



The East Tower
at Cardinal North Hills
A KISCO COMMUNITY

Disclosure Statement

May 31, 2024

Property Address

**The East Tower at Cardinal North Hills
320 St. Albans Drive
Raleigh, North Carolina 27609
Phone: 984-204-8444
www.lifeatthecardinal.com**

Mailing Address

**4030 The Cardinal at North Hills Street
Raleigh, North Carolina 27609**

NCDOT No. _____

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

- Unless earlier revised, The East Tower at Cardinal North Hills intends for this Disclosure Statement to remain effective for up to one (1) year and 150 days through October 28, 2025.
- Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required.
- This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.

Table of Contents

	Page
1. Introduction to The East Tower at Cardinal North Hills	3
2. Community Ownership.....	4
3. Management Company.....	5
4. Affiliations.....	8
5. Description of The Community.....	9
6. Resident Communications.....	11
7. Resident Services.....	13
8. Health Care Services.....	17
9. Relocation Information.....	19
10. Termination and Refunds... ..	25
11. Fees and Other Charges.....	28
12. Residency Criteria.....	32
13. Financial Disclosure and Information.....	33

Exhibits

- A. Financial Statements dated December 31, 2023 and 2022 With Independent Auditor’s Report for The Tower at The Cardinal, LLC.
- B. Compilation of a Financial Projection for Each of the Five Years Ending 12/31/2028
- C. Material Variances from Prior Year Forecast and Actual FY 2023 Audited Results
- D. Binding Reservation Agreement
- E. Independent Living Residence and Service Agreement
- F. Resident Handbook
- G. Application for Residency
- H. Physicians Report
- I. Appendix A
- J. Assisted Living Residence and Care Agreement
- K. Interim Financial Statements Ending 4/30/2024

1 Introduction to The East Tower at Cardinal North Hills

Welcome to The East Tower at Cardinal North Hills, the newest addition to our Cardinal at North Hills campus (“The East Tower at Cardinal North Hills” and/or the “Community”). The East Tower at Cardinal North Hills is a full-service rental Continuing Care Retirement Community, offering multiple lifestyle choices designed to promote independence, dignity and an engaged way of life.

More than just a place to live, The East Tower at Cardinal North Hills is ideally located in the midst of Raleigh’s vibrant North Hills Midtown neighborhood. Residents will find the Community to be the perfect place to live, play and grow. Its location will combine the convenience of North Hills’ walkable lifestyle with the best of dining, shopping and entertainment for every aspect of community life. Residents may enjoy a variety of quality activities, lifelong learning programs and volunteer opportunities.

At The East Tower at Cardinal North Hills, Residents will have the opportunity to experience Kisco’s award-winning whole person approach to wellness called The Art of Living Well®. This is a personalized approach to creating the lifestyle choices you aspire to. There are a wide range of options such as participating in a regular Tai Chi or yoga class in the fitness center, water aerobics in the heated indoor swimming pool, honing your skills in the woodshop, painting in the art studio, or just relaxing with a good book on the covered veranda. And if dining is your pleasure, you will appreciate a range of onsite dining venues from casual to elegant in addition to the numerous restaurants and sidewalk cafes right outside your door in North Hills. The choices are almost endless and totally up to you.

The independent living residences at The East Tower at Cardinal North Hills range from one bedroom to two-bedroom floor plans with upscale finishes and full kitchens. In addition, within The East Tower at Cardinal North Hills, we have 40 assisted living apartments provided in a warm residential setting, which range from studio to two-bedroom floor plans.

Physical Address:

The East Tower at Cardinal North Hills
320 St. Albans Drive
Raleigh, NC 27609

Community Mailing Address:

The East Tower at Cardinal North Hills
4030 Cardinal at North Hills Street
Raleigh, North Carolina 27609

Operator’s Business Address:

Tower at the Cardinal, LLC
5790 Fleet Street, Suite 300
Carlsbad, CA 92008

2 Community Ownership

Tower at The Cardinal, LLC operates the Community, which shall be commonly known as “The East Tower at Cardinal North Hills.” Tower at The Cardinal, LLC is a limited liability company organized under the laws of the State of North Carolina. KSL Toledo Tenant, LLC is the sole member and manager (100%) of Tower at The Cardinal, LLC.

KSL Toledo Tenant, LLC
5790 Fleet Street, Suite 300
Carlsbad, CA 92008

The officers of KSL Toledo Tenant, LLC include:

Andrew S. Kohlberg, President*
Mitch J. Ritschel, Vice President

All officers of KSL Toledo Tenant, LLC may be contacted at the following address:

c/o Kisco Senior Living
5790 Fleet Street, Suite 300
Carlsbad, CA 92008

The East Tower at Cardinal North Hills is managed by Kisco Senior Living, LLC (“Kisco”). Kisco will provide services to operate and maintain The East Tower at Cardinal North Hills. Kisco is indirectly owned by Andrew S. Kohlberg who also owns more than 10% of The East Tower at Cardinal North Hills’ operations through his ownership interest in KSL Toledo Tenant, LLC. As compensation for services provided by Kisco to The East Tower at Cardinal North Hills, Kisco will receive an amount equal to approximately five percent (5%) of the annual revenue collected by The East Tower at Cardinal North Hills.

* = *Majority Owner*

3 Management Company

The East Tower at the Cardinal is managed by Kisco. Family-owned Kisco, based in Carlsbad California, owns and operates 22 full service senior living communities in six states offering both independent and assisted living. Six of these communities are located in North Carolina, four of which are in the Raleigh area including our sister property, The Cardinal at North Hills. With an award-winning approach to senior living and wellness, Kisco creates communities where residents and associates share passions, live and work in balance and build a legacy. Since 1990, Kisco's guiding principles of integrity, dignity and compassion have balanced the interests of residents, associates and business partners. For more information, log on to www.KiscoSeniorLiving.com.

Kisco began acquiring properties in 1990 and established its operating capability in 1995. Kisco's competencies encompass development, acquisition and the successful turnaround or optimization of operations and ongoing management of senior communities.

Kisco is structured around a team-based model at both its Home Office and at each community. Home Office service teams directly support the on-site Executive Directors and their community management teams. The multi-disciplinary service teams work closely with the Executive Directors and their department heads to achieve Kisco's goals of resident satisfaction, associate satisfaction and optimal financial performance. The teams are tasked with meeting the performance goals established for each community and are provided with a variety of resources and tools to meet those goals.

Kisco promotes a culture focused on delivering exemplary customer service, innovative wellness programs and continuous improvement. The overriding strategic objectives for the company are to enrich the lives of our residents, to provide a rewarding work environment for our associates and to achieve responsible and profitable growth for our financial partners. Kisco strategically plans and reviews all new and existing services and operating programs and seeks to provide residents with best-in-class services and facilities while carefully controlling associated costs. This approach enables Kisco to manage its operations to a much higher standard and to achieve revenues and profit margins that exceed top quartile industry metrics for combined independent and assisted living communities.

Kisco and its leadership have been recognized by numerous business and senior living industry groups. In 2023, seventeen Kisco communities, representing 85 percent of the company's portfolio, were recently recognized by U.S. News & World Report with at least one 2022-23 Best Senior Living award. The California Council of Excellence (the state level Malcolm Baldrige National Quality Award program) named Kisco as a distinguished silver-level Eureka award winner of the 2008 California Awards for Performance Excellence ("CAPE"). The annual CAPE program honors California companies who achieve superior results through innovation, customer service and performance excellence. In 2008, Kisco's largest community, The Fountains in Melbourne, FL, was awarded the 2008 Best of the Best award by The Assisted Living Federation of America. Mr. Kohlberg was awarded the SAGE Person of the Year Award by the

Building Industry of Southern California's Seniors Housing Council in 2002. In 2003, he received the ICON Award in the Service Enriched Builder/Developer category from the National Association of Home Builders ("NAHB"). Kisco's development projects have received numerous design awards from the American Institute of Architects, NAHB Seniors Housing Council and Pacific Coast Builders Council.

The officers of Kisco include:

Andrew S. Kohlberg, President/Chief Executive Officer

c/o Kisco Senior Living 5790 Fleet Street, Suite 300 Carlsbad, CA 92008

Andrew S. Kohlberg is the Founder, President and CEO of Kisco. Mr. Kohlberg's primary responsibilities are providing strategic planning and direction for property operations and management as well as sourcing and executing acquisitions including the placement of equity and debt financing. Through his timely purchase of well-located retirement properties, he built Kisco's core portfolio of assets. As a result, Kisco Senior Living is ranked in the top 50 on the [American Seniors Housing Association](#) list of the Nation's largest senior living owners with a workforce exceeding 2,600 associates and 4,700 residents with 25 communities totaling over 4,600 apartments. The company currently operates in 6 states ([California](#), [Florida](#), [North Carolina](#), [Virginia](#), [Utah](#), and [Hawaii](#)). Current product mix includes independent living, assisted living, memory care and continuing care retirement communities. Slightly over one-half of Kisco's existing inventory is focused on independent living with the remaining units dedicated to assisted living and memory care. A selection of communities feature cottage homes in addition to the main community buildings. Communities range in size from 84 to 350 apartments with an average size of 177 apartments. Annual revenues exceed \$335 million and total value of assets under management exceeds \$1.9 billion

Mr. Kohlberg attended the University of Tennessee and has completed advanced studies at the University of California San Diego in real estate economics and feasibility analysis, commercial real estate development, fundamentals of construction and legal aspects of real estate investment.

He is an active member of the American Senior Housing Association (ASHA), California Assisted Living Facilities Association (CALFA), and the San Diego Chapter of Young Presidents' Organization (YPO). In November 2002, the Seniors Housing Council awarded him the SAGE Person of the Year Award for his commitment to the seniors housing industry. In April 2003, he accepted the Icon Award in the Service Enriched Builder/Developer category from the National Association of Home Builders.

Mitch J. Ritschel, Vice President, Chief investment Officer

c/o Kisco Senior Living 5790 Fleet Street, Suite 300 Carlsbad, CA 92008

MJ Ritschel oversees acquisitions, asset management and capital market transactions and has been associated with Kisco since 2011. In addition, he is responsible for investor relations and

major capital investments for Kisco's portfolio. Further, he serves on the Operator Advisory Board for the National Investment Center for Seniors Housing and Care.

Before Kisco, Mr. Ritschel was a partner with Davenport Partners and a Vice President of Spieker Properties REIT (NYSE:SPK), heading up its acquisition and development activities in major markets of the western United States. Mr. Ritschel started his career with Kaiser Development/Industries, as a manager for various property portfolios. Over the past thirty years, he has been involved with every facet of acquisitions, development, construction, financing and asset management for all major real estate asset classes.

To request additional information regarding the management of Kisco or The East Tower at Cardinal North Hills, please feel free to write to:

The East Tower at Cardinal North Hills
Disclosure Statement Information
Attention: General Counsel
5790 Fleet Street, Suite 300
Carlsbad, CA 92008

Community Management Team

Executive Director: Jaime Pacheco

The East Tower at Cardinal North Hills is led by Mr. Jaime Pacheco. Mr. Pacheco has been with Kisco for 7 years during which time he was Executive Director of Kisco's Magnolia Glen community in Raleigh and thereafter, with Kisco's Woodland Terrace community in Cary. Mr. Pacheco earned a Bachelor of Science degree in Business Administration from Campbell University. In addition to Mr. Pacheco, The East Tower at Cardinal North Hills' Community Management Team members support Mr. Pacheco in operating the Community and delivering exemplary services to the Residents including:

- Assistant Executive Director
- Assisted Living Director
- Dining Services Director
- Environmental Services Director
- Resident Relations Director
- Wellness Director
- Sales Director
- Business Office/Finance Director

Neither the managers nor any principals of The East Tower at Cardinal North Hills or Kisco (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 involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is 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. §58-64 or similar law in another state.

4 Affiliations

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

5 Description of The Community

The East Tower at Cardinal North Hills is a rental continuing care retirement community (“CCRC”) located in the master planned, mixed use neighborhood of North Hills. The East Tower at Cardinal North Hills consists of a newly constructed 18 story residential building which includes 151 new independent living units and 40 new assisted living units located on a 2.2-acre site adjacent to The Cardinal at North Hills. The East Tower at Cardinal North Hills is physically connected to The Cardinal at North Hills via an enclosed bridge. As “sister” communities, the residents of the East Tower at Cardinal North Hills will have full access to all the amenities and services of The Cardinal at North Hills.

East Tower at Cardinal North Hills Features

The East Tower at Cardinal North Hills amenities include:

- 2 levels of covered parking
- The 2nd floor includes *Indigo Restaurant and Lounge Bar*, our main dining room and lounge with bar service, a library, living room, family area and an outdoor terrace to relax.
- The 3rd floor “Club Level” includes 14 independent living units featuring an elevated exterior courtyard for Club Level and penthouse Residents’ use
- The 4th – 5th floors contain our assisted living units, which include one and two-bedroom floor plans.
- The 6 - 18th floors feature our independent living units, with 5 penthouse units located on the 18th floor.

Access to The Cardinal at North Hills Amenities

As set forth above, Residents of The East Tower at Cardinal North Hills will have access to all the amenities of The Cardinal at North Hills. The Cardinal at North Hills is also a rental CCRC and includes a mix of independent living residences connected to a clubhouse commons as well as assisted living, specialized assisted living for memory care and nursing care. The Cardinal at North Hills amenities include:

- Multiple dining venues with a full commercial kitchen, library, bar, and a living room/lounge area connected to a large outdoor terrace.
- A beauty salon, fitness center, spa and indoor pool.
- Terraced garden with walking paths, sitting areas, planting areas for resident and outdoor entertainment venues.
- A “family room” that can be reserved for parties and gatherings, an art studio, media center/chapel, card and billiard room with a pub, and a multipurpose space for receptions, lectures and meetings.

Independent Living Residences

As a CCRC, The East Tower at Cardinal North Hills offers multiple lifestyle choices designed to promote independence, dignity and an engaged lifestyle. Independent living residences are available for older adults who want to live in their own private residence. In independent living, our Residents will enjoy life just as they did in their own home but will now have access to various

services such as housekeeping, maintenance, scheduled transportation, several dining venues, fitness classes, social activities and “life-long” learning programs. Residents will have a variety of choices in service options customized to their needs and presented in concert with the many adjacent amenities and services in North Hills.

The Independent Living lifestyle is offered in a fee format with an initial contractual Community Fee as well as a Monthly Fee for the residence type selected. Some examples of services and features covered by the Monthly Fee include:

- A dining plan
- Regular housekeeping (every other week)
- All utilities except telephone
- 24-hour emergency call system
- Scheduled transportation
- A full range of social programs
- Wellness and fitness center with Kisco’s signature Art of Living Well® program

To become a resident of independent living, you will need to sign both a Reservation Agreement along with an Independent Living Residence and Service Agreement. The current versions of these agreements can be found attached to this Disclosure Statement as Exhibit D and Exhibit E, respectively. Furthermore, please refer to the Resident Handbook for a comprehensive understanding of the general rules and regulations of The Cardinal. The most recent version of this handbook is attached as Exhibit F.

Assisted Living

For Residents who require additional support with the activities of daily living, a range of services are provided on our assisted living floors at The East Tower at Cardinal North Hills. All meals, housekeeping and other services are provided as well as a full daily calendar of engagement activities and individualized supportive care. Fees are based on residence type with additional charges related to care services provided. Current fees are detailed in Section 11 below. As of December 31, 2023, there were 217 residents under a continuing care contract at The East Tower at Cardinal North Hills.

Memory Care and Skilled Nursing

For Residents who require skilled nursing or cognitive support, services are available in the licensed health center located at The Cardinal at North Hills. Residents of The East Tower at Cardinal North Hills will have priority access to the health center, which may be on a short-term basis (if they are able to return to their independent living residence), or on a permanent basis based upon a change in the Resident’s needs. See Section 8 below for details.

6 Resident Communications

Effective communication between Residents and the Community Management Team is essential to the operational success of The East Tower at Cardinal North Hills. In addition to the more formal lines of communication, The East Tower at Cardinal North Hills has established a number of informal communication vehicles for the ease and convenience of Residents.

Front Desk

Concierge services are available and when a front desk associate is not on duty, the main line telephone will be answered by the receptionist on duty.

Resident Notices

Bulletin boards, which are located in the postal and message center, are maintained as a means of conveying information to Residents. One board is for “official” Community notices, schedules and announcements and is kept current by our associates.

The other board is for items of Resident interest, Resident notices, and other unofficial items. This board is maintained by the Community, in conjunction with the Resident Advisory Council, which is a group comprised of Residents who meet to discuss and make suggestions regarding programs at the Community.

The common areas will also have several monitors which will access an “in-house” Community information channel. This system will display Community events and activities, daily dining specials, scheduled events, Community updates, and emergency announcements. Residents will be able to access this Community channel on the televisions and computers in their personal residence.

U.S. Postal Service

The U.S. Postal Service will pick up and deliver mail to the postal and message center. Individual mailboxes are located in the postal and message center and a mail pick up schedule will be posted.

Newspaper Delivery Service

The East Tower at Cardinal North Hills will provide a limited number of newspapers and periodicals in a central location for Resident use. Arrangements for receiving and paying for individual newspaper and magazines subscriptions must be made directly by the Resident.

Cable Television

Cable television is included in the Monthly Fee. In addition, Residents will be able to access the in-house Community channel directly from their TVs and computers.

Clerical Services

Residents may desire certain business services from time to time. Examples of services that are available to Community Residents are listed below. If a Resident requires these services, please contact a Resident Relations representative or the Front Desk. An additional fee may apply to some services.

- Facsimile (Fax) Services
- Copier Services
- Notary Services
- Parcel service such as FedEx, UPS

Salon

Residents of the East Tower at Cardinal North Hills are able to utilize the beauty and barber salon and spa which are located at The Cardinal. Operating hours and rates will be set by the salon proprietor and are subject to change without notice

7 Resident Services

The East Tower at Cardinal North Hills offers the following Resident Services, so that residents can focus on living active and engaged lifestyles:

Community Maintenance

Maintaining the Community's buildings, residences and grounds is the direct responsibility of the management of The East Tower at Cardinal North Hills Cardinal. This includes keeping the residence and public areas clean and in good repair, maintaining the grounds and landscaping, developing a program of preventative maintenance and providing trash removal services.

Resident Move-In Assistance

After a Resident moves into a residence, the Community's maintenance associates may assist Residents with hanging pictures, mirrors and shelves on a limited basis. This work must be requested within thirty (30) days after move-in. Associates may inspect Resident-owned lamps and other appliances, and reserves the right to disable these items (if unsafe) until the Resident can make arrangements for repairs.

Replacement of Light Bulbs

Community maintenance staff will replace light bulbs in the common areas as well as apartment light fixtures, which are installed as part of the building's original equipment. Residents are expected to furnish bulbs for their own lamp fixtures and maintenance staff will assist in changing them as necessary.

Maintenance of a Residence during a Resident's Absence

In the event of a maintenance emergency, as determined by The East Tower at Cardinal North Hills, a maintenance associate may enter the Residence in order to address the maintenance.

Grounds Maintenance

The landscaping at The East Tower at Cardinal North Hills was installed in accordance with an approved plan, including watering systems and sprinklers. Residents may not install trees, bushes or other plantings without prior written approval of the Executive Director.

Swimming Pool

Residents of The East Tower at Cardinal North Hills may utilize the swimming pool located at The Cardinal at North Hills.

Pest Control

Pest control service is provided on a scheduled basis.

Recycling and Waste Disposal

Trash and recycling rooms are provided on each floor with trash and recycling bins. Items to be recycled will be collected in accordance with the current Community recycling program.

Storage Facilities

Storage cubicles in a storage area separate from the residence are available to rent for an additional fee.

Housekeeping

The East Tower at Cardinal North Hills is responsible for housekeeping functions, including:

- Basic housekeeping and cleaning services in the residences
- Cleaning all public spaces
- Laundering washable goods (as provided in Residence Agreement).

Housekeeping service is provided every other week to each independent living residence and weekly in each assisted living apartment. With certain exceptions (e.g., during the holidays and to the extent scheduling permits) and as reasonably practicable, housekeeping services are provided in the residences on the same day/time, every other week.

Residents are provided a schedule of housekeeping visits and are notified of any anticipated changes. In an effort to provide maximum utilization, management is not able to guarantee that the same housekeeper will service the residence each time. Individual housekeepers may be rotated from time to time.

The East Tower at Cardinal North Hills reserves the right to enter a residence to perform routine housekeeping services in a Resident's absence, unless the Resident has signed an "Access Limitation Form" allowing entry only if the Resident is present. If this form is on file, and the Resident is not present at the scheduled housekeeping time, then The East Tower at Cardinal North Hills will not be obligated to re-schedule housekeeping services.

Housekeeping services provided as part of routine cleaning include:

- Cleaning top of refrigerator, stove, countertops and sink
- Sweeping and wet mopping the floor; sweeping the patio
- Cleaning bathtub and showers, sink, countertops, toilet bowl, tank and tank cover, and mirror
- Light, top surface dusting, vacuuming carpet and linen change (clean linens must be provided by the Resident)
- Cleaning windowsills, spot-cleaning carpet, and trash removal
- Certain cleaning tasks will be completed on a periodic basis, including window washing and carpet shampooing, if needed.

Housekeeping services not included in routine or expanded cleaning:

- Washing dishes, preparing food, waxing floors, or cleaning inside the refrigerator
- Housekeeping associates will not dust or clean flat surfaces where there might be a chance of breakage
- Moving heavy furniture
- Polishing silver or brass, etc.
- Personal laundry

Extra Housekeeping Services

Extra housekeeping services may be requested from The East Tower at Cardinal North Hills. These extra services would include, but are not limited to, those services not included in routine cleaning (as described above), or other services requested by the Resident and approved by The East Tower at Cardinal North Hills. Charges for extra housekeeping services are outlined in Appendix A and will be added to the Resident's monthly statement.

Carpet Cleaning

Carpets will be cleaned depending on normal "wear and tear" and routine expanded cleaning schedules, as determined by The East Tower at Cardinal North Hills. If special carpet cleaning is required in a residence or in a public area due to a pet, unusual wear and tear, or general abuse, the Resident will be charged for that service.

Safety

The East Tower at Cardinal North Hills is staffed 24 hours a day, 7 days per week. Community associates do not carry firearms but many carry two-way communication equipment capable of receiving and acknowledging emergency calls and routing communications to other Community associates and Residents. The Emergency Call System (discussed below) will include a daily check-in system which sends a notification to the Customer Service desk each morning, confirming that the Resident is up and about.

Firearms

Firearms or weapons of any kind are not allowed at The East Tower at Cardinal North Hills.

Vehicle Identification

All Resident-owned vehicles are required to display a small decal on the vehicle. Such decals will be individually numbered for proper vehicle identification. Decals will be issued by The East Tower at Cardinal North Hills at the time of vehicle registration. In the event a vehicle is added or disposed of, the Resident is responsible for notifying The East Tower at Cardinal North Hills of the change. Residents who own vehicles are required to maintain current registration and appropriate insurance.

In Case of Fire or Other Disasters

- The residence buildings and other common spaces are fully sprinkled.
- Emergency Fire Evacuation Procedures are provided to Residents for strategic placement in the residence for quick reference in the event of an emergency.
- In case of fire in a residence or the common areas of the building, Residents should not use the elevators, but should proceed with caution to the nearest building exit.
- A "Community Disaster Plan" is available and Residents are urged to read and to become familiar with the contents of the Community Disaster Plan. Please see a Resident Relations representative for details.

Smoke Detectors (Residence)

Every residence will have a smoke detector installed. Smoke detectors report directly to either the emergency call system or the main fire panel.

Smoke Detectors (Public Areas)

Public area smoke detectors are connected directly to the main fire panel and are monitored by an external alarm service. If a public area smoke detector is activated, an audible alarm will sound in the immediate vicinity. Alarms will automatically sound at the control panel located at the front desk and the Fire Department will be called automatically by the external alarm service. A strobe light and horn will also be activated on each floor of the building. Community associates will be dispatched to the location of an activated public area smoke detector. Residents should take action per the Emergency Fire Evacuation Procedures.

Emergency Call System

Each residence is equipped with an emergency call system. If the call system is activated, a Community associate will check on you, and if necessary, 911 will be called.

This call system is for emergency use only. It is not intended to be used for any other purpose. In the event of a medical emergency or life-threatening event for which calling 911 is appropriate, the Resident should call 911 if possible, prior to using the emergency call system.

COVID-19 and Other Viral Outbreaks

Due to the ongoing impact of COVID-19, some Community services and amenities may not be currently available. The East Tower at Cardinal North Hills reserves the right to modify Community operations to protect the health of its Residents against COVID-19, or any other contagious or communicable disease. The Community and its management team will continue to monitor the guidance of federal, state, and local authorities and will communicate plans and strategies with Residents.

8 Health Care Services

Should a Resident require assistance due to a change in health status, The East Tower at Cardinal North Hills can facilitate a range of healthcare options for Residents that include assisted living, memory support and nursing care.

As set forth in more detail below, assisted living services are offered on-site at The East Tower at Cardinal North Hills. Memory care and skilled nursing services are available at The Cardinal Health Center (“Health Center”) located in a building adjacent to the Community and operated by The Cardinal at North Hills Healthcare, LLC. Fees for those services are outlined in the services offerings with The Cardinal at North Hills Healthcare, LLC.

Level of Living Determinations

The Community Management Team members will determine, in consultation with the Resident, their physician, other health care providers, and the Resident’s representative (as applicable) whether the Resident requires assisted living, memory support or nursing care, the extent of the care to be provided, and whether such care will be provided at The East Tower at Cardinal North Hills, the Health Center or away from the Community.

Priority Access to Health Center Services

Priority for admission to the Health Center among Residents will be established on a first-come, first-served basis. If no space is available in the Health Center’s memory support or nursing care apartments, a Resident may choose to receive services (as appropriate) at a nearby outside facility.

No Obligation to Prepay for Health Center Services

The East Tower at Cardinal North Hills is a rental CCRC with a full continuum of care and does not require Residents to prepay for Health Center services, nor does it accept any liability to pay for a Resident’s future health care services.

Assisted Living (Provided at The East Tower at Cardinal North Hills)

Assisted living services are for Residents who need assistance with the activities of daily living. Assisted living offers three meals per day, a variety of social and therapeutic activities and is staffed 24 hours a day. These services are provided within the scope of state licensure and are provided on site at the Community. Should a Resident require assistance with the activities of daily living, the Resident will transfer to an assisted living apartment within the Community and execute an Assisted Living Residence and Care Agreement. The current form of Assisted Living Residence and Care Agreement is attached as Exhibit J to this Disclosure Statement, which includes information regarding the current fees for the various levels of care.

Under the Assisted Living Residence and Care Agreement, the Community will provide the Resident assistance with activities of daily living such as medication management, bathing, dressing, ambulating and incontinence care. Different personal care service packages will be offered to the Resident depending on their specific needs, which will be determined by our professional staff in consultation with the Resident’s physician and family. Community staff will periodically reassess Resident as needed to maintain the appropriate level of care.

Memory Support (Provided at the Health Center)

The memory support neighborhood located in the Health Center is for Residents who have dementia or require memory enhancement services. The memory support neighborhood was designed to help Residents feel as comfortable as possible and features spaces for recreational activities and programs. Associates in memory support receive special training in order to provide the necessary programming and assistance with activities of daily living to the Residents. Dining service includes three meals per day served in a family style dining area, as well as delicious snacks served in the kitchen. These services are provided within the scope of state licensure and are provided by The Cardinal at North Hills Healthcare, LLC at the Health Center.

Should a Resident require memory support care, Resident must transfer to the Health Center and execute a Health Center Agreement with The Cardinal at North Hills Healthcare, LLC. See Section 9 below for details. Fees for those services are outlined in the services offerings with The Cardinal at North Hills Healthcare, LLC.

Nursing Care (Provided at the Health Center)

Nursing Care at the Health Center is for Residents who require more intensive nursing or rehabilitative services. Associates in nursing care are specially trained to provide supportive care and assistance. Dining service includes three meals per day, as well as delicious snacks and a variety of social and therapeutic activities. Nursing Care is staffed 24 hours a day with registered nurses and certified nursing assistants. These services are provided within the scope of state licensure and are provided by The Cardinal at North Hills Healthcare, LLC at the Health Center.

Should a Resident require skilled nursing care, Resident must transfer to the Health Center and execute a Health Center Agreement with The Cardinal at North Hills Healthcare, LLC. See Section 9 below for details. Fees for those services are outlined in the services offerings with The Cardinal at North Hills Healthcare, LLC.

Home Care Service

Residents may arrange for limited home care services in their apartment. Residents and all providers of home care services or other personal services must agree in writing to adhere to and comply with the Community policies for home care services or personal services providers. If a Resident arranges for home care services or personal services, he/she accepts full responsibility for the cost of such services. The East Tower at Cardinal North Hills shall not be liable for any loss, damage, or injury to the Resident or any other person caused by such providers.

9 Relocation Information

At some point during their residency at The East Tower at Cardinal North Hills, Residents may relocate from their original apartment due to reasons such as personal preference, or changes in their health status.

Relocations from Residence

Substitution of Residence by The East Tower at Cardinal North Hills

The East Tower at Cardinal North Hills reserves the right to substitute a residence with another comparable residence if it is necessary to do so to meet any requirement of law or the lawful order or direction of the Fire Marshal or another authorized public official, or for any other reasonable purpose, as determined to be appropriate by The East Tower at Cardinal North Hills.

Voluntary Relocation of Single Resident or Both Joint Residents

A Resident may move to another residence at The East Tower at Cardinal North Hills, subject to residence availability and The East Tower at Cardinal North Hills' approval. Resident must notify the Community in writing of the residence desired. Resident shall be responsible for all moving and cleaning costs associated with leaving the residence in acceptable condition or "unit ready" which is defined as restoring the original residence to its original condition, excluding ordinary wear and tear ("Unit Ready"). In addition, Resident shall pay the Monthly Fee on both residences until such time that Resident makes the vacated residence Unit Ready to The East Tower at Cardinal North Hills in Unit Ready condition after which Resident will then only pay the Monthly Fee on the new residence. The parties shall sign an amendment to their Residence and Service Agreement that identifies the new or different residence and the applicable Monthly Fee.

Subsequent Joint Occupancy by Residents of Different Residences

- If two Residents, residing in two separate residences, decide to live together, they may release one of the residences and live together in the other residence, subject to availability and The East Tower at Cardinal North Hills' approval. The vacating Resident shall be responsible for all moving and cleaning costs and the cost of restoring the vacated residence to Unit Ready condition. The vacated residence Monthly Fee will cease upon it being Unit Ready. Both Residents will sign an amendment to the applicable Residence and Service Agreement that identifies the accommodation, states that both Residents have elected to live in such accommodation and identifies the double occupancy Monthly Fee. Both Residents together and each Resident separately will be liable for all fees described in the Residence and Service Agreement, as amended.
- If two Residents, residing in two separate residences, decide to live together in a different residence, both Residents may release each of their current residences and move into a new residence, subject to availability and Community approval. Both Residents shall be responsible for all moving and cleaning costs and the cost of restoring the former residences to Unit Ready condition. The Monthly Fee for each vacated residence will cease upon each apartment being Unit Ready. Both Residents will sign a new Residence Agreement that identifies the new accommodation and identifies the applicable Monthly Fee.

Subsequent Joint Occupancy by Resident and Non-Resident

If a Resident wishes to live in their residence with someone who is not a Resident of The East Tower at Cardinal North Hills, the non-Resident must follow the standard application procedures for move-in to the Community. Both individuals must be 55 years of age and older. If the non-Resident's application is rejected, he/she shall not qualify to be a Resident of The East Tower at Cardinal North Hills. The rejection of the non-Resident's application will have no effect on the current Resident's existing agreement with The East Tower at Cardinal North Hills, and Resident may choose to continue living in the residence alone or terminate the Residence and Service Agreement in accordance with its terms. If the application is approved, the new Resident shall pay, on the same terms that apply to all Residents, the "second person" Monthly Fee (see Section 11) as outlined in the Residence and Service Agreement. Both Residents shall sign an amendment to the Residence and Service Agreement that identifies the Monthly Fee for the residence. Both Residents together and each Resident separately will be liable for all fees described in the Residence and Service Agreement.

Dissolution, Divorce or Separation of Residents

If two Residents jointly occupy a residence, and they divorce, separate, or otherwise wish to live separately while at The East Tower at Cardinal North Hills, either Resident shall be entitled to relocate from the residence to a different residence, subject to residence availability and the Community's approval. The transferring Resident shall then pay the Monthly Fees for single occupancy of his or her new residence and will sign a new Residence and Service Agreement.

Relocation to Assisted Living at The East Tower at Cardinal North Hills

The Community Management Team members, in consultation with Resident, their physician, and their representative(s) (as applicable), shall determine whether Resident should relocate from their residence in independent living to an assisted living unit at The East Tower at Cardinal North Hills.

- Single Occupancy
 - If a Resident occupies their residence by themselves and requires permanent assisted living services, Resident shall vacate their independent living residence and relocate to an assisted living apartment as appropriate. Transferring Resident will execute an Assisted Living Residence and Care Agreement in a form substantially similar to Exhibit J. Thereafter, Resident shall pay the applicable Monthly Fees and any charges for ancillary items and services Resident receives in their assisted living residence as provided by their Assisted Living Residence and Care Agreement.
 - In addition, Resident will continue to pay The East Tower at Cardinal North Hills the Monthly Fee due under their independent living Residence and Service Agreement until Resident makes their former independent living residence Unit Ready. Resident shall be responsible for all moving and cleaning costs and the cost of restoring their former residence to Unit Ready condition.
- Double Occupancy
 - If a Resident occupies their independent living residence with another Resident and one of them requires permanent assisted living services, the remaining Resident may

continue to occupy the residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and any charges for optional items and services under the independent living Residence and Service Agreement. The transferred Resident will execute an Assisted Living Residence and Care Agreement and shall pay the applicable Monthly Fee and any charges for ancillary items and services he/she receives in their assisted living apartment.

- If both Residents simultaneously require permanent assisted living services, they shall vacate their residence and relocate to one of the assisted living apartments. Both Residents will execute an Assisted Living Residence and Care Agreement and pay the applicable Monthly Fee for the care received and any charges for ancillary items and services they receive in assisted living. In addition, Residents shall continue to pay the single occupancy Monthly Fee under their Residence and Service Agreement until their former independent living residence is Unit Ready.

Relocation to The Health Center at The Cardinal at North Hills

The Community Management Team members, in consultation with Resident, their physician, and their representative(s) (as applicable), shall determine whether Resident's condition requires the relocation from their residence to the Health Center (which provides memory care and skilled nursing services), and whether such relocation is temporary or permanent. If Resident requires permanent or temporary health care services within the Health Center, prior to or upon moving to a memory care or skilled nursing apartment at the Health Center, Resident must (i) sign a Memory Care Residence and Care Agreement or a Skilled Nursing Residence and Care Agreement, as applicable, in the form then required by The Cardinal at North Hills Healthcare, LLC (collectively, the "Health Center Agreements") and (ii) pay the applicable monthly fees due under the Health Center Agreements (the "Monthly Health Center Fees"). The Health Center Agreements will be a binding agreement between Resident and The Cardinal at North Hills Healthcare, LLC.

Temporary Relocation to The Health Center

- Single Occupancy
 - If Resident requires temporary services at the Health Center, Resident shall (a) continue to pay the regular Monthly Fee for their current residence at The East Tower at Cardinal North Hills; (b) pay the Monthly Health Center Fees; and (c) pay for any charges for ancillary items and services Resident receives that are not covered by the Monthly Health Center Fees.
- Double Occupancy
 - If Resident occupies their residence with another Resident and the other Resident is temporarily transferred to the Health Center to receive Health Center services, the remaining Resident may continue to occupy the residence at the East Tower at Cardinal North Hills. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy at The East Tower and charges for optional items and services. The transferred Resident will pay the applicable Monthly Health Center Fees and any charges for ancillary items and services she/he receives that are not covered by the Monthly Health Center Fees.

- If both Residents simultaneously transfer to the Health Center to receive Health Center services, Residents will be responsible for continuing to pay only the double occupancy Monthly Fee for the existing residence at The East Tower at Cardinal North Hills and each shall pay (a) the applicable Monthly Health Center Fees for care received in the Health Center; and (b) any charges for ancillary items and services that Residents receive that are not covered by the Monthly Health Center Fees.

Permanent Relocation to The Health Center

- Single Occupancy
 - If Resident requires permanent Health Center services, Resident shall vacate their residence at The East Tower at Cardinal North Hills and relocate to a Health Center apartment as appropriate. Resident shall be responsible for paying the Monthly Health Center Fee and any charges for ancillary items and services Resident receives, pursuant to the terms of their Health Center Agreement with The Cardinal at North Hills Healthcare, LLC.

In addition, Resident will continue to pay The East Tower at Cardinal North Hills the Monthly Fee until Resident makes their former residence Unit Ready. Resident shall be responsible for all moving and cleaning costs and the cost of restoring the former residence to its original condition, excluding ordinary wear and tear.

- Double Occupancy
 - If Resident occupies their residence with another Resident and the other Resident is transferred to the Health Center to receive permanent Health Center services, the remaining Resident may continue to occupy the residence at The East Tower at Cardinal North Hills. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy for the existing residence at The East Tower at Cardinal North Hills and any charges for optional items and services under their Residence and Services Agreement. The transferred Resident will pay the applicable Monthly Health Center Fee and any charges for ancillary items and services he/she receives pursuant to the terms of the Health Center Agreement between the transferred Resident and The Cardinal at North Hills Healthcare, LLC.
 - If both Residents simultaneously require permanent Health Center services, the Residents shall vacate their residence and relocate to one of the Health Center memory care or skilled nursing apartments. Residents shall continue to pay the double occupancy Monthly Fee to The East Tower at Cardinal North Hills until the former residence is Unit Ready. In addition, each Resident shall pay the applicable Monthly Health Center Fee for the care received and any charges for ancillary items and services received. Once the residence is Unit Ready, each Resident shall be responsible for paying only the applicable Monthly Health Center Fee and any charges for ancillary items and services received, pursuant to the Health Center Agreement with The Cardinal at North Hills Healthcare, LLC.

Relocation to an Outside Health Care Facility

- **Temporary Relocation**

- If a Resident relocates to an outside facility for health care services because no space is available at the Health Center, or the type of care required is not available at the Health Center, Resident shall continue to pay the regular Monthly Fee for the residence until they return. In addition, Resident shall be responsible for paying the outside facility's charges for the housing, services and items received at that facility. The East Tower at Cardinal North Hills is not responsible to pay charges for Resident's care to the outside facility. When space becomes available at the Health Center, and as medical circumstances allow, as determined by the Community Management Team, Resident, Resident's physician, and/or representative, The East Tower at Cardinal North Hills will notify Resident to return. All obligations regarding the provision and quality of care at the outside facility shall be the responsibility of that facility and not The East Tower at Cardinal North Hills, and Resident agrees to hold The East Tower at Cardinal North Hills harmless for any injury or damage Resident may incur at an outside care center.

- **Single Occupancy**

- If Resident requires temporary health care services at an outside facility, Resident shall continue to pay the regular Monthly Fee for their residence at The East Tower at Cardinal North Hills as well any charges for ancillary items and services Resident receives that are not covered by the Monthly Fee.

- **Double Occupancy**

- If Resident occupies their residence with another Resident and one Resident is temporarily transferred to an outside facility for health care services, the remaining Resident may continue to occupy the residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for double occupancy and charges for optional items and services. The transferred Resident will pay any charges for ancillary items and services he/she receives that are not covered by the Monthly Fee, as applicable. If both Residents simultaneously receive health care services at an outside facility, Residents will be responsible for continuing to pay only the single occupancy Monthly Fee for the residence and each Resident shall pay any charges for ancillary items and services that each receive that are not covered by the Monthly Fee. Both Residents together and each Resident separately will be liable for all fees described herein.

- **Permanent Relocation**

- If a Resident permanently relocates to an outside health care facility, their Residence Agreement with The East Tower at Cardinal North Hills will terminate. In the event of double occupancy, if one Resident requires permanent care at an outside facility, the Residence Agreement will terminate with respect to the transferring Resident and will continue only with respect to the remaining Resident.

Responsibility for Damage to Residence Upon Move Out

If Resident chooses to move to a different residence at The East Tower at Cardinal North Hills, transfer to the Health Center or move out of The East Tower at Cardinal North Hills, the cost to restore the residence to its original, Unit Ready condition may be assessed to Resident. This determination will be made by the Community following a thorough inspection of the residence after Resident has moved. The moving costs associated with any move will be Resident's sole responsibility.

Required Relocation

- Resident may be required to relocate to assisted living, the Health Center or an outside facility, as appropriate, if any of the following exists as determined by the Community Management Team, in consultation with Resident, their physician and representative:
 - Resident fails to meet the conditions of occupancy for independent residential living;
 - Resident's continued occupancy of the residence endangers Resident's health, safety, or well-being or that of another person and Resident's needs require that he/she be relocated to protect their own health or safety or that of other Residents, individuals or staff;
 - Resident requires care that cannot lawfully be provided in the residence, the Health Center or care that The East Tower at Cardinal North Hills is unable to or does not routinely provide;
 - Resident's needs cannot be met at The East Cardinal at North Hills for reasons such as design or staffing or the program of services offered at the Community;
 - Resident exhibits behavior that endangers Resident or threatens the safety or well-being of other Residents, violates the Community's rules, regulations, policies and procedures for living in a retirement communal setting, or creates an unreasonable and continuing disturbance of the peaceful enjoyment of The East Tower at Cardinal North Hills by other Residents, or Resident is generally unable to benefit from the program of services available at The East Tower at Cardinal North Hills; or
 - Resident's personal physician has determined that Resident requires services and care not available at The East Tower at Cardinal North Hills.

10 Termination and Refunds

Termination Due to Death or Change in Status Prior to Occupancy

If a Resident dies before occupying the residence, or if, on account of an illness, injury, or incapacity that occurs prior to occupying the residence, Resident would be precluded from occupying the residence under the terms of the Residence and Service Agreement, the Residence and Service Agreement will be automatically canceled. In that case, The East Tower at Cardinal North Hills will pay Resident or his/her estate a refund of the Reservation Fee, Community Fee, and any pre-paid fees, less any cost specifically insured by The East Tower at Cardinal North Hills at your request as set forth in a writing signed by you. Resident's estate will receive the refund within thirty (30) days from the date notice of death or change in status is received by the Community or the date The East Tower at Cardinal North Hills sends a notice of termination due to changed circumstances. If Resident executed the Residence and Service Agreement with another Resident, such Residence and Service Agreement will remain in effect with respect to the surviving Resident, and no refund will be issued, unless the Residence and Service Agreement is terminated by the surviving Resident.

Thirty Day (30) Cancellation Period (before or after occupancy)

- Cancellation by Resident
 - There will be a cancellation period of thirty (30) days during which Resident may cancel the Residence and Service Agreement, with or without cause ("Cancellation Period"). The Cancellation Period begins on the later of (a) the date that Resident signs the Residence and Service Agreement and pays the applicable Community Fee, or (b) the date The East Tower at Cardinal North Hills provides this Disclosure Statement to Resident. Resident must provide written notice of cancellation within the thirty (30) day Cancellation Period. Resident may move into the residence during the Cancellation Period, but is not required to do so. In the event of cancellation, Resident shall be entitled to a refund of monies paid to The East Tower at Cardinal North Hills, except that The East Tower at Cardinal North Hills shall deduct from Resident's refund (a) the reasonable value of any services and accommodations rendered to Resident by The East Tower at Cardinal North Hills, including a pro rata portion of the Monthly Fee applicable to the period which Resident actually occupied the Residence, if any; (b) any other costs specifically incurred by The East Tower at Cardinal North Hills at Resident's request as set forth in writing and signed by both parties; and (c) a cancellation fee in the amount of one thousand dollars (\$1,000.00). In addition, Resident will not be entitled to receive any interest on monies paid to The East Tower at Cardinal North Hills. Resident will receive the refund within thirty (30) days after the date of written notice of cancellation, except that if Resident moved into the residence they shall receive the refund within thirty (30) days after Resident vacates the residence, and restored it to Unit Ready condition, excluding ordinary wear and tear. Resident must make the residence available to The East Tower at Cardinal North Hills in Unit Ready condition as described above within twenty (20) days after the date of the written notice of cancellation.
- Cancellation by The East Tower at Cardinal North Hills
 - During the Cancellation Period, The East Tower at Cardinal North Hills may cancel the Residence and Service Agreement, with or without cause, upon written notice within the

thirty (30) day period. In the event of cancellation, Resident shall be entitled to a refund of monies paid to The East Tower at Cardinal North Hills except that the Community shall deduct from the refund (a) the reasonable value of any services and accommodations rendered to Resident by the Community; and (b) any other costs specifically incurred by the Community at Resident's request as set forth in writing and signed by both parties. Resident will not be entitled to any interest accrued on monies paid to the Community. Resident will receive the refund within thirty (30) days after the date of The East Tower at Cardinal North Hills' written notice of cancellation, except that if Resident moved into the residence, Resident shall receive the refund within thirty (30) days after Resident makes the residence available to The East Tower at Cardinal North Hills in Unit Ready condition. Resident must make the residence available to The East Tower at Cardinal North Hills within twenty (20) days after the date of the written notice of cancellation.

- **No Refund of Community Fee After Cancellation Period**

- At the end of the Cancellation Period, the Community Fee will become the property of The East Tower at Cardinal North Hills, and not refundable for any reason. Resident will not receive a refund of the Community Fee if the Residence and Service Agreement is terminated after the Cancellation Period for any reason.

Termination by Resident After Cancellation Period

Resident may terminate the Residence and Service Agreement at any time after the Cancellation Period by giving The East Tower at Cardinal North Hills thirty (30) days written notice, unless a shorter notice period is mutually agreed to in writing. Until the effective termination date or the date Resident makes the residence Unit Ready, whichever is later, Resident will continue to pay (a) all unpaid Monthly Fee and other charges, including any applicable late charges and interest; and (b) the cost (if any) of restoring the residence to its original clean condition (excluding normal wear and tear).

Termination by The East Tower at Cardinal North Hills After Cancellation Period

The East Tower at Cardinal North Hills may terminate the Residence and Service Agreement at any time for good cause, upon giving Resident thirty (30) days written notice. Good cause shall include, but not be limited to, the following:

- Resident's failure to perform any of his/her obligations under the Residence and Service Agreement, including the obligation to pay the Monthly Fee and other charges;
- Resident, or Resident's guests or home care assistants' failure to abide by the rules, regulations, policies and procedures of The East Tower at Cardinal North Hills, described in the Resident Handbook or in such other documents or publications as may be provided from time-to-time, as they now exist or as they may later be amended by The East Tower at Cardinal North Hills in its sole discretion;
- Any material omission or misstatement in Resident's Application for Residency, Reservation Agreement and any other documents filed with The East Tower at Cardinal North Hills by Resident or on Resident's behalf (See Exhibit G for the current form of Application for Residency);
- Resident's behavior creates an unreasonable and continuing disturbance within the

- Community that is detrimental to the health, safety or peaceful enjoyment of others;
- Resident has needs that cannot be met at The East Tower at Cardinal North Hills for reasons such as licensing, design or staffing, or a condition that cannot be accommodated at The East Tower at Cardinal North Hills as determined by the Community or as defined by licensing regulations;
 - Resident refuses to relocate for appropriate care or accept services and care required in order for the Community to meet his/her needs;
 - Resident's mental or physical condition is such that the continued occupancy of the residence would be unlawful, or The East Tower at Cardinal North Hills determines that the continued occupancy would present an unreasonable risk of injury to the Resident or to others at The East Tower at Cardinal North Hills; or
 - Resident's permanent relocation from The East Tower at Cardinal North Hills premises.

Death of Resident

The Residence and Service Agreement will automatically terminate upon a Resident's death.

- If a Resident dies during the thirty (30) day Cancellation Period, Resident shall be entitled to a refund of monies paid to The East Tower at Cardinal North Hills except that the Community shall deduct from the refund (a) the reasonable value of any services and accommodations rendered to Resident by the Community including a pro rata portion of the Monthly Fee applicable to the period which Resident actually occupied the Residence, if any; and (b) any other costs specifically incurred by the Community at Resident's request as set forth in writing and signed by both parties.
- If a Resident dies after the Cancellation Period has expired, The East Tower at Cardinal North Hills will pay a refund to Resident's estate in accordance with the provisions of the Residence and Service Agreement.
- If the deceased Resident executed the Residence and Service Agreement with another Resident, the Residence and Service Agreement will remain in effect and no refunds will be issued, unless the surviving Resident elects to terminate the Residence Agreement.

Continued Monthly Fee Payment Obligation

Resident is required to pay the Monthly Fee throughout any and all notice periods until the residence is returned to The East Tower at Cardinal North Hills in Unit Ready condition. The East Tower at Cardinal North Hills will deduct from any refund owed to Resident: (a) all unpaid Monthly Fee and other charges, including any applicable late charges and interest; and (b) the cost (if any) of restoring the residence to its original clean condition (excluding normal wear and tear). Resident shall be responsible for any additional costs required as determined by the Community following a thorough inspection of the residence after Resident has moved.

11 Fees and Other Charges

Community Fee

Upon execution of the Residence and Service Agreement, Resident will pay a non-refundable Community Fee for the residence selected, less any Reservation Fee paid pursuant to a Binding Reservation Agreement. The Community Fee is non-refundable except under the conditions set forth in the Residence and Service Agreement. The Community Fee compensates The East Tower at Cardinal North Hills for the time and expense associated with processing the application for residency as well as the cost of distinctive services provided by the Community, and supports the overall operations and financial performance of The East Tower at Cardinal North Hills.

The Community Fee is payable by check, money order, or wire transfer, and is due upon signing the Residence and Service Agreement.

Monthly Fee

Monthly Fees vary based on a number of factors, including but not limited to the size of independent living residence and the number of occupants residing in the independent living residence. The Monthly Fees will be due regardless of whether or not the Resident actually occupies the residence as discussed herein. The following tables detail the current Monthly Fees by type of residence. Monthly Fees compensate The East Tower at Cardinal North Hills for the occupancy of the residence and the housekeeping, maintenance, programming, meals, and other goods and services Resident will enjoy while living at The East Tower at Cardinal North Hills, as well as supporting the overall operations and financial performance of The East Tower at Cardinal North Hills.

The East Tower at Cardinal at North Hills
 INDEPENDENT LIVING FEE SCHEDULE as of 1/1/2024

Independent Living Residences – Fees shown are subject to change

PLAN	APPROX. SQ. FT.	MONTHLY FEE*
1 Bedroom/1 Bath	1,000	\$6,409
1 Bedroom/1 Bath/Den	1,146-1,532	\$7,524
2 Bedroom/ 2 Bath	1,284-1,575	\$8,748
2 Bedroom/2 Bath/Den	1,466-2,199	\$9,855
2 Bedroom/2.5 Bath/Den	1,979-2,097	\$11,095
2 Bedroom/2.5 Bath/Den Deluxe	2,297-2,439	\$11, 431
Penthouse	2,062-3,511	\$14,027

*Amounts shown are average base Monthly Fees and the actual Monthly Fee will vary. The Community requires a one-time non-refundable community fee. Monthly Fees do not include “second person” fees or any optional or ancillary services. For details regarding the current fees associated with optional services, refer to Exhibit I. The “second person” fee for Independent Living is currently \$1,050.

The East Tower at Cardinal North Hills
ASSISTED LIVING FEE SCHEDULE as of 1/01/2024

Assisted Living Residences – Fees shown are subject to change

PLAN	APPROX. SQ. FT.	MONTHLY FEE**
Studio	575-803	\$7,799
1 Bedroom/1 Bath	913-1,001	\$9,698
1 Bedroom/1 Bath/Den	902	\$9,695
2 Bedroom/1 Bath	1,085-1,506	\$10,578
2 Bedroom/2 Bath	1,407-1,446	\$10,918
2 Bedroom/2 Bath/Den	1,471-1,545	\$11,260

**Amounts shown are average base Monthly Fees and the actual Monthly Fee will vary. The Community requires a one-time non-refundable community fee. Fees for additional Levels of Care will be established at the time of residency based on need in accordance with published rates at the time of occupancy. For details regarding the current fees associated with optional services, refer to Exhibit I. Fees do not include “second person” fees or any optional or ancillary services. The “second person” fee for Assisted Living is currently \$1,250. Level of care monthly fees for The East Tower Assisted Living Units are currently as follows: Level 1: \$1,610; Level II: \$2,360; Level III: \$3,180; Level IV: \$4,080; Level V: \$4,335, plus \$10 per point over 380.

Payment Procedures

Resident will commence paying the Monthly Fees and any other applicable service fees thirty (30) days prior to occupying the residence. Thereafter, the Monthly Fees shall be payable in advance on the first (1st) day of each month. Resident will be billed by the Community for the Monthly Fees for the next month’s services and accommodations. Payment must be made by check, money order, electronic payment, or other means prescribed by the Community.

Late Payment Charge and Interest

The East Tower at Cardinal North Hills reserves the right to impose a late payment charge and interest at the maximum legal rate not to exceed one and one-half percent (1.5%) per month, which is equal to eighteen percent (18%) per annum, if Resident does not pay the Monthly Fees and other fees due under the Residence and Service Agreement by the due date. Resident will be responsible for paying all attorneys’ fees and costs incurred by The East Tower at Cardinal North Hills related to the recovery of delinquent amounts due under the Residence and Service Agreement.

Obligations to Make Payment/Default/Financial Assistance

Resident is required to make all payments due to the Community in a timely manner and otherwise satisfy his/her personal financial obligations. If Resident fails to pay the Monthly Fees or other charges in a timely fashion, The East Tower at Cardinal North Hills may, in its discretion, terminate the Residence and Service Agreement upon thirty (30) days written notice. In the event of such termination, Resident is responsible to pay all unpaid fees and charges (including late payment charges and interest) as provided by the Residence Agreement. The East Tower at Cardinal North Hills has no obligation to give Resident any financial assistance.

Adjustments

The East Tower at Cardinal North Hills may increase or decrease the Monthly Fees or other fees, or the scope or frequency of services upon thirty (30) days advance notice. No notice will be required if a fee change results from a change in Resident's level of care or in the optional services Resident requests.

Absences

Resident is responsible for continuing to pay the Monthly Fees whenever Resident is absent from the Community.

Charges for Optional Services

Resident will be billed for optional services selected either at the time they are rendered or with the next billing cycle. The payment procedures for optional service charges, including the imposition of late fees and interest, are the same as for the Monthly Fees. The current charges for optional services are set forth in the schedule of fees for optional services ("Appendix A"), which is part of the Residence and Service Agreement. The East Tower at Cardinal North Hills may, in its sole discretion, adjust the fees for optional services for any reason upon providing thirty (30) days advance notice to Residents.

Joint Liability for Fees

If two Residents are signing the Residence and Service Agreement, both Residents together, and each Resident separately will be liable for all fees described in their Residence and Service Agreement.

(continued on following page)

Historic Changes in Major Fees

Pursuant to NCGS § 58-64-20(a)(7)(e), the following table shows average changes in the monthly service fees and health center daily charges over time. Note that it is the average dollar amount of the CHANGE in fees from year to year that is shown – NOT in the fees themselves. All changes during this period occurred once per year on January 1.

Independent Living	2023	2024
Monthly Service Fees		
One Occupant (per month)	-	\$ 380.50
Approx. Percentage Increase	-	4.26%
Double Occupant Fee (per month)	-	\$ 0.00
Approx. Percentage Increase	-	0.00%
Assisted Living	2023	2024
Room Charges		
Assisted Living (per day)	-	\$ 16.11
Approx. Percentage Increase	-	5.50%
Double Occupant Fee (per day)	-	\$ 0.00
Approx. Percentage Increase	-	0.00%

12 Residency Criteria

Age Criteria

Prospective Residents must be at least 55 years of age at the time occupancy begins. If a Resident is married to a person who will be less than 55 years of age at the time of occupancy of the independent living residence, the underage spouse may be approved for residency in the residence, in The East Tower at Cardinal North Hills' sole discretion.

Health Criteria

Prospective residents must meet the health criteria established by The East Tower at Cardinal North Hills for independent living and be independently mobile, able to manage all activities of daily living, able to self-administer medications with a reminder, if necessary, oriented as to person, place and time and be able to plan and organize daily activities. A preliminary health screen completed by the prospective resident's primary physician certifying as to certain independent living criteria is due before the execution of the Residence and Service Agreement (See, Exhibit H, form Physician's Report).

Financial Criteria

The prospective resident must have sufficient financial resources to cover the costs of living in the Community including the Community Fee, Monthly Fees and other fees for all levels of care and to pay normal living expenses beyond the services to be provided by The East Tower at Cardinal North Hills. The prospective resident shall provide such financial information as The East Tower at Cardinal North Hills may reasonably require in such form as is acceptable to The East Tower at Cardinal North Hills, to determine the prospective resident's ability to pay.

Additional Occupants

If a current Resident wishes to have another person who is not a current resident of The East Tower at Cardinal North Hills move into the Resident's residence (for example, if the current Resident marries a non-Resident), the new occupant must apply and meet the same admission requirements applicable to new residents. If the prospective resident's application is rejected, the prospective resident may not take up co-occupancy with the existing Resident, but such rejection will have no effect on the existing Resident's Residence and Service Agreement.

13 Financial Disclosure and Information

The East Tower is financial and owned by a joint venture partnership between KSL Landlord Owner II, LLC, an affiliate of Welltower (formerly Health Care REIT, Inc.) and KSL Toledo Member, LLC, an affiliate of Kisco. KSL Toledo Tenant, LLC is wholly owned by KSL Toledo Member, LLC. KSL Toledo Tenant LLC leases the Community to Tower at The Cardinal, LLC for 15 years with two extension options.

Financial Statements

In accordance with NC G.S. § 58-64-20, attached as Exhibit A are Financial Statements dated December 31, 2023, and 2022 With Independent Auditor's Report.

Financial Projections

In accordance with NC G.S. § 58-64-20, attached as Exhibit B is a Compilation of Financial Projections for the Five Years Ending December 31, 2028, which details the expected financial position, results of operations and cash flows of The East Tower at Cardinal North Hills for each year through December 31, 2028.

Material Variances

In accordance with NC G.S. § 58-64-30, attached as Exhibit C is the Material Variances from Prior Year Forecast and Actual FY 2023 Audited Results.

Interim Financial Statements

In accordance with NC G.S. § 58-64-20, attached as Exhibit K are Interim Financial Statements for the period ending 4/30/2024.

Reserve Requirements

North Carolina law requires CCRCs such as The East Tower at Cardinal North Hills 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. This law provides security to residents that the Community will be able to meet its contractual obligations to provide continuing care. The East Tower at Cardinal North Hills has satisfied its statutory reserve requirement through an irrevocable standby letter of credit issued by a financial institution.

Exhibit A

**Tower at The Cardinal, LLC
Financial Statements dated December 31, 2023 and 2022
With Independent Auditor's Report**

TOWER AT THE CARDINAL, LLC
Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Report

Tower at the Cardinal, LLC
Table of Contents
December 31, 2023 and 2022

Independent Auditor's Report	1-2
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Members' Equity (Deficit)	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11

INDEPENDENT AUDITOR'S REPORT

To the Members of
Tower at the Cardinal, LLC:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tower at the Cardinal, LLC (the "Tower"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members equity (deficit) and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Tower as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

Withum Smith & Brown, PC

March 15, 2024

Tower at the Cardinal, LLC
Balance Sheets
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash	\$ 35,073	\$ 28,748
Restricted cash	-	1,491,550
Accounts receivable	24,590	-
Other receivables	238,212	-
Prepaid expenses	2,567	-
Other current assets	<u>14,637</u>	<u>-</u>
	<u>\$ 315,079</u>	<u>\$ 1,520,298</u>
Liabilities and Members' Deficit		
Current liabilities		
Reservation deposits	\$ -	\$ 1,491,550
Due to affiliates, net	204,040	28,748
Accounts payable	6,713	-
Accrued expenses	279,844	-
Deferred revenue	<u>310,793</u>	<u>-</u>
Total current liabilities	801,390	1,520,298
Members' deficit	<u>(486,311)</u>	<u>-</u>
	<u>\$ 315,079</u>	<u>\$ 1,520,298</u>

The Notes to Financial Statements are an integral part of these statements.

Tower at the Cardinal, LLC
Statements of Operations
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Residential services	\$ 6,430,295	\$ -
Healthcare services	374,715	-
Other	<u>2,295,122</u>	<u>-</u>
Total revenues	<u>9,100,132</u>	<u>-</u>
Operating expenses		
Art of living well	86,496	
Assisted living	308,705	-
Dining services	1,716,093	-
Housekeeping and laundry	225,273	-
Utilities	296,415	-
Environmental services	346,152	-
Property taxes	495,389	-
General and administrative	<u>9,304,387</u>	<u>-</u>
Total operating expenses	<u>12,778,910</u>	<u>-</u>
Operating loss	<u>(3,678,778)</u>	<u>-</u>
Other income (expense)		
Interest income	77	-
Other	<u>(7,610)</u>	<u>-</u>
Total other income (expense)	<u>(7,533)</u>	<u>-</u>
Net loss	<u>\$ (3,686,311)</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of these statements.

Tower at the Cardinal, LLC
Statements of Changes in Members' Equity
Years ended December 31, 2023 and 2022

	Total Members' Equity (Deficit)
Members' equity, January 1, 2022	\$ -
Net income (loss)	<u>-</u>
Members' equity at December 31, 2022	\$ -
Contributions	3,200,000
Net loss	<u>(3,686,311)</u>
Members' deficit at December 31, 2023	<u>\$ (486,311)</u>

The Notes to Financial Statements are an integral part of these statements.

Tower at the Cardinal, LLC
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Net loss	\$ (3,686,311)	\$ -
Changes in assets and liabilities		
Accounts receivable	(24,590)	-
Reservation deposits	(1,491,550)	1,491,550
Prepaid expenses and other current assets	(2,567)	-
Other receivables	(238,212)	-
Other current assets	(14,637)	-
Accounts payable	6,713	-
Due to affiliates	175,292	28,748
Accrued expenses	279,844	-
Deferred revenue	310,793	-
Net cash provided by (used in) operating activities	<u>(4,685,225)</u>	<u>1,520,298</u>
Financing activity		
Contributions	<u>3,200,000</u>	-
Net cash provided by financing activity	<u>3,200,000</u>	-
Net change in cash	(1,485,225)	1,520,298
Cash and restricted cash		
Beginning of year	<u>1,520,298</u>	-
End of year	<u>\$ 35,073</u>	<u>\$ 1,520,298</u>
Cash and Restricted cash as reported in the Balance Sheets		
Cash	\$ 35,073	\$ 28,748
Restricted cash	<u>-</u>	<u>1,491,550</u>
Total cash and restricted cash	<u>\$ 35,073</u>	<u>\$ 1,520,298</u>

The Notes to Financial Statements are an integral part of these statements.

Tower at the Cardinal, LLC
Notes to Financial Statements
December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Tower at the Cardinal, LLC, more commonly known as The East Tower at Cardinal North Hills (the "Tower"), is a rental continuing care retirement community located in Raleigh, North Carolina. The Tower consists of a newly constructed 18 story residential building which includes 191 residential units. The Tower was completed during 2023 and is now operating. The Tower is physically connected to The Cardinal at North Hills, LLC.

Restricted Cash

Restricted cash consists of escrow accounts representing reservation deposits which are restricted as to use.

Reservation Deposits

The Tower collects reservation deposits for future residents. The reservation deposits are made up of either a refundable deposit for guaranteeing a unit upon the community completion or a non-refundable deposit that can be applied to monthly rent upon move-in. As such, the reservation deposits are not recognized into revenue. Reservation deposits as of December 31, 2023 and 2022 were \$0 and \$1,491,550, respectively.

Concentration of Credit Risk

The Tower maintains cash deposits with a financial institution in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times throughout the year the Tower had deposits in excess of the FDIC insured amount. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

Accounts Receivable

Accounts receivable are unsecured and non-interest bearing. The Company bills in advance for residential services. The Company generally considers accounts receivable that are 30 days past due to be delinquent. The Company has tracked historical loss information for its residential receivables and compiled historical credit loss percentages for various ranges of days outstanding. Additionally, management assesses amounts due from residents individually and if circumstances dictate that collection is not reasonably assured, they will write off the balance. There was no allowance for doubtful accounts at December 31, 2023 and 2022.

Management believes historical loss information is a reasonable basis to determine expected credit losses for trade receivables held at December 31, 2023. Management has determined that current supportable forecasted economic conditions have improved as compared with economic conditions included in historical information. Specifically, management has observed an increase in occupancy as of December 31, 2023. Management expects occupancy levels to remain relatively consistent over the next year. Management applied the applicable credit loss rates to determine the expected credit loss estimate for each range of receivable days outstanding. Accordingly, there were no bad debts recorded for the years ended December 31, 2023 and 2022. Recoveries of accounts receivable previously written off are recorded when received. There was no accounts receivable balance at January 1, 2022.

Tower at the Cardinal, LLC
Notes to Financial Statements
December 31, 2023 and 2022

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Leases as Lessee

The Company categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the balance sheet. The Company had no finance leases during 2023 and 2022.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, the Company accounts for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on the risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments plus any costs from executing the lease. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase of the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Revenue Recognition

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps (i) identify agreements with residents; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

A performance obligation is a promise in a contract to transfer a distinct good or service to the resident and is the unit of account in Accounting Standards Codification Topic 606. The Company's performance obligations include the promise of goods and services in the resident agreement.

The Company generates revenues, primarily by providing residential and healthcare services to its residents. Revenues are thus directly dependent on the demand for residential and healthcare services. Revenues are recognized when control of the promised good or service is transferred to residents, in an amount that reflects the consideration to which the Company expects to be entitled from residents in exchange for those goods and services.

Tower at the Cardinal, LLC
Notes to Financial Statements
December 31, 2023 and 2022

Performance obligations are determined based on the nature of the services provided. The majority of the Company's residential and healthcare services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered. The Company also provides certain ancillary services which are not included in the bundle of services, and as such, are treated as separate performance obligations satisfied at a point in time, if and when those services are rendered.

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2023:

	<u>Residential Services</u>	<u>Healthcare Services</u>	<u>Other</u>	<u>Total</u>
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ 2,295,122	\$ 2,295,122
Performance obligations satisfied over time	<u>6,430,295</u>	<u>374,715</u>	<u>-</u>	<u>6,805,010</u>
Total net sales	<u>\$ 6,430,295</u>	<u>\$ 374,715</u>	<u>\$ 2,295,122</u>	<u>\$ 9,100,132</u>

Contract Balances

The payment terms and conditions within the Company's revenue-generating contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days.

Resident service fee revenue for recurring and routine monthly residential and healthcare services is generally billed monthly in advance. Other revenue for standalone services is generally billed monthly in arrears. Additionally, non-refundable community fees are generally billed and collected in advance or upon move-in of a resident under independent living and assisted living residency agreements for independent living and assisted living services.

Amounts of revenue that are collected from residents in advance are recognized as deferred revenue until the performance obligations are satisfied.

The Company had total deferred revenue of \$310,793 December 31, 2023. There was no deferred revenue at January 1, 2022. The Company applies the practical expedient in ASC 606-10-50-14 and does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

Advertising

The Company follows the policy of charging advertising costs to expense as incurred. Total advertising costs expensed for the year ended December 31, 2023 were \$113,216. There were no advertising costs incurred during the year ended December 31, 2022.

Income Taxes

The Tower is a limited liability company, and the taxable income or loss is allocated to its members. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Tower recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires the Tower to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement. There was no recognition of uncertain tax positions required at December 31, 2023.

Tower at the Cardinal, LLC
Notes to Financial Statements
December 31, 2023 and 2022

The Tower files income tax returns in the U.S. federal jurisdiction and the State of North Carolina. The Tower believes that its tax positions comply with applicable tax law and that the Tower has adequately provided for these matters.

401(k) Savings and Retirement Plan

The Company has a salary deferral plan that covers employees 21 years and over with at least six months of service. The plan permits eligible employees to make voluntary contributions not in excess of Internal Revenue Service limits. The Company matches 25% of the employee's contributions up to 6% of the employee's compensation. The Company made matching contributions of \$3,842 for the year ended December 31, 2023. The Company made no matching contributions for the year ended December 31, 2022.

Recent Accounting Pronouncements - Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposure and other financial instruments recorded at amortized cost.

The Tower adopted the new standard effective January 1, 2023, using the modified retrospective approach. Implementation of this new standard had no impact on the accompanying financial statements aside from expanded disclosures. Comparative prior periods were not adjusted upon adoption.

Subsequent Events

The Tower evaluated subsequent events through March 15, 2024, the date these financial statements were available to be issued. Based upon that evaluation, management determined that there are no subsequent events that require disclosure in these financial statements.

2. RELATED PARTY TRANSACTIONS - NET

The Company has a management agreement with Kisco Senior Living, LLC, an affiliate of the Company through common ownership.

The management agreement provides for a fee of 6% of gross revenue. The agreement also provides for reimbursement of direct expenses in addition to the basic management fee. Management fee expenses totaled \$546,008 for the year ended December 31, 2023.

Due to affiliates, which includes cash advances from other affiliated entities, totaled \$204,040 and \$28,748 as of December 31, 2023 and 2022, respectively. Due to affiliates is due on demand and bears no interest.

The Company participates in a capture insurance policy and is partially self-insured through policies managed by a related party. The Company paid premiums to the related party in the amount of \$63,591 for the year ended December 31, 2023.

Tower at the Cardinal, LLC
Notes to Financial Statements
December 31, 2023 and 2022

The Company is party to a sublease agreement with an affiliated company through common ownership for the use of the real and personal property present at an assisted living community with the purpose of continuing to operate the assisted living community. The lease expires at the earlier of the stabilization date which is determined by occupancy, or in April 2036, and provides for variable monthly rent. Lease expense to this related party for the year ended December 31, 2023 was \$6,887,740. There was no lease expense under this agreement for the year ended December 31, 2022.

3. ACCRUED EXPENSES

Accrued expenses consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Accrued Commissions	\$ 130,532	\$ -
Salaries and wages	78,104	-
Vacation	61,280	-
Other	9,928	-
	<u>\$ 279,844</u>	<u>\$ -</u>

Exhibit B

**Tower at Cardinal at North Hills, LLC
Compilation of a Financial Projection for the
Five Years Ending 12/31/28**

Tower at the Cardinal, LLC
Compilation of a Financial Projection
For Each of the Five Years Ending
December 31, 2028

(with Accountants'
Compilation Report thereon)

Tower at the Cardinal, LLC
Compilation of a Financial Projection
Five Years Ending December 31, 2028

TABLE OF CONTENTS

Accountants' Compilation Report	1
Projected Statements of Operations and Changes in Member's Equity	3
Projected Statements of Cash Flows	4
Projected Balance Sheets	5
Summary of Significant Projection Assumptions and Rationale.....	6



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Accountants' Compilation Report

Tower at the Cardinal, LLC
Raleigh, North Carolina

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

The accompanying projection and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64 Continuing Care Retirement Communities and Title 11 of the North Carolina Administrative Code. Accordingly, this report should not be used for any other purpose. Even if the following hypothetical assumption occurs during the projection period, 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:

- The East Tower Independent Living Units (defined hereafter) and The East Tower Assisted Living Units (defined hereafter) are successfully occupied at assumed occupancy levels and monthly fees and that adequate demand for services exists to support the assumed utilization.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services Committee of the AICPA. We did not examine or review the financial projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on this financial projection.

Management and 320 St. Albans Drive LP completed construction of an 18-story residential building, known as “The East Tower at Cardinal North Hills”, in May 2023 adjacent to the existing continuing care retirement community known as “The Cardinal at North Hills”, consisting of 151 new independent living units (the “The East Tower Independent Living Units”), which opened in May 2023, and 40 new assisted living units (the “The East Tower Assisted Living Units”), which opened on June 1, 2023.

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

FORVIS,LLP

Atlanta, Georgia
May 29, 2024

Tower at the Cardinal, LLC

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

	2024	2025	2026	2027	2028
Revenues:					
Residential services	22,808	24,928	26,174	27,483	28,857
Other	124	119	122	126	130
Total revenues	22,932	25,047	26,296	27,609	28,987
Operating expenses:					
Assisted living	798	812	839	865	893
Wellness	260	277	286	295	305
Dining services	3,435	3,530	3,609	3,691	3,775
Housekeeping and laundry	441	440	455	470	485
Utilities	375	387	398	410	423
Environmental services	530	575	593	612	632
Property taxes	1,002	1,027	1,053	1,079	1,106
General and administrative	3,786	3,983	4,140	4,305	4,476
Lease expense	12,286	12,654	13,034	13,425	13,828
Depreciation	36	36	36	36	36
Total operating expenses	22,949	23,721	24,443	25,188	25,959
Operating income (loss)	(17)	1,326	1,853	2,421	3,028
Other income (expense)					
Letter of Credit Fees	(86)	(44)	(46)	(47)	(49)
Other	(1)	(1)	(1)	(1)	(1)
Total other income (expense)	(87)	(45)	(47)	(48)	(50)
Net income (loss)	(104)	1,281	1,806	2,373	2,978
Members' equity, beginning of year	(486)	251	760	2,497	4,870
Net income (loss)	(104)	1,281	1,806	2,373	2,978
Contributions from Members	841	-	-	-	-
Distributions to Member	-	(772)	(69)	-	-
Members' equity, end of year	251	760	2,497	4,870	7,848

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

Tower at the Cardinal, LLC

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

	2024	2025	2026	2027	2028
Cash flows from operating activities:					
Net income (loss)	(104)	1,281	1,806	2,373	2,978
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation	36	36	36	36	36
Changes in assets and liabilities					
Accounts receivable - net	(17)	(4)	(2)	(3)	(2)
Prepaid expenses and other current assets	(47)	(6)	(4)	(4)	(3)
Other receivables	(165)	(37)	(22)	(23)	(24)
Accounts payable	1	1	1	-	1
Accrued expenses	57	31	19	19	20
Net cash provided by operating activities	(239)	1,302	1,834	2,398	3,006
Cash flows from investing activities:					
Purchases of property and equipment	(403)	(415)	(428)	(440)	(454)
Net cash used in investing activities	(403)	(415)	(428)	(440)	(454)
Cash flows from financing activities:					
Contribution from Members	841	-	-	-	-
Distributions to Member	-	(772)	(69)	-	-
Net cash provided by financing activities	841	(772)	(69)	-	-
Change in cash and cash equivalents	199	115	1,337	1,958	2,552
Cash, cash equivalents and restricted cash, beginning of year	35	234	349	1,686	3,644
Cash, cash equivalents and restricted cash, end of year	234	349	1,686	3,644	6,196
Reconciliation of cash, cash equivalents, and restricted cash					
Cash and cash equivalents	234	349	1,686	3,644	6,196
Total cash, cash equivalents, and restricted cash as reported on the combined statement of cash flows	234	349	1,686	3,644	6,196

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

Tower at the Cardinal, LLC

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

	2024	2025	2026	2027	2028
Current assets:					
Cash and cash equivalents	234	349	1,686	3,644	6,196
Accounts receivable - net	42	46	48	51	53
Other receivables	403	440	462	485	509
Prepaid expenses and other current assets	64	70	74	78	81
Total current assets	743	905	2,270	4,258	6,839
Property and equipment, net	367	746	1,138	1,542	1,960
Total assets	1,110	1,651	3,408	5,800	8,799
Current liabilities:					
Accounts payable	8	9	10	10	11
Accrued expenses	337	368	387	406	426
Deferred revenue	310	310	310	310	310
Due to affiliate, net	204	204	204	204	204
Total current liabilities	859	891	911	930	951
Members' equity	251	760	2,497	4,870	7,848
Total liabilities and Members' equity	1,110	1,651	3,408	5,800	8,799

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

Tower at the Cardinal, LLC

Summary of Significant Projection Assumptions and Rationale

Basis of Presentation

The accompanying financial projection presents, to the best of the knowledge and belief of management of Tower at the Cardinal, LLC (“The East Tower”) and the day-to-day operating manager, Kisco Senior Living, LLC (collectively “Management”), the expected financial position, results of operations, and cash flows of The East Tower as of and for each of the five years ending December 31, 2028. Accordingly, the accompanying projection reflects Management’s judgment as of May 29, 2024, the date of this projection, based on present circumstances and the expected course of action during the projection period assuming the hypothetical assumptions defined below.

The accompanying projection and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64 and Title 11 of the North Carolina Administrative Code. 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. 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.

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.

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 hypothetical assumption:

- The East Tower Independent Living Units (defined hereafter) and The East Tower Assisted Living Units (defined hereafter) are successfully occupied at assumed occupancy levels and monthly fees and that adequate demand for services exists to support the assumed utilization.

See Accountants’ Compilation Report

Background

Management and 320 St. Albans Drive LP completed construction on an 18-story residential building, known as “The East Tower at Cardinal North Hills” (“The East Tower at Cardinal”), in May 2023, consisting of 151 new independent living units (“The East Tower Independent Living Units”), which opened in May 2023, and 40 new assisted living units (“The East Tower Assisted Living Units”), which opened on June 1, 2023. The East Tower at Cardinal is adjacent to the existing continuing care retirement community known as “The Cardinal at North Hills” (the “Cardinal”),

The East Tower is a North Carolina limited liability company formed for the purpose of subleasing the real and personal property and operating the facilities of The East Tower from KSL Toledo Tenant, LLC.

Management’s financial projection includes the operations of The East Tower at Cardinal, and does not include the operations and development activities of following related parties:

- 320 St. Albans Drive LP (the “Owner”) is a Delaware limited partnership that is the developing entity and owner of the real and personal property of the Cardinal and The East Tower.
- KSL Toledo Tenant, LLC (the “Master Tenant” or the “Member”) is a North Carolina limited liability company that leases the real and personal property of the Cardinal and The East Tower.
- The Cardinal at North Hills, LLC (“The Cardinal”) is a North Carolina limited liability company that currently subleases the real and personal property and operates the facilities of the Cardinal from the Master Tenant.
- The Cardinal at North Hills Healthcare, LLC (“The Cardinal Healthcare”) is a North Carolina limited liability company that currently subleases the real and personal property and operates the healthcare facilities of the Cardinal from the Master Tenant.
- Kisco Senior Living, LLC (“Kisco”) is a Delaware limited liability company that provides management services to the Cardinal and The East Tower.

The Cardinal

The Cardinal is a rental continuing care retirement community (“CCRC”) located in the master-planned, mixed-use neighborhood of North Hills, Raleigh, North Carolina. The Cardinal is located on a 5.9-acre site located between Six Forks Road and St. Albans Drive at the eastern end of the North Hills Park District and consists of two independent living buildings containing 165 independent living apartments including one-, two-, and three-bedroom floor plans.

The Cardinal also includes 27 assisted living units, 18 memory care units, and 15 skilled nursing beds (collectively the “Health Care Center”).

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The clubhouse commons is a three-level building connected to the buildings, which house the Independent Living Units at the lobby level by enclosed walkways. The lobby level includes multiple dining venues with a full commercial kitchen, administrative offices, library, bar, and a living room/lounge area connected to a large outdoor terrace overlooking the gardens below. The garden level includes the beauty salon, fitness center, spa and wellness areas, indoor pool, and various back-of-house support areas and mechanical spaces. Outdoor amenities at this level include a terraced garden with walking paths, sitting areas, planting areas for residents, and outdoor entertainment venues. The mezzanine level includes a “family room” that can be reserved for parties and gatherings, art studio, media center/chapel, card and billiard room with a pub, and a multipurpose space, which can be combined and expanded into larger spaces for specific functions such as large receptions, lectures, and meetings. Common spaces and amenities of the Cardinal are to be shared with The East Tower at Cardinal.

The East Tower at Cardinal

The East Tower at Cardinal is located on a 2.2-acre site adjacent to the Cardinal. The East Tower at Cardinal is physically connected to the Cardinal via an enclosed bridge and the residents of The East Tower have full access to all the amenities and services of Cardinal. The East Tower at Cardinal consists of:

- Floor 2 including dining venues, library, bar, living room, family area, and outdoor terrace;
- Floor 3 including 14 “Club Level” of The East Tower Independent Living Units featuring an elevated exterior courtyard for use by Club Level and Penthouse Residents;
- Floors 4-5 including 40 of The East Tower Assisted Living Units, with one- and two-bedroom floor plans;
- Floors 6-18 including 132 of The East Tower Independent Living Units, with one- and two-bedroom floor plans, as well as 5 “Penthouse” Independent Living Units; and,
- Covered parking on two levels.

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The following table summarizes the unit types, approximate square footage, and the monthly fees (“Monthly Fees”) for The East Tower Independent Living Units and The East Tower Assisted Living Units.

Table 1
The East Tower at Cardinal Unit Configuration

	Number of Units	Square Footage	Avg. Monthly Fees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
The East Tower Independent Living Units:			
1 Bedroom /1 Bath	13	1,000	\$ 6,409
1 Bedroom/1 Bath/Den	26	1,146 – 1,532	7,524
2 Bedroom/2 Bath	27	1,284 – 1,575	8,748
2 Bedroom/2 Bath/Den	45	1,466 – 2,199	9,855
2 Bedroom/2 Bath/Den Deluxe	13	2,297 – 2,439	11,431
2 Bedroom/2.5 Bath/Den	22	1,979 – 2,097	11,095
Penthouse	5	2,062 – 3,511	14,027
Total/Weighted Average	151	1,615	\$ 9,413
The East Tower Assisted Living Units:			
Studio	16	575 – 803	\$ 7,799
1 Bedroom/1 Bath	8	913 – 1,001	9,698
1 Bedroom/1 Bath/Den	1	902	9,695
2 Bedroom/1 Bath	5	1,085 – 1,506	10,578
2 Bedroom/2 Bath	4	1,407 – 1,446	10,918
2 Bedroom/2 Bath/Den	6	1,471 – 1,545	11,260
Total/Weighted Average	40	999	\$ 9,405

Source: Management

- (1) Monthly Fees are as of January 1, 2024.
- (2) The East Tower requires a one-time, non-refundable community fee (the “Community Fee”).
- (3) The second person Monthly Fee for The East Tower Independent Living Units is \$1,050 and the second person Monthly Fee for The East Tower Assisted Living Units is \$1,250.
- (4) Level of care monthly fees for The East Tower Assisted Living Units are assumed as follows: Level I: \$1,610, Level II: \$2,360, Level III: \$3,180, Level IV: \$4,080, and Level V: 4,335, plus \$10 per point over 380.

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Description of the Residency Agreement

In order to reserve a The East Tower Independent Living Unit, a prospective resident must execute a Reservation Agreement (the “Reservation Agreement”), provide a self-disclosure of his or her health and finances, pay a reservation fee that is the reservation deposit (“Deposit”), and upon approval, execute a Residency Agreement (the “Residency Agreement”). The first month’s Monthly Fee is due in full before the resident assumes occupancy (the “Occupancy Date”).

Under the terms of the Residency Agreement, The East Tower accepts persons at least 55 years of age at the time of occupancy or in the case of a couple, at least one of the residents must be at least 55 years of age, who demonstrate the ability to live independently, and as to all levels at The East Tower at Cardinal and Cardinal, to meet the financial obligations as a resident of The East Tower at Cardinal and the Cardinal (“Resident”).

Under the Residency Agreement, payment of the Monthly Fee entitles the Resident to occupy the selected The East Tower Independent Living Unit and receive the following services and amenities:

- Continental breakfast, as well as thirty (30) meals per month per Resident;
- Twice monthly housekeeping and flat linen laundry service;
- All utilities, except telephone;
- Security and emergency alert system in The East Tower Independent Living Units;
- Building and grounds maintenance;
- A U.S. mailbox;
- Scheduled transportation;
- Social, recreational, educational, and cultural programs;
- Use of common areas; and,
- Priority admission to the Health Center at the Cardinal.

In addition to the items included in the Monthly Fee, certain services, including personal laundry assistance, additional housekeeping services, guest meals, additional storage lockers, landline, some social and recreational activities, furnishings, covered parking, and valet parking, are available to Residents at an additional cost. The Monthly Fee may be revised based on the experience of Management and estimates of its future costs, at its sole discretion. Management endeavors to make such adjustments not more than once a year and is expected to provide 30 days’ prior written notice of any such adjustments.

See Accountants’ Compilation Report

Summary of Significant Accounting Policies

Basis of Accounting – The East Tower maintains its accounting and financial records according to the accrual basis of accounting.

Use of Estimates – The preparation of prospective financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the prospective financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents, excluding those classified as investments and assets whose use is limited, include cash in banks, cash on hand and investments in highly liquid debt instruments with an original maturity of three months or less when purchased. The East Tower maintain its cash in bank accounts which, at times, may exceed federally depository insurance limits. Management believes the credit risk associated with these deposits is minimal.

North Carolina Department of Insurance Operating Reserve Fund – North Carolina General Statute Section 58-64-33 requires CCRCs to maintain an operating reserve equal to 50 percent of the total budgeted operating expenses (adjusted for non-cash items) in a given year, or 25 percent of such total operating expenses (adjusted for non-cash items) if The East Tower Independent Living Units, and The East Tower Assisted Living Units occupancy exceeds 90 percent.

Property and Equipment – Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is calculated on the straight-line method based on the following estimated useful lives:

Land improvements	15 years
Buildings	27.5 years
Equipment, computer software, furniture & fixtures, and automobiles	3-7 years

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 will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of operations. Variable lease payments are excluded from the initial measurement of the lease liability and recognized in profit or loss in the period during which the payments occur. Management is currently in the process of determining the timeline and structure of conversion of its Sublease Agreement to a long-term lease. Therefore, for purposes of the projection, ASU 2016-02 has not been implemented.

See Accountants’ Compilation Report

Income Taxes – The East Tower is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. For purposes of the projection, The East Tower has assumed no material unrecognized tax benefits or obligations during the projection period.

Summary of Operating Revenue Assumptions

Independent Living Unit Revenue

Service fee revenue for Residents living in The East Tower Independent Living Units is based upon the assumed occupancy and the Monthly Fee of the respective units. The East Tower Independent Living Unit Monthly Fees are assumed to increase approximately 4.0 percent on January 1, 2025 and 5.0 percent on January 1, 2026 and annually thereafter throughout the projection period.

Management assume The East Tower Independent Living Units will reach approximately 97 percent occupancy by January 2025 and maintain this occupancy level throughout the projection period. The following table summarizes the assumed utilization of The East Tower Independent Living Units during the projection period:

Years Ended December 31,	Average Units Occupied	Average Units Available	Average Occupancy
<i>Projected:</i>			
2024 ⁽¹⁾	139.9	151.0	92.6%
2025	146.0	151.0	96.7%
2026	146.0	151.0	96.7%
2027	146.0	151.0	96.7%
2028	146.0	151.0	96.7%

Source: Management

(1) Average occupancy for The East Tower Independent Living Units through March 31, 2024 was 120.5 units occupied (79.8 percent).

The double occupancy percentage for The East Tower Independent Living Units is assumed to approximate 27.0 percent throughout the projection period.

See Accountants' Compilation Report

Assisted Living Unit Revenue

Service fee revenue for Residents living in The East Tower Assisted Living Units is based upon the assumed occupancy and the Monthly Fee of the respective units. The East Tower Assisted Living Unit Monthly Fees are assumed to increase approximately 5.0 percent on January 1, 2025 and 5.0 percent on January 1, 2026 and annually thereafter throughout the projection period.

The East Tower Assisted Living Units will reach approximately 90 percent occupancy by January 2025 and maintain this occupancy level throughout the projection period. The assumed occupancy levels for The East Tower Assisted Living Units are presented in the following table:

Years Ended December 31,	Average Units Occupied	Average Units Available	Average Occupancy
<i>Projected:</i>			
2024 ⁽¹⁾	33.3	40.0	83.3%
2025	36.0	40.0	90.0%
2026	36.0	40.0	90.0%
2027	36.0	40.0	90.0%
2028	36.0	40.0	90.0%

Source: Management

(1) Average occupancy for The East Tower Assisted Living Units through March 31, 2024 was 25.8 units occupied (64.5 percent).

Other Revenue

Management assumes meal revenue, other miscellaneous revenue, Community Fees, beauty and barber, medical supplies, and unrestricted contributions to increase approximately 3.0 percent annually throughout the projection period.

Level of Care Revenue

For Residents of The East Tower Assisted Living Units, additional higher levels of care are determined based on a Resident assessment. Management is to offer five additional levels of care to Residents in The East Tower Assisted Living Units in which the additional fee is determined by the types of services provided. Management assumes level of care revenue to increase 3.0 percent on January 1, 2025 and 5.0 percent on January 1, 2026 and annually thereafter throughout the projection period.

See Accountants' Compilation Report

Summary of Operating Expense Assumptions

Management assumes all departmental, residential, and assisted living expenses to increase approximately 3.0 percent annually throughout the projection period.

The table below shows the total number of Full-time Equivalent (“FTEs”) assumed by fiscal year 2025 and thereafter.

Department	FTEs
Assisted living	13.6
Wellness	3.4
Dining services	42.8
Housekeeping and laundry	7.1
Environmental services	4.2
General and administrative	13.9
Total FTEs	85.0

Source: Management

Management assumes wellness, general and administrative, and sales and marketing expenses to increase approximately 3.0 percent annually throughout the projection period. Cost of employee fringe benefits are assumed to approximate between 23.1 and 27.4 percent of salaries and wages during the projection period.

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, property taxes, legal and accounting fees, and other miscellaneous expenses and are assumed to increase approximately 3.0 percent annually throughout the projection period.

Management Fee Expense

Under the terms of the management agreement between The East Tower and Kisco, The East Tower pays a management fee (the “Management Fee”) to Kisco for the day-to-day management of The East Tower Independent Living Units and The East Tower Assisted Living Units. For the purpose of Management’s projection, the Management Fee is assumed to equal 6.0 percent of total operating revenue, with no assumed capital management fees. The table below shows the total Management Fee assumed throughout the projection period.

Table 5
The East Tower Management Fees
(In Thousands)

Years Ended December 31,	2024	2025	2026	2027	2028
Management Fees	\$ 1,376	\$ 1,503	\$ 1,578	\$ 1,657	\$ 1,739

Source: Management

Lease Expense (Operating Lease)

Under the terms of a sublease agreement (the “Sublease Agreement”) between The East Tower and the Master Tenant, The East Tower sublease the real and personal property of the Cardinal from the Master Tenant. Under the terms of the Sublease Agreement, the lease expires at the earlier of the stabilization date, which is determined by occupancy, or in April 2036, and providing for variable monthly rent. For purposes of the projection, Management assumes a lease expense of approximately \$12,286,000 for the fiscal year ending December 31, 2024, which is assumed to increase 3.0 percent annually thereafter.

Management is reviewing the impact of converting the Sublease Agreement to a long-term lease. For purposes of the projection, Management has assumed no long-term lease.

Member Contributions and Distributions

The Member is assumed to provide cash contributions to The East Tower during initial occupancy of The East Tower Independent Living Units. Upon achievement of positive net cash flow, The East Tower is assumed to make cash distributions to the Member.

Statutory Operating Reserve

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

	2024	2025	2026	2027	2028
Operating expense	\$ 22,949	\$ 23,721	\$ 24,443	\$ 25,188	\$ 25,959
Less: depreciation	(36)	(36)	(36)	(36)	(36)
Operating expenses-adjusted	\$ 22,913	\$ 23,685	\$ 24,407	\$ 25,152	\$ 25,923
Operating reserve % required ⁽¹⁾	25%	25%	25%	25%	25%
Required operating reserve	\$ 5,728	\$ 5,921	\$ 6,102	\$ 6,288	\$ 6,481
Available	191.0	191.0	191.0	191.0	191.0
Occupied	173.2	182.0	182.0	182.0	182.0
Occupancy percentage ⁽²⁾	90.7%	95.3%	95.3%	95.3%	95.3%

Source: Management

- (1) North Carolina state statute requires an operating reserve 50% or 25% of projected operating expenses-adjusted for occupancy of independent and assisted living below 90% or 90% or above, respectively.
- (2) Operating Reserve requirements include: The East Tower Independent Living Units and The East Tower Assisted Living Units.

Management satisfies the Statutory Operating Reserve requirement through an irrevocable standby letter of credit ("Letter of Credit") with a financial institution and is assumed to pay a fee ("Letter of Credit Fee") equal 0.75 percent of the annual required reserve amount.

Property and Equipment and Depreciation Expense

The East Tower is to incur routine capital additions during the projection period that are to be capitalized as property and equipment. The East Tower's property and equipment costs, net of accumulated depreciation, during the projection period are summarized in the table below.

Years Ended December 31,	2024	2025	2026	2027	2028
Property and equipment, gross beginning balance	\$ –	\$ 403	\$ 818	\$ 1,246	\$ 1,686
Routine capital additions	403	415	428	440	454
Property and equipment, gross accumulated depreciation	\$ 403	\$ 818	\$ 1,246	\$ 1,686	\$ 2,140
	(36)	(72)	(108)	(144)	(180)
Property and equipment, net ending balance	\$ 367	\$ 746	\$ 1,138	\$ 1,542	\$ 1,960

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Source: Management

Current Assets and Current Liabilities

Operating revenue, as used below, includes net resident service fee revenue. Operating expenses exclude amortization, depreciation, and interest expense. Management has assumed the following working capital components based on The East Tower's historical trends:

Working Capital – Days on Hand	
Accounts receivables, net	1 days of operating revenues
Other receivables	6 days of operating expenses
Prepaid expenses and other current assets	1 days of operating expenses
Accounts payable	1 days of operating expenses
Accrued expenses	5 days of operating expenses

Source: Management

See Accountants' Compilation Report

Exhibit C

The East Tower at Cardinal North Hills Material Variances Report

TOWER AT THE CARDINAL, LLC
 Report on material variances between prior year's forecast and actual audited results
 For the year ended December 31, 2023

ASSETS

	2023	2023	Variance Greater than	
	<u>Forecasted</u>	<u>Audited</u>	<u>\$250K & 5%</u>	
Cash and cash equivalents	227	35	(192)	-547%
Accounts receivable, net	108	25	(83)	-339%
Other receivables	28	238	210	88%
Prepaid expenses and other current assets	569	17	1) (552)	-3207%
	<hr/> 932	<hr/> 315		
Property and Equip	30	-	(30)	-100%
Deposits	120	-	(120)	-100%
	<hr/> <hr/> 1,082	<hr/> <hr/> 315		

TOWER AT THE CARDINAL, LLC
 Report on material variances between prior year's forecast and actual audited results
 For the year ended December 31, 2023

LIABILITIES AND MEMBERS' EQUITY

	2023	2023	Variance Greater than	
	<u>Forecasted</u>	<u>Audited</u>	<u>\$250K & 5%</u>	
Accounts payable	93	7		(86) -300%
Accrued expenses	861	280	2)	(581) -200%
Due to affiliate-net	-	204		204 -100%
Deferred revenue	120	311		191 61%
	<u>1,074</u>	<u>801</u>		
 Equity	 8	 (486)	 3)	 (494) 102%
	<u>1,082</u>	<u>315</u>		

TOWER AT THE CARDINAL, LLC
Report on material variances between prior year's forecast and actual audited results
For the year ended December 31, 2023

STATEMENT OF OPERATIONS

	2023	2023		Variance Greater than	
	Forecasted	Audited		\$250K & 5%	
Revenue					
Residential services	3,222	6,430	4)	3,208	50%
Healthcare services	155	375		220	59%
Other	2,005	2,295	5)	290	13%
	<u>5,382</u>	<u>9,100</u>			
Cost of sales					
Assisted living	279	309		30	10%
Art of Living Well (Wellness)	155	86		(69)	-79%
Dining services	565	1,716	6)	1,151	67%
Housekeeping and laundry	129	225		96	43%
Utilities	62	296		234	79%
Environmental services	150	346		196	57%
Property taxes	747	495	7)	(252)	-51%
General & Administrative	1,358	2,417	8)	1,059	44%
Lease expense	7,182	6,888		(294)	-4%
	<u>10,627</u>	<u>12,779</u>			
Other	<u>(23)</u>	<u>(8)</u>		15	-205%
Net Loss	(5,268)	(3,686)	9)	1,582	-43%

TOWER AT THE CARDINAL, LLC
Report on material variances between prior year's forecast and actual audited results
For the year ended December 31, 2023

STATEMENT OF CASH FLOWS

	2023	2023		Variance Greater than	
	<u>Forecasted</u>	<u>Audited</u>		<u>\$250K & 5%</u>	
Cash flows from operating activities:					
Net loss	(5,268)	(3,686)	9)	1,582	-43%
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(108)	(25)		83	-339%
Reservation deposits	-	(1,492)			
Prepaid expenses	(569)	(3)	1)	566	-22066%
Other receivables	(28)	(238)		(210)	88%
Other current assets	-	(15)			
Increase (decrease) in:					
Accounts payable	93	7		(86)	-1285%
Accrued expenses	861	280	2)	(581)	-208%
Deferred revenue	120	311		191	61%
Due to affiliates		175		175	100%
Net cash (applied) by operating activities	<u>(4,899)</u>	<u>(4,685)</u>			
Cash flows from investing activities:					
Purchase of property and equipment	(30)	-		30	-100%
Change in assets limited as to use	(120)	-		120	-100%
Net cash (applied) provided by investing activities	<u>(150)</u>	<u>-</u>			
Cash flows from financing activities:					
Contributions from members	<u>5,276</u>	<u>3,200</u>	10)	(2,076)	-65%
Net cash (applied) provided by financing activities	<u>5,276</u>	<u>3,200</u>			
Net increase (decrease) in cash	227	(1,485)			
Cash, beginning of year	-	1,520			
Cash, end of year	<u>227</u>	<u>35</u>			

TOWER AT THE CARDINAL , LLC
Report on material variances between prior year's forecast and actual audited results
For the year ended December 31, 2023

REPORT ON MATERIAL VARIANCES

- 1) Prepaid expenses and other current assets are lower than forecast due to timing of payments at year end and are offset by the overrun in AR Other.
- 2) Accrued expenses are lower than forecast due to timing of payments at year end. The cash balance is also lower than forecasted.
- 3) Equity was lower than forecasted due to the lower than forecasted net loss (see Note 6) offset by member contributions of \$3.2M.
- 4) Residential services performed better than forecast due to the velocity of move-ins after opening the Tower.
- 5) Other revenue performed better than forecast due to the community fees associated with the move-ins which outperformed the forecasted move-ins.
- 6) Dining expenses exceeded the forecast due to both labor and food costs. Staffing shortages caused overtime and the utilization of agency labor. Food costs were higher overall due to inflation.
- 7) Property taxes forecasted were for the entire year. The Tower opened in Q2 resulting in less taxes on the operating entity.
- 8) General and administrative expenses were higher than forecasted due to the faster move-in velocity creating a need for more staff, food, and supplies sooner than anticipated. Commissions paid to sales staff also exceeded the forecast for the same reason. Marketing expenses, electricity, and HOA fees all significantly exceeded the forecast.
- 9) Net income (loss) was lower than forecasted due to the revenues far exceeding the forecast. The velocity of move-ins after opening was greater than anticipated.
- 10) Contribution from members was lower than forecasted as the need for contributions was reduced by the better than forecasted revenues.

Exhibit D

**The East Tower at Cardinal at North Hills
Binding Reservation Agreement**



**Tower at The Cardinal, LLC
Binding Reservation Agreement**

This Binding Reservation Agreement (“Agreement”) made this _____ day of _____, 20__ by and between Tower at The Cardinal, LLC, (hereinafter, the “Community”), a North Carolina limited liability company, and _____ (hereinafter collectively referred to as “Prospective Resident,” “you” or “your”, whether one or two persons).

Prospective Resident desires to make a reservation for residency at the Community and hereby requests acceptance of this Agreement for a _____ Residence, # _____ (the “Residence”) for which the Reservation Fee is \$ _____ (the “Reservation Fee”). The monthly fee for the Residence is currently \$ _____, and the fee for the second resident, if applicable, is \$ _____ (together, the “Monthly Fee”), which will be paid monthly once your residency commences. The Monthly Fee is subject to change according to the terms of the Residence and Service Agreement which you will sign at the time your residency begins (“Residence Agreement”).

A. Reservation Fee

The Reservation Fee is not refundable except under the circumstances set forth in Section D of this Agreement. When you sign your Residence and Service Agreement at the time of your residency begins, the Reservation Fee will be credited towards your Community Fee due at the time of signing. The Community Fee is non-refundable except as set forth in the Residence and Service Agreement. Any interest earned on the Reservation Fee will be the property of the Community and will not be paid to Prospective Resident.

B. Residency Requirements

Concurrent with the execution of this Agreement, Prospective Resident will complete an Application for Residency, including a confidential financial information form and a health history form and must meet the preliminary financial and medical criteria for residency at the Community. You will be required to provide an updated confidential financial statement and physical examination form completed by your physician (stating that you can live independently at the Community) prior to executing the Residence and Service Agreement and residing at the Community.

C. Receipt of Resident Agreement and Disclosure Statement. By signing below, Prospective Resident acknowledges receipt of, on or before the date of this Agreement, a copy of (i) the Residence Agreement and (ii) the Disclosure Statement for the Community.

D. Refund of Reservation Fee. The Reservation Fee is nonrefundable except as specifically set forth below:

- 1. Death of Prospective Resident.** If Prospective Resident dies before taking occupancy of the Residence, the Reservation Fee will be refunded to the Prospective Resident’s estate, less any costs specifically incurred by the Community at the written request of Prospective Resident for upgrades or design changes to the selected Residence. If Prospective Resident is two (2) persons, no refund will be made under the provisions of this paragraph unless requested by the survivor, and the survivor is entitled to all rights under this Agreement as if the survivor had been the only Prospective Resident.

2. **Inability to Live Independently.** If the Community rejects your Application for Residency because Prospective Resident is precluded from independent living for health reasons as certified by your physician, the Community shall refund the Reservation Fee less (a) any costs specifically incurred by the Community at the written request of Prospective Resident for upgrades or design changes to the selected residence and (b) a service charge in the amount of one thousand dollars (\$1,000.00) to cover the costs of processing your application. If Prospective Resident is two (2) persons and one co-Prospective Resident can live independently but the other cannot, the co-Prospective Resident may elect to (i) terminate this Agreement and receive a refund as set forth above, or (ii) make arrangements for appropriate care for the non-qualifying Resident and continue with the reservation.
3. **Change in Financial Status.** If Prospective Resident's financial status changes prior to occupancy to the degree that Prospective Resident is no longer financially qualified for residency, the Community shall refund the Reservation Fee, less (a) any costs specifically incurred by the Community at the written request of Prospective Resident for upgrades or design changes to the selected residence and (b) a service charge in the amount of one thousand dollars (\$1,000.00) to cover the costs of processing your application.
4. **Other Termination.** The Reservation Fee shall not be refunded if this Agreement is terminated by either party for any reason other than those set forth in Paragraphs 1, 2, or 3 above.

E. Entire Agreement; Assignment. Prospective Resident and the Community agree that this Agreement contains the complete understanding between them with respect to the Reservation Fee. Prospective Resident cannot transfer or assign any of his/her rights under this Agreement.

This Agreement shall be effective only when executed by an authorized representative of the Community.

Prospective Resident

Date

Prospective Resident

Date

The Community acknowledges the receipt of the Reservation Fee in the amount of:

\$ _____

Date

Community Representative Signature

Print Name

Exhibit E

**The East Tower at Cardinal North Hills
Independent Living Residence and Service Agreement**

**THE EAST TOWER AT CARDINAL NORTH HILLS
INDEPENDENT LIVING
RESIDENCE AND SERVICE AGREEMENT**

NORTH CAROLINA



The East Tower
at Cardinal North Hills

A KISCO COMMUNITY

TABLE OF CONTENTS

1.	LIVING ACCOMMODATIONS _____	Page 3
2.	COMMUNITY AREAS _____	Page 4
3.	INDEPENDENT LIVING SERVICES _____	Page 4
4.	ASSISTED LIVING, MEMORY SUPPORT AND NURSING CARE SERVICES _____	Page 6
5.	FEEES _____	Page 7
6.	RELOCATIONS FROM RESIDENCE _____	Page 8
7.	TERM, TERMINATION AND REFUNDS _____	Page 12
8.	RIGHTS OF RESIDENTS _____	Page 15
9.	RESIDENT RECORDS _____	Page 15
10.	GENERAL PROVISIONS _____	Page 15

APPENDIX A

FEEES FOR OPTIONAL SERVICES

INDEPENDENT LIVING RESIDENCE AGREEMENT

This Independent Living Residence and Care Agreement (the “Agreement”) is entered into on _____, 20_____, by Tower at The Cardinal, LLC, a North Carolina limited liability company, dba The East Tower at Cardinal North Hills (“The East Tower at Cardinal North Hills” and/or the “Community”) and its agent, Kisco Senior Living, LLC, hereinafter (“Kisco Senior Living”) and _____ (“you” and/or “Resident(s)”). (If more than one person signs this Agreement, the term “you” or “Resident(s)” refers to each of you individually, and to both of you together.).

RECITALS

The East Tower at Cardinal North Hills offers residency, care and services to qualified persons aged 55 and older. The Community is operated on a nondiscriminatory basis and affords equal treatment and access to services to all eligible persons. The East Tower at Cardinal North Hills is a private, independent, for-profit limited liability company, which is not affiliated with any religious, charitable or other affinity group.

You have applied for and have been accepted for residency at The East Tower at Cardinal North Hills. You desire to take up residence at The East Tower at Cardinal North Hills and agree to pay the fees and other amounts required under this Agreement in consideration for the accommodations and services provided by The East Tower at Cardinal North Hills.

AGREEMENT

1. LIVING ACCOMMODATIONS

The East Tower at Cardinal North Hills will provide you with the following accommodations and services, subject to the terms and conditions of this Agreement.

- 1.1. Residence.** You have chosen to live in Residence No. _____ (the “Residence”) located at 320 St. Albans Drive, Raleigh, North Carolina 27609.
- 1.2. Furnishings.** You are responsible for furnishing your Residence with those items not provided by the Community. Your Residence will be equipped with window and floor coverings, washer/dryer, microwave oven, electric oven and range, dishwasher, refrigerator, in-sink disposal and air conditioning. Your minor appliances, special equipment and furnishings must meet the safety standards of The East Tower at Cardinal North Hills and are subject to the prior approval by the Community.
- 1.3. Utilities.** Utilities included in the Monthly Fee for the Residence are electricity, water and sewer, trash removal, internet/data services, and cable TV service. You are responsible for paying for all other utilities and service charges including telephone service. A land line is available through The East Tower at Cardinal North Hills for an additional monthly fee. The East Tower at Cardinal North Hills reserves the right to establish maximum usage levels, and to charge you for any excessive or unreasonable usage due to waste or abuse.
- 1.4. Customized Changes to Your Residence.** You may decorate your Residence with items that are not permanent fixtures to the Residence and can be easily removed without changing or damaging the aesthetic or structural integrity of the Residence. Other modifications to your Residence must be approved, in writing, by the Executive Director and must be in compliance with the rules, regulations, policies and procedures relating to modifications to a residence contained in the Resident Handbook. The selection and approval of a contractor for structural changes shall be made by the Community. You may be supplied with the estimated cost of changes but are required to pay the entire amount, even if it exceeds the estimate. Any structural changes or improvements to the Residence will become the Community’s property. The

East Tower at Cardinal North Hills will not be required to refund the cost of any approved structural changes or improvements. If you have made approved modifications or changes to your Residence and you move out of The East Tower at Cardinal North Hills, you or your estate must restore your Residence to its original condition, excluding ordinary wear and tear, unless otherwise agreed to in writing by the Executive Director. You or your estate will be responsible for restoration costs relating to the removal of any modifications, and all costs associated with the restoration of the Residence to its original clean condition. You or your estate must consult with The East Tower at Cardinal North Hills prior to initiating any restoration and the Community may, at its sole discretion, elect to retain any approved modifications. This excludes required ADA modifications.

1.5. Maintenance and Repairs. Your Monthly Fee includes repair and maintenance of your Residence and repair and replacement of those furnishings that are provided by The East Tower at Cardinal North Hills. Maintenance, repair and replacement related to ordinary wear and tear are covered under your Monthly Fee. The cost of maintenance and repairs of your Residence and furnishings made necessary by causes other than ordinary wear and tear will be charged to you separately. You are responsible for maintaining or arranging for the maintenance and repair of your personal property.

2. COMMUNITY AREAS. You the use of the grounds and common areas at The East Tower at Cardinal North Hills with other Residents, subject to the rules, regulations, policies and procedures contained in the Resident Handbook, which is subject to change from time to time. Common areas include space for dining, lounges, meeting rooms, a library, exercise facility, and any other common areas provided at the Community. These common areas may change during your time of residency and the Community reserves the right to modify, change or expand the common areas of the Community at any time in its sole discretion.

3. INDEPENDENT LIVING SERVICES. The following services will be available to you at The East Tower at Cardinal North Hills. Unless otherwise indicated, these services are included in your Monthly Fee (See Appendix A for a schedule of fees for services not included in your Monthly Fee).

3.1. Dining Service. Meals will be served throughout the day in the Community dining venues, with various menus, services, and options, as described in the Resident Handbook.

3.1.1. Guest Dining. Guests are welcome at any meal. Charges for the guest meal will be included on the Resident's monthly statement.

3.1.2. Delivery Service. Meal delivery to your Residence shall be provided upon request for an additional fee as described in Appendix A.

3.1.3. Dining Plan. As part of your Monthly Fee, you are part of the Community's Dining Plan, as described in the Resident Handbook.

3.2. Laundry. Your Residence includes a washer and dryer. Personal laundry assistance is available for an additional fee (see Appendix A).

3.3. Housekeeping. You agree to maintain your Residence in a clean, sanitary, safe and orderly condition as determined by The East Tower at Cardinal North Hills management. Your Monthly Fee includes scheduled standard housekeeping services for your Residence as described in the Resident Handbook. Additional housekeeping services beyond those scheduled are available for an additional fee as described in Appendix A.

3.4. Gardening and Maintenance. The East Tower at Cardinal North Hills will perform gardening, maintenance and landscaping services for common areas at the Community.

3.5. Storage Space. In addition to the storage space in your Residence, storage space is also available at The East Tower at Cardinal North Hills in accordance with the Resident Handbook. The state fire marshal,

other governmental authorities, and the Community may restrict what can be stored in the space and the manner in which it is stored. Charges for the additional storage lockers are as described in Appendix A.

- 3.6. Social and Recreational Activities.** The six dimensions of wellness – emotional, intellectual, physical, social, spiritual and vocational - are part of promoting a healthy lifestyle. The East Tower at Cardinal North Hills will provide programs and services designed to encourage a healthy lifestyle and will provide details to Residents through the in-house Community channel and notices distributed to Residents. There may be an additional charge for some activities, programs and special excursions.
- 3.7. Guests.** Guests must abide by the rules, regulations, policies and procedures of The East Tower at Cardinal North Hills, described in the Resident Handbook, including any limitations on the length of stay or frequency of visits. If your guest exceeds the limitations on the length of stay, he or she must apply and qualify for residency at The East Tower at Cardinal North Hills. You will be responsible for assuring that your guests abide by these rules and are not disruptive to other residents, visitors or staff. Your guests may be denied access to The East Tower at Cardinal North Hills if they fail to observe the Resident Handbook rules. Home Care or Personal Service Providers are not considered guests and are not entitled to the same privileges as guests. Home Care or Personal Service Providers must meet the criteria for access to The East Tower at Cardinal North Hills (See Section 4.6 regarding Home Care Service/Personal Service Providers).
- 3.8. Pets.** Subject to The East Tower at Cardinal North Hills’s pet policy, pets are welcome provided they meet the criteria set forth in the Resident Handbook. You shall assume financial responsibility and any obligations for any damage (to persons or property) caused by your pet. The Community reserves the right to rescind approval of your pet if it determines that your pet constitutes a nuisance or danger to others or the quiet enjoyment of the Community’s residents, visitor or staff. If you wish to bring a pet to The East Tower at Cardinal North Hills, you must pay a monthly pet fee as set forth in Appendix A. Guests shall not bring pets of any kind onto the Community grounds without prior written approval from the Executive Director. Service animals providing assistance to residents with disabilities shall not be subject to the pet fee or any common area restrictions.
- 3.9. Transportation.** Transportation services are provided to Residents on a scheduled basis in Community vehicles at no charge. A list of destinations, as well as departure and return times, will be established by the Community and posted in suitable locations in the Community. Other transportation services (such as to medical appointments or locations outside the radius designated on Appendix A) may be available according to the Community’s fee-for-service rates. Scheduled trips depart from the main entrance of The East Tower at Cardinal North Hills unless otherwise indicated. The East Tower at Cardinal North Hills reserves the right to re-schedule planned trips in the event of an emergency, an equipment failure or based on minimum resident participation.
- 3.10. Parking.** Valet services are offered to all Residents on a complimentary basis. As part of your Monthly Fee, Residents are provided one (1) undesignated parking space. An assigned/designated parking space is available for Residents for an additional monthly fee (See Appendix A). Any Additional vehicles must be parked in public parking garages located in North Hills. Your designated parking space at the Community is personal and you may not transfer, lease, or assign your parking space. Vehicles must be registered as set forth in the Resident Handbook.
- 3.11. Safety and Emergencies.** Each residence will be equipped with a response call system, smoke detector and sprinkler system. The response call system is monitored twenty-four (24) hours per day to alert staff to emergencies and illnesses. When a Community associate determines that an emergency exists, an associate will call 911.

3.12. Assessments. Payment of the Monthly Fee shall include assessments for real estate taxes and North Hills community association fees. Payment of an allocated portion of any real estate tax assessment or other real estate related fee or assessment does not give you any interest in the land, improvements, or real estate of The East Tower at Cardinal North Hills.

3.13. Wellness Services. The East Tower at Cardinal North Hills provide select preventive health services are available, including blood pressure, temperature and pulse checks, wellness counseling, and wellness education. Additional services may be available at an extra charge as set forth in Appendix A.

3.14. Interruption of Services. Temporary interruption of services or failure to maintain services provided for in this Agreement shall not constitute a breach of this Agreement if it results from causes beyond the reasonable control of The East Tower at Cardinal North Hills, such as fire, weather related, earthquake, damage, labor disturbances, pandemics, government regulations, or acts of terrorism. In such circumstances, the Community may use commercially reasonable efforts to sustain or restore service or provide a substitute service.

4. ASSISTED LIVING, MEMORY SUPPORT AND NURSING CARE SERVICES

If your health status changes, The East Tower at Cardinal North Hills offers assisted living services to its Residents on-site at the Community. For Residents that require memory care or nursing care, such services are available through our affiliated entity, The Cardinal at North Hills Healthcare, LLC, which operates The Cardinal Health Center (“Health Center”). These services, including ancillary services such as supplies, medications and therapy services, will be provided upon the termination of this Agreement and the execution of a new Assisted Living, Memory Care or Skilled Nursing Residence and Care Agreement (as applicable).

4.1. Assisted Living Services. The East Tower at Cardinal North Hills offers 40 assisted living apartments. If you need assistance with such daily activities as bathing, grooming, dressing, or medication supervision, the Community will make available these services to you in an assisted living apartment. The move-in process requires that you transfer to an assisted living apartment and execute a separate Assisted Living Residence and Care Agreement in its then current form. The services you receive, the fees for the services, and certain additional rights and obligations will be set forth in the Assisted Living Residence and Care Agreement.

4.2. Memory Support Services. Memory Support Services are provided at the Health Center, by The Cardinal at North Hills Healthcare, LLC. If you need assistance with such daily activities as bathing, grooming, dressing, or medication supervision and have dementia or require memory enhancement services, such services will be made available to you in a memory support apartment at the Health Center. The move-in process to memory support requires that you transfer to an apartment located in the Health Center and involves signing a separate Memory Care Residence and Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. Thereafter, this Agreement will be terminated. The services you receive, and certain additional rights and obligations will be set forth in the new agreement. If there are no memory care apartments available or your needs exceed the level of care that can be provided in the memory support apartment, you may be transferred to an outside care center as appropriate.

4.3. Nursing Care Services. Nursing Care Services are provided at the Health Center by The Cardinal at North Hills Healthcare, LLC. If you need assistance with daily activities such as bathing, grooming, dressing, or medication supervision and require nursing services, such services will be made available to you in a nursing care apartment at the Health Center. The move-in process to nursing care requires that you transfer to an apartment located in the Health Center and involves signing a separate Nursing Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. Thereafter, this Agreement will

be terminated. The services you receive, and certain additional rights and obligations will be set forth in the new agreement. If there are no nurse care apartments available or your needs exceed the level of care that can be provided in a nursing care apartment, you may be transferred to an outside care center as appropriate.

4.4. Level of Living Determinations. The Community care management team will determine, in consultation with you, your physician, and your representative, and in accordance with Section 6.12 herein, whether you need assisted living, memory support or nursing care, the extent of the care to be provided, and whether such care will be provided at the Community, the Health Center or an outside care center.

4.5. No Obligation to Prepay for Health Center Services. You are not obligated to prepay for any future Health Center services. The Cardinal at North Hills Healthcare, LLC is a fee-for-service continuing care provider and does not require you to prepay for Health Center services, nor does it accept any liability to pay for your future Health Center services.

4.6. Home Care/Personal Service Providers. All outside caregivers, companions, personal service providers and other personnel employed or retained by you to render services to you shall be subject to our policies and rules. All such personnel must obtain the security clearances required under North Carolina law, with insurance coverage, including liability and worker's compensation, satisfactory to us in our sole discretion. Our policies and rules for personal service providers were provided to you in the move-in packet, as well as the Handbook, and may be updated or revised from time to time. Current policies are available at the front desk of The East Tower at Cardinal North Hills. Generally speaking, these policies provide that you may utilize home health or home care agencies, or other providers of your choice provided that such agencies or providers abide by our rules and regulations and that we may exclude providers that do not comply. The services we provide as outlined in this Agreement do not include monitoring the services of outside providers, and we are not responsible for their actions or omissions.

5. FEES

5.1. Community Fee. The Community Fee for your Residence at The East Tower at Cardinal North Hills is _____ dollars (\$ _____). Your Community Fee is payable by check, money order, or wire transfer, and is due upon signing this Agreement. If you entered into a Reservation Agreement and paid a nonrefundable Reservation Fee, your Reservation Fee will be credited toward your Community Fee. Any refund of your Community Fee will be governed by Section 7 below..

5.2. Monthly Fee

5.2.1. Amount. The initial Monthly Fee for your Residence for single occupancy is _____ dollars (\$ _____). If your Residence is jointly occupied, there will be an additional Second Person Monthly Fee of _____ dollars (\$ _____).

5.2.2. Payment Procedures. You will commence paying your Monthly Fee on _____. Thereafter, your Monthly Fee shall be payable in advance on the first (1st) day of each month. You will be billed by the Community for the Monthly Fee for the next month's services and accommodations. Payment must be made by check, money order, electronic payment, or other means prescribed by the Community. There is a check processing fee as reflected on Appendix A. Any check, money order, or other paper remittance must be mailed to The East Tower at Cardinal North Hills or personally delivered to The East Tower at Cardinal North Hills' Administrative Office.

5.2.3. Late Payment Charge and Interest. The East Tower at Cardinal North Hills reserves the right to

impose a late payment charge and interest at the rate described in Appendix A, if you do not pay your Monthly Fee and other fees due under this Agreement by the due date. You will be responsible for paying all attorneys' fees and costs incurred by The East Tower at Cardinal North Hills related to the recovery of delinquent amounts due under this Agreement.

5.2.4. Obligations to Make Payment/Default/Financial Assistance. You are required to make all payments due to the Community in a timely manner and otherwise satisfy your personal financial obligations. If you fail to pay the Monthly Fee or other charges in a timely fashion, The East Tower at Cardinal North Hills may, in its discretion, terminate this Agreement under Section 7.5 upon thirty (30) days written notice. In the event of such termination, Resident is responsible to pay all unpaid fees and charges (including late payment charges and interest) due under this Agreement and may be deducted from any amounts owed to you by the Community, if any.

5.2.5. Adjustments. The East Tower at Cardinal North Hills reserves the right to increase or decrease the Monthly Fee or the scope or frequency of services provided upon thirty (30) days advance notice.

5.2.6. Absences. You are responsible for continuing to pay your full Monthly Fee whenever you are absent from the Community.

5.3. Charges for Optional Services. You will be billed for optional services provided to you either at the time they are rendered or with the next billing cycle. Current charges for optional services are set forth in Appendix A, which are subject to change at any time for any reason upon thirty (30) days advance notice. The payment procedures for optional service charges, including the imposition of late fees and interest, are the same as for the Monthly Fee. By signing this Agreement, you hereby acknowledge receipt of a copy of Appendix A.

5.4. Joint Liability for Fees. If two Residents are signing this Agreement, both Residents together and each Resident separately, will be liable for all fees described in this Agreement. If you share your Residence with another Resident who has executed another Residence Agreement, each Resident is liable for all fees due under their respective Residence Agreement, including late payment charges and interest.

6. RELOCATIONS FROM RESIDENCE

6.1. Substitution of Residence by The East Tower at Cardinal North Hills. The East Tower at Cardinal North Hills reserves the right to substitute your Residence with another comparable Residence if it is necessary to do so to meet any requirement of law or the lawful order or direction of the fire marshal or another authorized public official, or for any other reasonable purpose, as determined to be appropriate by The East Tower at Cardinal North Hills.

6.2. Voluntary Relocation of Single Resident or Both Joint Residents. If you wish, you may move to another Residence at The East Tower at Cardinal North Hills, subject to Residence availability and The East Tower at Cardinal North Hills's approval. You must notify the Community in writing of the Residence desired. You shall be responsible for all moving and cleaning costs and the cost of restoring your vacated Residence to its original condition, excluding ordinary wear and tear ("Unit Ready"). In addition, you shall pay the Monthly Fee on both Residences until such time that you make the vacated Residence available to the Community in Unit Ready condition, after which you will then only pay the Monthly Fee on your new Residence. You will sign an amendment to this Agreement that identifies your new Residence and the applicable Monthly Fee.

6.3. Subsequent Joint Occupancy by Residents of Different Residences

6.3.1. Existing Residence of a Resident. If you and another Resident, residing in two separate Residences, decide to live together, one of you may release his/her residence and both Residents may live together in the other residence, subject to The East Tower at Cardinal North Hills's approval. The

transferring Resident shall be responsible for all moving and cleaning costs and the cost of restoring the vacated residence to Unit Ready condition. The Monthly Fee for the vacated residence will cease upon it being Unit Ready. Both Residents will sign an amendment to the Residence Agreement pertaining to the continuing apartment, which identifies the occupants and the applicable Monthly Fee.

6.3.2. New Residence. If you and another Resident, residing in two separate residences, decide to live together in a new residence, you may release both of your current residences and move into a new residence, subject to availability and The East Tower at Cardinal North Hills's approval. Each Resident shall be responsible for all moving and cleaning costs and the cost of restoring their respective former residences to Unit Ready condition. The Monthly Fees for the vacated Residences will cease upon being Unit Ready. You and your joint occupant will sign a new Residence Agreement that identifies your new accommodation and identifies the applicable Monthly Fee.

6.4. Subsequent Joint Occupancy by Resident and Non-Resident. If you wish to live in your Residence with someone who is not a Resident of The East Tower at Cardinal North Hills, the non-Resident must follow the standard application procedures for move-in to the Community. Both of you shall be 55 years of age or older. If the non-Resident's application is rejected, (s)he shall not qualify to be a Resident of The East Tower at Cardinal North Hills. Such rejection will have no effect on your obligations or rights hereunder and you may remain in your Residence or terminate this Agreement in accordance with Section 7. If the application is approved, the new Resident shall pay on the same terms that apply to all Residents, the Second Person Monthly Fee. Both of you shall sign an amendment to this Agreement that identifies the Monthly Fee for your Residence. Both Residents together and each Resident separately will be liable for all fees described in this Agreement.

6.5. Dissolution, Divorce or Separation of Residents. If you jointly occupy your Residence, and you divorce, separate, or otherwise wish to live separately while at The East Tower at Cardinal North Hills, either of you shall be entitled to relocate from your Residence to a different residence, subject to residence availability and the Community's approval. The transferring Resident shall then pay the Monthly Fees for single occupancy of his or her new residence and will sign a new Residence Agreement. The non-transferring Resident will continue to pay the single occupancy Monthly Fee for the residence as provided by this Agreement.

6.6. Relocation to Assisted Living. The Community care management team, in consultation with you, your physician, and your representative, and in accordance with Section 6.10 below, shall determine whether due to a change in your health status, a relocation from your Residence to assisted living is necessary.

6.6.1. Single Occupancy. If you occupy your Residence by yourself and you require assisted living services, you shall vacate your Residence and relocate to an appropriate assisted living apartment at The East Tower at Cardinal North Hills. You will be required to sign a separate Residence and Care Agreement in its then current form with The East Tower at Cardinal North Hills. The services you receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. You will continue to pay the Monthly Fee for the vacated Residence until you make delivery the apartment back to The East Tower at Cardinal North Hills in Unit Ready condition. You shall be responsible for all moving and cleaning costs and the cost of restoring your former residence to Unit Ready condition. Thereafter this Agreement will terminate.

6.6.2. Double Occupancy. If you occupy your Residence with another Resident and one of you requires assisted living services, the remaining Resident may continue to occupy your Residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and any charges

for optional items and services due under this Agreement. The transferring Resident will be required to sign a separate Residence and Care Agreement in its then current form with The East Tower at Cardinal North Hills. The services the transferring Resident will receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. If both of Residents simultaneously require assisted living services, both Residents shall vacate the Residence and relocate to an appropriate assisted living apartment. Residents will be required to sign a separate Residence and Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. The services Residents will receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. Transferring Residents shall continue to pay the double occupancy Monthly Fee due under this Agreement until your vacated Residence is returned to The East Tower at Cardinal North Hills in Unit Ready condition. You shall be responsible for all moving and cleaning costs and the cost of restoring your former Residence to Unit Ready condition. Thereafter this Agreement will terminate.

6.7.Relocation to The Health Center. The Community care management team, in consultation with you, your physician, and your representative, and in accordance with Section 6.10 below, shall determine whether due to a change in your health status, a relocation from your Residence is necessary, and whether such relocation is temporary or permanent.

6.7.1. Temporary Relocation To The Health Center

6.7.1.1. Single Occupancy. If you require temporary services at the Health Center, you shall continue to pay your regular Monthly Fee for your Residence as well as any Health Center fees and ancillary charges due under your care agreement with The Cardinal at North Hills Healthcare, LLC.

6.7.1.2. Double Occupancy. If you occupy your Residence with another Resident and one of you is temporarily transferred outside your Residence to the Health Care for Health Center services, the remaining Resident may continue to occupy the Residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and charges for optional items and services. The transferring Resident will pay the applicable Health Center fees and any charges for ancillary items and services (s)he receives under the care agreement with The Cardinal at North Hills Healthcare, LLC. If both of you simultaneously receive Health Center services, you will be responsible for continuing to pay the full double occupancy Monthly Fee for your Residence and each of you shall pay (a) the applicable Health Center fees for care received; and (b) any charges for ancillary items and services that each of you receive under your care agreement with The Cardinal at North Hills, LLC.

6.7.2. Permanent Relocation to The Health Center

6.7.2.1. Single Occupancy. If you occupy your Residence by yourself and you require permanent Health Center services, you shall vacate your Residence and relocate to an appropriate apartment at the Health Center. You will be required to sign a separate Residence and Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. The services you receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. You will continue to pay the Monthly Fee for the vacated Residence until it is returned to The East Tower at Cardinal North Hills in Unit Ready condition. You shall be responsible for all moving and cleaning costs and the cost of restoring your former residence to Unit Ready condition. Thereafter this Agreement will terminate.

6.7.2.2. Double Occupancy. If you occupy your Residence with another Resident and one of you requires permanent Health Center services, the remaining Resident may continue to occupy your Residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and any charges for optional items and services due under this Agreement. The transferring Resident will be required to sign a separate Residence and Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. The services the transferring Resident will receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. If both of Residents simultaneously require permanent Health Center services, both Residents shall vacate your Residence and relocate to an appropriate Health Center apartment. Residents will be required to sign a separate Residence and Care Agreement in its then current form with The Cardinal at North Hills Healthcare, LLC. The services the transferring Residents will receive, and certain additional rights and obligations will be set forth in the new agreement, as well as the applicable Monthly Fee and charges for ancillary items/services. Transferring Residents shall continue to pay the double occupancy Monthly Fee due under this Agreement until your vacated Residence is returned to The East Tower at Cardinal North Hills in Unit Ready condition. You shall be responsible for all moving and cleaning costs and the cost of restoring your former Residence to Unit Ready condition. Thereafter this Agreement will terminate.

6.8. Relocation to an Outside Health Care Facility

6.8.1. Temporary Relocation. If you relocate to an outside facility for health care services because no space is available at the Health Center, you shall continue to pay your regular Monthly Fee for your Residence until you return. In addition, you shall be responsible for paying the outside facility's charges for the housing, services and items you receive at that facility. The East Tower at Cardinal North Hills is not responsible to pay such charges to the outside facility. When space becomes available at the Health Center, and as medical circumstances allow, as determined by the Community care management team, you, your physician, and/or your representative, The East Tower at Cardinal North Hills will notify you to return. All obligations regarding the provision and quality of care at the outside facility shall be the responsibility of that facility and not The East Tower at Cardinal North Hills, and you agree to hold The East Tower at Cardinal North Hills harmless for any injury or damage you incur at an outside care center.

6.8.1.1. Single Occupancy. If you require temporary health care services outside The East Tower at Cardinal North Hills, you shall continue to pay your regular Monthly Fee for your Residence as well as any charges for ancillary items and services you receive that are not covered by the Monthly Fee.

6.8.1.2. Double Occupancy. If you occupy your Residence with another Resident and one of you is temporarily transferred outside The East Tower at Cardinal North Hills for health care services, the remaining Resident may continue to occupy your Residence. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and charges for ancillary items and services received that are not covered by the Monthly Fee. The transferring Resident shall be responsible for paying the outside facility's charges for the housing, services and items he/she receives at that facility. If both of Residents simultaneously receive health care services outside The East Tower at Cardinal North Hills, you will each be responsible for continuing to pay the double occupancy Monthly Fee for your Residence and any charges for ancillary items and services that each of you receive that are not covered by the Monthly Fee.

Residents shall be responsible for paying the outside facility's charges for the housing, services and items he/she receives at that facility.

6.8.2. Permanent Relocation. If you occupy your Residence by yourself and you permanently relocate to an outside health care facility, this Agreement will terminate in accordance with Section 7. In the event of double occupancy, if one Resident requires permanent relocation to an outside facility, this Agreement will terminate with respect to the transferring Resident and will continue only with respect to the remaining Resident. In such event, the remaining Resident will continue to pay the single occupancy Monthly Fee as well as any charges for ancillary items and services received that are not covered by the Monthly Fee.

6.9. Conditions Pertaining to Change of Residence. If you choose to move to a different Residence at The East Tower at Cardinal North Hills, transfer to the Health Center, or move out of The East Tower at Cardinal North Hills, the cost of refurbishment of your former Residence that is over and above normal wear and tear may be assessed to you. This determination will be made by the Community following a thorough inspection of the Residence after you have moved. The moving costs associated with any move will be your sole responsibility.

6.10. Required Relocation. You may be required to relocate to an assisted living apartment, an apartment at the Health Center or an outside facility, as appropriate, if any of the following conditions exist as determined by the Community Care Management Team, in consultation with you, your physician, and/or your representative:

- 6.10.1.1.** You fail to meet the conditions of occupancy for independent residential living;
- 6.10.1.2.** The relocation is necessary to protect your welfare and The East Tower at Cardinal North Hills or the Health Center, as applicable, cannot meet the needs of the Resident for reasons such as design or staffing or the program of services offered at the Community;
- 6.10.1.3.** Your safety and well-being, or the safety and well-being of other individuals at the Community is endangered;
- 6.10.1.4.** Your health, or the health of other individuals at the Community is endangered;
- 6.10.1.5.** You exhibit behaviors that violate the Community's rules, regulations, policies or procedures;
- 6.10.1.6.** You require care that cannot lawfully be provided, or require care that The East Tower at Cardinal North Hills or the Health Center, as applicable, is unable to or does not routinely provide; or
- 6.10.1.7.** Your personal physician has determined that you require services and care not available at The East Tower at Cardinal North Hills or the Health Center.

7. TERM; TERMINATION AND REFUNDS

7.1. Term. This Agreement has an initial term of twelve (12) months.

7.2. Termination Due to Death or Change in Status Prior to Occupancy. If you die before occupying your Residence, or if, on account of an illness, injury, or incapacity that occurs prior to occupying your Residence, you would be precluded from occupying your Residence under the terms of this Agreement, this Agreement will be automatically canceled. In that case, The East Tower at Cardinal North Hills will pay you or your estate a refund of your Reservation Fee, Community Fee and any pre-paid fees, less any costs specifically incurred by The East Tower at Cardinal North Hills at your request as set forth in writing and signed by you. In addition, you will not be entitled to receive any interest earned on monies paid to The East Tower at Cardinal North Hills. You or your estate will receive the refund within thirty (30) days from the date notice of death or change in condition is received by the Community, or the date the Community sends you a notice of termination due to a change in circumstances. If you executed this

Agreement with another Resident, this Agreement will remain in effect with respect to the surviving Resident, and no refunds will be issued, unless this Agreement terminated by the surviving resident.

7.3. Thirty Day (30) Cancellation Period (Before or After Occupancy)

7.3.1. Cancellation by You. You may cancel this Agreement with or without cause at any time during the Cancellation Period (“Cancellation Period”). The Cancellation Period is thirty (30) days following the later of (a) date the Resident signs the Residence and Service Agreement and pays the applicable Community Fee, or (b) the date The East Tower at Cardinal North Hills provides a Disclosure Statement to Resident. You must provide written notice of such cancellation decision within the Cancellation Period. You may move into the Residence during the Cancellation Period but you are not required to do so. In the event of such cancellation, you shall be entitled to a refund of monies paid to The East Tower at Cardinal North Hills except that The East Tower at Cardinal North Hills shall deduct from your refund (a) the portion of the Monthly Fee applicable to the period in which you actually occupied your Residence, if any, (b) the reasonable value of any ancillary services and accommodations rendered to you by The East Tower at Cardinal North Hills applicable to the period in which you actually occupied your Residence; (c) any other costs specifically incurred by The East Tower at Cardinal North Hills at your request as set forth in writing and signed by you; and (d) a service charge in the amount of one thousand dollars (\$1,000.00) to cover the costs of processing your application, the lost business opportunity, marketing costs, carrying costs for a vacant Residence, and other damages suffered by The East Tower at Cardinal North Hills resulting from your cancellation. In addition, you will not be entitled to receive any interest earned on monies paid to The East Tower at Cardinal North Hills. You will receive the refund within thirty (30) days after the date of your written notice of cancellation, except that if you moved into your Residence you shall receive the refund within thirty (30) days after you have made the Residence Unit Ready. You must make your Residence Unit Ready to The East Tower at Cardinal North Hills as described above within twenty (20) days after the date of the written notice of cancellation.

7.3.2. Cancellation by The East Tower at Cardinal North Hills. The East Tower at Cardinal North Hills may cancel this Agreement, with or without cause, upon written notice within the Cancellation Period. In the event of such cancellation, you shall be entitled to a refund of monies paid to The East Tower at Cardinal North Hills except that The East Tower at Cardinal North Hills shall deduct from your refund (a) the portion of the Monthly Fee applicable to the period in which you actually occupied your Residence, if any, and (b) the reasonable value of any ancillary services and accommodations rendered to you by The East Tower at Cardinal North Hills applicable to the period in which you actually occupied your Residence; (c) any other costs specifically incurred by The East Tower at Cardinal North Hills at your request as set forth in writing and signed by you. In addition, you will not be entitled to receive any interest earned on monies paid to The East Tower at Cardinal North Hills. You will receive the refund within thirty (30) days after the date of The East Tower at Cardinal North Hills’s written notice of cancellation, except that if you moved into your Residence you shall receive the refund within thirty (30) days after you make your Residence Unit Ready to The East Tower at Cardinal North Hills. You must make your Residence Unit Ready to The East Tower at Cardinal North Hills within twenty (20) days after the date of the written notice of cancellation.

7.3.3. No Refund of Community Fee After Cancellation Period. At the end of the Cancellation Period, the Community Fee will become the property of The East Tower at Cardinal North Hills, and will not refundable for any reason.

7.4. Termination by Resident After Cancellation Period. You may terminate this Agreement at any time after the Cancellation Period by giving The East Tower at Cardinal North Hills thirty (30) days written

notice, unless a shorter notice period is mutually agreed to in writing. If you terminate during the initial thirteen (13) month term, you will be responsible for the Monthly Fees for the entire thirteen (13) months. If you terminate after the initial term by providing thirty (30) days' notice, you will pay the established Monthly Fee and other charges for accommodations and services performed by The East Tower at Cardinal North Hills through the effective date of the termination date, or the date you make your Residence Unit Ready, whichever is later. You will also be responsible for applicable charges described in Section 7.7. No portion of your Reservation Fee or Community Fee will be refunded.

7.5. Termination by The East Tower at Cardinal North Hills After Cancellation Period. The East Tower at Cardinal North Hills may terminate this Agreement for cause at any time upon giving you thirty (30) days written notice. You must vacate the Residence by the end of such thirty-day notice period. During the period from the date of notice to the date you make your Residence Unit Ready, you will pay the established Monthly Fee and other charges for accommodations and services performed by The East Tower at Cardinal North Hills. You will also be responsible for applicable charges described in Section 7.7. Good cause shall include, but not be limited to, the following:

- 7.5.1.** Your failure to perform any of your obligations under this Agreement, including your obligation to pay your Monthly Fee and other charges;
- 7.5.2.** You, your guests or invitees' failure to abide by the rules, regulations, policies and procedures of The East Tower at Cardinal North Hills, described in the Resident Handbook as it now exists, as it may be modified in the future by The East Tower at Cardinal North Hills in its sole discretion;
- 7.5.3.** Any material omission or misstatement in your Application For Residency, your Reservation Agreement and any and all other documents delivered to The East Tower at Cardinal North Hills by you or on your behalf;
- 7.5.4.** Your behavior creates an unreasonable and continuing disturbance within the Community that is detrimental to the health, safety or peaceful enjoyment of others;
- 7.5.5.** You have needs that cannot be met at The East Tower at Cardinal North Hills for reasons such as licensing, design or staffing, or a condition that cannot be accommodated at The East Tower at Cardinal North Hills as determined by the Community or as defined by licensing regulations;
- 7.5.6.** You refuse to relocate for appropriate care in accordance with Section 6.10 or accept services and care required in order for the Community to meet your needs;
- 7.5.7.** Your mental or physical condition is such that your continued occupancy of your Residence would be unlawful or would present an unreasonable risk of injury to yourself or others; or
- 7.5.8.** Your permanent relocation (or the permanent relocation of both of you, if you are a couple) from The East Tower at Cardinal North Hills premises.

7.6. Death of a Resident. This Agreement will automatically terminate upon Resident's death. If a Resident dies during the thirty (30) day Cancellation Period, Resident shall be entitled to a refund of money as provided in Section 7.3. In the case of double occupancy, this Agreement will remain in effect and no refunds will be issued, unless the surviving Resident elects to terminate the Agreement. If a Resident dies after the Cancellation Period has expired, The East Tower at Cardinal North Hills will pay a refund to Resident's estate in accordance with the provisions of Section 7.4.

7.7. Payment Obligations Upon Termination. Except as otherwise provided herein, you will not be entitled to any refund of your Reservation Fee or Community Fee upon termination of this Agreement. The East Tower at Cardinal North Hills will pay a refund to you or your estate only if The East Tower at Cardinal North Hills has already received Monthly Fees with respect to the period after the date your Residence is Unit Ready, and in such case the refund will be equal to the pro rata portion of any such Monthly Fees applicable to periods following the date your Residence is made Unit Ready. You must pay, and The East

Tower at Cardinal North Hills will deduct from any refund owed to you under this Section 7: (a) all unpaid Monthly Fees and charges you incurred for ancillary goods and services, including any applicable late charges and interest; (b) the cost (if any) of restoring your Residence to its original clean condition (excluding normal wear and tear), following a thorough inspection of the Residence after you have moved; (c) any other costs specifically incurred by The East Tower at Cardinal North Hills at your request as set forth in writing and signed by you; and (d) the cost of the removal and storage of your property as provided in Section 7.8 below. Your indemnification obligation reflected in Section 10.8 survives the termination of this Agreement.

7.8. Removal and Storage. The East Tower at Cardinal North Hills shall have the right to remove promptly and store your personal property, at your expense or at the expense of your estate, when you have vacated your Residence on a permanent basis (for example, upon termination of this Agreement, permanent relocation, or death). The East Tower at Cardinal North Hills shall not be liable for any damages to your property while the property is in storage. If your property is not removed from storage within sixty (60) days, The East Tower at Cardinal North Hills shall dispose of your property. You or your estate shall be obligated to pay all costs for the removal or disposal of your property.

8. RIGHTS OF RESIDENTS

8.1. No Real Property Interests. Your rights under this Agreement do not include any proprietary interests in the properties or assets of The East Tower at Cardinal North Hills or in any fees once paid to The East Tower at Cardinal North Hills. You shall have no estate, leasehold, or other real property interest in your Residence or in The East Tower at Cardinal North Hills, and you shall have no ownership or management interest in The East Tower at Cardinal North Hills or in any third-party contractor. You may not lease your Residence to any other person or allow any person to occupy it in your place. All fees paid by you to The East Tower at Cardinal North Hills, including the Community Fee, shall become the sole property of The East Tower at Cardinal North Hills. These fees are not held in trust for your benefit. All fees paid by you to The East Tower at Cardinal North Hills, including Community Fee, may be used by The East Tower at Cardinal North Hills for any purpose.

8.2. Subordination of Rights. You understand and agree that your rights under this Agreement are and will be subordinate to the rights of a secured lender under any mortgage, deed of trust, or other senior security interest that is placed on The East Tower at Cardinal North Hills property, now or in the future.

9. RESIDENT RECORDS. You consent to the release of your personal and medical records maintained by The East Tower at Cardinal North Hills for treatment, payment and operational purposes as determined to be reasonably necessary by The East Tower at Cardinal North Hills. Any such release may be to its employees, agents and to other health care providers from whom you receive services, to third-party payers of health care services, to any Managed Care Organization in which you may be enrolled, or to others deemed reasonably necessary by The East Tower at Cardinal North Hills for purposes of treatment, payment and operations. Release of records for other purposes shall be done in accordance with applicable law, with a specific authorization from you, where required. Authorized agents of the state or federal government, including the Long-Term Care Ombudsman, may obtain your records without your written consent or authorization.

10. GENERAL PROVISIONS

10.1. Rules, Regulations, Policies and Procedures/Resident Handbook. You agree to be bound by the general rules, regulations, policies and procedures of The East Tower at Cardinal North Hills contained within the Resident Handbook or in such other documents or publications, as they now exist or as it may later be amended by The East Tower at Cardinal North Hills in its sole discretion. The Resident Handbook

should not be construed as a contract. It does not grant any contractual rights to Residents. The East Tower at Cardinal North Hills may, in its sole discretion, amend the Resident Handbook from time to time. By signing this Agreement, you hereby acknowledge **receipt of a copy** of the current Resident Handbook.

- 10.2. Smoking.** The East Tower at Cardinal North Hills is a smoke-free Community. Accordingly, smoking is not permitted in any indoor public space or outdoor common areas at any time. Smoking is not permitted in your individual Residence or on your patio/balcony.
- 10.3. Firearms and Weapons Prohibited.** The East Tower at Cardinal North Hills does not permit firearms or weapons of any nature on its premises.
- 10.4. Keys and Locks.** The East Tower at Cardinal North Hills shall provide you with a set of keys or electronic key fobs or cards to access your Residence and the common areas within The East Tower at Cardinal North Hills as provided in the Resident Handbook. If you wish to make a duplicate of a key, the key must be duplicated through services provided by the Community. You are prohibited from distributing a key or a duplicate of a key to anyone without first obtaining the Community's approval. Upon its approval, the key to be distributed to an individual identified by you must be registered with the Community. The East Tower at Cardinal North Hills shall not be responsible for any loss, damage or theft of any personal property belonging to you, your estate or your guests as a result of the duplication or distribution of your key(s). You agree not to install additional locks or gates on any doors or windows of the Residence without The East Tower at Cardinal North Hills's express written consent. If the Community approves your request to install such locks, you shall provide Community management with a key to each lock. Upon termination, you agree to return all keys, key fobs, access cards, and other access devices for the Residence and the common areas within The East Tower at Cardinal North Hills.
- 10.5. Power of Attorney.** You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to sign a Durable Power of Attorney (POA) for health care and financial decision-making and we encourage you to seek appropriate professional or legal advice regarding your options. If you have signed a Power of Attorney, the individual(s) agree to sign this Agreement along with any Guarantor as set forth in Section 10.20.
- 10.6. Resident's Financial Condition.** You have completed a Confidential Financial and Health Information form contained in the Application for Residency, and demonstrated therein to the satisfaction of The East Tower at Cardinal North Hills that you have the financial ability to pay the Community Fee, Monthly Fee, other expenses associated with your residency and receipt of services at the Community. You agree that your financial condition is substantially the same on the date this Agreement is executed, as it was on the date you completed the Confidential Financial and Health Information form.
- 10.7. Residency Documents.** You have submitted your Application for Residency and your Reservation Agreement which are incorporated by reference into this Agreement. You warrant that all information contained in these documents is true and correct, and you understand that The East Tower at Cardinal North Hills has relied on this information in accepting you for residency at The East Tower at Cardinal North Hills. You further understand that the submission of false information shall constitute grounds for the termination of this Agreement.
- 10.8. Other Residents or Non-Residents.** The East Tower at Cardinal North Hills may enter into agreements with other Residents or non-Residents that may contain terms different from those contained in this Agreement. Despite such differences, this Agreement alone sets forth your rights and obligations with respect to your care and residency at The East Tower at Cardinal North Hills.
- 10.9. No Assignment.** The East Tower at Cardinal North Hills reserves the right to assign this Agreement to any successor-in-interest selected by it. Your rights and privileges to use and enjoy your Residence and

services of the Community are personal, and may not be transferred or assigned by you, by any proceeding at law or otherwise.

10.10. Liability and Property Matters

10.10.1. Liability in General. You accept full responsibility for any injury or damage caused to others, or suffered by you, as a result of your own acts or omissions, and those of your guests or invitees, and you shall indemnify and hold harmless The East Tower at Cardinal North Hills and its respective directors, agents, and employees from any and all liability for such injury or damage, including attorneys' fees. We recommend that you maintain general liability insurance in an amount and form sufficient to cover such liability. You may be required to maintain additional insurance for Home Care/Personal Service Providers hired by you, including worker's compensation insurance, if and to the extent set forth in The East Tower at Cardinal North Hills's policies and procedures.

10.10.2. Third Party Liability. If you are injured as the result of an act or omission of a third party, you hereby grant the Community a lien on any judgment, settlement, or recovery in the amount of any expense incurred by The East Tower at Cardinal North Hills in caring for you as the result of such injury that is not reimbursed directly to the Community by you or by another source. You agree to cooperate in the diligent prosecution of any claim or action against the third party.

10.10.3. Property Damage. The East Tower at Cardinal North Hills shall not be responsible for the loss of any property belonging to you due to theft, fire, water damage, or any cause beyond the control of The East Tower at Cardinal North Hills, including property placed in your storage area, if any, you Residence, or on the Community property. The Community strongly encourages you to obtain insurance protection to cover the full replacement value of your personal property. You shall also be responsible for any loss or damage that you or your guests cause to Community property, excluding ordinary wear and tear. You hereby agree to indemnify and reimburse the Community for any loss or damage suffered by the Community as a result of your or your guests' or invitees' carelessness or negligence.

10.11. Right of Entry. Except in the case of emergencies, The East Tower at Cardinal North Hills will attempt to contact you before entering your Residence. You agree that the Community's associates and agents shall have the right to enter your Residence at reasonable times to perform the services described in this Agreement, for management purposes, any other reasonable purpose, and at any time for enforcement of applicable laws and regulations and emergency purposes.

10.12. Relationships Between Residents and Associates. The East Tower at Cardinal North Hills instructs the Community associates to be cordial and helpful to Residents. The relationship between Residents and associates should at all times remain professional. The supervision of associates comes from the Community supervisors and not from Residents. Any complaints about associates or requests for special assistance must be made to the appropriate supervisor or to the Executive Director. Giving gratuities or bequests to associates or associate's families is not permitted under any circumstances. You agree not to hire The East Tower at Cardinal North Hills associates or solicit such associates to resign to work for you without the prior written consent of the Community. You agree not to hire any former Community associate without the written consent of The East Tower at Cardinal North Hills.

10.13. Waiver. The failure of The East Tower at Cardinal North Hills in any instance or instances to insist upon your strict performance or observation of, or compliance with, any of the terms or provisions of this Agreement, shall not be construed to be a waiver or relinquishment of its right to insist upon your strict compliance with all of the terms and provisions of this Agreement. In addition, acceptance by the Community of any payment from you after your breach of any term of this Agreement or after providing

you with a notice of termination shall not constitute a waiver of the right of The East Tower at Cardinal North Hills to insist upon full performance of all terms of this Agreement, nor shall it waive the Community's right to terminate this Agreement for any cause, including any breach previously committed.

10.14. Notices. All notices given under this Agreement shall be in writing and shall be addressed to the management. Such notices shall be effective when personally delivered to the management or when deposited in the United States first class mail, provided that they are properly addressed with postage prepaid. The address for notices follows:

Executive Director
c/o Tower at The Cardinal, LLC
320 St. Albans Drive
Raleigh, North Carolina 27609

10.15. Entire Agreement. This Agreement, its attachments, documents incorporated by reference, and all of your Application for Residency documents constitute the entire agreement between you and The East Tower at Cardinal North Hills and may be amended only by a written instrument signed by you or your legal representative and by an authorized representative of The East Tower at Cardinal North Hills. If you relocate to the Health Center, you will sign an Assisted Living, Memory Care or Skilled Nursing Residence and Care Agreement, as applicable, which will contain terms relating to your occupancy of a Health Center apartment, and such agreements do not constitute amendments to this Agreement. The invalidity of any part of this Agreement shall not affect in any way the validity of the remainder of this Agreement. Oral representations and agreements are not binding on The East Tower at Cardinal North Hills and you acknowledge that you are not relying on any oral representations or agreements made by any person representing or purporting to represent The East Tower at Cardinal North Hills.

10.16. Governing Law. This agreement shall be governed by the laws of the State of North Carolina.

10.17. Severability. If any provision of this Agreement is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed from the Agreement and the balance of this Agreement shall remain in full force and effect.

10.18. Consent to Assignment. You consent to the collateral or other assignment by The East Tower at Cardinal North Hills of its right, title and interest in this Agreement.

10.19. Right and Obligations of Legal Representative, Responsible Parties and Guarantors

10.19.1. Legal Representative. A Legal Representative is an individual who has authority to act on the Resident's behalf, under independent legal authority. Examples of a Legal Representative include a guardian, a conservator, or the holder of a Power of Attorney executed by the Resident. Documents evidencing a person's Legal Representative status must be provided to us. If a Resident has a court appointed guardian or conservator, the guardian or conservator is required to sign this Agreement.

10.19.2. Responsible Party. A Responsible Party is an individual who voluntarily agrees to honor certain specified obligations of the Resident under this Agreement without incurring any personal financial liability. Examples of a Responsible Party include a relative or a friend of the Resident. We will require an individual to sign this Agreement as a Responsible Party if the person has legal access to or physical control of the Resident's income or resources to pay for the care and services we provide and others that you request.

10.19.3. Guarantor. A Guarantor is an individual who has agreed to be personally liable to pay for all amounts you owe to The East Tower at Cardinal North Hills. A Responsible Party or Legal Representative is not a Guarantor unless the person serving as Responsible Party or Legal Representative also executes this Agreement as a Guarantor. If there is a Guarantor, you agree

immediately to give The East Tower at Cardinal North Hills written notice of any change in the Guarantor's financial condition, address, or telephone number. By signing below, Guarantor agrees promptly to pay all fees and charges incurred by you or on your behalf under this Agreement. The foregoing is a guaranty of payment and not of collection, and The East Tower at Cardinal North Hills shall have no obligation to file suit or obtain a judgment against you prior to enforcing its rights against the Guarantor.

10.19.4. Rights and Obligations of a Legal Representative and Responsible Party under this Agreement:

- a) If you sign this Agreement as a Legal Representative or Responsible Party, you incur no personal financial liability by doing so.
- b) If you sign this Agreement as a Legal Representative or Responsible Party, you agree to use the Resident's available income and resources to pay for the Resident's care and services.
- c) By signing this Agreement as a Legal Representative or Responsible Party, you also agree to apply for benefits to which the Resident may be entitled and to furnish third party payers with information and documentation concerning the Resident which reasonably is available to you and which is necessary to the processing of the Resident's application for third party payor benefits.

10.20. Voluntary Arbitration. BOTH PARTIES UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF YOUR MOVE-IN TO THE EAST TOWER AT CARDINAL NORTH HILLS. BY INITIALING THE LINE AT THE END OF THIS SECTION, HOWEVER, YOU AGREE THAT ANY AND ALL CLAIMS AND DISPUTES ARISING FROM OR RELATED TO THIS AGREEMENT OR TO YOUR RESIDENCY, CARE OR SERVICES AT THE EAST TOWER AT CARDINAL NORTH HILLS, WHETHER MADE AGAINST US OR ANY OTHER INDIVIDUAL OR ENTITY, SHALL BE RESOLVED BY SUBMISSION TO NEUTRAL, BINDING ARBITRATION; EXCEPT THAT ANY CLAIM OR DISPUTE INVOLVING SUMMARY EJECTMENT PROCEEDINGS (EVICTION) OR ANY CLAIMS THAT ARE BROUGHT IN SMALL CLAIMS COURT SHALL NOT BE SUBJECT TO ARBITRATION UNLESS ALL PARTIES INVOLVED AGREE TO ARBITRATE SUCH PROCEEDINGS. BOTH PARTIES GIVE UP THEIR CONSTITUTIONAL RIGHTS TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW BEFORE A JURY, AND INSTEAD ACCEPT THE USE OF ARBITRATION. YOU MAY WITHDRAW YOUR AGREEMENT TO ARBITRATE WITHIN THIRTY (30) DAYS AFTER SIGNING THIS AGREEMENT BY GIVING US YOUR NOTICE OF WITHDRAWAL. ARBITRATIONS SHALL BE ADMINISTERED BY THE NATIONAL ARBITRATION FORUM UNDER THE CODE OF PROCEDURE THEN IN EFFECT. ARBITRATIONS SHALL BE CONDUCTED BY A SINGLE ARBITRATOR SELECTED IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT UNLESS OTHERWISE MUTUALLY AGREED. ARBITRATIONS WILL BE HELD AT AN AGREED UPON LOCATION, OR IN THE ABSENCE OF SUCH AGREEMENT, AT THE COMMUNITY. THE ARBITRATOR'S FEE SHALL BE SHARED EQUALLY BY THE PARTIES. ANY AWARD BY THE ARBITRATOR MAY BE ENTERED AS A JUDGMENT IN ANY COURT HAVING JURISDICTION. IN REACHING A DECISION, THE ARBITRATOR SHALL PREPARE FINDINGS OF FACT AND CONCLUSIONS OF LAW. EACH PARTY SHALL BEAR ITS OWN COSTS AND FEES IN CONNECTION WITH THE ARBITRATION. YOU HAVE THE RIGHT TO BE REPRESENTED BY LEGAL COUNSEL IN ANY PROCEEDINGS INITIATED UNDER THIS ARBITRATION PROVISION. BECAUSE THIS ARBITRATION PROVISION ADDRESSES IMPORTANT LEGAL RIGHTS, THE EAST TOWER AT CARDINAL NORTH HILLS

ENCOURAGES AND RECOMMENDS THAT YOU OBTAIN THE ADVICE AND ASSISTANCE OF LEGAL COUNSEL TO REVIEW THE LEGAL SIGNIFICANCE OF THIS VOLUNTARY ARBITRATION PROVISION PRIOR TO SIGNING THIS AGREEMENT. THIS ARBITRATION CLAUSE BINDS ALL PARTIES TO THIS AGREEMENT AND THEIR SPOUSE, HEIRS, REPRESENTATIVES, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS, AS APPLICABLE. AFTER TERMINATION OF THIS AGREEMENT, THIS ARBITRATION CLAUSE SHALL REMAIN IN EFFECT FOR THE RESOLUTION OF ALL CLAIMS AND DISPUTES THAT ARE UNRESOLVED AS OF THAT DATE. IF ANY PART OF THIS ARBITRATION CLAUSE IS DETERMINED TO BE UNENFORCEABLE, THE REMAINING PORTIONS OF THE CLAUSE SHALL REMAIN VALID AND SHALL BE ENFORCED BY THE PARTIES.

I have **read and understand** the effect of this agreement to arbitrate and understand I have *relinquished certain legal rights*, including the right to a jury trial, by agreeing to arbitrate.

Resident's initials _____

Resident's initials _____

POA/Guarantors initials _____

By initialing the line at the end of this paragraph, you understand that you have the right to rescind your agreement to arbitration within thirty (30) days from the date you sign this Agreement by making such rescission in writing, signed by you, and delivered to The East Tower at Cardinal North Hills within thirty (30) days from the date you sign this Agreement.

Resident's initials _____

Resident's initials _____

POA/Guarantors initials _____

Reading and Signing of Agreement. By signing this Agreement below I, the Resident, represent that I have read and agree to all of the terms of this agreement.

This Agreement will be effective as of _____, _____.

RESIDENT:

RESIDENT:

Signature

Signature

Typed or Printed Name

Typed or Printed Name

Date

Date

COMMUNITY REPRESENTATIVE

**POWER OF ATTORNEY/
RESPONSIBLE PERSON**

By

Title

Date

By signing below, the undersigned Guarantor hereby agrees to be fully and personally liable for, and agrees to pay promptly upon request, all amounts owed to The East Tower at Cardinal North Hills by the Resident. The undersigned agrees that The East Tower at Cardinal North Hills shall not be obligated to pursue any legal action or obtain any judgment against the Resident or the Resident's assets as a condition to requiring payment by Guarantor.

GUARANTOR: I hereby guaranty the payment of all amounts owed by Resident hereunder.

Signature

Typed or Printed Name

Address

Date

**THE EAST TOWER AT CARDINAL NORTH HILLS
FEES FOR OPTIONAL SERVICES**

Exhibit F

**The East Tower at Cardinal North Hills
Resident Handbook**



The East Tower
at Cardinal North Hills

A KISCO COMMUNITY

Resident Handbook

Property Address

320 St. Albans Drive
Raleigh, North Carolina 27609

Mailing Address

4030 Cardinal at North Hills
Raleigh, North Carolina 27609

Dear New Resident,

On behalf of the staff, it is with great pleasure that we welcome you to The East Tower at Cardinal North Hills.

We hope that living at The East Tower at Cardinal North Hills will not only provide you with an attractive apartment, but also give you the opportunity to make new friends, develop new interests, and to enhance your physical and social well-being. We understand that moving into a new home can be challenging. There are new things to learn, new people to meet and new environments to master. In order to help you adjust to your new home as quickly and easily as possible, we are providing you with this detailed Resident Handbook.

Periodically we will update this handbook in order to keep the information contained in it current. We will notify you of all updates. If you feel that we have neglected to include information that you believe would be helpful to new residents, please let us know.

Please feel free to speak with me or any of the Community Management Team about any problem or concern you have. We will do our best to work with you to find a mutually agreeable solution.

Again, we are delighted you chose The East Tower at Cardinal North Hills as your home and we look forward to getting to know you.

Sincerely,

Executive Director
The East Tower at Cardinal North Hills

KISCO SENIOR LIVING

Our Vision Statement

“We deliver on the promise of Kisco Confidence”

The East Tower at Cardinal North Hills is a Kisco Senior Living community. Kisco Senior Living was founded in 1990 and currently operates over 22 senior living communities throughout the United States. Kisco is a family-owned company with experience in the ownership, management, and development of independent living, assisted living, memory care and Continuing Care Retirement Communities.

We select associates who share our values and whose talents are well suited for their position within the company. As an organization, we nurture our associates with the same respect and compassion given to our residents. All Kisco communities are managed by an experienced on-site Executive Director and supported by a home office team of specialists in the areas of leadership services, associate services, organization excellence, finance and accounting, training, sales and marketing and risk. All Kisco associates abide by the Kisco Principles, Values and Beliefs.

Statement of Principles, Values and Beliefs

We are committed to exemplary service delivered with integrity, dignity, and compassion. Our communities for seniors are distinguished by warm, secure, and friendly environments.

We will enhance each resident's lifestyle by:

Responding immediately to residents' needs and concerns
Offering high quality, creatively designed programs
Encouraging independence
Promoting a sense of community and friendship

We the staff are committed to:

Teamwork
Being professional
Open communication
Fostering a learning environment
Continuous improvement
Profitability

We live by a standard of conduct which encompasses honesty, accountability, personal development, and a passion for excellence.

TABLE OF CONTENTS

1. INTRODUCTION	6
2. RESIDENT COUNCIL	6
3. COMMUNITY COMMUNICATIONS	7
4. GENERAL INFORMATION	7
5. PAYMENT OF MONTHLY FEES	17
6. RESIDENT SERVICES	17
7. DINING SERVICES	24
8. HEALTH CARE SERVICES	25
9. COMMUNITY SERVICE	26
10. THEFT AND LOSS	26
11. MANAGER ON DUTY	26
12. CONCLUSION	26
13. FINAL WORDS	27

1.1 KISCO SENIOR LIVING

For nearly 30 years, we have specialized in developing and managing full service senior living communities that provide an enriched lifestyle. In 1996, we created our guiding principles, values and beliefs, which are based on the concepts of integrity, dignity and compassion. These principles balance the interests of our Residents, associates and business partners. To this day, they form the basis for how we operate as a company.

We cherish the uniqueness of each of our Kisco communities and the contributions they make to create a great place to live for Residents and a great place to work for associates. We continually share best practices, successes, and learning so we can refine and bring innovation to our ongoing operations and future communities. We are an enduring, sustainable company that provides opportunities and services to meet the changing needs of our Residents and their families.

1.2 THE ART OF LIVING WELLSM

Kisco Senior Living embraces the Art of Living WellSM philosophy as part of every aspect of community life. Wellness is truly a combination of all six dimensions: emotional, intellectual, physical, social, spiritual, and vocational. We focus on the six dimensions of wellness as the driving force behind our comprehensive wellness program. The Community is a place for you to celebrate your individuality and enhance your sense of belonging. We hope you will build new relationships, share your passions, and create your legacy at The East Tower at Cardinal North Hills.

1.3 COMMUNITY LIFESTYLE & AMENITIES

The East Tower at Cardinal North Hills features the following amenities:

- The Clubhouse - Residents gather to socialize, learn, entertain others, and be entertained, dine, or just relax.
- Wellness Center - Fitness Center with yoga and other classes. State of the art equipment and professional fitness/wellness team.
- Gardens & Fitness Paths – A number of walking/fitness paths and gardens for outdoor living and activities.
- Resident Library – The library features computer stations, Wi-Fi and a range of resident selected news, reference and reading materials.

Residents of The East Tower will also have access to the amenities of The Cardinal at North Hills.

2.1 RESIDENT COUNCIL

All Residents of The East Tower at Cardinal North Hills will be members of the Resident Council. The Resident Council provides Residents with an opportunity to collaborate with other residents, share information and advocate the Resident's point of view to the Community's management team. The Council will be run by the Residents, who elect their own officers. Meetings will be held monthly as a forum for comments, concerns, compliments, community updates and to promote activities of interest. The Resident Council's input to the Community's management is advisory in nature.

2.2 RESIDENT COUNCIL COMMITTEES

The Resident Council is anticipated to have active Resident committees. Examples include:

- Building & Grounds
- Dining Services
- Wellness (Events/ Programs)
- Associate Appreciation
- Library

Section 3

Community Communications

We believe that effective communication between Residents and the Community Management Team is an important contributor to a Community's success. The Community Management team is comprised of our Executive Director, and a team of individuals supporting the operations of the Community including: our Assisted Executive Director, Dining Services, Environmental Services (Maintenance) and Sales Directors, our Resident Relations Coordinator, and our care team including our Assisted Living Director and Wellness Director.

The Community Management Team has an open-door policy and provides Residents scheduled meetings and forums as an opportunity to express their opinions and suggestions. Examples include:

- Resident Forums with Executive Director
- Food Forum with Dining Services
- New Resident Orientation

In addition to scheduled meetings and forums, we have established other channels for Residents to convey their ideas, concerns, and compliments to the Community Management Team including:

- Residents may direct specific questions regarding any services to the Community Management Team.
- Residents may contact the Executive Director on any other matter concerning any aspect of life at The East Tower at Cardinal North Hills.
- Residents may contact an officer of the Resident Council concerning issues or Community policies governing Resident activities.
- Residents may make suggestions or ask questions, through the Comment and Concern program. Forms may be obtained from the Resident Relations representative or on-line. The Comment and Concern program provides for a written response by the Executive Director, appropriate Community team member, or the Resident Council.

Section 4

General Information

4.1 GENERAL POLICIES

The following policies have been adopted by The East Tower at Cardinal North Hills:

4.1.1 Insurance

The East Tower at Cardinal North Hills will maintain adequate insurance to protect against reasonable losses and liabilities incurred by the Community. Residents are strongly encouraged to purchase personal liability as well as personal property insurance (similar to a "renter's" policy) to protect the Resident's personal belongings and property.

4.1.2 Electric Scooters

Any Resident requiring the use of an electric scooter must submit a written request to the Executive Director with a statement from a physician to confirm that the scooter is required. In addition, the following requirements will need to be met:

- For safety reasons, Resident will be required to demonstrate their ability to operate the scooter in accordance with procedures established by the Community. Residents are responsible for any injury or property damage resulting from their use of a scooter.
- Scooters may not exceed a maximum size of 46” in length and 24” in width.
- Maximum speed control governors are required and will be set by the Community. Residents shall pay for the installation of a governor if the scooter is not already equipped. In addition, an audible back up device is required.
- Scooter should be driven at a speed which does not exceed a normal walking pace for most Residents.
- In the dining venues, a Resident utilizing a scooter is encouraged to transfer from the scooter into a dining room chair. To prevent blocking hallways and other common areas, scooters may not be parked in the corridors or near any emergency exits or in heavily traveled areas of the building.
- Residents are responsible for the care and maintenance of the scooters, including recharging, and are responsible for any damage due to battery leaks or other malfunctions.

4.1.3 Wheelchairs

In order to achieve independence, some Residents may require the use of wheelchairs. In the dining venues, a Resident is encouraged to transfer from a wheelchair into a comfortable dining room chair. For those Residents or guests who occasionally need a wheelchair for use while in Community, one may be obtained (if available) by contacting a Resident Relations associate. If utilizing an electric wheelchair, Residents must take special precautions near doorways, at corners, when approaching pedestrians, backing up and in other situations to avoid injuring other persons. Residents are responsible for any damage or injuries resulting from their use of an electric wheelchair.

4.1.4 Tipping

The East Tower at Cardinal North Hills is committed to providing high quality, consistent and equal service to all Residents. Because of its potential for compromising this goal, tipping Community associates is prohibited. Tipping includes not only monetary gifts but also any gifts of personal items such as clothing, jewelry, furniture, appliances, etc.

4.1.5 Associate Appreciation Fund

An Associate Appreciation Fund may be established and managed by the Resident Council to provide recognition of all associates. This fund is an annual voluntary contribution given to show appreciation for the services that associates provide. We also have other recognition programs that acknowledge associates who have provided exemplary service. Please share your appreciation of respective associates with the Executive Director and the associate will be rewarded in accordance with The East Tower at Cardinal North Hills’ Associate Rewards and Recognition programs.

4.1.6 Hiring Outside Services Providers

It is the responsibility of the Resident to satisfy the following conditions prior to hiring any individual, agency or contractor to perform services on behalf of the Resident (including caregivers, companions, personal service providers or other personnel employed or retained by Resident):

- Receive prior written approval from the Executive Director or designee.
- Provide proof of acceptable workers' compensation and liability insurance covering the services to be provided.
- With respect to the service provider:
 - Establish that the service provider has current local and state licenses, as appropriate.
 - Provide a clear criminal background screening.
 - Provide a negative tuberculosis test or chest x-ray indicating free of communicable disease.
- The individual hired to provide a service must comply with the Community's Personal Service Provider (PSP) policy and procedures. You, your responsible party and/or the service provider must sign a waiver and release form prior to hiring.

4.1.7 Hiring Community Associates

Residents are not permitted to directly hire current associates of The East Tower at Cardinal North Hills to perform work during the associates' off-duty hours. Former associates of The East Tower at Cardinal North Hills are not permitted to return to the Community to perform work directly for a Resident as an independent contractor for at least six months following their departure from the Community and must have written approval from the Executive Director.

4.1.8 Appropriate Dress

Residents are requested to be appropriately dressed while using the public areas of The East Tower at Cardinal North Hills. The Resident Council, with concurrence from the Executive Director, will determine the dress code for Residents when in the dining venues or other public activity spaces. Bed clothes, slippers, undergarments, and bare feet are not permitted outside the Resident's apartment.

4.1.9 Smoking

To promote the health, safety and wellbeing of all Residents, The East Tower at Cardinal North Hills is committed to maintaining a smoke-free environment. Accordingly, smoking is not permitted in any indoor public space at any time, including common areas and dining rooms. Smoking is also not permitted in your individual residence or on the Resident's patio/balcony. Residents will be provided with a designated outdoor smoking area. Residents must dispose of all tobacco materials and cigarette butts in specially designated disposal containers to avoid the risk of fires.

4.1.10 Bed/Side Rails

The use of bed/side rails and any other devices attached directly to the bed are prohibited.

4.1.11 Barbecues

Outdoor barbecue equipment will be provided by The East Tower at Cardinal North Hills in designated areas. Cooking is not allowed on a Resident's patio or balcony.

4.1.12 Pets

We understand that having pets is an important part of your life. Residents may have a maximum of two dogs and/or cats in their Residence. Guests shall not bring pets of any kind onto the Community grounds without prior written approval from the Executive Director. Service animals providing assistance to residents with disabilities shall not be subject to the pet fee or any common area restrictions. Pets are not to exceed 35 pounds without written permission by the Executive Director and are subject to the following conditions:

- The pet must be leashed at all times in common areas of the Cardinal campus.
- Pet excrement must be immediately cleaned up by the Resident and placed in an appropriate receptacle.
- All dogs must be licensed and registered as required by the City and Wake County of North Carolina and a copy of the license provided to The East Tower at Cardinal North Hills.
- Residents must keep pet noise to a minimum.
- Pets are not allowed in public areas within The East Tower at Cardinal North Hills building with the exception of corridors and elevators which must be utilized to reach outdoor areas.
- All dogs must be registered with The East Tower at Cardinal North Hills. At the time of pet registration, owners must provide the name and telephone number of a designated person who has agreed to take care of the pet during times when the owner may be unavailable.
- All pet owners must sign an indemnification form relieving The East Tower at Cardinal North Hills of liability for damage to property or for an injury caused by a pet.
- All pet owners must agree to reimburse The East Tower at Cardinal North Hills for damage (including elimination) to Community property caused by the pet. A pet fee may be collected for this purpose.
- All Resident pet owners agree to adjudication of complaints from other Residents by The East Tower at Cardinal North Hills management.
- Residents wishing to bring a pet to the Community other than those types listed above must contact Executive Director in advance for written approval.
- Residents wishing to take pets to the Health Center located at The Cardinal at North Hills for a “visit” are encouraged to do so, but only after making prior arrangements with the Executive Director or designee.

4.1.13 Operation of Motor Vehicles

All vehicles must be operated in a safe manner when on The East Tower at Cardinal North Hills property. The maximum speed of any vehicle will be designated and posted signs should be obeyed. All resident vehicles must have a current inspection sticker and license plate. It is the vehicle owner's responsibility to be properly insured for any risks associated with vehicle operation or ownership.

Residents, associates and visitors are responsible for the condition of their vehicle. If a vehicle damages the Community, repairs and clean-up shall be at the vehicle owner's expense. The East Tower at Cardinal North Hills is not responsible for damages to vehicles parked on the property.

4.1.14 Parking

Valet services are offered to all Residents on a complimentary basis. As part of your Monthly Fee, Residents are provided with one (1) undesignated parking space. An assigned/designated parking

space is available for Residents for an additional monthly fee (See Appendix A) and the Resident's vehicle should be parked in the assigned space. Any additional vehicles must be parked in public parking garages located in North Hills. Guests should park in designated visitor spaces or utilize the complimentary Valet services. In the event of a violation of parking restrictions, a Community associate will notify the violator to correct the situation. If the Community is unable to make contact with the Resident, and it is determined that a hazard exists, the vehicle may be towed at the owner's expense.

4.1.15 Guest Parking

Valet service is available for visitors and Residents should encourage their guests to use them. Guest may also park in designated visitor spaces. Long term visitors should check in with the Resident Relations associate to receive a parking pass that must be displayed on the vehicle at all times. Visitors are not allowed to park in spaces assigned for Residents only.

4.2 RESIDENT INFORMATION SERVICES

The East Tower at Cardinal North Hills has established a number of informal communications vehicles for the ease and convenience of Residents.

4.2.1 Resident Relations Associate

Resident Relations associates will be the primary point of contact for Resident concerns or information. A Resident Relations associate is available 24/7.

4.2.2 Resident Information Form

All Residents must have an up-to-date "Resident Information Form" on file with the main office. The purpose of this form is to provide basic information to be used in the event of an emergency. All information will be kept confidential. Periodically, the East Tower at Cardinal North Hills will request that your Resident Information Forms be updated and Residents are urged to contact a Community associate or the administration office to initiate a change whenever appropriate.

4.2.3 Resident Directory

A Resident Directory containing the telephone numbers, email addresses, and apartment numbers of each Resident are published periodically by The East Tower at Cardinal North Hills. To protect the privacy of all Residents, this directory should be treated as confidential. All changes necessary to this directory should be reported to a Resident Relations associate. If you would like your information omitted from this directory, please contact a Resident Relations associate.

4.2.4 U.S. Postal Service

The U.S. Postal Service will pick up and deliver mail to the postal and message center. Individual mailboxes are located in the postal and message center and a mail pick up schedule will be posted.

The Resident Relations associate will not accept items from the U.S. Postal Service and commercial carriers, or parcels and letters that require signatures on behalf of the Resident addressee unless the Resident has specifically requested in writing that this be done. The Resident Relations associate is not able to accept any C.O.D. packages but will attempt to notify a Resident at the time of delivery.

Our Resident Relations associates will notify a Resident of the presence of a letter or package at the reception desk by placing a note in the Resident's internal communications box, by email, or by telephone. A Community associate will assist a Resident in moving large or heavy packages to the Resident's apartment when available. Arrangements for this service can be made through the Resident Relations representative.

4.2.5 Non-U.S. Postal Distribution

We will provide an "internal communications" box for each Residence. The Executive Director or his/her designee must give prior approval for any distribution of notices or flyers made by a Resident, group of Residents, or non-resident.

4.2.6 Newspaper Delivery Service

Arrangements for receiving and paying for individual newspapers and magazines subscriptions must be made directly by the Resident.

4.2.7 Cable Television

Cable television is included in your Monthly Fee.

4.2.8 "In-House" Community Television

The common areas will have several monitors which will access an "in-house" Community information channel. This system will display Community events and activities, dining specials, Community updates and emergency announcements. Residents will be able to access this Community channel on the televisions and computers in their personal residence.

4.2.9 Telephone Service

For Residents who desire telephone service, a land line is available for a monthly fee. Please see a Resident Relations representative for number porting and set up.

4.3 ADDITIONAL RESIDENT CONVENIENCE SERVICES

The following is a list of Resident convenience services provided by the Community. Please contact a Resident Relations representative if you have any questions or need assistance.

4.3.1 Clerical Services

Residents may desire certain business services from time to time. Examples of services that are available to Community Residents are listed below. An additional fee may apply to some services. If you require assistance, please contact the Resident Relations representative.

- Facsimile (Fax) Services
- Copier Services
- Notary Services
- Parcel services such as FedEx, UPS

4.3.2 Salon

A beauty and barber salon will be located within the Community. The salon is operated by an independent business owner, not by The East Tower at Cardinal North Hills. Operating hours and rates will be set by the salon proprietor and are subject to change without notice.

4.3.3 Lost and Found

Lost items should be reported to the front desk. Items found on the property or on the grounds should be turned in at the front desk. The Community will maintain all found property until either the owner is identified, or 90 days have passed, after which time the Community may dispose of the property. For items deemed to have material value, The East Tower at Cardinal North Hills may post a notice on the official bulletin board. For lost items, the Resident may prepare a lost notice and present it to The East Tower at Cardinal North Hills management for posting.

4.4 RESIDENT GUESTS

4.4.1 Overnight Guests in the Residence

Residents may have overnight guests in their Residence, provided they notify the Resident Relations desk for administrative and security purposes. Special limitations may be placed on overnight guests in assisted living apartments based on the Resident's plan of care.

4.4.2 Length of Visit

Guest stays should be limited to up to two (2) days with advance notice and written approval of the Executive Director or designee. Additional days may be requested not to exceed fourteen (14) days per year unless extenuating circumstances exist, with the Resident obtaining the prior written approval of the Executive Director or designee. Such approval will not be unreasonably withheld. The impact to other residents will be considered, and there may be special limitations for Assisted Living apartments.

4.4.3 Responsibility for Guests

The Resident should take special care to ensure that guests follow the policies of The East Tower at Cardinal North Hills. Guests may participate in certain activities that are available to Residents. Certain activities may require the guest to sign a waiver.

4.4.4 Dining Privileges

Residents are welcome to have guests for meals offered in the Community dining venues. The dining charges for guests will be added to the Resident's monthly statement.

4.4.5 Guests under the Age of 16

Children are welcome as guests of a Resident. To respect the rights of all Residents, guests under the age of sixteen (16) must be accompanied by the sponsoring Resident at all times when using any of the public facilities.

4.5 RESIDENCE AMENITIES AND FURNISHINGS

4.5.1 Modifications to a Residence

Modifications to the interior of a Residence may be requested by a Resident by completing a Modification Request Form. Requests may be approved as long as the modification complies with all applicable laws, regulations and building codes, is structurally feasible, is consistent with the

Community architecture, and does not unduly inconvenience other Residents. The requesting Resident must agree to pay all costs of the modification prior to work commencing and may be responsible for any cost associated with returning the Residence to its original condition upon vacancy. All modifications must be approved in advance in writing by the Executive Director. If an independent contractor is used by the Resident to perform the modifications, the independent contractor must demonstrate to the Executive Director's satisfaction that they are appropriately licensed and insured with both liability and workers compensation insurance. Assisted Living apartments may not be modified.

4.5.2 Draperies/Curtains/Window Coverings

All Residences are furnished with building standard window blinds in accordance with the interior design plan. Additional draperies or curtains for windows and doors may be hung at the Resident's expense. Draperies or curtains hung at a Resident's expense should comply with The East Tower at Cardinal North Hills guidelines and building codes, and, if applicable, health care laws and regulations.

4.5.3 Appliances and Fixtures – Substitutions

Substitutions of appliances and fixtures for those furnished by The East Tower at Cardinal North Hills must be requested in writing and approved in writing by the Executive Director prior to installation. All substitutions of appliances and fixtures will be at the Resident's expense. Appliances and fixtures provided by Residents must comply with all applicable laws and regulations.

4.5.4 Floor Covering

The policy for substituting floor covering for materials provided by The East Tower at Cardinal North Hills is the same as that for substituting appliances or fixtures. The East Tower at Cardinal North Hills must approve any non-standard flooring specifications or substitutions. All substituted floor coverings will remain the property of The East Tower at Cardinal North Hills.

4.5.5 Interior Painting

Painting of the interior of Residences will be done on a periodic basis as required using standard colors. Priority for repainting of Residences will be determined by The East Tower at Cardinal North Hills and labor and material will be provided by The East Tower at Cardinal North Hills.

Residents may choose a color or type of paint other than that provided by The East Tower at Cardinal North Hills with the written permission of the Executive Director and will be required to pay for any incremental increased cost of material or labor.

4.5.6 Replacement of Carpeting

Re-carpeting of Residences will be done as required based on normal wear and tear. Residents may request a carpet change prior to this time at their expense.

Residents will have a choice of standard carpet colors from those offered by The East Tower at Cardinal North Hills. The cost of any upgraded or non-standard carpets will be borne by the Resident.

4.5.7 Appliance Repairs

Each time an appliance requires repair, the Executive Director will review past service records and will determine (at The East Tower at Cardinal North Hills' discretion) the cost-effectiveness of repair versus replacement and act accordingly.

4.5.8 Patio and Residence Exterior

Most independent living Residences have a patio/balcony for the use and enjoyment of the Resident. The patio is visible to other Residents, guests and prospective Residents of The East Tower at Cardinal North Hills. In order to maintain an appealing appearance, the following guidelines apply to each patio:

1. Appropriate furniture and small plants may be placed on the patio. Any unsightly items such as signs, laundry, boxes, bird feeders, string lights, etc. should not be placed on the patio.
2. In order to comply with local fire safety requirements, no cooking (including any grills, hibachis and/or barbecues) is permitted on the patio.
3. Be considerate of your neighbors below when watering plants or cleaning the patio. All plants must have drain plates.
4. Any additions of rails, enclosures, shades, awnings, or nettings require written permission from the Executive Director.

4.5.9 Energy Conservation

Please do your part to help conserve energy by turning off lights and appliances when not needed. Do not open windows and doors when the air conditioner is on. Please report faulty appliances and plumbing to the front desk.

4.6 WELLNESS / FITNESS CENTER

At The East Tower at Cardinal North Hills, we practice The Art of Living WellSM philosophy as part of everything we do, from the programs we offer, to the services we provide. Wellness is truly the combination of many factors that both strengthen and enhance the mind, body, and spirit.

The East Tower at Cardinal North Hills Clubhouse is the center for community connectivity including health and wellness programs, socializing, neighborhood events, cultural and educational opportunities.

The Wellness/Fitness Center includes cardiovascular and strength training equipment.

Classes, opportunities for life-long learning, social outings, spiritual growth, community involvement, and day and overnight trips are offered. A calendar will be provided monthly and special events will be distributed/announced through our in-house Community channel and notices distributed to Residents.

4.6.1 Classes and Events

In furtherance of our The Art of Living WellSM philosophy, we strive to provide our Residents with a variety of classes, outings and events including:

- Regularly scheduled fitness programs including aqua exercise, yoga, tai chi, meditation, and personal training.

- Opportunities to play bridge, poker, mahjong and cribbage.
- Art appreciation and painting classes.
- Seminars – Current event forums, book reviews, cooking and guest speakers.
- Excursions – Theatre, symphony events, overnight excursions and special attractions.

4.6.2 Fees

In addition to the events and programs provided, there are programs for which an additional charge may apply. Such charges include, but are not limited to, off-site meals, theater events, overnight trips and their relevant transportation costs or other special services. Residents will be notified of the cost in advance.

4.6.3 Waivers

Some activities that involve strenuous activity or present special risks may require participants to sign waivers of legal liability as a condition of participation.

4.7 POOL

The pool located at The Cardinal at North Hills is available for Residents and their invited guests. Various classes are held year-round. It is required that individuals shower before entering the water and wear suitable swimming attire. Residents and guests use the pool “at their own risk” as there is no lifeguard on duty.

Consumption of food and drink is restricted to the pool deck area and is not allowed while in the water. Glass containers are not allowed on the pool deck area.

Residents are cautioned that the pool depth is not appropriate for diving and therefore, is prohibited.

Pool deck furniture is provided for the relaxation and enjoyment of Residents and guests who use the pool area.

4.8 LOCKS AND KEYS

You will be provided with one (1) set of keys and/or electronic fobs or cards per Resident on the day of your move-in at The East Tower at Cardinal North Hills. This set consists of one (1) each of the following: Residence key, mailbox key, storage key (if applicable) and exterior door fob. You may pick up your keys from a Resident Relations associate on the day you are scheduled to move in. Keys issued to you by the Community must not be duplicated. However, in the event that your keys and/or card are lost, you may purchase another set at the Resident Relations desk for a charge as outlined in the Appendix A of your Resident Agreement.

4.9 ABSENCES

For your safety and our peace of mind, all residents are required to sign out when leaving the Community for one (1) day or more and sign in upon return. We request that you provide your estimated return time and a telephone number where you may be reached in case of an emergency. If we are managing your care and/or medications, please notify the assisted living staff in advance so arrangements can be made in preparation of your departure and, if applicable, indicate by whom you are accompanied.

4.10 AT HOME SERVICES

The East Tower at Cardinal North Hills may provide on-site companion services which would be available at your discretion or the discretion of the Community if you are a safety risk to yourself or others. The cost will be borne by the Resident. You may also choose to hire home health aides or other domestic assistance at your own cost. All providers of in-home assistance are subject to The East Tower at Cardinal North Hills' policies, must register with The East Tower at Cardinal North Hills, sign agreements and meet requirements established by The East Tower at Cardinal North Hills from time to time. Before engaging an in-home assistant of any type, you must notify the Resident Relations desk and review and agree to abide by, and cause your in-home assistant to abide by, the policies of The East Tower at Cardinal North Hills. You will be responsible for seeing that any in-home assistant hired by you complies with all policies of The East Tower at Cardinal North Hills, and you will be responsible for any damage to persons or property caused by your in-home assistants.

Section 5

Payment of Monthly Fees

PAYMENT OF MONTHLY FEES AND ANCILLARY CHARGES

On or about the first (1st) day of each month, each Resident will receive a written statement for the Monthly Fees, plus an itemized listing of all ancillary charges incurred during the previous month. For the convenience of the Resident and efficiency of operations, payments made through the use of electronic funds transfer are preferred. If electronic funds transfer is not utilized by the Resident, a check payable to "Tower at The Cardinal, LLC" should be remitted to the administration office. Note there is a check processing fee as reflected on Appendix A. Should a Resident wish to question any item on the statement, the Resident Relations Director will be available to discuss any unresolved questions or items. Any sums not in good faith dispute and not paid within thirty days of billing shall be subject to a late charge of 1.5% per month until paid.

Section 6

Resident Services

The East Tower at Cardinal North Hills is responsible for the upkeep and repair of the building and its amenities. We provide Maintenance, Housekeeping, Safety, and Transportation Services. The primary functions of these areas are described in the sections below.

6.1 MAINTENANCE

Supervision of the maintenance function is the direct responsibility of the management of The East Tower at Cardinal North Hills. The primary functions of Maintenance are:

- To keep the residences and public areas clean and in good repair
- To maintain The East Tower at Cardinal North Hills grounds and landscaping
- To develop and implement a program of preventative maintenance
- To provide trash removal services

6.1.1 Work Orders/Maintenance Requests

Maintenance of Community property or a Resident's apartment is controlled by a work order system that will ensure tracking and follow up on maintenance requests. In order to process maintenance requests, a priority system is in place designating maintenance requests as: Emergency, Priority, or Routine. Top priority is given to emergencies and any items that constitute a safety

hazard to Residents or associates. Maintenance requests should be reported based upon the system outlined below.

- **Emergencies** - Emergency problems that may involve structural or major equipment problems throughout the facility or pose a threat to the safety of Residents or associates, or emergency problems noted in a Residence, should be reported immediately, regardless of the time of day.
- **Priority** - Priority maintenance problems are those that create an immediate inconvenience to Residents or those that could result in further damage to The East Tower at Cardinal North Hills property or a residence if left uncorrected (examples include air-conditioning failure, toilet stopped up, and water leaks.)
- **Routine** - Routine maintenance problems are those that occur through the course of daily living in The East Tower at Cardinal North Hills and do not pose any safety risk or immediate inconvenience to the Resident. Examples include, doors/windows not closing properly, faucet leaks, etc.

6.1.3 Assistance after Move-In

After a Resident moves into a residence, Maintenance associates will assist in hanging pictures, mirrors, and shelves on a limited basis. This work must be requested within thirty (30) days after move-in. Associates may inspect Resident-owned lamps and other appliances, and the Community reserves the right to disable these items, if unsafe, until the Resident can make arrangements for repairs.

6.1.4 Preventive Maintenance

The East Tower at Cardinal North Hills will follow a written preventive maintenance plan to keep the Community's buildings, equipment, furniture, and furnishings in good repair. Residents are responsible for maintaining their own personal property.

6.1.5 Replacement of Light Bulbs

Maintenance associates will replace light bulbs in the common areas and the residential light fixtures, which are installed as part of the building's original equipment. Residents are expected to furnish bulbs for their own lamp fixtures.

6.1.6 Scheduling Maintenance and Resident's Absence

- **Corrective Maintenance** - Corrective maintenance items are initiated by "Requests for Maintenance" from Residents or the Community staff when necessary. Corrective maintenance is generally scheduled between the hours of 8:30A.M. and 4:30P.M., Monday-Friday. Residents will be notified in advance when corrective maintenance is to begin. If a Maintenance associate plans to visit a residence outside of standard maintenance hours, the Resident affected will be notified in advance. The Maintenance associate will assume access to a residence is acceptable, even if the resident is absent, unless the Resident has an "Access Limitation Form" on file with The East Tower at Cardinal North Hills. In that event, the Maintenance associate will not enter the residence and maintenance will be rescheduled in accordance with maintenance priorities.

- **Preventative Maintenance** - A member of the Maintenance team will provide advance notice of scheduled preventive maintenance activities requiring access to individual residences. After such notice, unless a Resident has provided reason (e.g., illness) not to do so, the associate is deemed to have permission to enter the residence according to that schedule regardless of the Resident's presence.
- All maintenance on The East Tower at Cardinal North Hills property and equipment must be performed by The East Tower at Cardinal North Hills or authorized by The East Tower at Cardinal North Hills.
- In the event of a maintenance emergency, as determined by The East Tower at Cardinal North Hills, a Maintenance associate may enter the residence.

6.1.7 Grounds Maintenance

The East Tower at Cardinal North Hills management is responsible for maintaining the grounds. This includes but is not limited to: mowing grass, fertilizing lawns, trees and bushes, cleaning up debris, pruning trees and bushes, cleaning up dead vegetation, and watering as appropriate.

6.1.8 Landscaping by Residents

All landscaping at The East Tower at Cardinal North Hills was installed in accordance with an approved plan including watering systems and sprinklers. Residents may not install trees, bushes, or other plantings without prior written approval of the Executive Director.

Residents who enjoy gardening may volunteer to care for specific plantings or plant beds or designated Resident gardening plots. Requests to do so may be made to Maintenance.

6.1.9 Care of Plants

Watering and care of plants in public areas is the responsibility of The East Tower at Cardinal North Hills. Residents are asked not to tend to these plants without specific agreement with The East Tower at Cardinal North Hills.

6.1.10 Tools and Supplies - Resident Use

The East Tower at Cardinal North Hills tools, equipment and supplies may be used only by maintenance personnel in the performance of their duties. Residents, guests, or associates may not borrow tools, supplies, or equipment of The East Tower at Cardinal North Hills.

6.1.11 Swimming Pool Maintenance

Residents have use of the swimming pool located at The Cardinal at North Hills. Care of the swimming pool, including establishing and maintaining proper chemical levels, is the responsibility of The Cardinal at North Hills, LLC. Water temperatures will be maintained at a comfortable 88 degrees and we comply with all state regulatory requirements.

6.1.12 Pest Control

Pest control service will be provided on a scheduled basis. Should a Resident experience difficulty with pests, the Resident should complete a Request for Maintenance form. Arrangements will be made to re-treat the area. If special pest control is required in a residence or in a public area due to unhygienic conditions created by the Resident or his/her pet, the Resident may be charged a fee.

6.1.13 Recycling and Waste Disposal

Trash and recycling rooms will be provided on each floor with trash and recycle bins. Items to be recycled will be collected in accordance with the current community recycling program. In addition:

- Only disposable trash in sealed plastic bags, not loose garbage, should be placed in the trash and recycle bins in these rooms.
- Feline/pet excrement (not including litter) shall be disposed of in the Residence toilet. Litter must be placed in a tightly sealed plastic bag and placed in the trash bins. Dogs need to be relieved outside the building.
- Residents with large or bulky trash items, including moving boxes, may call the Maintenance team to make arrangements for it to be picked up.
- Food waste, with the exception of bones, all cooking oils, fat, banana peels, onion skins, celery, coffee grounds and similar items, should be put down the garbage disposal in the kitchen sink. For safety and to maintain a neat, clean environment, no trash of any kind should be put out in the building hallways.

6.1.14 Storage Facilities

Storage cubicles in a storage area located in the Ground level are available to rent per Appendix A. With respect to the storage facilities:

- Storage entrances will remain unlocked at all times. It is the Resident's responsibility to keep their individual storage bay locked.
- Assistance with moving items into or out of the storage cubicle can be obtained by contacting a Resident Relations associate.
- The East Tower at Cardinal North Hills is not responsible for items stored in a Resident's assigned storage cubicle.
- Storage room aisles are designed for easy access to each storage space. Items may not protrude into, or be put on, the floors of the aisle. Flammable liquids, chemicals, pyrotechnics, or ammunition may not be stored in any area or cubicle. Valuable or fragile items such as jewelry, china, paintings, etc., should not be stored in storage areas.

6.2 HOUSEKEEPING

The supervision of the Housekeeping function is the direct responsibility of The East Tower at Cardinal North Hills management. The primary functions of Housekeeping are:

- Basic housekeeping and cleaning services in the residences.
- Cleaning of all public spaces.
- Laundering washable goods as provided in your Residence Agreement.

6.2.1 Housekeeping Service

Housekeeping service is provided once every other week to Independent Living residences and weekly to each Assisted Living apartment. With certain exceptions during holidays to the degree scheduling permits, housekeeping services will be provided in the residences at the same day and time.

Residents will be provided a schedule of housekeeping visits and notified of any anticipated changes. In an effort to provide maximum utilization, management is not able to guarantee that the same housekeeper will service your residence each time. Individual housekeepers may be rotated from time to time.

The East Tower at Cardinal North Hills reserves the right to enter a residence to perform routine housekeeping services in a Resident's absence, unless the Resident has signed an Access Limitation Form allowing entry only if the Resident is present. If this form is on file, and the Resident is not present at the scheduled housekeeping time, then The East Tower at Cardinal North Hills will do its best to re-schedule housekeeping services.

6.2.2 Services Included in Routine Cleaning

- Cleaning top of refrigerator, stove, countertops, and sink.
- Sweeping and wet mopping the floor and sweeping the patio.
- Cleaning bathtub and showers, sink, countertops, toilet bowl, tank and tank cover, and mirror;
- Light top surface dusting, vacuuming carpet.
- Light dusting, vacuuming carpet and linen change (clean linens must be provided by resident).
- Cleaning windowsills, spot-cleaning carpet, and trash removal.

Certain cleaning tasks will be accomplished by The East Tower at Cardinal North Hills on a periodic basis, including window washing, inside and out and carpet shampooing, if needed.

6.2.3 Services Not Included in Routine or Expanded Cleaning

- Washing dishes, preparing food, or waxing floors.
- Housekeeping associates will not dust or clean flat surfaces where there might be a chance of breakage.
- Moving heavy furniture.
- Cleaning inside the refrigerator.
- Polishing silver or brass, etc.
- Personal laundry*.

*Assisted Living Residents are provided basic personal laundry and linen services as part of Monthly Fee.

6.2.4 Extra Housekeeping Services

Extra housekeeping services may be requested from The East Tower at Cardinal North Hills. These extra services would include those services not included in routine cleaning (as described above), or other services requested by the Resident and approved by The East Tower at Cardinal North Hills. Under no circumstances will personal services be provided by the housekeeping staff such as bathing, hair styling, dressing, assistance with dining, or administering or assisting with medication. Charges for extra housekeeping services are outlined in Appendix A and will be added to the monthly statement.

For insurance reasons, Residents may not have housekeeping service performed by housekeepers who are not associates of The East Tower at Cardinal North Hills without prior written approval from the Executive Director.

6.2.5 Housekeeping Services in Assisted Living

Housekeeping and laundry services in Assisted Living apartments are more comprehensive than those provided in independent living residences. For more information on the housekeeping and laundry services that are provided in Assisted Living, please refer to the current form of the Residence and Care Agreements for Assisted Living.

6.2.6 Carpet Cleaning

Carpets will be shampooed depending on normal "wear and tear" and routine expanded cleaning schedules, as determined by The East Tower at Cardinal North Hills. In the event special carpet cleaning be required in a Residence or in a public area due to a pet, unusual wear and tear, or general abuse, the responsible Resident will be charged for that service.

6.3 SAFETY

The East Tower at Cardinal North Hills is committed to Resident safety and has put in place certain safety protocols to give our Residents a sense of comfort.

6.3.1 Dailey Check-in.

In Independent Living, the Emergency Call System will include a daily check-in system which sends a notification to the Resident relations associate desk each morning that the Resident is up and about. If the Independent Living Resident is unable to respond, a safety check will be performed by the care staff.

6.3.2 Firearms and weapons

Firearms, including collectibles and antique firearms, or any other weapons of any kind are not allowed anywhere on Community grounds. Explosive and highly flammable materials such as kerosene, gasoline or paint stripper may not be brought into the Community.

6.3.3 Vehicle Identification

All Resident-owned vehicles will be required to display a small decal on the vehicle. Such decals will be individually numbered for proper vehicle identification. Decals will be issued by The East Tower at Cardinal North Hills at the time of vehicle registration. In the event that a vehicle is added or disposed of, the Resident is responsible for notifying The East Tower at Cardinal North Hills of the change. Residents who own vehicles are required to maintain current registration and appropriate insurance.

6.3.4 In Case of Fire or Other Disasters

All buildings are fully equipped with sprinklers. Emergency Fire Evacuation procedures are provided to Residents for strategic placement in the residence for quick reference in the event of an emergency. In case of fire in a residence building or the common areas of the main building, Residents should not use the elevators, but should proceed with caution to the nearest building exit. If instructed to remain in your residence, prepare yourself for evacuation and remain in your residence until given further instructions.

A Community Disaster Plan is available and Residents are urged to read and to become familiar with the contents of the Disaster Plan. Please see a Resident Relations associate for details.

6.3.5 Smoke Detectors, Residences

Every residence will have a smoke detector installed. Smoke detectors report directly to either the emergency call system or the main fire panel .

6.3.6 Smoke Detectors, Public Areas

Public area smoke detectors are connected directly to the general fire alarm system and are monitored by an external alarm service. If a public area smoke detector is activated, an audible alarm will sound in the immediate vicinity. Alarms will automatically sound at the control panel at the front desk and the Fire Department automatically will be called by the external alarm service. A strobe light and horn will also be activated in each residence wing of the involved building. Community staff will be dispatched to the location of an activated public area smoke detector. Residents should take action per the Emergency Fire Evacuation procedures.

6.3.7 Fire Drills

To promote safety and awareness, periodic fire drills will be held at The East Tower at Cardinal North Hills. All fire drills scheduled by The East Tower at Cardinal North Hills involving the Residents will be pre-announced. It is possible, however, that the local Fire Department may conduct fire drills from time to time without an advance warning to either associates or Residents.

6.3.8 Emergency Call System

Residences are equipped with an emergency call system in each bathroom. If an emergency medical issue arises, assistance can be summoned by activating the emergency call system in the Residence. Life-threatening or critical medical emergencies will be referred to the appropriate off-site emergency medical authorities by calling 911.

6.4 TRANSPORTATION SERVICES

6.4.1 Scheduled Transportation

Transportation service is provided to Residents on a scheduled basis in Community vehicles. A list of destinations, as well as departure and return times, will be established by The East Tower at Cardinal North Hills, and posted on the bulletin board in the postal and message center and the in-house television station. Scheduled transportation times and destinations are set from time to time by The East Tower at Cardinal North Hills with input from the Residents. An appropriately licensed associate will drive the vehicle and assist Residents with packages. All scheduled trips depart from the main entrance of The East Tower at Cardinal North Hills unless otherwise indicated. The East Tower at Cardinal North Hills reserves the right to re-schedule planned trips in the event of an emergency or in the event of an equipment failure.

6.4.2 Individual Transportation

Subject to availability, Community vehicles with a driver will be available for local and area trips when requested by an individual Resident or Resident groups. Individual use is accommodated on a first come, first served basis, and may be reserved up to thirty (30) days in advance. A minimum of two days advance notice is required. Estimated costs will be established in advance.

The dining program offers Residents and guests a variety of dining venues. The main dining room, *Indigo Restaurant and Lounge* at The East Tower at Cardinal North Hills offers contemporary cuisines featuring Chef prepared meals at breakfast, lunch and dinner featuring healthy dining choices, seasonal selections, and Chef's daily specials. The Cove Private Dining Room and Indigo Lounge Bar will be available for cocktails, dinner, and other events such as Sunday Brunch. Assisted Living will have its own dedicated kitchen and dining room that will provide breakfast, lunch, and dinner daily.

7.1 DINING SERVICES

7.1.1 Dining Atmosphere

The overall dining program is designed to provide a variety of eating experiences. In order for the program to meet the expectations of all Residents, different dining venues have been established.

7.1.2 Menus

Menus are prepared with sound nutritional considerations in mind. Menu selections which are low fat, low cholesterol in accordance with American Dietary Association "Heartsaver" guidelines are clearly indicated. Standard menu items will be provided along with daily "specials." Standard menus are changed periodically in order to ensure "seasonal" variety.

7.1.3 Service Hours

The hours for dining service will be established by The East Tower at Cardinal North Hills, and may be changed periodically, based on input from Residents. During holidays and special occasions, mealtimes may be modified based on input from Residents. Schedules for these mealtimes will be communicated well in advance.

7.1.4 Guest Meals

Guests are welcome at any meal. Charges for the guest meal will be included on the Resident's monthly statement.

7.1.5 Special Diets

The menu is structured to provide the Resident with options that satisfy most diets. Less common diets prescribed by a Resident's physician may be prepared by Dining Services if the capabilities exist to do so. Residents having special dietary restrictions should meet with the Community Nutritionist. An additional cost may be associated with special diets.

7.1.7 Dining Plan

For our Independent Living Residents, we offer a complimentary continental breakfast each day, as well as thirty (30) meals per month as part of your Monthly Fee, which can be used in any dining venue at The East Tower at Cardinal North Hills. Meals not utilized within the current month will be forfeited. Residents in assisted living apartments receive three meals a day and appropriate snacks as part of the Monthly Fee.

7.1.8 Catering Service

Dining Services will cater special events for a Resident in his/her Residence or in one of the Community's public areas for an additional fee. These services range from "party trays" that can be taken to the residence, to full dinner parties. Reservations for catering services should be made in advance. Arrangements for catering and parties may include food, beverages, room set-ups, decorations, wait staff and clean up. Charges for catering services will appear on the Resident's monthly statement. A brochure will be available from Resident Relations.

7.1.9 Delivery Service

Meal delivery to the residence can be arranged by contacting Dining Services the day of delivery, at least one hour prior to the start of that meal service. Applicable fees may apply.

Section 8

Health Care Services

The East Tower at Cardinal North Hills offers both independent living and assisted living apartments. The Cardinal at North Hills Health Care, LLC ("Health Center"), located within the same campus, offers health care options for Residents that include memory support and nursing care. Entry into the Health Center is subject to certain additional requirements, including the execution of a Memory Care Residence Agreement or Skilled Nursing Residence Agreement, as applicable with The Cardinal at North Hills Health Care, LLC.

8.1 ASSISTED LIVING

Assisted Living cares for Residents who need assistance with the activities of daily living. Assisted Living offers three meals per day and appropriate snacks, a variety of social and therapeutic activities, and is staffed 24 hours a day. These services are provided within the scope of state licensure. The East Tower at Cardinal North Hills will have 40 Assisted Living apartments located on the fourth and fifth floor.

8.2 MEMORY SUPPORT

The Memory Support household in the Health Center is for Residents who have dementia or require memory enhancement services. The Memory Support center is designed to help Residents feel as comfortable as possible and features indoor and outdoor spaces for recreational activities and programs. Associates in memory support receive special training in order to provide the necessary programming and assistance with activities of daily living to the Residents. Dining service includes three meals per day served in a family style dining area, as well as appropriate snacks served in the kitchen. These services are provided within the scope of state licensure.

8.3 NURSING CARE

Nursing Care is also provided in the Health Center within the scope of state licensure and is for Residents who require a more intensive nursing or rehabilitative services pursuant to plan of care developed with the Resident's physician. Associates in nursing care are specially trained to provide supportive care and assistance. Dining service includes three meals per day, as well as appropriate snacks and a variety of social and therapeutic activities. Nursing Care is staffed 24 hr/day a day with Registered Nurses and certified nursing assistants.

Section 9

Community Service

The East Tower at Cardinal North Hills fosters a culture of service and desires to make a meaningful impact in our community. There are opportunities for volunteer service at The East Tower at Cardinal North Hills. Opportunities may involve serving as a host to a special event, welcoming a new resident, joining one of the many Resident committees and/or leading a specialty class where you can share your expertise with others. External community opportunities are available at churches, hospitals, service organizations and schools. If you would like to know what volunteer opportunities are available, please see the Wellness Director.

Section 10

Theft and Loss

The East Tower at Cardinal North Hills will not be responsible for lost or stolen articles brought into the Community by Residents, visitors or relatives. Residents are strongly encouraged to store valuable collectibles and jewelry in bank safe deposit boxes or in locked safes in their apartments. Our policy is to document loss of personal property and report loss over \$25.00 within 72 hours. The Executive Director will report loss to the local law enforcement within 36 hours when he/she has reason to believe resident property with a current value of \$100 or more is missing. All personal articles and valuables brought into the community should be engraved with the resident's name.

Section 11

Manager on Duty

After hours and on weekends there will be a Manager on Duty available to deal with situations requiring immediate attention. If you are unable to obtain a satisfactory solution to a problem, ask to have the Manager on Duty contacted. It is our belief that concerns that are dealt with quickly are less likely to grow. Therefore, we prefer to be called rather than have a Resident or family member wait and worry.

Section 12

Conclusion

12.1 GOOD NEIGHBOR POLICY

In consideration of your neighbors, we ask that the volume on radios and televisions be turned down after 9:00pm. We also have a policy at The East Tower at Cardinal North Hills that we treat other residents and staff with respect. We are committed to ensuring a safe, secure, and respectful environment for everyone – Residents, associates, visitors, providers and vendors. It is our expectation that individuals will demonstrate civil and respectful behavior while on our premises. We expressly prohibit abusive language including threats, intimidation, humiliation and slurs, sexual harassment, physical assault, and weapons. To maintain a safe, secure, and respectful environment for all, we reserve the right to take appropriate measures to address abusive, disruptive, inappropriate or aggressive behavior. Residents must not engage in conduct, and must ensure that their guests and visitors do not engage in conduct, that violates federal, state, or local laws or ordinances.

12.2 GRIEVANCE PROCEDURE

It is our policy to ensure all grievances are handled respectfully, appropriately, and timely. We strive to provide a positive living and work environment and intend to provide fair and prompt consideration to all grievances. You have several ways to let us know about your concerns and complaints. You may use the Community work order system to inform us of specific maintenance or housekeeping needs, you may leave

a note in the Suggestion Box for general items, you may inform a member of the Resident Council or a Resident Committee of your concern. Should a Resident or family member have a grievance, feel free to request a private meeting to discuss the matter with the Community Management Team member involved, so that the issue can be immediately resolved. If you do not come to a satisfactory resolution, the matter may then be discussed with the Executive Director. If the Resident or family member continues to be dissatisfied, he or she may contact the Kisco Senior Living management company home office at 1-866-547-2675.

The guidelines set forth in this Handbook are for the benefit of the entire Community and are subject to amendment or revision by the Community as circumstances warrant. Any Resident seeking clarification of a stated policy or who otherwise has a comment or question is encouraged to contact the Executive Director or complete a Resident Suggestion form.

Section 13

Final Words

Again, welcome to your new home. We are excited to have you join our family and sincerely hope that you remain well and happy with us! We hope you have found this handbook a useful guide as you settle into your new home. Please keep it handy so you can refer to it in the future. If there is anything we can do to make your transition to The East Tower at Cardinal North Hills any easier, or if you have any questions that have not been addressed, please do not hesitate to ask.

Best Regards,

Executive Director
The East Tower at Cardinal North Hills

Exhibit G

**The East Tower at Cardinal North Hills
Application for Residency**

APPLICATION FOR RESIDENCY

This Application for Residency at The East Tower at Cardinal North Hills will become a part of the Residence Agreement and must be completed in its entirety. The application includes General and Financial information. The Community affords equal treatment and access to its services for all persons without unlawful discrimination due to race, color, religion, sex, age, marital status, national origin, sexual orientation, ancestry, or disability. All information will be held in confidence.

Name: _____ DOB (mm/dd/yyyy): _____
 Address: _____ City: _____
 County: _____ State: _____ Zip: _____ E-mail: _____
 Phone Number: () _____ Cell Number () _____

Family or Persons to Contact for Assistance / Emergencies

Name: _____ Relationship to Applicant: _____
 Address: _____ E-Mail: _____
 City: _____ State: _____ Zip Code: _____
 Phone Number: () _____ Cell Number () _____

Name: _____ Relationship to Applicant: _____
 Address: _____ E-Mail: _____
 City: _____ State: _____ Zip Code: _____
 Phone Number: () _____ Cell Number () _____

Power of Attorney:

Name: _____ Relationship to Applicant: _____
 Address: _____ E-Mail: _____
 City: _____ State: _____ Zip Code: _____
 Phone Number: () _____ Cell Number () _____

CONFIDENTIAL HEALTH HISTORY

Please complete this section with your current health status. We collect this information to be placed in your private confidential resident file and is intended for safety reasons only. We will provide this information to emergency responders in the event of an emergency. This health information will not be considered to determine your acceptance as a Resident of The East Tower at Cardinal North Hills.

*This is a separate document, to be filled out after resident agreement signing

1. Describe your current living situation below:

- Living with Spouse Living Alone
 Living with Family Other _____

2. Please describe your overall health status including physical and emotional well-being:

Good Fair Poor

3. Have you had any major health concerns over the past 5 years?

Yes No

If yes, please describe: _____

4. Have you had any medical conditions that required hospitalization in the past 12 months?

Yes No

If yes, please describe: _____

5. Physician(s): i.e. Primary Care, Cardiologist, Ophthalmologist, Dentist, etc.

Name: _____	Name: _____
Address: _____	Address: _____
Email: _____	Email: _____
Phone: _____	Phone: _____
Specialty: _____	Specialty: _____

5. How often do you see your Primary Care Physician / Specialist?

Weekly Monthly Other _____

6. Do you use any devices to assist in your mobility? If yes, please check all that apply

Cane Walker Wheelchair Electric Scooter

7. Have you had any injuries or falls within the past 12 months?

Yes No

If yes, please describe: _____

8. Do you require assistance with grooming, bathing or dressing?

Yes No

If yes, please describe: _____

9. Please list the medications you are currently taking below:

<u>Medication:</u>	<u>Dosage:</u>	<u>Frequency:</u>

11. Do you need any assistance in managing your medications?

Yes No

If yes, please describe: _____

12. Do you have any known allergies?

Yes No

If yes, please describe: _____

13. Do you have any of the following:

Diabetes Parkinson's Pacemaker Other _____

14. Do you exercise regularly?

Yes No

If so, how often? Daily Weekly Monthly

What types of exercises do you enjoy: _____

15. Do you participate in Community Activities (social events, outings, golf, etc.)?

Yes No

If yes, please describe: _____

CONFIDENTIAL FINANCIAL INFORMATION

Applicant Information (Type or Print)

Name: _____

FINANCIAL INFORMATION

Liabilities:	Total
Notes	\$ _____
Mortgages	_____
Other (Describe):	_____
TOTAL LIABILITIES:	\$ _____
Monthly Income:	
Social Security	_____
Pensions & Retirement	_____
Annuities	_____
Investment & Savings Interest	_____
Current Employment	_____
Other (Describe):	_____
TOTAL MONTHLY INCOME:	\$ _____

Assets:	Total
Cash	\$ _____
Accounts:	
Checking	_____
Savings	_____
Money Market	_____
Investments:	
Certificates of Deposit	_____
Stocks and Bonds	_____
Mutual Funds	_____
IRA/401K	_____
Other	_____
Real Estate	
Home Market Value	_____
Other RE Market Value	_____
Other:	_____
TOTAL ASSETS:	\$ _____

BANK/FINANCIAL ADVISOR:

Name	Branch Location	Person to Contact

THIRD PARTY INFORMATION:

If a third party will be paying for all, or a portion of your monthly rent, please list below the name and address of that individual:

Name: _____

Address: _____

Telephone Number: _____ Relationship to Resident: _____

E-mail: _____

Note: A letter and financial statement from the guarantor, if any, may be required.

I declare the answers to the foregoing questions to be true, full and complete to the best of my knowledge. Any material misstatement in the information or subsequent transfer of assets empowers the Community to void the application approval and/or resident agreement. I understand that the Community may verify statements given in this application.

Date: _____ Signature: _____

Print Name: _____



Exhibit H

**The East Tower at Cardinal North Hills
Physician's Report**

Physician's Report

TO BE COMPLETED BY APPLICANT'S PHYSICIAN:

I understand that the East Tower at Cardinal North Hills is a Continuing Care or Life Care Community, and I desire to move into an area that has not been licensed by the State as an Assisted Living provider. I therefore understand that my health care needs are my personal responsibility.

Applicant's Signature: _____ Date: _____

Acceptance of an application is not conditioned upon perfect health. However, a current statement of your health completed by your physician is required prior to taking occupancy.

I hereby authorize the release of the medical information requested below to:

Community Name: EAST TOWER at CARDINAL NORTH HILLS Phone: 984-204-844 Fax: 984-204-8479

Address: 320 St. Albans Drive, Raleigh, NC 27609

Applicant's Signature: _____ Date: _____

Applicant's Name: _____ Date of Birth _____ Male Female

Height _____ Weight: _____

Date of Last Examination: _____ Length of time under your care: _____

Diagnosis: _____

Other: _____

Contagious or Infectious Diseases: No Yes If yes, specify: _____

PHYSICAL/MENTAL HEALTH

(Please check where applicable)

- | | | | |
|------------------------|-------------------------------------|---------------------------------------|---------------------------------|
| 1. General Health | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 2. Auditory Impairment | <input type="checkbox"/> None | <input type="checkbox"/> Mild | <input type="checkbox"/> Severe |
| 3. Visual Impairment | <input type="checkbox"/> None | <input type="checkbox"/> Mild | <input type="checkbox"/> Severe |
| 4. Oxygen Use | <input type="checkbox"/> No | <input type="checkbox"/> Yes | |
| If yes, | <input type="checkbox"/> Continuous | <input type="checkbox"/> Occasionally | |

Does the applicant have any condition that poses a threat to themselves or others? No Yes

If yes, explain: _____

Is the applicant capable of living independently? No Yes

Based on your observation, is applicant mentally stable and sound? (Consider fatigue, excitability, irritability effect, headaches, insomnia, ability to concentrate, etc.)

No Yes

Comments: _____

Relevant past medical history:

Physicians Signature: _____ Date: _____

Physician's Name (type or print): _____

Physician's Address: _____

Physician's E-mail Address: _____

Physician's Phone Number: _____

Physician's Fax Number: _____

Original in IL File

Exhibit I

The East Tower at Cardinal North Hills Appendix A

THE EAST TOWER AT CARDINAL NORTH HILLS
FEEES FOR OPTIONAL SERVICES
INDEPENDENT LIVING

Services	Fees
<i>Dining Services</i>	
Dining Services:	
Daily complimentary continental breakfast and 30 meals/month	Included in monthly fee
Guest dining	Prices as posted
Requested tray service	\$7 per day
<i>Wellness Services</i>	
Transportation / Programming:	
Parking	1 vehicle per residence is included. Additional vehicles must park in public parking garages in North Hills. \$100 per month for a designated parking space. Penthouse and Club Level apartments receive 1 designated parking space included.
Valet parking	Included
Scheduled transportation: Within 10-mile radius	Included
Transportation: Outside of 10-mile radius	\$1.00 per mile
Transportation escort charge	\$35 per hour
Transportation wait charge	\$25 per hour
Non-Scheduled Transportation Day (less than 48-hour notice)	\$35
Special programs and outings	Cost varies; actual cost provided in advance
Personal training (30 minutes)	\$30
<i>Environmental Services</i>	
Housekeeping Services:	
Cleaning of Apartment – every other week	Included
Specialized housekeeping services	\$50 per hour, or cost provided in advance
Linen services	Included
Personalized laundry services	\$15 per load
Maintenance Services:	
Normal maintenance and repair of apartment	Included
Specialized maintenance service	\$100 per hour plus the cost of supplies
Apartment transition support/removal of unwanted Items	\$300
<i>Other Services</i>	
Administrative:	
Second Occupant Fee	\$1,050 per month
In-house apartment transfer fee	\$3,000
Monthly pet fee	\$30 per month
Storage locker	\$40 per month
Rollaway bed	Provided as requested
Furniture Rental	Cost varies; actual cost provided in advance
Linen Rental	Cost varies; actual cost provided in advance
Phone Service: local and long-distance	\$35 per month
Premium Wi-Fi/Private network	\$150 one-time fee or \$10/month
Emergency response system	Included
Electric charging station system	\$30 per month
Wireless emergency response pendant	\$30 per month
Pendant Replacement	\$200
Business services	Included with exception of stamps
Lost Echo Dot	\$50
Returned check	\$25 per month
Late Fee (Rent payments are due on the 1st of each month)	5% per month starting on the 10 th until paid

THE EAST TOWER AT CARDINAL NORTH HILLS
FEES FOR OPTIONAL SERVICES
INDEPENDENT LIVING

ACKNOWLEDGEMENT

Appendix A Acknowledgement - The undersigned acknowledge receipt of the schedule of Fees for Optional Services:

_____ Resident Signature	_____ Date
_____ Second Resident Signature/Responsible Person Signature	_____ Date
_____ Community Representative Signature	_____ Date

THE EAST TOWER AT CARDINAL NORTH HILLS
FEES FOR OPTIONAL SERVICES

ASSISTED LIVING

Services	Fees
----------	------

Service and Dining Packages

Meals:	3 Meals per day Guest Dining Requested Tray Service	Included Prices as posted \$7 per delivery
---------------	---	--

Wellness Services

Transportation / Programming:	Scheduled transportation: within 10-mile radius Scheduled transportation: outside of 10-mile radius Non-scheduled transportation day: medical or shopping Special programs/outings	Included Cost varies; actual cost provided in advance \$35 plus applicable mileage charges Cost varies; actual cost provided in advance
--------------------------------------	---	--

Environmental Services

Housekeeping Service Plans:	Housekeeping Additional housekeeping services	Included (weekly) \$50 per hour
Housekeeping Services:	Basic personal laundry services Additional laundry services	Included Cost varies; actual cost provided in advance
Maintenance Services:	Normal maintenance and repair of apartment Specialized maintenance service Apartment transition support/removal of unwanted items	Included \$100 per hour plus the cost of supplies \$300

Care Services

Assisted Living Services: As determined by assessment	Level I, Assisted Living Level II, Assisted Living Level III, Assisted Living Level IV, Assisted Living Custom Care Above Level IV	\$1,610 per month \$2,360 per month \$3,180 per month \$4,080 per month \$4,355 per month plus \$10 per point over 380
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December 28, 2023

Effective February 1, 2024 for current residents of the East Tower at Cardinal North Hills
Fees and services subject to change upon thirty (30) days advance notice to residents

**THE EAST TOWER AT CARDINAL NORTH HILLS
FEES FOR OPTIONAL SERVICES
ASSISTED LIVING**

Services	Fees
----------	------

Other Assisted Living Services and Fees:

Personal supplies	Cost varies; actual cost provided in advance
Furniture rental	Cost varies; actual cost provided in advance
Linen rental	Cost varies; actual cost provided in advance

Other Services and Fees:

Administrative:	
Assisted Living Second Occupant	\$1,250 per month
In-house apartment transfer fee	\$2,000
Telephone service: local and long-distance	\$35 per month
Business services	Included with exception of stamps
Rollaway bed	Provided as requested
Emergency response system	Included
Emergency response pendant replacement	\$200
Rekeying of apartment or mailbox	\$150 per lock
Returned check/payment	\$25 per check/payment
Check processing service fee	\$25 per month
Late Fee: rent payments are due on the 1 st of each month	5% per month starting on the 10 th until paid

Appendix A Acknowledgement - The undersigned acknowledge receipt of the schedule of Fees for Optional Services:

Resident Signature	Date
Second Resident Signature/Responsible Person Signature	Date
Community Representative Signature	Date

Exhibit J

**The East Tower at Cardinal North Hills
Assisted Living Residence and Care Agreement**

**THE EAST TOWER AT CARDINAL NORTH HILLS
ASSISTED LIVING
RESIDENCE AND CARE AGREEMENT**

PREPARED FOR



The East Tower
at Cardinal North Hills

A KISCO COMMUNITY

TABLE OF CONTENTS

	Page
I. ASSISTED LIVING SERVICES.....	3
II. PERSONAL ASSISTANCE AND CARE.....	5
III. OPTIONAL SERVICES.....	6
IV. EXCLUDED HEALTH-RELATED SERVICES.....	6
V. TERM OF AGREEMENT.....	6
VI. FEES.....	6
VII. TRANSFERS FROM APARTMENT.....	8
VIII. TERMINATION.....	9
IX. RESIDENT PROPERTY RIGHTS AND OBLIGATIONS.....	11
X. PERSONAL OBLIGATIONS.....	12
XI. LEGAL REPRESENTATIVES, RESPONSIBLE PARTIES, GUARANTORS.....	14
XII. MISCELLANEOUS.....	15

APPENDIX A FEES FOR OPTIONAL SERVICES AND LEVELS OF CARE

APPENDIX B FINANCIAL STATUS

APPENDIX C STATEMENT OF RESIDENTS' PERSONAL RIGHTS

APPENDIX D RESIDENT HANDBOOK

**THE EAST TOWER AT THE CARDINAL
ASSISTED LIVING
RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (“Agreement”) is made by and among The Tower at The Cardinal, LLC dba The East Tower at Cardinal North Hills (“The East Tower at Cardinal North Hills” and/or the “Community”) located at 320 St. Albans Road, Raleigh, North Carolina 27609, and its agent Kisco Senior Living, LLC, a Delaware limited liability company (“Kisco Senior Living”), on the one hand, and _____ (“you” and/or “Resident(s)”) on the other (If more than one person is signing this Agreement, “you” and/or “Resident(s)”) refers to each of you individually and to both of you together). Where appropriate, The East Tower at Cardinal North Hills and Kisco Senior Living are collectively referred to in this Agreement as “we”, “us” or “our”.

The East Tower at Cardinal North Hills operates 40 Assisted Living apartments, which provides residences, care and services to persons 62 years of age and older. Kisco Senior Living manages The East Tower at Cardinal North Hills. For the purposes of this Agreement, the term The East Tower at Cardinal North Hills refers only to Assisted Living residences and residents. The East Tower at Cardinal North Hills is operated on a non-discriminatory basis and affords equal treatment and access to services to eligible persons regardless of race, color, religion, creed, gender, national origin, ancestry, or sexual orientation. The East Tower at Cardinal North Hills is a private, independent, for profit limited liability company, which is not affiliated with any religious, charitable or other affinity group.

You have applied for accommodations at The East Tower at Cardinal North Hills for Assisted Living and your application has been accepted. The purpose of this Agreement is to provide a statement of the services that we will furnish to you at The East Tower at Cardinal North Hills, and the other legal obligations that The East Tower at The Cardinal will assume. This Agreement also sets forth your legal obligations to The East Tower at Cardinal North Hills, both financial and non-financial. If your move to The East Tower at Cardinal North Hills is temporary in nature, then this Agreement supplements, but does not replace or amend, the Independent Living Residence and Service Agreement you signed when you became a Resident of Independent Living at the Community.

I. ASSISTED LIVING SERVICES

During your residency at the Community, you will be provided with the core Assisted Living services outlined below as provided by the terms of this Agreement. These Assisted Living services are included in your Monthly Fee unless otherwise indicated.

A. Living Accommodations

1. Residence. You have chosen to live in Apartment # _____ (the “Apartment”) located at 320 St. Albans Drive, Raleigh, North Carolina 27609. You may live in the Apartment on a month-to-month basis, subject to the terms of this Agreement and to the general policies of The East Tower at Cardinal North Hills, contained in the Resident Handbook, attached as **Appendix D**, as it now exists and as it may be later amended, and to the other written rules and policies of The East Tower at Cardinal North Hills.
2. Utilities. Utilities included in the Monthly Fee for the Apartment are electricity, water and sewer, trash removal, internet/data services, and cable TV. You are responsible for paying for all other utilities and service charges including phone service. A land line is available through The East Tower at Cardinal North Hills. The East Tower at Cardinal North Hills reserves the right to establish maximum usage levels, and to charge you for any excessive or unreasonable usage due to waste or abuse.

3. **Furnishings.** Your Apartment comes equipped with basic furnishings, appliances and floor and window coverings. You are also free to use your own small electric appliances and special equipment, provided that The East Tower at Cardinal North Hills's safety standards are met. For your safety and the safety of all the other residents of The East Tower at Cardinal North Hills, a safety assessment may be required to allow cooking in your Apartment. You may furnish the Apartment with your own furniture, if appropriate for your health condition and provided that The East Tower at Cardinal North Hills's safety standards are met. You may decorate your Apartment with items that are not permanent fixtures to the Apartment and can be easily removed without changing or damaging the aesthetic or structural integrity of the Apartment. You or your estate will be responsible for removing furnishings and other items when your Apartment is vacated.
4. **Maintenance.** We will perform all necessary maintenance and repairs of the Apartment and the furnishings and equipment provided by The East Tower at Cardinal North Hills at our expense. You will be responsible for any necessary maintenance and repairs of equipment and furnishings you provide. You will be responsible for reimbursing The East Tower at Cardinal North Hills for any damage to the Apartment or Community provided furnishings and equipment, other than normal wear and tear.
5. **Alterations.** Any physical change to the Apartment requires the prior written approval of the Executive Director of The East Tower at Cardinal North Hills and shall be made at your own expense. If you obtain such approval, you will be responsible for restoring the original décor when the Apartment is vacated, unless we specifically exempt you from this requirement in writing. No structural changes to your Apartment are allowed.
6. **Common Facilities.** You will be entitled to share with all other residents of the Community the use of the common areas, including the dining areas, lounge areas, beauty/barber shop, family rooms, fitness center and recreation rooms. We may change or reconfigure common spaces in the Community at any time at our discretion.

B. Laundry

Basic personal laundry and linen services are provided as described in the Resident Handbook. Additional or more frequent laundry services are available and will be charged as set forth in **Appendix A**. You are responsible for your personal dry cleaning.

C. Housekeeping

The East Tower at Cardinal North Hills will provide housekeeping services in your Apartment as described in the Resident Handbook. Additional housekeeping services as needed or requested will be available for an additional charge (see **Appendix A**).

D. Personal Supplies

We assume that residents wish to provide their own supplies for personal care and hygiene. However, if you are unable to provide such supplies or choose not to provide them, we will provide you with personal items for an additional charge (see **Appendix A**).

E. Meals

Three meals will be served daily to residents at The East Tower at Cardinal North Hills and snacks will likewise be made available. Those meals and snacks are included in your Monthly Fee. We will also accommodate some special diets, if prescribed by your physician as a medical necessity, for an additional charge. You will also be charged a fee for any special diets or supplements not prescribed by your physician that you request and that we agree to provide.

1. **Delivery Service.** Meal delivery to your Apartment shall be provided upon request for an additional fee as set for in **Appendix A**.

2. Guests. Residents are welcome to have guests for meals. The dining charges for guests will be added to the Resident's monthly statement (see **Appendix A**).

F. Planned Activities

The East Tower at Cardinal North Hills has a program of social, emotional, intellectual, physical, spiritual and vocational activities, both at and away from The East Tower at Cardinal North Hills. You are welcome to participate in such activities as desired. There may be an extra charge for some of the activities offered by The East Tower at Cardinal North Hills which require additional supplies or services provided by an outside vendor or outings which are away from The East Tower at Cardinal North Hills.

G. Transportation

We will make available to Residents or otherwise assure the provision of scheduled transportation to the nearest appropriate health facilities for medical and dental appointments, social services agencies, shopping and recreational facilities, and religious activities as outlined in the Resident Handbook. We will provide or arrange for additional personal transportation for an additional fee (see **Appendix A**).

H. Emergency Response and Fire Protection

Your Apartment will be equipped with an emergency call system, smoke detector and sprinkler system. The call system is monitored 24 hours per day to alert staff to emergencies and illnesses. When the staff at The East Tower at Cardinal North Hills determines that, in its judgement, an emergency exists, staff will call 911.

II. PERSONAL ASSISTANCE AND CARE

In accordance with your plan of care and applicable North Carolina law, The East Tower at Cardinal North Hills will provide you with the care and services necessary to enable you to attain and maintain the highest practical level of physical, emotional, and social well-being within the appropriate setting.

A. Assisted Living Services

Assisted living care and services will be provided in your Apartment or specific common areas related to assisted living. Care services include, but are not limited to:

1. Assistance with activities of daily living, such as bathing, dressing, ambulating, and assistance with medications;
2. Assistance with scheduling of medical, dental, and business appointments;
3. Providing incidental medical care, as appropriate;
4. Accessing community resources and transferring to outside facilities as needed and as prescribed by your primary care physician; and
5. Assisting and intervening on your behalf in the event of an emergency.

B. Establishing Levels of Care

Personal care services packages are offered to Residents depending on their specific needs. When you applied for move-in to The East Tower at Cardinal North Hills, the professional staff performed an appraisal of your needs and determined with you and your physician the appropriate level of care for you, as set forth in Section VI.A below. Care fees based on your level of care are in addition to the Monthly Fee (See Section VI). We will periodically reappraise you as needed in light of your changing needs to determine the appropriate level of service that you require. The current fees for the various Levels of Care at The East Tower at Cardinal North Hills and the description of the Levels of Care are set forth in attached **Appendix A**. These fees are subject to change provided in Section VI.D. below.

III. OPTIONAL SERVICES

The East Tower at Cardinal North Hills will make available to you several optional services at an extra charge, to be billed on a monthly basis. Some of the optional services offered by The East Tower at Cardinal North Hills include:

1. Guest meals and services;
2. Tray Services;
3. Personal Transportation and supervision;
4. Beauty/barber shop services;
5. Provision of certain personal supplies (See, Section I.D);
6. Additional laundry and housekeeping services beyond those referenced in Sections I.B and I.C above; and
7. Any other optional services that we elect to offer in the future.

The current fees for optional services at The East Tower at Cardinal North Hills are set forth in attached **Appendix A** and are subject to change as provided in Section VI.D below.

IV. EXCLUDED HEALTH-RELATED SERVICES

The East Tower at Cardinal North Hills shall not be responsible for furnishing or paying for any health care items or services not expressly included in this Agreement, including but not limited to home health, hospice, physicians’ services, nursing services, surgery, hospital care, home care, personal service provider, treatment or examination of eyes or teeth, medications, medical supplies, vitamins, eyeglasses, contact lenses, hearing aids, orthopedic appliances, prosthetic devices, laboratory tests, x-ray services, toiletries and personal supplies not required to be provided under Section I.D above, or other care equipment beyond The East Tower at Cardinal North Hills’s routine levels of staffing and equipment.

V. TERM OF AGREEMENT

This Agreement shall be in effect from month to month, unless and until it is terminated as set forth in Section VIII below.

VI. FEES

A. Monthly Fee

Monthly Fee for Resident One: \$ _____

Fee for Level _____ Care (if applicable): \$ _____

Total Monthly Fee for Resident One: \$ _____

Check here if Single Occupancy:

Monthly Fee for Resident Two: \$ _____

Fee for Level _____ Care (if applicable): \$ _____

Total Monthly Fee for Second Resident: \$ _____

Grand Total: \$ _____

Prior to occupying your Apartment, you will be responsible to pay your entire Monthly Fee for the first month of occupancy. If you begin occupying your Apartment on a day after the first day of the calendar month, your Monthly Fee will be prorated accordingly and appear on your first monthly statement. If your Apartment is occupied by two Residents and it reverts to single occupancy, the remaining Resident shall pay the fee for “Monthly Fee for Resident One” and the fee for the appropriate level of care for that resident. The Monthly Fee is payable in advance by the first (1st) day of each calendar month and is considered delinquent if not received by the fifth (5th) day of the month. Your right to occupy and use the Apartment and to receive services at The East Tower at Cardinal North Hills is contingent upon timely payment of the Monthly Fee and all other applicable charges and fees under this Agreement.

B. Fees for Levels of Care and Optional Services

The charges for all Levels of Care and for all optional services at The East Tower at Cardinal North Hills shall be as set forth in **Appendix A**. **Appendix A** is subject to change from time to time. You will be given notice of any planned change in **Appendix A** fees as described in subsection VI.D. below. Charges for care fees and optional services will be billed on your monthly statement and are payable by the first (1st) day of each calendar month and are considered delinquent if not received by the fifth (5th) day of the month.

C. Community Fee

You shall pay a Community Fee of _____ dollars (\$_____) upon your move-in to The East Tower at Cardinal North Hills.

D. Adjustments to Fees or Services

1. Fees. The Community shall give thirty (30) days’ prior written notice of any change in the Monthly Fee or changes in care fees or fees for optional services set forth in **Appendix A**. In the event of a rate increase, The East Tower at Cardinal North Hills will include with the notice of the increase the reasons for the increase and a general summary of the additional costs that led to the increase.
2. Services. The East Tower at Cardinal North Hills may modify the services provided under this Agreement upon thirty (30) days’ prior written notice, provided that the services do not fall below the standard established by applicable North Carolina regulatory authorities.

E. Payment Procedures

You will be required to make all payments due to The East Tower at Cardinal North Hills in a timely manner and otherwise fulfill your financial obligations to The East Tower at Cardinal North Hills. We do not accept SSI/SSP eligible residents for move-in to the Community. You will receive a monthly statement that itemizes any fees or charges you have incurred. Payment shall be made to The East Tower at Cardinal North Hills by check, money order, electronic payment or other means prescribed by the Community. Note there is a check processing fee as reflected on Appendix A. Any check, money order or other paper remittance must either mailed to 320 St. Albans Drive, Raleigh, NC 27609 or delivered to the business office at The East Tower at The Cardinal.

F. Late Payments and Interest.

If you fail to pay your Monthly Fee or other charges by the fifth (5th) day of each calendar month, The East Tower at Cardinal North Hills may charge you a late payment as described in **Appendix A** on your then-current Monthly Fee for each delinquent payment. Returned checks shall be subject to a penalty as described in **Appendix A**. You will be responsible for paying all attorneys’ fees and costs the recovery of delinquent amounts due under this Agreement.

G. Guarantor

Your care and services at The East Tower at Cardinal North Hills shall be guaranteed by _____ ("Guarantor"). You agree to provide The East Tower at Cardinal North Hills with timely written notice of any change in Guarantor's financial condition, address, or telephone number. By signing below, Guarantor agrees promptly to pay all fees and charges incurred by you or on your behalf under this Agreement. The foregoing is a guaranty of payment and not of collection, and The East Tower at Cardinal North Hills shall have no obligation to file suit or obtain a judgment against the Resident prior to enforcing its rights against the Guarantor.

H. Change of Level of Care

The East Tower at Cardinal North Hills care team will perform a periodic reappraisal of your needs. If we determine that you need a different level of care than that which you are currently receiving, The East Tower at Cardinal North Hills will provide you and your responsible person, if applicable, with written notice of the change. You agree to change to a level of care appropriate to your needs as determined by The East Tower at Cardinal North Hills. The rate for the new level of care shall apply immediately.

VII. TRANSFERS

A. Transfer to More Appropriate Care

The area of The East Tower at Cardinal North Hills in which you will reside is licensed by the state of North Carolina for Assisted Living. However, Assisted Living is not designed to provide higher levels of care such as nursing care or care for dementia or mental or emotional disorders. You may remain in Assisted Living at The East Tower at Cardinal North Hills as long as doing so is permitted by applicable licensure laws and fire safety standards, and, in the judgment of the staff of The East Tower at Cardinal North Hills (i) your care needs and levels of functioning are consistent with those of other residents and with the level of staffing and facilities offered at The East Tower at Cardinal North Hills, and (ii) your presence does not create a danger to your health or safety, or the health and safety of others.

- 1. Transitions to Another Setting.** If the staff of The East Tower at Cardinal North Hills determines that it is inappropriate for you to remain in your Apartment, you may be asked to move to a memory care or nursing care apartment (as appropriate) at The Cardinal at North Hills Health Center (the "Health Center"), or to an outside facility. In that case, this Agreement will terminate in accordance with Section VIII. During your transition to another setting that can meet your needs, you may be required to obtain temporary one-on-one care from an outside provider as determined at the sole discretion of the Executive Director. You will be financially responsible for this service which will be billed directly to you by the responsible company or The East Tower at Cardinal North Hills in accordance with **Appendix A**.
- 2. Transfer to The Health Center.** If Resident requires permanent or temporary health care services within the Health Center, Resident must (i) sign a Memory Care Residence and Care Agreement or a Skilled Nursing Residence and Care Agreement, as applicable, in the form then required by The Cardinal at North Hills Healthcare, LLC (collectively, the "Health Center Agreements") and (ii) pay the applicable monthly fees due under the Health Center Agreements (the "Monthly Health Center Fees"). The Health Center Agreements will be a binding agreement between Resident and The Cardinal at North Hills Healthcare, LLC.

B. Substitution of Apartment

We may need to substitute your Apartment with another in order to comply with any law or lawful order of any authorized public official, or for any other reasonable purpose, as determined by The East Tower at Cardinal North Hills. You agree to such substitution and agree to pay the Monthly Fee applicable to the new Apartment.

C. Voluntary Apartment Change

If you wish, you may move to another apartment at The East Tower at Cardinal North Hills, subject to availability and The East Tower at Cardinal North Hills's approval. You will pay the then-applicable Monthly Fee for the new Apartment beginning on your first day of occupancy. If you move on a day other than the first day of the month, any difference in rates between your current Apartment and the new Apartment will be credited or debited to your account, as the case may be, on a pro rata basis. You will be responsible for all costs associated with the move, including an apartment transfer fee as noted in **Appendix A**. You will also be responsible for any costs incurred by The East Tower at Cardinal North Hills to restore your Apartment to its original clean condition (normal wear and tear excepted).

VIII. TERMINATION

A. Termination by You

You may terminate this Agreement at any time, with or without cause, by giving The East Tower at Cardinal North Hills fourteen (14) days' prior written notice of termination. After termination, you will continue to be responsible for your full Monthly Fee (including care fees and fees for optional services) until the fourteen (14) day period has expired and all your property is removed from your Apartment.

B. Termination by Community

1. Upon Thirty (30) Days' Notice. The East Tower at Cardinal North Hills may terminate this Agreement upon thirty (30) days' written notice to you and your Legal Representative and/or Responsible Person, if applicable, based on any of the following reasons:

- a. Termination of the Agreement is necessary to protect your welfare and the Community cannot meet your needs;
- b. Your health has improved sufficiently so that you are no longer in need of the services provided by the Community;
- c. Your safety, or the safe of others at the Community, is endangered;
- d. Your health, or the health of others at the Community is endangered;
- e. You have failed to pay the Monthly fees by the payment due date specified in this Agreement, after receiving written notice of warning of discharge for failure to pay; or
- f. Termination of your residency at the Community is mandated under applicable North Carolina law.

2. Expedited Notice - Less Than thirty (30) days'. In addition, The East Tower at Cardinal North Hills may terminate this Agreement immediately upon expedited notice for good cause. Good cause exists if we determine that your continued presence at The East Tower at Cardinal North Hills poses a threat to your mental and/or physical health or safety or to the mental and/or physical health or safety of others.

3. Notice. If The East Tower at Cardinal North Hills terminates this Agreement under Section VIII.B., you and your personal representative (if any) shall receive a notice, personally delivered to Resident, describing the reasons for such termination, information concerning your right to appeal

the termination, as well as other information as required under applicable law.

4. Appeal. You have the right to appeal the termination of this Agreement with the North Carolina Department of Health and Human Services. At the time the Community provides you with notice of termination, it will provide you with a copy the Adult Care Home Hearing Request form which may be filed with the North Carolina Department of Health and Human Services in order to initiate an appeal.
5. Conditions That May Lead To Reassessment. Please note that the following conditions, among others, may lead to a reassessment and a termination of your residency in accordance with paragraph VIII.B.1.d above. Termination may occur if:
 - a. You do not meet the requirements for residency established by state law and regulations.
 - b. You present an immediate physical threat or danger to yourself or others.
 - c. You have active communicable tuberculosis or another communicable disease.
 - d. You require 24-hour skilled nursing or intermediate care or have an unstable medical condition which requires more than routine care by a licensed professional.
 - e. You have needs in conflict with other residents or the programs of services offered or require more care and supervision than other residents.
 - f. You have a primary need for care and supervision that results from dementia or a mental disorder resulting in ongoing behavior which would upset the general resident group, or which would require us to provide to you a greater amount of care and supervision than other residents at the Community or if you cannot generally benefit from the program of services available at The East Tower at Cardinal North Hills.
 - g. You are bedridden as defined by state licensing regulations or are unable to independently transfer or require multi-person transfers.
 - h. You refuse to accept services required in order for The East Tower at Cardinal North Hills to meet your needs.
 - i. You have health care needs that cannot be met at The East Tower at Cardinal North Hills for reasons such as licensure, design or staffing, including, but not limited to, conditions that require physical or chemical restraints, unstable mental health diagnosis, swallowing difficulties or other conditions that create a choking risk, complex special diets that cannot be self-managed, the inability to self-manage insulin or other injections ordered by a physician, inability to self-manage the administration of supplemental oxygen, severe circulatory disorders, unmanageable incontinence, stage III or IV skin ulcers, any unstable medical condition or conditions that cannot be accommodated by The East Tower at Cardinal North Hills as defined by state licensing regulations.
 - j. Your personal physician has determined that you require services not available at The East Tower at Cardinal North Hills.
 - k. If your condition changes so that you are considered a wandering or significant fall risk or if you are unable to respond to verbal instructions in an emergency.
 - l. You have fluctuating or high levels of medication administration including, but not limited to, frequent changes or readjustment of medications, multiple physicians prescribing resident medications, or combinations of medications or medical regimens prescribed by the physician beyond The East Tower at Cardinal North Hills's scope of services or the staffs' training and skill or do not comply with state licensing regulations.

C. Your Death

This Agreement shall terminate automatically upon your death. Your estate will receive a refund of any unused pro rata portion of your Monthly Fee within thirty (30) days following removal of all property from your Apartment.

D. Removal of Property; Payment Obligations and Refunds

1. Property Removal. If this Agreement is terminated for any reason, you or your estate must vacate the Apartment and remove all of your property. You or your estate shall remain liable for the Monthly Fee, calculated at the lowest level of care, until all property is removed from your Apartment and it is restored to a clean condition (except for normal wear and tear), whichever occurs later. The East Tower at Cardinal North Hills may also remove your property from the Apartment and charge you or your estate a property storage fee if either you or your estate fails to vacate the Apartment and remove your personal belongings from it in a timely manner. If you or your estate abandons your personal property following termination of this Agreement, The East Tower at Cardinal North Hills shall have the right to dispose of such abandoned property in accordance with state law. The East Tower at Cardinal North Hills has the right to enforce the provisions of this section by appropriate legal proceedings.
2. Refund of Unused Portion of Monthly Fee. Following termination of this Agreement, The East Tower at Cardinal North Hills will pay you or your estate a refund equal to any excess Monthly Fees received by The East Tower at Cardinal North Hills, minus the following: (i) the amount of any unpaid Monthly Fees or other charges that you owe to The East Tower at Cardinal North Hills under this Agreement; (ii) the costs of repairing any damage to the Apartment that is not caused by normal wear and tear; (iii) the costs of repairing any of The East Tower at Cardinal North Hills's property that was damaged by you or your visitors; and (iv) any expense incurred by The East Tower at Cardinal North Hills to remove and/or store any of your property that was not removed when you vacated the Apartment. You or your estate will receive any refund that is due within thirty (30) days following the effective termination date.
3. Survival. Section VIII.D. shall survive the termination of this Agreement.

E. Couples

If there are two residents under this Agreement, and one dies or permanently vacates the Apartment, this Agreement shall continue in full force and effect and the then-current Monthly Fee applicable to single occupancy of the Apartment at the level of care for the remaining resident shall apply.

IX. RESIDENT PROPERTY RIGHTS AND OBLIGATIONS

A. No Management or Property Interest

Your rights under this Agreement do not include any proprietary interests in the property or assets of The East Tower at Cardinal North Hills or in any fees once paid to The East Tower at Cardinal North Hills. You shall have no estate, leasehold, or other real property interest in your Apartment or in The East Tower at Cardinal North Hills, and you shall have no ownership or management interest in The East Tower at Cardinal North Hills or in any third-party contractor.

B. Property Loss and Damage

The East Tower at Cardinal North Hills shall not be responsible for the loss of any property belonging to you due to theft, fire, water damage, or any cause beyond the control of The East Tower at Cardinal North Hills, whether in your Apartment, your storage unit (as applicable) or elsewhere on The East Tower at Cardinal North Hills property. The East Tower at Cardinal North Hills strongly encourages you to obtain insurance protection to cover the full replacement value of your personal property. You

shall also be responsible for any loss or damage that you or your guests cause to property at The East Tower at Cardinal North Hills, excluding ordinary wear and tear. You hereby agree to indemnify and reimburse The East Tower at Cardinal North Hills for any loss or damage suffered by The East Tower at Cardinal North Hills as a result of your or your guests' or invitees' carelessness or negligence.

C. Right of Entry

For your safety and comfort, the staff of The East Tower at Cardinal North Hills must be permitted to enter the Apartment to provide care, perform basic housekeeping services, respond to emergencies, make repairs and improvements, and perform other management functions as we deem necessary or advisable. We shall also have the right to show the Apartment to prospective residents at any reasonable time during the thirty (30)-day period prior to the termination date for this Agreement. Whenever feasible, our staff will attempt to give you reasonable notice before entering the Apartment.

D. Keys and Locks

The East Tower at Cardinal North Hills shall provide you with a set of keys or electronic key fobs or cards to access your Apartment and the common areas within The East Tower at Cardinal North Hills. If you wish to make a duplicate of a key, the key must be duplicated through services provided by The East Tower at Cardinal North Hills. You are prohibited from distributing a key or a duplicate of a key to anyone without first obtaining the Community's approval. Upon its approval, the key to be distributed to an individual identified by you must be registered with The East Tower at Cardinal North Hills. The East Tower at Cardinal North Hills shall not be responsible for any loss, damage or theft of any personal property belonging to you, your estate or your guests as a result of the duplication and distribution of your key(s). You agree not to install additional locks or gates on any doors or windows of the Apartment without The East Tower at Cardinal North Hills's express written consent. If The East Tower at Cardinal North Hills approves your request to install such locks, you shall provide The East Tower at Cardinal North Hills management with a key to each lock. Upon termination, you agree to return all keys, key fobs, access cards, and other access devices for the Apartment and the common areas within The East Tower at Cardinal North Hills.

X. PERSONAL OBLIGATIONS

A. Your Liability to Others

You accept full responsibility for any injury or damage caused to others, or suffered by you, as a result of your own acts or omissions, and those of your guests or invitees, and you shall indemnify and hold harmless The East Tower at Cardinal North Hills and its respective directors, agents, and employees (also referred to as associates) from any and all liability for such injury or damage, including attorneys' fees. We recommend that you maintain general liability insurance in an amount and form sufficient to cover such liability. You may be required to maintain additional insurance for personal service providers hired by you, including worker's compensation insurance, if and to the extent set forth in The East Tower at Cardinal North Hills policies and procedures.

B. Third Party Liability

If you are injured as the result of an act or omission of a third party, you hereby grant The East Tower at Cardinal North Hills a lien on any judgment, settlement, or recovery in the amount of any expense incurred by The East Tower at Cardinal North Hills in caring for you as the result of such injury that is not reimbursed directly to The East Tower at Cardinal North Hills by you or by another source. You agree to cooperate in the diligent prosecution of any claim or action against the third party.

C. Personal Affairs

You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to sign a Durable Power of Attorney (POA) for health care and financial decision-making and we encourage you to seek appropriate professional or legal advice regarding your options. If you have signed a Power of Attorney, the individual(s) agree to sign this Agreement along with any Guarantor as set forth herein.

D. Home Care/Personal Service Providers

Subject to applicable North Carolina Assisted Living laws and regulations, you may arrange for home care or other personal services in your apartment. You and all providers of home care or other personal services agree in writing to adhere to and comply with The East Tower at Cardinal North Hills Policies for Personal Service Providers. If you arrange for such services, you accept full responsibility for the cost of such services. You understand and agree that The East Tower at Cardinal North Hills shall not be liable for any loss, damage, or injury to you, another resident, or any other person caused by providers of home care or other personal services. The East Tower at Cardinal North Hills reserves the right to review credentials of all personal service providers and to approve or prohibit the use of particular personal service providers. As a condition of its approval, all personal service providers must provide The East Tower at Cardinal North Hills with an appropriate release and indemnification agreement, proof of workers' compensation and liability insurance, as well as proof that such personal service providers are free of tuberculosis and/or any other contagious or communicable disease, and are subject to a criminal background check, as well as compliance with any other requirements or policies put in place by The East Tower at Cardinal North Hills from time to time. To the extent required, you shall confirm that any approved personal service provider has workers' compensation insurance coverage. In the absence of such coverage, you are required to provide workers' compensation insurance to the extent required by law. The East Tower at Cardinal North Hills reserves the right to terminate your authorization to utilize personal service providers in the event that you or they do not comply with the requirements, or you require transfer to another level of care under Section VII. The East Tower at Cardinal North Hills does not monitor the services of personal service providers and is not responsible for their actions or inactions or any harm or liability they may cause.

E. Relationships Between Residents and Associates

You agree to cooperate with the staff of The East Tower at Cardinal North Hills in performing their duties to maintain your Apartment and provide the care and other services described in this Agreement and in your plan of care. The East Tower at Cardinal North Hills instructs its associates to be cordial and helpful to Residents. The relationship between Residents and associates should at all times remain professional. Associates must not be delayed or deterred by Residents in the performance of their duties. The supervision of associates comes from The East Tower at Cardinal North Hills supervisors and not from Residents. Any complaints about associates or requests for special assistance must be made to the appropriate supervisor or to the Executive Director. Giving gratuities or bequests to associates or associate's families is not permitted under any circumstances. You agree not to hire The East Tower at Cardinal North Hills associates or solicit such associates to resign to work for you without the prior written consent of The East Tower at Cardinal North Hills to such arrangement. You agree not to hire any former The East Tower at Cardinal North Hills associate without the written consent of The East Tower at Cardinal North Hills.

XI. LEGAL REPRESENTATIVES, RESPONSIBLE PARTIES, GUARANTORS

A. Legal Representative

A Legal Representative is an individual who has authority to act on the Resident's behalf, under independent legal authority. Examples of a Legal Representative include a guardian, a conservator, or the holder of a Durable Power of Attorney executed by the Resident. Documents evidencing a person's Legal Representative status must be provided to us. If a Resident has a court appointed guardian or conservator, the guardian or conservator is required to sign this Agreement.

B. Responsible Party

A Responsible Party is an individual who voluntarily agrees to honor certain specified obligations of the Resident under this Agreement without incurring any personal financial liability. Examples of a Responsible Party include a relative or a friend of the Resident. We will require a person to sign this Agreement as a Responsible Party if the person has legal access to or physical control of the Resident's income or resources to pay for the care and services we provide and others that you request. We may decline to admit any Resident who has no source of payment for all or part of the Resident's residency at the Community.

C. Guarantor

A Guarantor is an individual who has agreed to be personally liable to pay for all amounts you owe to The East Tower at Cardinal North Hills for the care and services provided hereunder. A Responsible Party or Legal Representative is not a Guarantor unless the person serving as Responsible Party or Legal Representative also executes this Agreement as a Guarantor. If there is a Guarantor, you agree immediately to give The East Tower at Cardinal North Hills written notice of any change in the Guarantor's financial condition, address, or telephone number. By signing this Agreement, the Guarantor agrees promptly to pay all fees and charges incurred by you or on your behalf under this Agreement. This is a guaranty of payment and not of collection, and The East Tower at Cardinal North Hills shall be entitled to proceed directly and immediately against the Guarantor for any overdue fees or charges without any requirement to exhaust its remedies against you.

D. Rights and Obligations of a Legal Representative and Responsible Party under this Agreement

1. If you sign this Agreement as a Legal Representative or Responsible Party, you incur no personal financial liability by doing so.
2. If you sign this Agreement as a Legal Representative or Responsible Party, you agree to use the Resident's available income and resources to pay for the Resident's care and services.
3. By signing this Agreement as a Legal Representative or Responsible Party, you also agree to apply for benefits to which the Resident may be entitled and to furnish third party payers with information and documentation concerning the Resident which reasonably is available to you and which is necessary to the processing of the Resident's application for third party payor benefits.
4. By signing this Agreement as a Legal Representative or Responsible Party, you have the right to participate in the care planning process for the Resident, and we will use reasonable efforts to notify you where there is:
 - a. An accident or incident involving the Resident that results in injury and has the potential for requiring physical intervention;
 - b. A significant change in the Resident's physical, mental, or psychosocial status; or
 - c. A need to alter the Resident's treatment significantly.
 - d. You are also entitled to receive all notices required to be sent to the Resident by current law or by this Agreement.

XII. MISCELLANEOUS

A. Accuracy of Application Documents

As part of your application to The East Tower at Cardinal North Hills, you have filed application forms. You warrant that all information contained in these documents is true and correct, and you understand that we have relied on this information in accepting you for residency at The East Tower at Cardinal North Hills.

B. Examination of Records

You acknowledge that the Department of Health and Human Services or any other State licensing agency may inspect your residency and care records as part of an evaluation of The East Tower at Cardinal North Hills.

C. Resident Handbook

You agree to abide by the general policies of The East Tower at Cardinal North Hills contained in the Resident Handbook, as it now exists or as it may later be amended at the discretion of The East Tower at Cardinal North Hills. You received a copy of the current Resident Handbook when you signed this Agreement. We reserve the right to amend the Resident Handbook at any time and will notify you of any changes. You understand that your failure to abide by The East Tower at Cardinal North Hills's general policies may result in termination of the Agreement by The East Tower at Cardinal North Hills. In accordance with state law, these policies must be reasonable. By signing this Agreement, you acknowledge **receipt of a copy** of the Resident Handbook and the general policies of The East Tower at Cardinal North Hills and agree that they are reasonable. The following additional general policies apply:

1. Residents of The East Tower at Cardinal North Hills must pay all fees and charges that are owing to The East Tower at Cardinal North Hills in accordance with their Residence and Care Agreement when due.
2. Residents may not breach any representation, covenant, agreement or obligation of the resident under their Residence and Care Agreements, including but not limited to any representation regarding financial status set forth in **Appendix B**, which is a part of this Agreement.
3. Residents must not engage in conduct that poses a danger to themselves or others at The East Tower at Cardinal North Hills. Residents must not be disruptive, must not create unsafe conditions, and must not be verbally, mentally, physically or sexually abusive to other residents or staff. The East Tower at Cardinal North Hills strives to provide a positive living and work environment, free from humiliation and intimidation.
4. Residents must ensure that their family members, guardians, personal representatives or guests are not disruptive, do not create unsafe conditions, and are not verbally, mentally, physically or sexually abusive to the detriment of the resident, other residents or staff.
5. Residents must not engage in conduct that violates federal, state, or local laws or ordinances.

If you wish to suggest changes to the general policies of The East Tower at Cardinal North Hills you may do so at any time by notifying the Executive Director.

D. Guest Visits

We encourage family visits and communication. Your guests are welcome to visit and participate in appropriate activities at The East Tower at Cardinal North Hills, if you so desire, provided they respect the rights of other residents and staff and abide by our visitor and guest policies, including reasonable limitations on the length of stay and frequency of visits. You will be responsible for assuring that your guests abide by these rules and are not disruptive. All visitors must register at the front desk when entering The East Tower at Cardinal North Hills. We reserve the right to remove or deny entry to The

East Tower at Cardinal North Hills to any visitor whom we determine is disruptive or dangerous.

E. Smoking Policy

The East Tower at Cardinal North Hills is a smoke free community and smoking is not permitted in your Apartment or any of the common areas of The East Tower at Cardinal North Hills.

F. Pet Policy

The East Tower at Cardinal North Hills is a pet friendly environment. If you receive prior approval from the Executive Director to keep a pet at The East Tower at Cardinal North Hills, you will be required to: (1) sign a separate Pet Policy with the Community; (2) adhere to the rules and regulations of The East Tower at Cardinal North Hills regarding pets; and (3) pay a pet fee as set forth in **Appendix A**. Guests shall not bring pets of any kind onto the community grounds without prior written approval from the Executive Director. Service animals providing assistance to residents with disabilities shall not be subject to the pet fee or any common area restrictions.

G. Motorized Scooter

If you utilize a motorized scooter, you must abide by The East Tower at Cardinal North Hills's rules set forth in the Resident Handbook and a separate Motorized Scooter Policy.

H. Assignment

The East Tower at Cardinal North Hills reserves the right to assign this Agreement to any successor-in-interest selected by it. You may not transfer or assign your right to use the services and accommodations at The East Tower at Cardinal North Hills to any other individual or entity.

I. Personal Rights

Consistent with North Carolina law, you shall have the rights set forth in the Statement of Residents' Personal Rights, which is attached to this Agreement as **Appendix C**.

J. Notices

All notices given under this Agreement shall be in writing and shall be addressed to The East Tower at Cardinal North Hills at its administrative office at The East Tower at Cardinal North Hills or to Resident at your Apartment. Such notices shall be effective when personally delivered or two (2) days after being deposited in the United States mail, properly addressed and first-class postage prepaid.

K. Grievances

If you have a grievance or complaint regarding The East Tower at Cardinal North Hills you may contact the Executive Director or Kisco Senior Living at 1-866-KISCO SL (866- 547-2675).

L. Entire Agreement

This Agreement (together with the documents and appendices referenced herein) constitutes the entire agreement between you and The East Tower at Cardinal North Hills and may be amended only by a written instrument signed by you and by an authorized representative of The East Tower at Cardinal North Hills. If any part of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall remain valid and enforceable, unless the context requires otherwise.

M. Waiver

The failure of The East Tower at Cardinal North Hills in any instance or instances to insist upon your strict performance or observation of or compliance with, any of the terms or provisions of this Agreement, shall not be construed to be a waiver or relinquishment of its right to insist upon your strict compliance with all of the terms and provisions of this Agreement. In addition, acceptance by The East Tower at Cardinal North Hills of any payment from you after your breach of any term of this Agreement or after providing you with a notice of termination shall not constitute a waiver of the right of The East Tower at Cardinal North Hills to insist upon full performance of all terms of this Agreement, nor shall it waive The East Tower at Cardinal North Hills's right to terminate this

Agreement for any breach previously committed or to terminate in accordance with Section VIII.B.

N. ARBITRATION

BOTH PARTIES UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF YOUR MOVE-IN TO THE EAST TOWER AT CARDINAL NORTH HILLS. BY INITIALING THE LINE AT THE END OF THIS SECTION, HOWEVER, YOU AGREE THAT ANY AND ALL CLAIMS AND DISPUTES ARISING FROM OR RELATED TO THIS AGREEMENT OR TO YOUR RESIDENCY, CARE OR SERVICES AT THE EAST TOWER AT CARDINAL NORTH HILLS, WHETHER MADE AGAINST US OR ANY OTHER INDIVIDUAL OR ENTITY, SHALL BE RESOLVED BY SUBMISSION TO NEUTRAL, BINDING ARBITRATION; EXCEPT THAT ANY CLAIM OR DISPUTE INVOLVING SUMMARY EJECTMENT PROCEEDINGS (EVICTION) OR ANY CLAIMS THAT ARE BROUGHT IN SMALL CLAIMS COURT SHALL NOT BE SUBJECT TO ARBITRATION UNLESS ALL PARTIES INVOLVED AGREE TO ARBITRATE SUCH PROCEEDINGS. IF SOMEONE OTHER THAN THE RESIDENT SIGNS THIS ARBITRATION CLAUSE, HE/SHE UNDERSTANDS AND AGREES THAT HE/SHE IS AGREEING TO ARBITRATE ON BEHALF OF THE RESIDENT AND ON BEHALF OF HIM/HERSELF AS AN INDIVIDUAL. BOTH PARTIES GIVE UP THEIR CONSTITUTIONAL RIGHTS TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW BEFORE A JURY, AND INSTEAD ACCEPT THE USE OF ARBITRATION. YOU MAY WITHDRAW YOUR AGREEMENT TO ARBITRATE WITHIN THIRTY (30) DAYS AFTER SIGNING THIS AGREEMENT BY GIVING US YOUR NOTICE OF WITHDRAWAL. ARBITRATIONS SHALL BE ADMINISTERED BY THE NATIONAL ARBITRATION FORUM UNDER THE CODE OF PROCEDURE THEN IN EFFECT. ARBITRATIONS SHALL BE CONDUCTED BY A SINGLE ARBITRATOR SELECTED IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT UNLESS OTHERWISE MUTUALLY AGREED. ARBITRATIONS WILL BE HELD AT AN AGREED UPON LOCATION, OR IN THE ABSENCE OF SUCH AGREEMENT, AT THE COMMUNITY. THE ARBITRATOR'S FEE SHALL BE SHARED EQUALLY BY THE PARTIES. ANY AWARD BY THE ARBITRATOR MAY BE ENTERED AS A JUDGMENT IN ANY COURT HAVING JURISDICTION. IN REACHING A DECISION, THE ARBITRATOR SHALL PREPARE FINDINGS OF FACT AND CONCLUSIONS OF LAW. EACH PARTY SHALL BEAR ITS OWN COSTS AND FEES IN CONNECTION WITH THE ARBITRATION. YOU HAVE THE RIGHT TO BE REPRESENTED BY LEGAL COUNSEL IN ANY PROCEEDINGS INITIATED UNDER THIS ARBITRATION PROVISION. BECAUSE THIS ARBITRATION PROVISION ADDRESSES IMPORTANT LEGAL RIGHTS, THE EAST TOWER AT CARDINAL NORTH HILLS ENCOURAGES AND RECOMMENDS THAT YOU OBTAIN THE ADVICE AND ASSISTANCE OF LEGAL COUNSEL TO REVIEW THE LEGAL SIGNIFICANCE OF THIS VOLUNTARY ARBITRATION PROVISION PRIOR TO SIGNING THIS AGREEMENT. THIS ARBITRATION CLAUSE BINDS ALL PARTIES TO THIS AGREEMENT AND THEIR SPOUSE, HEIRS, REPRESENTATIVES, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS, AS APPLICABLE. AFTER TERMINATION OF THIS AGREEMENT, THIS ARBITRATION CLAUSE SHALL REMAIN IN EFFECT FOR THE RESOLUTION OF ALL CLAIMS AND DISPUTES THAT ARE UNRESOLVED AS OF THAT DATE. IF ANY PART OF THIS ARBITRATION CLAUSE IS DETERMINED TO BE UNENFORCEABLE, THE REMAINING PORTIONS OF THE CLAUSE SHALL REMAIN VALID AND SHALL BE ENFORCED BY THE PARTIES.

BY INITIALING BELOW, YOU WARRANT THAT THIS PARAGRAPH HAS BEEN EXPLAINED TO

YOU, THAT YOU UNDERSTAND ITS SIGNIFICANCE, THAT YOU VOLUNTARILY AGREE TO BE BOUND BY IT, AND THAT YOU UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF MOVE-IN TO THE EAST TOWER AT CARDINAL NORTH HILLS.

Resident(s) Initials

POA/Guarantor Initials

O. Resident Acknowledgement

By signing below, you acknowledge all of the following:

1. You have received a signed copy of this Residence and Care Agreement, which specifies the services and accommodations that you will receive at The East Tower at Cardinal North Hills and the charges for such services;
2. You have received a copy of **Appendix A**, which contains fees for optional services and Levels of Care;
3. You have received a written copy of the Resident Handbook (**Appendix D**), which contains the rules and regulations and grievance policies for The East Tower at Cardinal North Hills residents;
4. You have received a copy of the Statement of Residents' Personal Rights, which is attached to this Agreement (**Appendix C**);
5. The East Tower at Cardinal North Hills Staff has indicated to you whether The East Tower at Cardinal North Hills has signed Form DSS-1464 concerning compliance with Title VI of the Civil Rights Act; and
6. You or your family member(s), as appropriate, have received the information that must be disclosed under Section 131D-8 of the North Carolina Statutes and Rule 1906 of the Administrative Code for specialized memory support.

P. Governing Law

This Agreement shall be governed by North Carolina law.

SIGNATURE PAGE FOLLOWS

This Agreement will be effective as of _____ , _____ .

RESIDENT:

RESIDENT:

Signature

Signature

Typed or Printed Name

Typed or Printed Name

Date

Date

GUARANTOR: I hereby guaranty the payment of all amounts owed by Resident hereunder.

**POWER OF ATTORNEY/
RESPONSIBLE PERSON**

Signature

Signature

Typed or Printed Name

Typed or Printed Name

Address

Address

Date

Date

COMMUNITY REPRESENTATIVE

By

Title

Community: The East Tower at Cardinal North Hills

Address: 320 St. Albans Drive
Raleigh, NC 27609

Date

THE EAST TOWER AT CARDINAL NORTH HILLS
Assisted Living
FEEES FOR OPTIONAL SERVICES AND LEVELS OF CARE

TBD

FINANCIAL STATUS

The East Tower at Cardinal North Hills is a component of a continuing care retirement community that depends on a predictable level of private pay fees in order to operate on a sound financial basis and provide an appropriate level of care and services to our residents. This means that we are not able to accept residents who receive or who are eligible to receive Social Security Supplemental Security Income benefits (“SSI”). By signing below, you represent and warrant that you are not an SSI recipient, that you have sufficient assets and income so that you do not currently qualify for SSI and will not so qualify for the foreseeable future, and you warrant that you will not apply for SSI benefits nor allow anyone to apply for SSI benefits on your behalf while you are a resident of The East Tower at Cardinal North Hills.

Signed: Resident: _____

Responsible Party: _____

THE EAST TOWER AT CARDINAL NORTH HILLS
STATEMENT OF RESIDENTS' PERSONAL RIGHTS

Pursuant to North Carolina General Statutes Section 131D-21, every resident shall have the following rights:

1. To be treated with respect, consideration, dignity, and full recognition of his or her individuality and right to privacy.
2. To receive care and services which are adequate, appropriate, and in compliance with relevant federal and State laws and rules and regulations.
3. To receive upon admission and during his or her stay a written statement of the services provided by the facility and the charges for these services.
4. To be free of mental and physical abuse, neglect, and exploitation.
5. Except in emergencies, to be free from chemical and physical restraint unless authorized for a specified period of time by a physician according to clear and indicated medical need.
6. To have his or her personal and medical records kept confidential and not disclosed except as permitted or required by applicable State or federal law.
7. To receive a reasonable response to his or her requests from the facility administrator and staff.
8. To associate and communicate privately and without restriction with people and groups of his or her own choice on his or her own or their initiative at any reasonable hour.
9. To have access at any reasonable hour to a telephone where he or she may speak privately.
10. To send and receive mail promptly and unopened, unless the resident requests that someone open and read mail, and to have access at his or her expense to writing instruments, stationery, and postage.
11. To be encouraged to exercise his or her rights as a resident and citizen, and to be permitted to make complaints and suggestions without fear of coercion or retaliation.
12. To have and use his or her own possessions where reasonable and have an accessible, lockable space provided for security of personal valuables. This space shall be accessible only to the resident, the administrator, or supervisor-in-charge.
13. To manage his or her personal needs funds unless such authority has been delegated to another. If authority to manage personal needs funds has been delegated to the facility, the resident has the right to examine the account at any time.
14. To be notified when the facility is issued a provisional license or notice of revocation of license by the North Carolina Department of Health and Human Services and the basis on which the provisional license or notice of revocation of license was issued. The resident's responsible family member or guardian shall also be notified.
15. To have freedom to participate by choice in accessible community activities and in social, political, medical, and religious resources and to have freedom to refuse such participation.
16. To receive upon admission to the facility a copy of this section.
17. To not be transferred or discharged from a facility except for medical reasons, the residents' own or other residents' welfare, nonpayment for the stay, or when the transfer is mandated under State or federal law. The resident shall be given at least 30 days' advance notice to ensure orderly transfer or discharge, except in the case of jeopardy to the health or safety of the resident or others in the home. The resident has the right to appeal a facility's attempt to transfer or discharge the resident pursuant to rules adopted by the Medical Care Commission, and the resident shall be allowed to remain in the facility until resolution of

the appeal unless otherwise provided by law. The Medical Care Commission shall adopt rules pertaining to the transfer and discharge of residents that offer protections to residents for safe and orderly transfer and discharge.

By signing below, you acknowledge that you have received a copy of the personal rights delineated above and outlined in North Carolina General Statutes Section 131D-21 at the time of your move-in:

Resident: _____

Date: _____

Resident: _____

Date: _____

THE EAST TOWER AT CARDINAL NORTH HILLS RESIDENT HANDBOOK

See Attached

Exhibit K

**The East Tower at Cardinal North Hills
Interim Financial Statements Ending 4/30/2024**

**Kisco Senior Living, LLC
Tower at The Cardinal, LLC
Balance Sheet - Unaudited
End of Apr 2024**

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
100099 - Cash-WFB Operating - CNHEX	\$294,422.39
Total Bank	\$294,422.39
Accounts Receivable	
111400 - Intercompany Due From	\$288,741.77
120000 - Accounts Receivable	(\$156,920.92)
121000 - Accounts Receivable Other	\$241,627.30
Total Accounts Receivable	\$373,448.15
Other Current Asset	
125006 - Escrow Deposits	\$297,233.32
125450 - Prepaid Other	\$50,626.92
Total Other Current Asset	\$347,860.24
Total Current Assets	\$1,015,730.78
Fixed Assets	
140250 - Equipment	\$16,193.47
140755 - Unit Renovation	\$30,620.65
141250 - Automobile	\$170,519.25
145250 - Accumulated Depreciation - Equipment	(\$365.95)
145755 - Accumulated Depreciation - Unit Renovation	(\$703.81)
146250 - Accumulated Depreciation - Automobile	(\$11,201.29)
Total Fixed Assets	\$205,062.32
Other Assets	
130000 - Deposits	\$14,637.34
Total Other Assets	\$14,637.34
Total ASSETS	\$1,235,430.44
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
210000 - Accounts Payable	\$7,380.59
220005 - Intercompany Due To	\$865,782.05
Total Accounts Payable	\$873,162.64
Other Current Liability	
220000 - Accrued Expenses	\$47,743.05
220070 - Profit Sharing Liability	\$2,179.64
220500 - Accrued Payroll Expense	\$167,381.46
221000 - Accrued Vacation	\$72,916.61
221250 - Accrued Property Taxes	\$333,999.86
232500 - Deferred Revenue	\$159,573.62
Total Other Current Liability	\$783,794.24
Total Current Liabilities	\$1,656,956.88
Equity	
300000 - Capital Contributions Cash	\$4,450,000.00
Retained Earnings	(\$3,688,977.66)
Net Income	(\$1,182,548.78)
Total Equity	(\$421,526.44)
Total Liabilities & Equity	\$1,235,430.44

**Kisco Senior Living, LLC
Tower at The Carindal, LLC
Income Statement - Unaudited
From Jan 2024 to Apr 2024**

Financial Row	Amount
Ordinary Income/Expense	
Income	
400000 - Rent Revenue	
400001 - Rent - 1 Bedroom	\$1,210,015.83
400002 - Rent - 2 Bedroom	\$3,789,198.91
400003 - Rent - 3 Bedroom	\$55,600.00
400005 - Rent - Studio/Alcove	\$286,652.09
400100 - Rent - Second Occupant	\$270,860.29
400125 - Concessions	(\$26,000.00)
Total - 400000 - Rent Revenue	\$5,586,327.12
405000 - Care Revenue	
405200 - Level 2 Charges	\$54,005.71
405300 - Level 3 Charges	\$115,266.07
405400 - Level 4 Charges	\$127,960.55
405500 - Level 5 Charges	\$89,613.97
Total - 405000 - Care Revenue	\$386,846.30
410000 - Other Revenue	
400050 - Community Fee	\$479,910.00
410550 - Meals	\$12,518.00
410600 - Transportation	\$168.50
411000 - Storage Fees	\$12,761.79
411255 - Wine/Liquor	\$11,437.00
411270 - Activities Services	\$35.00
411510 - Guest Meals	\$3,867.00
411512 - Tray/Delivery Services	\$140.00
411600 - Communications Revenue	\$3,901.79
411680 - Med. Supplies	\$60.72
411720 - Pet Fee	\$2,831.02
411730 - Resident Reimbursables	\$3,459.88
411750 - Other Revenue	\$4,198.94
411775 - Transfer Fee	\$12,000.00
Total - 410000 - Other Revenue	\$547,289.64
Total - Income	\$6,520,463.06
Cost Of Sales	
510000 - Labor	
500000 - Wages - Salary	\$268,920.37
500005 - Wages - Hourly	\$947,038.47
500055 - OT Premium	\$17,262.13
501000 - Fringe	\$64,671.56
501100 - Payroll Taxes	\$139,644.12
501200 - Holiday/Sick Expense	\$62,296.32
501300 - Vacation Expense	\$42,687.57
501331 - 401K Expense	\$2,443.01
501332 - Deferred ED Compensation	\$2,179.64
501400 - Bonus	\$17,016.28
501500 - Bonus Other	\$42,024.00
505000 - Commissions	\$79,895.67
506000 - Allocated Wages	\$73,331.35
547000 - Temporary Labor	\$32,219.77
Total - 510000 - Labor	\$1,791,630.26
520000 - Non-Labor	
520100 - Vendor Services	\$202,493.49
520105 - Professional Fees - Legal	\$2,532.50

521000 - Travel	\$1,387.30
521100 - Kisco Conferences	\$5,072.55
521525 - Communications	\$70,020.12
521540 - Postage	\$458.09
521550 - Bank Fees	\$1,323.58
521551 - Credit Card Processing Fees	\$200.00
521560 - Computer Software/Licenses	\$12,114.47
521571 - Office Supplies	\$5,433.43
521650 - Dues & Subscriptions	\$44,461.29
521705 - Meals & Entertainment	\$3,745.89
540000 - Food	\$315,349.77
540003 - Rebate	(\$1,795.24)
540005 - Event Food	\$13,943.19
546000 - Uniform	\$1,728.65
550000 - Supplies	\$92,347.01
550002 - Medical Supplies	\$2,423.33
551005 - Repairs and Maintenance	\$20,546.51
551006 - Equipment Rental/Lease	\$6,474.06
551209 - Ground Maintenance	\$6,290.02
551299 - Vehicle Expense	\$1,813.24
551300 - Vehicle Fuel	\$400.00
551401 - Electricity	\$114,853.08
551402 - Gas	\$17,179.16
551403 - Water/Sewer	\$28,752.07
551404 - Trash	\$28,849.86
551450 - Marketing: Internet & Website	\$15,602.68
551460 - Marketing: Direct Mail Sourcing	\$407.73
551501 - Pre-Employment	\$2,542.59
551503 - Referrals	\$20,553.50
551507 - Awards & Recognitions	\$1,383.33
551509 - Associate Wellness Costs	\$23.64
551550 - Marketing: Advertising Campaigns	\$1,257.50
551600 - Newsletter	\$766.07
551660 - Resident Reimbursable Expenses	\$2,773.81
558170 - Tax - Other	\$2,487.82
558188 - Licensing Fees	\$253.00
558193 - Equipment	\$1,891.77
559000 - Resident Move-In Costs	\$4,371.69
559001 - Outreach	\$681.69
559002 - Premium	\$353.11
559003 - Events	\$9,878.83
559101 - Marketing: Newspaper	\$1,922.50
559102 - Marketing: Magazine	\$700.00
559105 - Marketing: Signage	\$217.43
559108 - Marketing: Direct Mail - Printing & Postage	\$10,815.53
559110 - Marketing: Public Relations	\$27,347.50
559111 - Collateral	\$3,951.45
559114 - Marketing Contingency	\$1,650.00
578070 - Training Programs & Supplies	\$275.00
Total - 520000 - Non-Labor	\$1,110,505.59
590000 - Non-Controllable	
520106 - Legal - Non-Controllable	\$1,088.04
556025 - Property Taxes	\$333,999.86
558182 - Management Fee	\$386,304.56
Total - 590000 - Non-Controllable	\$721,392.46
Total - Cost Of Sales	\$3,623,528.31
Gross Profit	\$2,896,934.75
Net Ordinary Income	\$2,896,934.75
Other Income and Expenses	
Other Expense	
600250 - Lessee Rent Expense	\$4,040,912.48
610000 - Depreciation	\$12,271.05
611900 - State Franchise/Tax Expense	\$800.00

630050 - Audit/Tax Professional Fees	\$25,500.00
Total - Other Expense	\$4,079,483.53
Net Other Income	(\$4,079,483.53)
Net Income	(\$1,182,548.78)