware for-profit limited liability company registered to do business in North Carolina, BARCLAY SENIOR LIVING SOUTHPARK, LLC, a North Carolina for-profit limited liability company, (collectively the “Company” or “Community”) and _____ and _____ (herein individually or collectively called “Resident”). If two persons desire to share an Apartment enter into this Agreement, the term Resident shall apply to them jointly and severally and to the survivor of them.

WITNESSETH:

WHEREAS, the Company leases and operates the continuing care retirement community known as The Barclay at SouthPark (the “CCRC”), located at 4801 Barclay Downs Drive, Charlotte, North Carolina; and

WHEREAS, the Resident desires to use and occupy an apartment unit (referred to herein as an “Apartment”) located in the CCRC’s rental independent living building (the “Independent Living Building”); and

WHEREAS, and the Company desires to make the selected Apartment available to the Resident.

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

1. Eligibility Requirements and Procedures.

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

- a. Age Criteria. The requirements for admission into the CCRC are nondiscriminatory except as to age. Admission is restricted to persons sixty-two (62) years of age or older with the exception of a younger second occupant. An underage second occupant may be approved for residency in the Apartment in the Company’s sole discretion but must, at a minimum, be at least fifty (50) years of age and meet the other requirements for residency in the CCRC. The Company reserves the right to limit the number of residents under the age of sixty-two (62) that will live in the CCRC.
- b. Preliminary Health Screen. The Resident must be capable of living independently and must satisfy the then current independent living criteria as published by the

Company, which criteria may be amended from time to time in the Company's sole discretion. The Resident shall provide to the Company an internal preliminary health screen (the "Preliminary Health Screen"), substantially in the form attached to the Apartment Selection Agreement executed by the Resident and the Company dated as of the ___ day of _____, 20__ (the "Apartment Selection Agreement"), completed by the Resident's primary physician and certifying that the Resident meets the independent living criteria within the period outlined in Section 1.e. of this Agreement.

- c. Apartment Selection Agreement. At the time of selecting an Apartment, the Resident completed an Apartment Selection Agreement and submitted it to the Company along with an Apartment Selection Fee and Community Fee, as defined in Sections 7.a. and 7.b., respectively, of this Agreement. In the event of any conflict between the provisions of the Apartment Selection Agreement and this Agreement, the provisions of this Agreement shall control.
- d. Disclosure Statement. Upon execution of this Agreement, the Company will provide the Resident a copy of the CCRC's Disclosure Statement (the "Disclosure Statement") which fully describes the organization, facilities, policies, services, fees, financial condition, projections, and the vital information related to the CCRC. Included in the Disclosure Statement is a copy of this Agreement.
- e. Application. Within thirty (30) days of execution of the Apartment Selection Agreement, the Resident will complete a Preliminary Health Screen and a confidential financial statement, all on the forms provided by the Company, and deliver the same (all such documents collectively referred to herein as, the "Application Forms") to the Company.
- f. Interview. The Resident must have an interview with a representative from the Company prior to being approved for residency in the CCRC. This interview may include a non-medical assessment of the Resident(s) as an initial step in determining the whether the requirements for residency may be met.
- g. Financial Condition. The Company must be satisfied that the Resident has the financial income and assets to pay the Monthly Service Fee (as defined in Section 7.d. of this Agreement), extra meal charges, charges for additional services, personal living expenses, and the future adjustments of these charges during the term of this Agreement. Immediately prior to the Occupancy Date (as defined in Section 1.n. of this Agreement), the Resident will affirm to the Company that the Resident's financial situation does not differ materially or adversely from the financial situation as presented in the Application Forms (substantially in the form attached to the Apartment Selection Agreement). If the Resident's then personal financial situation differs materially and adversely from the Resident's prior financial situation, the Company may terminate this Agreement. After the Occupancy Date, the Company may require updated financial information. In the case of two Residents occupying an Apartment, and in the event of the death of one of the occupants, the surviving Resident will be required to submit an update of the

original Application Forms within thirty (30) days after the Company's request for the same.

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

Company. The Health Directive shall name a responsible person capable of making health care decisions in the case of incapacity or emergency.

- n. Notification of Availability. If the Resident is approved for residency in the CCRC, the Company will notify the Resident of the projected date of availability for occupancy (the “Notice of Availability Date”) and the Resident will have sixty (60) days from date of the Notice of Availability Date to occupy the Apartment (the date of occupancy hereinafter referred to as the “Occupancy Date”) and begin paying the Monthly Service Fee. If the Resident is not approved for residency in the CCRC, this Agreement shall be terminated and all payments made by the Resident before such termination, less those costs or other charges that are non-refundable pursuant to the terms of this Agreement, shall be refunded by the Company within thirty (30) days.

2. Basic Services and Programs.

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

- a. Description of Apartment. The Resident shall be entitled to the exclusive use of Apartment _____ located in the CCRC’s Independent Living Building.
- b. Appliances and Furnishings. The Apartment shall include the following appliances and furnishings:

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

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

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

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

- d. Meals. As part of the Monthly Service Fee, the Resident shall be given a monthly declining balance meal plan credit (the “Declining Balance Meal Credit”). The

Resident shall be entitled to dine in any of the CCRC's dining options and charges for the food and beverages, except for alcoholic beverages, of the Resident and any guest of the Resident shall be deducted from such Declining Balance Meal Credit. Upon termination of this Agreement, any unused portion of the Declining Balance Meal Credit shall be forfeited. If the monthly charges of the Resident exceed the amount of the monthly Declining Balance Meal Credit, such additional charges shall be billed to the Resident on a monthly basis.

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

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

3. Optional Services.

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

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

- e. Additional Housekeeping Service. If the Resident requests or requires housekeeping services in addition to those provided as a Basic Service, the Company may provide such services if staff is available to provide such services.
- f. Spa Services. Spa and personal care services in the Wellness Center will be available in accordance with a published fee schedule.
- g. Upgraded Television Channels. Upgraded television channels will be available to the Resident in accordance with a published fee schedule.
- h. Additional Parking. Additional parking, including garage parking if available, may be made available to the Residents in accordance with a published fee schedule.
- i. Personal Emergency Transmitter. The provision of a Personal Emergency Transmitter (“PET”) which shall transmit to the CCRC Concierge Desk.

4. Terms of Residence.

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

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

spaces, the Wellness Center, the multipurpose room, the chapel, and the art space and activity rooms. The Resident understands and agrees that the pet must be removed from the Apartment, upon fourteen (14) days' prior written notice from the Company, if the pet becomes a nuisance to other residents of the CCRC, as determined by the Company in its sole and absolute discretion. The Resident agrees that if the Resident has been approved to have a pet living in the Apartment, and elects to do so, the Resident shall pay a non-refundable pet fee in the amount posted at the time the pet is registered.

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

5. Nursing and Healthcare Services.

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

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

6. Transfers of Resident

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

continue to be obligated under this Agreement and pay the required Monthly Service Fee applicable to a single resident.

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

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

7. Fees and Charges.

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

- a. Apartment Selection Fee. Upon the execution of the Apartment Selection Agreement, the Resident paid an Apartment Selection Fee (the “Apartment Selection Fee”) as identified in Exhibit A attached hereto. The Apartment Selection Fee is a nonrefundable fee (except as defined in Section 7.i. of this Agreement) and shall be applied to the first month’s Monthly Service Fee.
- b. Community Fee. Upon the execution of the Apartment Selection Agreement, the Resident paid a Community Fee (the “Community Fee”) as identified in Exhibit A attached hereto. The Community Fee is a one-time, nonrefundable fee (except as defined in Section 7.i. of this Agreement) which entitles Residents priority access to all services and amenities of the Community. A Community Fee will not be charged to Residents upon any renewal of this Agreement.
- c. Security Deposit Fee. Upon the execution of this Agreement, the Resident shall make a Security Deposit payment to the Company equal to one Monthly Service Fee payment (the “Security Deposit”), which shall be deposited in accordance with statute, law or regulation of the federal, state, and local Government. If the Resident has complied with all terms of the Agreement and returns the Apartment in the same or materially similar condition as when the Resident moved into the Apartment, the Company will return the Security Deposit to the Resident within thirty (30) days after the Resident’s move-out date. The Security Deposit shall be credited to the Resident as the last Monthly Service Fee payment in the event of the Resident’s death. In the event that the Resident breaches or otherwise violates the Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit shall be forfeited to the Company. The Resident is additionally responsible for any expense incurred by the Company resulting from damages to the Apartment that are in excess of the Security Deposit. In the event that the Resident has entered into a Priority Partner Agreement (the “Priority Partner Agreement”) and paid a refundable deposit to the Company (the “Priority Deposit”), the Priority Deposit shall be applied to the amount due as the Security Deposit.
- d. Monthly Service Fees. Throughout the Term, the Resident shall pay to the Company a Monthly Service Fee (the “Monthly Service Fee”) in the amount of \$_____, as described on Exhibit A attached hereto, for a single Resident. If the Apartment will be occupied by two Residents pursuant to this Agreement, an additional monthly amount of \$_____ shall be paid by the second Resident. The Monthly Service Fee shall be paid by the Resident on or before the fifth (5th) day of each month for Basic Services to be rendered that month with the first payment due on or before the Occupancy Date. The Monthly Service Fee shall be due regardless of whether or not the Apartment is actually occupied by the Resident on the scheduled Occupancy Date and such Monthly Service Fee will not be adjusted if the Resident is voluntarily absent from the CCRC at any time after such date. If the Resident obtains possession of the Apartment prior to the first of a month, the Resident shall pay the Company the first Monthly Service Fee on a pro-rata basis based on the actual number of days contained in the month. If this Agreement does

not terminate at the expiration of the initial Term or a renewal Term, the Monthly Service Fee may continue to be payable beyond the date of termination as set forth in Section 7 below.

- e. Adjustments to Monthly Service Fees. The Company reserves the right to change the amount of the Monthly Service Fee upon thirty (30) days' written notice prior to any renewal of this Agreement. Adjustments to the Monthly Service Fee will be made as may be reasonably necessary according to the economic requirements and conditions of the CCRC, the level and quality of services provided to the residents of the CCRC and consistent with operating on a sound financial basis.
- f. Fees for Optional Services. The Resident shall receive a monthly statement from the Company showing the total amount of fees and other charges owed by the Resident, which shall be paid by the fifth (5th) day of each month. A list of fees for recurring optional services ("Optional Services") the Resident has elected to purchase as of the date of this Agreement is attached hereto as Exhibit A.
- g. Healthcare Center Fees and Charges. The Healthcare Center will consist of accommodations, equipment and staffing necessary for assisted living, assisted housing with services, skilled nursing care and memory care services on a temporary or permanent basis. The Company shall establish and publish per diem rates for accommodations and services at the Healthcare Center. Each calendar year, the Resident shall receive a ten percent (10%) discount on fees the Resident accrues during its first thirty (30) days of residency in the Healthcare Center (each day being a "Discounted Fee Day"). The Resident may not carry any unused Discounted Fee Days over to the following calendar year. Fees for residency in the Healthcare Center shall otherwise be payable in accordance with the Residency and Care Agreement and in accordance with the then published Healthcare Center per diem charge.
- h. Fees for Occupancy in the Healthcare Center. In the event the Resident is transferred to the Healthcare Center, as determined in the sole discretion of the Company, the Resident shall pay the then published Healthcare Center per diem charge plus charges for other services not included in the Healthcare Center per diem charge, subject to available Discounted Fee Days. In addition, the Resident shall continue to be responsible for the Monthly Service Fee and other charges payable under this Agreement.
- i. Refund of Fees. If the Resident cancels during the Rescission Period (as defined in Section 8.a.i of this Agreement), the Priority Deposit, Apartment Selection Fee, Community Fee and Security Deposit (and any other fees paid by Resident) in accordance with this Residency and Care Agreement will be refunded to the Resident, without interest, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at Resident's request and set forth in Exhibit A of this Agreement or in writing in a separate addendum to the Agreement, signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company's receipt of the

Resident's written notice of rescission. The Apartment Selection Fee and the Community Fee become non-refundable after the Rescission Period. The Security Deposit Fee is refundable and will be returned to the Resident within thirty (30) days after the Resident's move-out date if the Resident has complied with all terms of the Agreement and returns the Apartment in the same or materially similar condition as when Resident moved into the Apartment. If the Resident breaches or otherwise violates the Agreement before the end of the last month of occupancy by the Resident, then the Security Deposit Fee shall be forfeited to the Company.

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

8. Termination.

- a. Termination by Resident. Upon the termination of this Agreement, the Resident shall have no further right to reside in the CCRC. The Agreement may be terminated or cancelled by the Resident under the following terms and conditions:
 - i. Rescission During First Thirty (30) Days. The Resident may terminate this Agreement for any reason within thirty (30) days following the later of the execution of this Agreement or receipt by the Resident of the Disclosure Statement (the "Rescission Period"), and the Resident is not required to move into the facility before expiration of the Rescission Period. The Resident's termination of this Agreement during the Rescission Period is without penalty, and all payments made by the Resident before such termination, less a service charge of One Thousand Dollars (\$1,000.00) and less any charges specifically incurred by the Company at the Resident's request and set forth in Exhibit A of this Agreement or in writing in a separate addendum to the Agreement signed by the Resident and the Company. Any refund shall be paid within thirty (30) days after the Company receives written notice of the Resident's election to terminate this Agreement.
 - ii. Termination After Rescission Period but Prior to the Occupancy Date. For Residents electing to reside in an Apartment, the Resident may terminate the Residency and Care Agreement for any reason after the Rescission Period but prior to the Occupancy Date upon written notice to the Company. In the event of such termination, the Resident shall be entitled to a refund of all monies paid to the Company, except, as the case may be, the Community Fee, the Apartment Selection Fee, and any costs or other charges that the Resident and the Company agree in advance are non-refundable.
 - iii. General Termination Right. The Resident may terminate this Agreement at any time for any reason by giving the Company thirty (30) days' written notice signed by the Resident (or both of them if there are two Residents).

In the event of termination by the Resident for reasons other than those permitted in this Agreement, the Resident shall pay the Company for all Optional Services rendered by the Company to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment. In addition, the Resident shall be responsible for payment of liquidated damage of one month's rental charge, calculated at the existing market rate.

b. Termination by Death or Serious Illness

- i. Termination by Death or Serious Illness Prior to the Occupancy Date. If, prior to the Occupancy Date, the Resident dies or is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, non-qualification or incapacity, this Agreement will automatically terminate. In the event this Agreement is terminated as provided for in this subsection, the Resident or the Resident's estate shall be entitled to a refund of any amounts paid to the Company, except, as the case may be, a service charge of One Thousand Dollars (\$1,000.00) and for costs or other charges that the Resident and the Company agree in advance are non-refundable. Such refund shall be paid by the Company within thirty (30) days after this Agreement is terminated pursuant to this subsection. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.
- ii. Termination by Death or Serious Illness After the Occupancy Date. If the Resident dies after the Occupancy Date or the Resident is precluded from living in the CCRC under the terms of this Agreement as a result of serious illness, injury, or incapacity and the serious illness, injury or incapacity is not otherwise addressed by the provisions of Section 6, then this Agreement shall terminate. In such event, the Resident or the estate of the Resident shall pay for any Optional Services rendered to the Resident through the date of termination and shall continue to be liable for the Monthly Service Fee until the date that all of the Resident's personal belongings are removed from the Apartment and the Apartment can be made ready for re-occupancy. The foregoing notwithstanding, if there is more than one Resident, this Agreement will continue to be binding on the surviving or eligible Resident until this Agreement is terminated as to or by the surviving Resident as provided for herein.

c. Termination by the Company

- i. Termination by the Company Prior to the Occupancy Date. If, in the Company's sole discretion, the Resident does not satisfy the criteria for occupancy in the CCRC, this Agreement shall terminate upon the Company's notification to the Resident of non-approval. In such event, all amounts paid to the Company shall be refunded to the Resident within thirty (30) days after the Company provides the Resident notice of non-approval.
- ii. Termination by the Company after the Occupancy Date. The Company may terminate this Agreement upon thirty (30) days written notice to the Resident in the event of the following:

- (1) The Resident fails to make payments to the Company of any amounts when due and such failure is not cured within fifteen (15) days after notice is given to the Resident;
- (2) The Resident consistently fails to comply with any term of this Agreement not involving the payment of money or any provisions of the Rules and Regulations and the Resident fails to cure such non-compliance within seven (7) days after written notice from the Company; or
- (3) The Resident or the Resident's authorized representative makes a material misrepresentation or omission in the information provided to the Company for its consideration of the Resident for residency in the CCRC.

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

9. Miscellaneous

- a. Entire Agreement. This Agreement contains the entire agreement between the Resident and the Company. All prior discussions, agreements and negotiations are superseded by this Agreement.
- b. Successors and Assigns. The rights and privileges of the Resident under this Agreement, including but not limited to the right to and use the facilities of the CCRC under the terms of this Agreement, may not be transferred or assigned under any circumstances. The Company may transfer or assign this Agreement without the consent of the Resident. Except as provided for herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Company and to

the heirs, executors, personal representatives, any attorney-in-fact and administrators of the Resident.

- c. Severability. If any provisions of this Agreement are held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such provision had not been included.
- d. Indemnity. The Resident shall indemnify, defend and hold the Company harmless from any and all claims, damages or expenses, including attorney's fees and court costs, resulting from any injury or death to persons or damage to property caused by, resulting from, attributable to or in any way connected to the Resident's negligence or intentional act or omission.
- e. Joint and Several Liability. If there is more than one Resident, the rights and obligations of each of the Residents are joint and several, unless otherwise provided in this Agreement.
- f. Notice Provisions. Any notices, consents or other communications to the Company shall be in writing and addressed to all of the following parties:

Executive Director
Charlotte SP Senior Housing OPCO, LLC
4801 Barclay Downs Drive
Charlotte, North Carolina 28210

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

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

Initials Resident _____

 Resident _____

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

[Signatures begin on following page]

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

RESIDENT:

Print Name: _____

Signature: _____

Date: _____

Address: _____

RESIDENT:

Print Name: _____

Signature: _____

Date: _____

Address: _____

**CHARLOTTE SP SENIOR HOUSING OPCO,
LLC**

By: _____
_____, Authorized Representative

Date: _____

EXHIBIT A – FEE SCHEDULE

Resident Name(s) _____

Unit # _____

Agreement Date _____

Fees Paid at Apartment Selection Execution:	Amount
Apartment Selection Fee	
Community Fee	
Other Fees (specify):	
Total amount paid at Apartment Selection Agreement execution	\$

Fees Due at Residency and Care Agreement Execution:	Amount
Security Deposit Fee	
Less: Priority Partner Fee previously paid	()
Other Fees (specify):	
Total amount due at Residency and Care Agreement execution	\$

Monthly Fees:	Amount
First Person Service Fee	
Second Person Service Fee	
Other Fees (specify):	
Total monthly fees	\$

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

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

Initials	Resident	_____
	Resident	_____

EXHIBIT F

HISTORICAL AVERAGE DOLLAR AMOUNT OF INCREASES IN FEES

EXHIBIT F					
The Barclay at SouthPark					
Historical Average Dollar Amount of Increases in Fees					
The following table is presented in accordance with North Carolina General Statute Section 58-64-20(a)(7)e. regarding Continuing Care Retirement Communities' Disclosure Statement requirement to show the frequency and average dollar amount of increase in the weighted average Monthly Service Fees for independent living units, Assisted Living units, and Daily Service Fees for Skilled Nursing Beds at the					
	Effective	Effective	Effective	Effective	Effective
	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Independent Living Units (Monthly Fees):					
Apartments:					
One-bedroom	*	*	*	*	\$ 306
One bedroom/den	*	*	*	*	\$ 350
Two-bedroom	*	*	*	*	\$ 372
Two-bedroom with den	*	*	*	*	\$ 421
Second person fee	*	*	*	*	\$ -
<i>Independent living fees are revised annually effective January 1 and adjusted throughout the year at the time of each individual resident's contract renewal.</i>					
	Effective	Effective	Effective	Effective	Effective
	3/1/2018	3/1/2019	3/1/2020	3/1/2021	3/1/2021
Healthcare Center:					
Assisted Living Units (Monthly Fees):					
Memory care	*	*	*	*	\$ -
Standard	*	*	*	*	\$ -
Second person fee	*	*	*	*	\$ -
Skilled Nursing Beds (Daily Fees):					
Private	*	*	*	*	\$ 19
*Community opened independent living units in January 2021 and the healthcare center in March 2021.					