



## **Disclosure Statement**

May 31, 2023

**The Cardinal at North Hills  
4030 The Cardinal at North Hills Street  
Raleigh, North Carolina 27609  
Phone: 984-204-8444  
[www.lifeatthecardinal.com](http://www.lifeatthecardinal.com)**

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 Cardinal at North Hills intends for this Disclosure statement to remain effective for up to one (1) year and 150 days through October 27, 2024.**
- **Delivery of this Disclosure Statement to a prospective resident before execution of an agreement for residency at The Cardinal at North Hills is required.**
- **The Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.**

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### **Exhibits**

- A. Combined Financial Statements and Supplementary Information for Year(s) Ending 12/31/2022 and 2021 with Independent Auditor’s Report
- B. Compilation of a Financial Forecast for the Five Years Ending December 31, 2027
- C. Material Variances from Prior Year Forecast and Actual FY 2022 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 and Memory Care Residence and Care Agreement
- K. Skilled Nursing Care Resident and Care Agreement
- L. Cardinal Advantage Program Participation Agreement
- M. Cardinal Advantage Program Handbook
- N. Cardinal Advantage Program Collateral Piece/Flyer
- O. Interim Financial Statements Ending 4/30/2023

## **1 Introduction to the Cardinal at North Hills**

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

More than just a place to live, The Cardinal is ideally located in the midst of Raleigh’s vibrant North Hills Midtown neighborhood. Residents will find The Cardinal 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 enjoy a variety of quality activities, lifelong learning programs and volunteer opportunities.

At The Cardinal, Residents will have the opportunity to experience Kisco Senior Living’s award-winning whole person approach to wellness called The Art of Living Well<sup>SM</sup>. This is a personalized approach to creating the lifestyle choices Resident 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 Cardinal range from one bedroom to three-bedroom floor plans with upscale finishes and full kitchens. An adjacent, connected building provides assisted living, memory care and nursing care in a warm residential setting.

### Community Address:

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

### Owner’s Business Address:

The Cardinal at North Hills, LLC  
5790 Fleet Street, Suite 300  
Carlsbad, CA 92008

## **2 Community Ownership**

The Cardinal at North Hills, LLC operates the Community, which is commonly known as “The Cardinal at North Hills.” The Cardinal at North Hills, 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 The Cardinal at North Hills, LLC. The address for KSL Toledo Tenant, LLC is listed below:

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

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

\* = *Majority Owner*

### **3 Management Company**

The Cardinal is managed by Kisco, a family-owned company based in Carlsbad California. Kisco 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 new sister property, The East Tower at Cardinal 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](http://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 service 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. 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 Senior Living, LLC. 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 \$300 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.

Previous to 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 Cardinal, please feel free to write to:

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

**Community Management Team**  
**Executive Director: Jaime Pacheco**

The Cardinal is led by Mr. Jaime Pacheco. Mr. Pacheco has been with Kisco for 7 years, during which time he served as the Executive Director of Kisco's Magnolia Glen community in Raleigh and thereafter, at 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 Community Management Team members listed below support Mr. Pacheco:

- Assisted Living Director
- Dining Services Director
- Environmental Services Director
- Nursing Care Director
- Resident Relations Director
- Wellness Director
- Sales Director
- Business Office/Finance Director

Neither the managers nor any principals of The Cardinal 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, has 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**

The Cardinal at North Hills, 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 Cardinal at is a rental CCRC located in the master planned, mixed use neighborhood of North Hills. The Community 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. Located adjacent to The Cardinal is the East Tower at Cardinal North Hills, a newly constructed 18-story tower residential building. The Cardinal will be physically connected to The East Tower at Cardinal North Hills via an enclosed bridge. As sister communities, Residents of The Cardinal will have full access to the amenities of The East Tower at Cardinal North Hills.

The Cardinal 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 main entrance is at the east end of Midtown Park with a covered drop off and visitor parking in a motor court flanked by the clubhouse commons and two, 5 story independent living buildings. The two independent living buildings contain a total of 165 residences (for an estimated 300 residents) including one, two and three bedroom floor plans. Parking for the independent living residences is in a garage located below the buildings with direct elevator access. There is one undesignated parking space per residence. The Cardinal's independent living residences include walk-in closets, washers and dryers, full kitchens, a 24-hour emergency call system and a choice of upgrades.

The clubhouse commons is a three level building connected to the independent living buildings 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 resident 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.

Assisted living, memory care and nursing care are located in an adjacent building with a separate entry and drop off to the south of the clubhouse. This building is connected to the clubhouse for ease of shared services and access. Parking for this building is in a contiguous parking deck. Specialized memory care for Alzheimer's and related dementias is located in a "household" format on the garden level with a secure outdoor garden. The lobby level includes a clinic, OT/PT/Rehab spaces as well as nursing care and assisted living. Assisted living is also located on the mezzanine level and includes a dining room, living room and other support spaces.

### **Independent Living Residences**

As a CCRC, The Cardinal offers multiple lifestyle choices designed to promote independence, dignity and an engaged lifestyle. Independent living residences are available for older adults who live in their own private residence. In independent living, 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 a Monthly Fee for the residence type selected (discussed in detail in Section 12). Some examples of services and features covered by the fees include:

- A meal 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<sup>SM</sup> program

### **The Cardinal Advantage Program**

The Cardinal Advantage Program allows members access to certain benefits and amenities of The Cardinal prior to becoming permanent residents. Benefits and amenities include some of those enjoyed by our Independent Living residents as well as access to certain health care services. As of December 31, 2022, there were (79) members of The Cardinal Advantage program. For more information about our Advantage Program, including the fees and costs, please read section 8 of this Disclosure Statement or contact our Sales team.

### **Assisted Living, Memory Care and Skilled Nursing**

For Residents who require additional physical or cognitive support, a range of services are provided in the licensed health care building which includes assisted living, memory care and nursing care. Independent Living Residents will have priority access to any of these areas which may be on a short-term basis, if they able to return to their independent living residence, or a permanent change in residence based on need. In the memory care and nursing households, all living spaces are private alcove or studio apartments organized around communal dining, living, activity and outdoor spaces. 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 12 below. As of December 31, 2022 there were 262 residents under a continuing care contract at The Cardinal.

## **6 Resident Communications**

Effective communication between Residents and the Community Management Team members is essential to the operational success of The Cardinal. In addition to the more formal lines of communication, The Cardinal has established a number of informal communications vehicles for the ease and convenience of our 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 Community staff.

The other board is for items of Resident interest, Resident notices, and other unofficial items. This board is maintained by The Cardinal, in conjunction with the Resident Advisory Council. The Resident Advisory Council 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 the Community channel on 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. Residents of nursing care and memory care will have mail delivered to their apartment.

### **Newspaper Delivery Service**

The Cardinal 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 information 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 our 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**

A beauty and barber salon and spa are located within The Cardinal. Operating hours and rates will be set by the salon proprietor and are subject to change without notice.

## **7 Resident Services**

### **Community Maintenance**

Maintaining the Community's buildings, residences and grounds is the direct responsibility of the management of The Cardinal. This includes keeping the residences 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 team may assist Residents with hanging pictures, mirrors and shelves. This work must be requested within 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**

Maintenance 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 light bulbs for their own lamp fixtures and Maintenance can 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 Cardinal, a maintenance associate may enter the residence.

### **Grounds Maintenance**

The landscaping at The Cardinal 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/Spa Maintenance**

Care of the swimming pool, including establishing and maintaining proper chemical levels, is the responsibility of The Cardinal.

### **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 recycle bins. Items to be recycled will be collected in accordance with the current Community recycling program.

### **Storage Facilities**

Each residence is assigned a storage cubicle in a storage area separate from the residence.

### **Housekeeping**

The Cardinal is responsible for housekeeping functions for the community including:

- Basic housekeeping and cleaning services in the residences.

- Cleaning all public spaces.
- Laundering washable goods (as provided in the Residence and Service Agreement).

Housekeeping service is provided every other week in the independent living apartments and weekly in assisting living. With certain exceptions (e.g., during the holidays and to the degree scheduling permits) housekeeping services are provided in the residences on the same date/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 Cardinal 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 Cardinal 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, and mirror.
- Light, top surface dusting; vacuuming carpet and linen change (clean linens must be provided by the Resident).
- Cleaning window sills, spot-cleaning carpet, and trash removal.
- Certain cleaning tasks will be completed on a periodic basis, including window washing and carpet shampooing, if needed.

Services not included in routine or expanded cleaning:

- Washing dishes, preparing food, waxing floor, 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 Cardinal. 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 Cardinal. Charges for extra housekeeping services are outlined in Appendix A and will be added to the monthly statement.

### **Carpet Cleaning**

Carpets will be cleaned depending on normal "wear and tear" and routine expanded cleaning schedules, as determined by The Cardinal. 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.

### **Safety**

The Cardinal is staffed 24 hours a day, 7 days per week. Community associates do not carry firearms but do carry two-way communication equipment capable of receiving and acknowledging emergency calls and routing communication with 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 Cardinal.

### **Vehicle Identification**

All Resident-owned vehicles are required to display a small decal on the vehicle, which are individually numbered for proper vehicle identification. Decals will be issued by The Cardinal at the time of vehicle registration. In the event that a vehicle is added or disposed of, the Resident is responsible for notifying The Cardinal 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 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.
- A Community Disaster Plan is available and Residents are urged to read and to become familiar with the contents. Please see a Resident Relations representative for details.

### **Smoke Detectors (Residence)**

Every residence has a smoke detector. 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 desk in the front desk area 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 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 the Resident 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 Operations and Other Viral Outbreaks**

The Cardinal 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 The Cardinal Advantage Program**

The Cardinal Advantage Program is designed to allow participants of the Program access to certain benefits of The Cardinal prior to becoming a permanent Resident. Participants will have access to The Cardinal facilities and amenities, programming, and wellness services subject to capacity and other generally applicable limitations and policies. Amenities include dining, indoor pool, wellness center, library, wood working shop, art studio, game room, media room, gathering spaces, family room, and all other common spaces available at The Cardinal. Participants will have access to concierge services on campus, wireless internet services, notary services, and other office conveniences offered to Residents. Participants will have access to the beauty salon, our partner home care providers, and our in-house Community information channel to stay informed about Community events. Participants of The Cardinal Advantage Program, upon assessment and determination by The Cardinal's Director of Nursing, will have access to temporary or permanent transfer to Assisted Living or the Health Center facilities.

### **Cardinal Advantage Program Details**

At the time that an applicant is accepted into The Cardinal Advantage Program, the applicant will be notified in writing. The applicant will sign The Cardinal Advantage Program Participation Agreement and pay the applicable one-time Program Fee (See, Exhibit L). Thereafter, participant will be responsible for payment of the applicable monthly fees as described below. If the participant was on our Priority Waitlist prior to joining The Cardinal Advantage Program, he/she will remain on our Priority Waitlist in the position which was established at the time they originally joined the Priority Waitlist. At the participants' option, they may apply all or part of the waitlist fee to the Program Fee for The Cardinal Advantage Program.

### **Cardinal Advantage Program Fees and Monthly Fees**

If an individual chooses to join The Cardinal Advantage Program, they pay a Program Fee as well as a monthly fee, as set forth in Appendix A to the Participation Agreement (See Exhibit L). If a participant decides to move to a residence at The Cardinal, a portion of the Program Fee will be credited to the Reservation Fee for the desired residence. Any monthly fees paid as a Participant of The Cardinal Advantage Program will not apply toward the Reservation Fee. Participants will be required to pay the prevailing market rates as listed for desired apartment.

### **Residency and Service Agreement following Cardinal Advantage Program**

A participant in The Cardinal Advantage Program who then desires to move into an available apartment at The Cardinal will sign a Residency and Service Agreement prior to occupancy. A portion of Program Fee paid by the Resident will be applied to amounts due upon occupancy as discussed above and as set forth in the Participation Agreement. The Participation Agreement will terminate when participant becomes a Resident of The Cardinal.

### **Termination of Participation**

Participants may terminate the Participation Agreement for any reason during the thirty (30) day rescission period described in the Participation Agreement. After the rescission period, participants may terminate the Participation Agreement by giving The Cardinal thirty (30) days advance written notice of intent to terminate, provided, however, that the Participation

Agreement will terminate automatically on the date of the participant's death (in the case of a single participant) or will remain in effect with respect to the surviving participant. The Cardinal may terminate the Participation Agreement upon thirty (30) days' notice under certain circumstances, including participant's failure to pay the monthly fee, the failure to abide by Community rules, and participant's permanent relocation to a residence that is more than 50 miles from The Cardinal. Participants will not be entitled to a refund of the Program Fee except as outlined in the Participation Agreement. The participants shall be responsible for payment of any monthly fees and other periodic fees accrued through the date that the Participation Agreement is terminated.

## **9 Health Center Services**

Should a Resident require assistance due to a change in health status, The Cardinal offers healthcare options for Residents that include assisted living, memory support and nursing care. Assisted living, memory care and skilled nursing services are available at The Cardinal Health Center (“Health Center”) operated by The Cardinal at North Hills Healthcare, LLC. Fees for these services are outlined in the service offerings.

### **Priority Access to Health Center Services**

Priority for admission to the Health Center services among Residents will be established on a first-come, first-served basis. If no space is available in the Community’s assisted living, memory support or nursing care apartments, a Resident may choose to receive services, as appropriate, at a nearby outside facility. A Resident will be allowed to move directly into the Health Center, without the 30-day independent living requirement, if their spouse is a Resident in independent living.

### **Level of Living Determinations**

The Community Management Team will determine, in consultation with the Resident, his/her physician, other health care providers, and the Resident’s representative, 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 Community or away from the Community.

### **No Obligation to Prepay for Health Center Services**

The Cardinal 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 future health care services on behalf of its Residents.

### **Assisted Living**

Assisted Living cares 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.

### **Memory Support**

The Memory Support household is for Residents who have dementia or require memory enhancement services. The memory support center 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.

### **Nursing Care**

Nursing Care is for Residents who require a 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.

### **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 relating to such services. If a Resident arranges for Home Care Services or Personal Services, he/she accepts full responsibility for the cost of such services. Resident understands and agrees that The Cardinal shall not be liable for any loss, damage, or injury to the Resident or any other person caused by such providers.

### **Summary of Health Center Agreements**

If a Resident requires permanent or temporary health care services within the Health Center, prior to or upon moving to a residence in the Health Center, Resident must (i) sign a Assisted Living and 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 fee, charges for levels of care and for all option services fees due under the Health Center Agreements (collectively, the "Monthly Health Center Fees"). The Health Center Agreements will be a binding agreement between Resident and The Cardinal at North Hills Healthcare, LLC. The current forms of the Health Center Agreements are attached to this Disclosure Statement, which includes information regarding the current fees for the various levels of care.

### **Assisted Living**

Under the Assisted Living Residence and Care Agreement, the Monthly Health Center Fees include 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 assisted living Residents depending on their specific needs, which will be determined by our professional staff in consultation with the Resident's physician and family. The Cardinal Health Center staff will periodically reassess Resident as needed to maintain the appropriate level of care.

The Assisted Living Residence and Care Agreement is a month-to-month agreement, and Resident will pay Monthly Health Center Fees during his/her occupancy of an assisted living apartment. Resident may terminate the Assisted Living Residence and Care Agreement upon thirty (30) days' notice, or immediately in the case of Resident's death. Under the Assisting Living Residence and Care Agreement, Residents are provided three meals a day plus snacks, as well as all utilities except for telephone. The Health Center Fees also includes basic laundering and housekeeping services as described in the Health Center Agreements. Additional housekeeping and laundry services can be provided for an additional charge. Assisted living apartments are provided with floor and window coverings, and Resident must furnish the assisted living apartment with furnishings that comply with North Carolina adult care home regulations. If Resident is unwilling or unable to provide furnishing, furnishings can be provided for an additional fee. Assisting living Residents provide their own supplies for personal care and hygiene. However, if Residents are unable to provide such supplies or choose not to provide them, The Cardinal Health Center will provide Resident with personal items for an additional charge.

### Nursing Services

Under the Skilled Nursing Residence and Care Agreement, Resident will be provided a program of nursing care determined in consultation with Resident's physician to determine the appropriate level of care. The Cardinal Health Center will periodically review care needs as appropriate.

Nursing Care Residence and Care Agreement provides for a Daily Health Center Fee, which will be billed to Resident monthly based on the days of occupancy in a nursing care apartment. Resident may terminate the Nursing Care Residence and Care Agreement upon two (2) days' notice, or immediately in the case of death. Under the Skilled Nursing Residence and Care Agreement, Residents are provided with three meals a day plus snacks, as well as all utilities except for telephone. The Health Center Fees includes basic laundering and housekeeping services as described in the Health Center Agreements. Additional housekeeping and laundry services can be provided for an additional charge. Skilled Nursing apartments are provided with all required furnishings, and Resident may not add furnishings to these Apartments except as approved by The Cardinal Health Center staff in accordance with applicable regulations. Nursing care Residents provide their own supplies for personal care and hygiene. However, if Residents are unable to provide such supplies or choose not to provide them, The Cardinal Health Center will provide Resident with personal items for an additional charge.

### **Excluded Services**

The Cardinal Health Center is not responsible for furnishing or paying for any health care items or services not expressly included in the Health Center Agreements, including but not limited to physicians' services, surgery, hospital care, private duty care or other specialized care. Examples of such specialized care include but are not limited to, treatment or examination of eyes or teeth, medications, 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 the applicable Health Center Agreement.

## **10 Relocation Information**

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

### **Substitution of Residence by The Cardinal**

The Cardinal 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 Cardinal.

### **Voluntary Relocation of Single Resident or Both Joint Residents**

A Resident may move to another residence at The Cardinal, subject to residence availability and The Cardinal's 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 they are vacating 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 Cardinal, 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 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 Cardinal's 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 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 new or different residence, both Residents may release their current residences and move into a new or different residence, subject to availability and The Cardinal's 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 and Service Agreement that identifies the new accommodation and identifies the Monthly Fee for the new accommodation.

### **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 Cardinal, the non-resident must follow the standard application procedures for move-in to the Community. Both individuals must be 55 years of age or older. If the non-Resident's application is rejected, he/she shall not qualify to be a Resident of The Cardinal. The rejection of the non-resident's application will have no effect on the current Resident's existing agreements with The Cardinal, and Resident may choose to continue living in the residence alone or terminate the Residence and Service Agreement in accordance with its terms. 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**

If two Residents jointly occupy a residence, and they divorce, separate, or otherwise wish to live separately while at The Cardinal, 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/her new residence and will sign a new Residence and Service Agreement.

### **Relocation within The Cardinal for Health Center Services**

If Resident requires permanent or temporary health care services within the Health Center, prior to or upon moving to a residence in the Health Center, Resident must (i) sign a Health Center Agreement and (ii) pay the applicable Monthly Health Center Fees, as discussed in Section 9 above.

### **Temporary Relocation To The Health Center**

- Single Occupancy
  - If a Resident requires temporary Health Center services, Resident shall (a) continue to pay the regular Monthly Fee for their residence; (b) pay the Monthly Health Center Fees; and (c) pay for any charges for ancillary items and services received that are not covered by the Monthly Health Center Fees.
  
- Double Occupancy
  - If a Resident occupies the residence with another Resident and one Resident is temporarily transferred outside the residence 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 transferred Resident will pay the applicable Monthly Health Center Fees and any charges for ancillary items and services he/she receives that are not covered by the Monthly Health Center Fees.
  - If both Residents simultaneously transfer to the Health Center to receive temporary Health Center services, Residents will be responsible for continuing to pay the double occupancy Monthly Fee for the residence and each Resident shall pay (a) the applicable Monthly Health Center Fees for care received; and (b) any charges for

ancillary items and services that each Resident receives that are not covered by the Monthly Health Center Fees.

### **Permanent Relocation To The Health Center**

- **Single Occupancy**
  - If Resident occupies the residence by his/herself and Resident requires permanent Health Center services, Resident shall vacate the residence and relocate to a Health Center apartment as appropriate. Resident shall be responsible for paying the Monthly Health Center Fees and any charges for ancillary items and services Resident receives, pursuant to the terms of their Health Center Agreement.
  - In addition, Resident will continue to pay The Cardinal the Monthly Fee under his/her Residence and Service Agreement, until Resident makes the residence Unit Ready to The Cardinal. Resident shall be responsible for all moving and cleaning costs and the cost of restoring the former residence to Unit Ready condition.
  
- **Double Occupancy**
  - If Resident occupies the residence with another Resident and one of the Residents requires permanent 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 any charges for optional items and services under the Residence and Service Agreement. The transferred Resident will pay the applicable Monthly Health Center Fees and any charges for ancillary items and services he/she receives pursuant to the terms of the Health Center Agreement.
  - If both Residents simultaneously require permanent Health Center services, Residents shall vacate the residence and relocate to one of The Cardinal's Health Center apartments. Residents shall continue to pay the double occupancy Monthly Fee under the Residence and Service Agreement until the residence is Unit Ready. In addition, each Resident shall pay the applicable Monthly Health Center Fees for the care received and any charges for ancillary items and services such Resident receives. Once the residence is Unit Ready, each Resident shall be responsible for paying only the applicable Monthly Health Center Fees and any charges for ancillary items and services Residents receive.

### **Relocation to an Outside Health Care Facility**

- **Temporary Relocation**
  - If Resident relocates to an outside facility for Health Care services because no space is available at The Cardinal 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 Resident receives at that facility. The Cardinal is not responsible to pay charges for Resident's care to the outside facility. When space becomes available at The Cardinal Health Center, and as medical circumstances allow, as determined by the Community care management team, the Resident, their physician and/or representative, The Cardinal 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 Cardinal, and Resident agrees to hold The Cardinal 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 the residence at The Cardinal as well as the applicable rate including any charges for ancillary items and services Resident receive that are not covered by the Monthly Fee.
  
- **Double Occupancy**
  - If Resident occupies the 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.
  - If both Residents simultaneously require temporary 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 Resident received that are not covered by the Monthly Fee.
  
- **Permanent Relocation**
  - If Resident occupies the residence by his/herself and Resident permanently relocates to an outside Health Care facility, the Residence and Service Agreement will terminate. In the event of double occupancy, if one Resident requires permanent Health Care services at an outside facility, the Residence and Service Agreement will terminate with respect to the transferring Resident and will continue only with respect to the remaining Resident. In that case, the remaining Resident will be obligated to pay the Monthly Fee for single occupancy and charges for optional items and services as provided under the Residence and Service Agreement.

#### **Resident's Responsibility for Damage to The Residence Upon Move Out**

If Resident chooses to move to a different residence at The Cardinal, transfer to The Cardinal Health Center, or move out of The Cardinal, 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 the 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 The Cardinal Health Center or an outside facility, as

appropriate, if any of the following exists as determined by the Community Care Management Team, in consultation with Resident, their physician, and/or their representative:

- Resident fails to meet the conditions of occupancy for independent residential living;
- The relocation is necessary to protect Resident's welfare and The Cardinal 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;
- Resident's safety and well-being, or the safety and well-being of other individuals at the Community is endangered;
- Resident's health, or the health of other individuals at the Community is endangered;
- Resident exhibits behaviors that violate the Community's rules, regulations, policies or procedures;
- Resident requires care that cannot lawfully be provided, or require care that The Cardinal or the Health Center, as applicable, is unable to or does not routinely provide;  
or
- Resident's personal physician has determined that Resident requires services and care not available at The Cardinal or the Health Center.

## **11 Terminations and Refunds**

### **Termination Due to Death or Change in Status Prior to Occupancy**

If 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 Agreement will be automatically canceled. Resident may be eligible for residence in The Cardinal Health Center depending on the criteria for admissions established by The Cardinal and the State of North Carolina. In either case, The Cardinal will pay Resident or their estate a refund of the Reservation Fee, Community Fee, and any pre-paid fees, less any cost specifically incurred by The Cardinal at Resident's request as set forth in a writing signed by Resident. 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 Cardinal sends Resident notice of termination due to changed circumstances. If Resident executed the Residence and Service Agreement with another Resident, the Agreement will remain in effect with respect to the surviving Resident, and no refund will be issues, 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 Cardinal 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 Cardinal except that The Cardinal shall deduct from Resident's refund (a) the portion of the Monthly Fee applicable to the period in which Resident actually occupied the residence, if any; (b) the reasonable value of any services and accommodations rendered to Resident by The Cardinal; (c) any other costs specifically incurred by The Cardinal at Resident's request as set forth in writing and signed by both parties; (d) any Advantage Program Fees applied to the Community Fee; and (e ) a cancellation fee in the amount of one thousand dollars (\$1,000.00). Resident will not be entitled to receive any interest on monies paid to The Cardinal. Resident will receive the refund within thirty (30) days after the date of Resident's written notice of cancellation, except that if Resident moved into the residence, Resident shall receive the refund within thirty (30) days after Resident has vacated the residence, removed all his/her belongings from it, and restores it to Unit Ready condition. Resident must make the residence available to The Cardinal in Unit Ready condition within thirty (30) days after the date of the written notice of cancellation.

- **Cancellation by The Cardinal**
  - During the Cancellation Period, The Cardinal 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 Cardinal except that the Community shall deduct from Resident's 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 Cardinal's 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 Cardinal in Unit Ready condition. Resident must make the residence available to The Cardinal 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 Cardinal, and Resident will not receive a refund of the Community Fee for any reason.

#### **Termination by Resident After Cancellation Period**

Resident may terminate the Residence and Service Agreement at any time after the thirty (30) day Cancellation Period by giving The Cardinal 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 Unit Ready condition.

#### **Termination by The Cardinal After Cancellation Period**

The Cardinal may terminate Resident's Independent Living 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 their obligations under the Residence and Service Agreement, including Resident's obligation to pay the Monthly Fee and other charges;
- Resident, their guest's or home care assistant's failure to abide by the rules, regulations, policies and procedures of The Cardinal, 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 Cardinal in its sole discretion;
- Any material omission or misstatement in Resident's Application For Residency, the Reservation Agreement and any and all other documents filed with The Cardinal by Resident or on Resident's behalf;
- 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 Cardinal for reasons such as licensing, design

or staffing, or a condition that cannot be accommodated at The Cardinal 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 Resident's needs;
- Resident's mental or physical condition is such that the continued occupancy of the residence would be unlawful, or The Cardinal determines that the continued occupancy would present an unreasonable risk of injury to the Resident or to others at The Cardinal; or
- Resident's permanent relocation (or the permanent relocation of both of Residents, if they are a couple) from The Cardinal 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 Cardinal 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 Cardinal 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 and Service 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 Cardinal in Unit Ready condition. The Cardinal 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 Unit Ready condition. 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.

## 12 Fees and Other Charges

### Community Fee

Upon execution of the Residence and Service Agreement, Resident will pay Community a non-refundable Community Fee for the residence selected, less any Reservation Fee paid pursuant to a Binding Reservation Agreement. The Community Fee is payable by check, money order, or wire transfer, and is non-refundable except under the conditions set forth in the Residence and Service Agreement. The Community Fee compensates The Cardinal for the time and expense associated with processing Resident’s application for residency, defrays the cost of marketing, and supports the overall operations and financial performance of The Cardinal.

### Monthly Fees

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 residence. Monthly Fees will be due regardless of whether or not the Resident actually occupies the residence. The following tables details the current Monthly Fees by type of residence. Monthly Fees compensate The Cardinal for occupancy of the residence and the housekeeping, maintenance, programming, meals, and other goods and services Resident will enjoy while residing The Cardinal, as well as supporting the overall operations and financial performance of the Community.

The Cardinal at north Hills  
INDEPENDENT LIVING FEE SCHEDULE as of 1/01/2023

### Independent Living Residences – Fees shown are subject to change

PLAN	NAME	TYPE	APPROX. SQUARE FT.	MONTHLY FEES*
Plan A	The Salisbury	1 Bedroom/1 Bath	800	\$6,240
Plan A+	The Salisbury Plus	1 Bedroom/1 Bath/Den	1,005	\$6,955
Plan B	The Glenwood	1 Bedroom/1 Bath/Den	950	\$6,675
Plan C	The Dawson	1 Bedroom/1.5 Bath/Den	1,110	\$7,255
Plan D	The Cameron	1 Bedroom/1.5 Bath/Den	1,220	\$7,990
Plan E	The Morgan	2 Bedroom/2 Bath	1,200	\$7,755
Plan E+	The Morgan Plus	2 Bedroom/2 Bath/Den	1,525	\$8,170
Plan F	The Marlowe	2 Bedroom/2 Bath	1,265	\$8,320
Plan F+	The Marlowe Plus	2 Bedroom/2 Bath	1,330	\$8,430
Plan J	The Hillsborough	2 Bedroom/2 Bath	1,375	\$8,705
Plan G	The Oxford	2 Bedroom/2 Bath/Den	1,555	\$9,905
Plan K	The Granville	2 Bedroom/2 Bath/Den	1,610	\$9,750
Plan H	The Churchill	2 Bedroom/2 Bath/Den	1,720	\$9,945
Plan I	The Edenton	3 Bedroom/3 Bath	2,080	\$11,155

\*Amounts shown are average Monthly Fees. The actual Monthly Fee will vary. Monthly Fees do not include Second Person Fees or any optional or ancillary services. The Second Person Fee for Independent Living is \$1,050.

The Cardinal at North Hills Heath Center  
HEALTH CENTER FEE SCHEDULE as of 1/01/2023

**Health Center – Fees shown are subject to change**

PLAN	CARE LEVEL	APPROX. SQUARE FT.	MONTHLY FEES*
Studio A	Assisted Living	335	\$6,465
Studio B	Assisted Living	335	\$6,775
1 Bedroom B	Assisted Living	570	\$7,110
1 Bedroom C	Assisted Living	673	\$7,755
1 Bedroom D	Assisted Living	722	\$8,145
1 Bedroom E	Assisted Living	731	\$8,260
Studio A	Memory Care	330	\$7,110
Studio B	Memory Care	354	\$7,110
Studio A	Nursing Care	331	\$13,950
Studio B	Nursing Care	358	\$13,950

\*Amounts shown are average Monthly Fees. The actual Monthly Fee will vary. 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. The Second Person Fee for Assisted Living is \$1,250.

**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 (1<sup>st</sup>) 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 Cardinal 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 Cardinal related to the recovery of delinquent amounts due.

**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 their personal financial obligations. If Resident fail to pay the Monthly Fees or other charges in a timely fashion, The Cardinal 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 and Service Agreement. The Cardinal has no obligation to give Resident any financial assistance.

**Adjustments**

The Cardinal may increase or decrease the Monthly 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 as set forth herein.

**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 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 Cardinal 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 Agreement, both Residents together, and each Resident separately will be liable for all fees described in their Residence and Service Agreement.

**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.



<b>Independent Living Monthly Service Fees</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
One Occupant (per month)	\$ 260.00	\$ 794.70	\$ 282.45	\$ 584.52	\$ 43.55
Approx. Percentage Increase	4.15%	12.88%	4.06%	8.07%	0.56%
Double Occupant Fee (per month)	\$ 40.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Approx. Percentage Increase	4.94%	5.88%	5.56%	5.26%	5.00%
<b>Health Center Room Charges</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Assisted Living (per day)	\$ 11.57	\$ 9.74	\$ 11.86	\$ 10.82	\$ 12.46
Approx. Percentage Increase	6.34%	5.02%	5.82%	5.02%	5.50%
Double Occupant Fee (per day)	\$ 0.33	\$ 3.29	\$ 1.64	\$ 1.64	\$ 1.64
Approx. Percentage Increase	1.01%	10.00%	4.55%	4.35%	4.17%
Skilled Nursing (per day)	\$ 20.00	\$ 50.00	\$ 20.00	\$ 20.00	\$ 25.00
Approx. Percentage Increase	6.06%	14.29%	5.00%	4.76%	5.68%
<b>Advantage Program Monthly Service Fees</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Membership Fee (per month)	-	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Approx. Percentage Increase	-	0.00%	0.00%	0.00%	0.00%
Second Person Membership Fee (per month)	-	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Approx. Percentage Increase	-	0.00%	0.00%	0.00%	0.00%
<b>Advantage Program Enrollment Fee</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Initial Membership Fee (one-time fee)	-	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 5,000.00
Approx. Percentage Increase	-	50.00%	0.00%	0.00%	33.33%
Initial Membership Fee Couple (one-time fee)	-	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 5,000.00
Approx. Percentage Increase	-	3.33%	0.00%	0.00%	25.00%

## **13 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 residence, the underage spouse may be approved for residency in the residence, in The Cardinal's sole discretion.

### **Health Criteria**

Prospective residents must meet the health criteria established by The Cardinal 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, Physician's Report).

### **Financial Criteria**

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

## **14 Financial Disclosure**

The Cardinal is financed and owned by a joint venture partnership between HCRI North Carolina Properties III, LP (“HCN”), 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.

The Cardinal is one of three senior living communities in Raleigh, North Carolina owned by this HCN and KSL Toledo Member joint venture under a Master Lease Agreement. KSL Toledo Tenant LLC leases the Community to The Cardinal at North Hills, LLC for 15 years with two extension options. The Cardinal at North Hills, LLC is the entity responsible to fund the operating costs. Since The Cardinal has reached stabilization, lease payments escalate over the term in fixed increments of 0.25% annually.

### **Financial Statements**

In accordance with NC G.S. § 58-64-20, attached as Exhibit A are the Combined Financial Statements and Supplementary Information for the Year(s) ending 12/21/22 and 2021, with Independent Auditor’s Report.

### **Financial Projections**

Attached as Exhibit B is a Compilation of Financial Projections for the Five Years Ending December 31, 2027, which details the expected financial position, results of operations and cash flows of The Cardinal and the Health Center for each year through December 31, 2027.

### **Interim Financial Statements**

In accordance with NC G.S. § 58-64-20, attached as Exhibit O are Interim Financial Statements for the period ending 4/30/2023.

### **Reserve Requirements**

North Carolina law requires CCRCs such as The Cardinal 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 Cardinal has satisfied its statutory reserve requirement through a letter of credit issued by Credit Agricole CIB dated January 4, 2023 in the amount of \$5,610,000.

**Exhibit A**

**The Cardinal at North Hills  
Combined Financial Statements and Supplementary Information for Year(s) Ending 12/31/2022  
and 2021 with Independent Auditor's Report Thereon**

**THE CARDINAL AT NORTH HILLS, LLC AND AFFILIATE**  
**Combined Financial Statements**  
**and Supplementary Information**  
**December 31, 2022 and 2021**  
**With Independent Auditor's Report**

**The Cardinal at North Hills, LLC and Affiliate**  
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**December 31, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
The Cardinal at North Hills, LLC and Affiliate  
(a Limited Liability Company):

### Opinion

We have audited the combined financial statements of The Cardinal at North Hills, LLC and Affiliate (a Limited Liability Company) (the "Company"), which comprise the combined balance sheets as of December 31, 2022 and 2021, and the related combined statements of operations, members' equity and cash flows for the years then ended, and the related notes to combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Combined Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of a Matter

As described in Note 1, the Company adopted Accounting Standards Codification ("ASC") 842 as of January 1, 2022. Prior period amounts have not been adjusted and continue to be reported in accordance with the Company's historic accounting under ASC 840. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Combined Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

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

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

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2022 combined financial statements as a whole. The 2022 supplementary combining balance sheet and combining statement of operations are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2022 combined financial statements as a whole.

*Withum Smith + Brown, PC*

March 25, 2023



**The Cardinal at North Hills, LLC and Affiliate  
Combined Balance Sheets  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets		
Cash	\$ 1,342,978	\$ 1,545,943
Cash held in escrow	47,206	170
Accounts receivable, net	179,993	99,327
Other receivables	96,516	128,548
Prepaid expenses and other current assets	<u>124,502</u>	<u>109,823</u>
Total current assets	<u>1,791,195</u>	<u>1,883,811</u>
Property and equipment, net	<u>1,403,409</u>	<u>1,045,390</u>
Other assets		
Right-of-use assets - operating, net	99,195,818	-
Due from affiliates, net	23,587	-
Deposits	<u>16,411</u>	<u>16,411</u>
	<u>99,235,816</u>	<u>16,411</u>
	<u>\$ 102,430,420</u>	<u>\$ 2,945,612</u>
<b>Liabilities and Members' Equity</b>		
Current liabilities		
Accounts payable	\$ 16,757	\$ 12,633
Accrued expenses	320,112	710,707
Deferred revenue	352,047	441,744
Due to affiliates, net	18,759	146,599
Current portion of lease liabilities - operating	<u>6,827,872</u>	<u>-</u>
Total current liabilities	7,535,547	1,311,683
Lease liabilities - operating, net of current portion above	<u>92,367,946</u>	<u>-</u>
Total liabilities	99,903,493	1,311,683
Members' equity	<u>2,526,927</u>	<u>1,633,929</u>
	<u>\$ 102,430,420</u>	<u>\$ 2,945,612</u>

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

**The Cardinal at North Hills, LLC and Affiliate**  
**Combined Statements of Operations**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Residential services	\$ 20,349,071	\$ 18,971,726
Healthcare services	2,174,310	1,963,639
Cardinal Advantage Program membership fees	151,000	356,000
Cardinal Advantage Program service fees	72,678	34,124
Other	<u>805,831</u>	<u>698,593</u>
Total revenues	<u>23,552,890</u>	<u>22,024,082</u>
<b>Operating expenses</b>		
Assisted living	737,788	751,981
Memory care	591,724	574,146
Skilled nursing	1,288,734	1,167,669
Wellness	488,024	430,215
Dining services	2,908,850	2,612,205
Housekeeping and laundry	602,201	552,010
Utilities	545,839	504,850
Environmental services	897,011	804,979
Property taxes	766,517	736,065
General and administrative	12,561,924	12,540,794
Cardinal Advantage Program - wellness	2,841	2,283
Cardinal Advantage Program - sales and marketing	41,924	78,613
Cardinal Advantage Program - general and administrative	31,856	24,599
Depreciation	<u>212,457</u>	<u>151,946</u>
Total operating expenses	<u>21,677,690</u>	<u>20,932,355</u>
Operating income	<u>1,875,200</u>	<u>1,091,727</u>
<b>Other income (expense)</b>		
Dividend income	-	83,025
Loss on marketable equity securities	-	(3,761,955)
Interest expense	-	-
Other	<u>(982,202)</u>	<u>(1,436,638)</u>
Total other income (expense)	<u>(982,202)</u>	<u>(5,115,568)</u>
<b>Net income (loss)</b>	<u>\$ 892,998</u>	<u>\$ (4,023,841)</u>

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

**The Cardinal at North Hills, LLC and Affiliate  
 Combined Statements of Members' Equity  
 Years Ended December 31, 2022 and 2021**

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	<u>The Cardinal at North Hills, LLC</u>	<u>The Cardinal at North Hills Healthcare, LLC</u>	<u>Total Members' Equity</u>
<b>Members' equity at January 1, 2021</b>	\$ 13,169,923	\$ 970,340	\$ 14,140,263
Distributions to members	(8,482,493)	-	(8,482,493)
Net loss	<u>(3,531,934)</u>	<u>(491,907)</u>	<u>(4,023,841)</u>
<b>Members' equity at December 31, 2021</b>	1,155,496	478,433	1,633,929
Net income	<u>241,154</u>	<u>651,844</u>	<u>892,998</u>
<b>Members' equity at December 31, 2022</b>	<u>\$ 1,396,650</u>	<u>\$ 1,130,277</u>	<u>\$ 2,526,927</u>

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

**The Cardinal at North Hills, LLC and Affiliate  
Combined Statements of Cash Flows  
Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Net income (loss)	\$ 892,998	\$ (4,023,841)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation	212,457	151,946
Bad debt expense	4,785	13,201
Amortization of right-of-use assets - operating	6,735,021	-
Changes in assets and liabilities		
Accounts receivable	(85,451)	19,211
Due from affiliates, net	(23,587)	20,525
Prepaid expenses and other current assets	(14,679)	33,173
Other receivables	32,032	206,508
Accounts payable	4,124	(49,557)
Accrued expenses	(390,595)	(96,784)
Deferred revenue	(89,697)	113,069
Due to affiliates, net	(127,840)	146,599
Lease liabilities - operating	<u>(6,735,021)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>414,547</u>	<u>(3,465,950)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(570,476)	(256,177)
Proceeds from sale of marketable equity securities	<u>-</u>	<u>11,722,208</u>
Net cash provided by (used in) investing activities	<u>(570,476)</u>	<u>11,466,031</u>
<b>Financing activity</b>		
Distributions to members	<u>-</u>	<u>(8,482,493)</u>
Net cash used in financing activity	<u>-</u>	<u>(8,482,493)</u>
Net change in cash and restricted cash	(155,929)	(482,412)
<b>Cash and restricted cash</b>		
Beginning of year	<u>1,546,113</u>	<u>2,028,525</u>
End of year	<u>\$ 1,390,184</u>	<u>\$ 1,546,113</u>
<b>Supplemental disclosure of cash flow information</b>		
Balance sheet composition of cash and restricted cash		
Cash	\$ 1,342,978	\$ 1,545,943
Cash held in escrow	<u>47,206</u>	<u>170</u>
Total cash and restricted cash	<u>\$ 1,390,184</u>	<u>\$ 1,546,113</u>

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

# The Cardinal at North Hills, LLC and Affiliate

## Notes to Combined Financial Statements

### December 31, 2022 and 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Nature of Business**

The Cardinal at North Hills, LLC (a Limited Liability Company) (the “Cardinal”) operates as a parent company for The Cardinal at North Hills Healthcare, LLC, a rental Continuing Care Retirement Community (“CCRC”) located in Raleigh, North Carolina. The Cardinal operates its communities under the “continuing care” concept in which residents enter into a residency and care agreement which requires payment of a monthly service fee. Generally, payment of these fees entitles residents to the use and privileges of the communities for life. The Cardinal at North Hills Healthcare, LLC (a Limited Liability Company) (“Affiliate”) operates as a health center within the Cardinal. Residency and care agreements can be terminated at any time by the resident or the Cardinal with proper notice, per the agreements.

Profits and losses of the Cardinal and Affiliate (collectively the “Company”) are to be allocated to the members in accordance with the terms of the operating agreements. Members of the Company are not personally liable for any obligations of the Company. The Company will cease to exist when dissolved by the unanimous agreement of the members.

##### **Principles of Combination**

The combined financial statements for the years ended December 31, 2022 and 2021 include the accounts of the Cardinal and Affiliate. The carrying amounts of the affiliated entities are combined into the financial statements of The Cardinal at North Hills, LLC due to the entities being under common ownership. The combined financial statements do not represent that of a single entity. Furthermore, all significant intercompany accounts and transactions have been eliminated in combination.

##### **Cash and Cash Equivalents**

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents and classifies such amounts as cash.

##### **Restricted Cash**

Restricted cash consists of escrow accounts representing balances held in tax escrow accounts.

##### **Concentration of Credit Risk**

The Company 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 Company had deposits in excess of the FDIC insured amount. Any loss incurred or 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 and are reported net of an allowance for doubtful accounts to represent the Company's estimate of the amount that ultimately will be realized in cash. Per the terms with residents, the Company generally considers accounts receivable that are 30 to 45 days past due to be delinquent. Allowance for doubtful accounts at December 31, 2022 and 2021 was \$15,785 and \$21,130, respectively. The adequacy of the Company's allowance for doubtful accounts is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, as well as a review of specific accounts, and adjustments are made to the allowance as necessary. Bad debt expense of \$4,785 and \$13,201 were recorded for the years ended December 31, 2022 and 2021, respectively. Recoveries of accounts receivable previously written off are recorded when received. Accounts receivable at January 1, 2021 were \$466,794.

**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

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**Property and Equipment**

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

<u>Description</u>	<u>Estimated Life (Years)</u>
Land improvements	15
Building and improvements	27.5
Equipment	5-7
Computer software	3
Furniture and fixtures	5
Automobile	5

**Impairment of Long-Lived Assets**

The Company reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the property and equipment and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property and equipment. There were no impairment losses recognized in 2022 and 2021.

**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 combined balance sheet. The Company had no finance leases during 2022 and 2021.

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

**Repairs and Maintenance**

Normal costs incurred to repair and maintain the property, are charged to operations as incurred. Renewals and improvements of a major nature are capitalized.

**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

**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.

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, 2022:

	<u>Residential Services</u>	<u>Healthcare Services</u>	<u>CAP Membership Fees</u>	<u>CAP Service Fees</u>	<u>Other</u>	<u>Total</u>
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ 151,000	\$ -	\$ 805,831	\$ 956,831
Performance obligations satisfied over time	<u>20,349,071</u>	<u>2,174,310</u>	<u>-</u>	<u>72,678</u>	<u>-</u>	<u>22,596,059</u>
Total net sales	<u>\$ 20,349,071</u>	<u>\$ 2,174,310</u>	<u>\$ 151,000</u>	<u>\$ 72,678</u>	<u>\$ 805,831</u>	<u>\$ 23,552,890</u>

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2021:

	<u>Residential Services</u>	<u>Healthcare Services</u>	<u>CAP Membership Fees</u>	<u>CAP Service Fees</u>	<u>Other</u>	<u>Total</u>
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ 356,000	\$ -	\$ 698,593	\$ 1,054,593
Performance obligations satisfied over time	<u>18,971,726</u>	<u>1,963,639</u>	<u>-</u>	<u>34,124</u>	<u>-</u>	<u>20,969,489</u>
Total net sales	<u>\$ 18,971,726</u>	<u>\$ 1,963,639</u>	<u>\$ 356,000</u>	<u>\$ 34,124</u>	<u>\$ 698,593</u>	<u>\$ 22,024,082</u>

# The Cardinal at North Hills, LLC and Affiliate

## Notes to Combined Financial Statements

### December 31, 2022 and 2021

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#### **Revenue Streams**

The Company has five separate revenue streams. The types of revenue include residential services, healthcare services, Cardinal Advantage Program (“CAP”) membership fees, CAP service fees, and other. Each revenue stream has separate performance obligations and agreements in which the residents can choose from individually or as a package.

*Residential Services:* Residential services revenue at the Company’s independent living and assisted living facilities consists of regular monthly charges for basic housing and support services. Fees are specified in agreements with residents and are dependent upon apartment type, level of services provided, and occupancy (single or double). Under the terms of the agreement the Company provides daily meals, weekly housekeeping, utilities, repairs and maintenance, transportation, and health and wellness classes. Residential service agreements include a lease component pursuant to Accounting Standards Codification (“ASC”), *Leases*, the terms of which are month-to-month and provide the resident access to a residential unit. The Company has elected the practical expedient not to separate lease and nonlease components from contracts containing a lease. The Company has determined that the prominent component in these residential service contracts is the nonlease components and accordingly, the residential services revenue is recognized as performance obligations are satisfied. Performance obligations are satisfied ratably over the year in accordance with the contracts. Revenue is recognized as the performance obligations are satisfied.

*Healthcare Services:* Healthcare services revenue consists of charges for health care services provided to residents. These services consist of administration of medications and personal care services. These services can be purchased as custom packages or individually. Healthcare services revenue is recognized as performance obligations are satisfied. Performance obligations are satisfied ratably over the year in accordance with the contracts. Revenue is recognized as the performance obligations are satisfied.

*CAP Membership Fees:* CAP membership fees revenue consists of charges for CAP membership and access to the program. CAP membership fees are a one-time, non-refundable fee that a member can apply to their community fee if they desire to move into an available apartment at the community. CAP membership fees revenue is recognized at a point in time which is when the member pays the fee and has access to the program services.

*CAP Service Fees:* CAP service fees revenue consists of monthly charges to CAP members in order to maintain their membership to the program. CAP service fees revenue is recognized as performance obligations are satisfied. Performance obligations are satisfied monthly as incurred. Revenue is recognized as the performance obligations are satisfied.

*Other:* Other revenues consist of charges for non-refundable community fees, additional resident meals, guest meals, recreational activities, and other healthcare related services to residents. Community fees are a one-time, non-refundable fee collected at move-in for administrative and processing move-in costs. Other revenue is recognized at the point in time which is when the resident moves in for the community fee or when the meals, activities, and services are provided.

#### **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.



**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

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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 \$352,047 and \$441,744 as of December 31, 2022 and 2021, respectively. Deferred revenue at January 1, 2021 was \$328,675. 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.

**Use of Estimates**

The preparation of combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising**

The Company follows the policy of charging advertising costs to expense as incurred. Total advertising costs expensed for the years ended December 31, 2022 and 2021 were \$121,002 and \$87,882, respectively.

**Income Taxes**

The Cardinal at North Hills, LLC and Affiliate are limited liability companies. The Company's taxable income or loss is allocated to its members. Therefore, no provision or liability for income taxes has been included in the combined financial statements.

The Company 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 Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. There was no recognition of uncertain tax positions required at December 31, 2022 and 2021.

The Company files income tax returns in the U.S. federal jurisdiction and the state of North Carolina. The Company believes that its tax positions comply with applicable tax law and that the Company 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 the IRS limits. The Company matches 25% of the employee's contributions up to 6% of the employee's compensation. The Company contributions for the years ended December 31, 2022 and 2021, totaled \$20,963 and \$19,268, respectively.

**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

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**Recent Accounting Pronouncements - Adopted**

In February 2016, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending the accounting for leases. The Company adopted the new standard effective January 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Company utilized the practical expedient available under the guidance. Further, the Company elected to implement the package of practical expedients, whereby the Company did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to statements of operations or cash flows and the Company’s debt-covenants calculations under current agreements.

Upon adoption, the Company recognized \$105,930,839 in ROU assets related to its leased property and equipment. Corresponding lease liabilities of \$105,930,839 were also recognized. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to retained earnings upon adoption.

**Recent Accounting Pronouncements - Not Yet Adopted**

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses* Topic 326. This update requires companies to measure all expected credit losses for financial assets held at the reporting date. The standard also amends the accounting for credit losses on available-for-sale debt securities, purchased financial assets with credit deterioration and trade and other receivables. In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses*, which made technical corrections and improvements to the previous ASU issued. The standards will take effect for the year ended December 31, 2023. The Company does not expect the adoption of this ASU to have a material impact on its combined financial statements.

**Subsequent Events**

The Company evaluated subsequent events through March 25, 2023, the date these combined financial statements were issued. Based upon that evaluation, management determined that, with the exception of the matter disclosed in Note 4, there are no subsequent events that require disclosure in these combined financial statements.

**2. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land improvements	\$ 46,451	\$ 35,252
Building and improvements	1,104,368	874,512
Equipment	611,954	334,464
Computer software	85,980	53,155
Furniture and fixtures	102,492	89,254
Automobile	<u>64,388</u>	<u>61,068</u>
	2,015,633	1,447,705
Less: Accumulated depreciation	<u>(612,224)</u>	<u>(402,315)</u>
	<u>\$ 1,403,409</u>	<u>\$ 1,045,390</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$212,457 and \$151,946, respectively.

**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

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**3. ACCRUED EXPENSES**

Accrued expenses consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Salaries and wages	\$ 76,408	\$ 75,400
Vacation	110,364	125,279
Profit sharing	-	231,025
Other	<u>133,340</u>	<u>279,003</u>
	<u>\$ 320,112</u>	<u>\$ 710,707</u>

**4. COMMITMENTS AND SUBSEQUENT EVENT**

**Operating Lease as Lessee**

The Company is party to a noncancelable 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 for the foreseeable future. The lease expires in April 2036 and provides for monthly rent of \$677,900. The monthly rent is allocated amongst affiliates based on terms provided by a master lease agreement. Lease expense to this related party for the years ended December 31, 2022 and 2021 was \$8,228,652 and \$8,205,229, respectively, which includes variable lease expense of \$93,852 and \$70,429, respectively.

The following table reconciles the undiscounted cash flows for each of the first five years and total remaining years to the operating lease liabilities recorded on the combined balance sheet at December 31:

2023	\$ 8,134,800
2024	8,134,800
2025	8,134,800
2026	8,134,800
2027	8,134,800
Thereafter	<u>67,789,999</u>
Gross payments due	108,463,999
Less: imputed interest	<u>(9,268,181)</u>
Lease liabilities at December 31, 2022	<u>\$ 99,195,818</u>

As of December 31, 2022, the weighted average discount rate associated with operating leases is 1.4% and the weighted average remaining lease term associated with operating leases is 13.3 years. Cash flows from operating leases totaled \$8,134,800.

**Letter of Credit**

The Company is required to maintain a statutory operating reserve pursuant to North Carolina General Statute ("NCGS") Section 56-64-33. In December 2020, the Company became the beneficiary of a letter of credit with a bank that allows them to draw a maximum of \$5,200,000. Effective January 4, 2023, the letter of credit increased the maximum draw to \$5,610,000.

As of December 31, 2022 and 2021, the Company had no outstanding advances under the letter of credit. The letter of credit expired in December 2021 and extended for one year from the initial expiration date. The letter of credit will automatically renew annually and has a final expiration date in December 2023.

**The Cardinal at North Hills, LLC and Affiliate**  
**Notes to Combined Financial Statements**  
**December 31, 2022 and 2021**

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**5. RELATED PARTY TRANSACTIONS**

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 5% of gross revenue. The agreement also provides for reimbursement of direct expenses in addition to the basic management fee. Management fee expenses totaled \$1,174,530 and \$1,100,672 for the years ended December 31, 2022 and 2021, respectively.

Due from affiliates includes the net balances due to the Company from other affiliated entities. Due from affiliates totaled \$23,587 and \$0 at December 31, 2022 and 2021, respectively.

Due to affiliates includes the net balances due from the Company to other affiliated entities. Due to affiliates totaled \$18,759 and \$146,599 at December 31, 2022 and 2021, respectively. Due to and from affiliates is unsecured and due on demand and bears no interest.

Cash and cash equivalents are held as an operating reserve pursuant to NCGS Section 58-64-33.

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 \$782,324 and \$991,910 for the years ended December 31, 2022 and 2021, respectively.

The Company paid excess cash to an affiliate in the amount of \$1,000,000 and \$1,800,000 included in other expense on the combined statement of operations for the years ended December 31, 2022 and 2021, respectively.

## **SUPPLEMENTARY INFORMATION**

**The Cardinal at North Hills, LLC and Affiliate  
Combining Balance Sheet  
December 31, 2022**

	<u>The Cardinal at North Hills, LLC</u>	<u>The Cardinal at North Hills Healthcare, LLC</u>	<u>Eliminations Increase (Decrease)</u>	<u>Combined Total</u>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 210,219	\$ 1,132,759	\$ -	\$ 1,342,978
Cash held in escrow	47,206	-	-	47,206
Accounts receivable	50,021	129,972	-	179,993
Other receivables	85,027	11,489	-	96,516
Prepaid expenses and other current assets	<u>109,512</u>	<u>14,990</u>	<u>-</u>	<u>124,502</u>
Total current assets	<u>501,985</u>	<u>1,289,210</u>	<u>-</u>	<u>1,791,195</u>
Property and equipment - net	<u>1,403,409</u>	<u>-</u>	<u>-</u>	<u>1,403,409</u>
Other assets				
Right-of-use assets - operating, net	61,501,407	37,694,411		99,195,818
Due from affiliates - net	23,587	-	-	23,587
Deposits	<u>16,411</u>	<u>-</u>	<u>-</u>	<u>16,411</u>
	<u>61,541,405</u>	<u>37,694,411</u>	<u>-</u>	<u>99,235,816</u>
<b>Liabilities and Members' Equity</b>				
Current liabilities				
Accounts payable	\$ 962	\$ 15,795	\$ -	\$ 16,757
Accrued expenses	251,688	68,424	-	320,112
Deferred revenue	296,092	55,955	-	352,047
Due to affiliates, net	-	18,759	-	18,759
Current portion of lease liabilities - operating	<u>4,233,281</u>	<u>2,594,591</u>	<u>-</u>	<u>6,827,872</u>
Total current liabilities	4,782,023	2,753,524	-	7,535,547
Lease liabilities - operating, net of current portion above	<u>57,268,126</u>	<u>35,099,820</u>	<u>-</u>	<u>92,367,946</u>
Total liabilities	62,050,149	37,853,344	-	99,903,493
Members' equity	<u>1,396,650</u>	<u>1,130,277</u>	<u>-</u>	<u>2,526,927</u>
	<u>\$ 63,446,799</u>	<u>\$ 38,983,621</u>	<u>\$ -</u>	<u>\$ 102,430,420</u>

See Independent Auditor's Report.

**The Cardinal at North Hills, LLC and Affiliate**  
**Combining Statement of Operations**  
**Year Ended December 31, 2022**

	<u>The Cardinal at North Hills, LLC</u>	<u>The Cardinal at North Hills Healthcare, LLC</u>	<u>Eliminations Increase (Decrease)</u>	<u>Combined Total</u>
<b>Revenues</b>				
Residential services	\$ 14,802,885	\$ 5,546,186	\$ -	\$ 20,349,071
Healthcare services	-	2,174,310	-	2,174,310
Cardinal Advantage Program membership fees	151,000	-	-	151,000
Cardinal Advantage Program service fees	72,678	-	-	72,678
Other	641,605	164,226	-	805,831
Total revenues	<u>15,668,168</u>	<u>7,884,722</u>	<u>-</u>	<u>23,552,890</u>
<b>Operating expenses</b>				
Assisted living	-	737,788	-	737,788
Memory care	-	591,724	-	591,724
Skilled nursing	-	1,288,734	-	1,288,734
Wellness	486,899	1,125	-	488,024
Dining services	2,908,750	100	-	2,908,850
Housekeeping and laundry	602,201	-	-	602,201
Utilities	545,839	-	-	545,839
Environmental services	897,011	-	-	897,011
Property taxes	766,517	-	-	766,517
General and administrative	8,947,352	3,614,572	-	12,561,924
Cardinal Advantage Program - wellness	2,841	-	-	2,841
Cardinal Advantage Program - sales and marketing	41,924	-	-	41,924
Cardinal Advantage Program - general and administrative	31,856	-	-	31,856
Depreciation	212,457	-	-	212,457
Total operating expenses	<u>15,443,647</u>	<u>6,234,043</u>	<u>-</u>	<u>21,677,690</u>
Operating income	<u>224,521</u>	<u>1,650,679</u>	<u>-</u>	<u>1,875,200</u>
<b>Other income (expense)</b>				
Other, net	16,633	(998,835)	-	(982,202)
Total other income (expense)	<u>16,633</u>	<u>(998,835)</u>	<u>-</u>	<u>(982,202)</u>
<b>Net income</b>	<u>\$ 241,154</u>	<u>\$ 651,844</u>	<u>\$ -</u>	<u>\$ 892,998</u>

See Independent Auditor's Report.

**Exhibit B**

**The Cardinal at North Hills  
Compilation of Financial Forecast For The  
Five Years Ending December 31, 2027**



**The Cardinal at North Hills, LLC and  
The Cardinal at North Hills  
Healthcare, LLC**

**Compilation of a Financial Forecast**

**For Each of the Five Years Ending**

**December 31, 2027**

(with Independent Accountants'  
Compilation Report thereon)

**The Cardinal at North Hills, LLC and  
The Cardinal at North Hills Healthcare, LLC**

**Compilation of a Financial Forecast**

**Five Years Ending December 31, 2027**

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### Independent Accountants' Compilation Report

The Cardinal at North Hills, LLC and  
The Cardinal at North Hills Healthcare, LLC  
Raleigh, North Carolina

Management of the Cardinal at North Hills, LLC and the Cardinal at North Hills Healthcare, LLC (the "Companies") and the day-to-day operating manager, Kisco Senior Living, LLC ("Kisco") (collectively, "Management") is responsible for the accompanying financial forecast of the Companies, which comprises the forecasted combined balance sheets as of and for each of the five years ending December 31, 2027 and the related forecasted combined statements of operations, changes in members' equity and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying forecast 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 and should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast 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 forecast. The forecasted 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 26, 2023

**The Cardinal at North Hills, LLC**  
**The Cardinal at North Hills Healthcare, LLC**

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

	2023	2024	2025	2026	2027
<b>Revenues:</b>					
Residential services	\$ 20,837	\$ 21,879	\$ 22,973	\$ 24,121	\$ 25,327
Healthcare services	2,430	2,551	2,679	2,813	2,953
Cardinal Advantage program membership fees	110	116	121	127	134
Cardinal Advantage program service fees	60	62	66	69	72
Other	904	949	997	1,046	1,099
Total revenues	24,341	25,557	26,836	28,176	29,585
<b>Operating expenses:</b>					
Assisted living	\$ 823	\$ 844	\$ 865	\$ 886	\$ 909
Memory care	598	613	628	644	660
Skilled nursing	1,274	1,306	1,339	1,372	1,406
Wellness	502	514	527	540	554
Dining services	2,841	2,912	2,985	3,059	3,136
Housekeeping and laundry	818	838	859	881	903
Utilities	586	601	616	631	647
Environmental services	908	931	954	978	1,002
Property taxes	785	805	825	845	866
General and administrative	4,478	4,621	4,768	4,921	5,079
Lease expense	8,577	8,791	9,011	9,236	9,467
Cardinal Advantage Program	29	30	31	32	32
Depreciation	245	251	257	264	270
Total operating expenses	22,464	23,057	23,665	24,289	24,931
Net income	\$ 1,877	\$ 2,500	\$ 3,171	\$ 3,887	\$ 4,654
Members' equity, beginning of year	2,527	4,404	6,904	10,075	13,962
Net income	1,877	2,500	3,171	3,887	4,654
Members' equity, end of year	\$ 4,404	\$ 6,904	\$ 10,075	\$ 13,962	\$ 18,616

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

**The Cardinal at North Hills, LLC**  
**The Cardinal at North Hills Healthcare, LLC**

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

	2023	2024	2025	2026	2027
<b>Cash flows from operating activities:</b>					
Net income	\$ 1,877	\$ 2,500	\$ 3,171	\$ 3,887	\$ 4,654
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation	245	251	257	264	270
Amortization of right-of-use assets - operating	6,828	6,922	7,017	7,114	7,212
Changes in assets and liabilities					
Accounts receivable - net	32	(7)	(8)	(8)	(9)
Prepaid expenses and other current assets	2	(4)	(3)	(4)	(3)
Other receivables	(24)	(6)	(7)	(7)	(7)
Accounts payable	(1)	-	1	-	-
Accrued expenses	226	14	15	15	16
Lease liabilities - operating	(6,828)	(6,922)	(7,017)	(7,114)	(7,212)
Net cash provided by operating activities	2,357	2,748	3,426	4,147	4,921
<b>Cash flows from investing activities:</b>					
Purchases of property and equipment	(475)	(475)	(475)	(475)	(475)
Net cash used in investing activities	(475)	(475)	(475)	(475)	(475)
Change in cash and cash equivalents	\$ 1,882	\$ 2,273	\$ 2,951	\$ 3,672	\$ 4,446
Cash, cash equivalents and restricted cash, beginning of year	1,390	3,272	5,545	8,496	12,168
Cash, cash equivalents and restricted cash, end of year	\$ 3,272	\$ 5,545	\$ 8,496	\$ 12,168	\$ 16,614
<b>Reconciliation of cash, cash equivalents, and restricted cash</b>					
Cash and cash equivalents	\$ 3,225	\$ 5,498	\$ 8,449	\$ 12,121	\$ 16,567
Restricted cash	47	47	47	47	47
Total cash, cash equivalents, and restricted cash as reported on the combined statement of cash flows	\$ 3,272	\$ 5,545	\$ 8,496	\$ 12,168	\$ 16,614

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

**The Cardinal at North Hills, LLC**  
**The Cardinal at North Hills Healthcare, LLC**

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

	2023	2024	2025	2026	2027
<b>Current assets:</b>					
Cash and cash equivalents	\$ 3,225	\$ 5,498	\$ 8,449	\$ 12,121	\$ 16,567
Restricted cash	47	47	47	47	47
Accounts receivable - net	148	155	163	171	180
Other receivables	121	127	134	141	148
Prepaid expenses and other current assets	123	127	130	134	137
<b>Total current assets</b>	<b>3,664</b>	<b>5,954</b>	<b>8,923</b>	<b>12,614</b>	<b>17,079</b>
Property and equipment, net	1,633	1,857	2,075	2,286	2,491
<b>Other assets:</b>					
Right-of-use assets - operating, net	92,368	85,446	78,429	71,315	64,103
Due from affiliate	24	24	24	24	24
Deposits	16	16	16	16	16
<b>Total assets</b>	<b>\$ 97,705</b>	<b>\$ 93,297</b>	<b>\$ 89,467</b>	<b>\$ 86,255</b>	<b>\$ 83,713</b>
<b>Current liabilities:</b>					
Accounts payable	\$ 16	\$ 16	\$ 17	\$ 17	\$ 17
Accrued expenses	546	560	575	590	606
Deferred revenue	352	352	352	352	352
Due to affiliate, net	19	19	19	19	19
Current portion of lease liabilities - operating	6,922	7,017	7,114	7,212	7,312
<b>Total current liabilities</b>	<b>7,855</b>	<b>7,964</b>	<b>8,077</b>	<b>8,190</b>	<b>8,306</b>
Lease liabilities - operating, net of current portion	85,446	78,429	71,315	64,103	56,791
Members' equity	4,404	6,904	10,075	13,962	18,616
<b>Total liabilities and Members' equity</b>	<b>\$ 97,705</b>	<b>\$ 93,297</b>	<b>\$ 89,467</b>	<b>\$ 86,255</b>	<b>\$ 83,713</b>

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

## **The Cardinal at North Hills, LLC**

### **The Cardinal at North Hills Healthcare, LLC**

#### **Summary of Significant Forecast Assumptions and Rationale**

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##### **Basis of Presentation**

The accompanying financial forecast presents, to the best of the knowledge and belief of management of the Cardinal at North Hills, LLC and the Cardinal at North Hills Healthcare, LLC (the “Companies”) and the day-to-day operating manager, Kisco Senior Living, LLC (“Kisco”) (collectively “Management”), the expected financial position, results of operations, and cash flows of the Companies as of and for each of the five years ending December 31, 2027. Accordingly, the accompanying forecast reflects Management’s judgment as of May 26, 2023, the date of this forecast, based on present circumstances and the expected course of action during the forecast period. The assumptions disclosed herein are those that Management believes are significant to the forecast.

The accompanying forecast and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64. 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.

The prospective financial statements included in the forecast 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.

##### **Background**

The Companies are North Carolina limited liability companies, which currently sublease the real and personal property and operate the facilities of a rental continuing care retirement community (“CCRC”) known as “The Cardinal at North Hills” (the “Community”). The Community opened in 2017 and is located in the master planned, mixed-use neighborhood of North Hills, Raleigh, North Carolina on a 5.9-acre site between Six Forks Road and St. Albans Drive at the eastern end of the North Hills Park District.

Management plans to construct an 18-story residential building, to be known as “The East Tower at Cardinal North Hills” (the “Project”), adjacent the Community. Management’s financial forecast includes the operations of the Companies, and does not include the operations and development activities of the Project or the following related parties:

Tower at the Cardinal, LLC (the “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 Project from KSL Toledo Tenant, LLC.

300 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 Community.

**See Independent Accountants’ Compilation Report**

KSL Toledo Tenant, LLC (the "Master Tenant" or the "Member") is a North Carolina limited liability company, which leases the real and personal property of the Community and the Project from the Owner.

Kisco Senior Living, LLC ("Kisco") is a Delaware limited liability company, which provides management services to the Community and, upon opening, the Project.

Kisco Development, LLC ("Kisco Development") is a Delaware limited liability company, which provides development services for the Project.

### **The Community**

The Community consists of two independent living buildings containing 165 independent living apartment units including one-, two- and three-bedroom floor plans (the "Independent Living Units"). The Independent Living Units include walk-in closets, washers and dryers, full kitchens, a 24-hour emergency call system, and a choice of upgrades.

The Community also includes 27 assisted living units (the "Assisted Living Units"), 18 memory care units (the "Memory Care Units"), and 15 skilled nursing beds (the "Skilled Nursing Beds") (collectively the "Health Care Center").

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 a 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.



The following table summarizes the type, number, approximate square footages, and monthly fees (“Monthly Fees”) of the Independent Living Units effective January 1, 2023.

**Table 1**  
**Independent Living Unit Configuration**

<b>Independent Living Unit Type</b>	<b>Unit Count</b>	<b>Square Footage</b>	<b>Monthly Fees<sup>(1)(2)</sup></b>
The Salisbury 1 Bedroom /1 Bath	27	800	\$6,240
The Salisbury Plus 1 Bedroom/1 Bath/Den	3	1,005	\$6,955
The Glenwood 1 Bedroom/1 Bath	14	950	\$6,675
The Dawson 1 Bedroom/Den/1.5 Bath	25	1,110	\$7,255
The Cameron 1 Bedroom/Den/1.5 Bath	5	1,220	\$7,990
The Morgan 2 Bedroom/2 Bath	22	1,200	\$7,755
The Morgan Plus 2 Bedroom/2 Bath/Den	3	1,525	\$8,170
The Marlowe 2 Bedroom/2 Bath	10	1,265	\$8,320
The Marlowe Plus 2 Bedroom/2 Bath	10	1,330	\$8,430
The Hillsborough 2 Bedroom/2 Bath	6	1,375	\$8,705
The Oxford 2 Bedroom/2 Bath	15	1,555	\$9,095
The Granville 2 Bedroom/Den/2 Bath	6	1,610	\$9,750
The Churchill 2 Bedroom/Den/2 Bath	15	1,720	\$9,945
The Edenton 3 Bedroom/3 Bath	4	2,080	\$11,155
<b>Total/Weighted Averages</b>	<b>165</b>	<b>1,237</b>	<b>\$7,925</b>

Source: Management

(1) Amounts shown reflect average Monthly Fees. The Community requires a one-time, non-refundable community fee.

(2) The second person Monthly Fee is \$1,050.

**See Independent Accountants’ Compilation Report**

The following table summarizes the unit types, approximate square footage, Monthly Fees, and daily fees (“Daily Fees”) for the Health Care Center effective January 1, 2023.

**Table 2**  
**Health Care Center Configuration**

	Number of Units	Square Footage	Monthly Fees <sup>(1)(2)(3)</sup>
<b>Assisted Living Units:</b>			
Studio	13	335	\$6,450 – 6,775
One-Bedroom	14	570 – 731	\$7,100 – 8,260
<b>Total/Weighted Average</b>	<b>27</b>	<b>335-731</b>	<b>\$6,787 – \$7,545</b>
<b>Memory Care Units:</b>			
Studio	18	330 – 354	\$7,110
<b>Total/Weighted Average</b>	<b>18</b>	<b>330 – 354</b>	<b>\$7,110</b>
<b>Skilled Nursing Beds:</b>			<b>Daily Fee</b>
Studio	15	331 – 358	\$465
<b>Total/Weighted Average</b>	<b>15</b>	<b>331 – 358</b>	<b>\$465</b>

Source: Management

- (1) Amounts shown reflect average monthly fees. The second person Monthly Fee is \$1,250.
- (2) Level of care monthly fees for the Assisted Living Units are based on a point system and are assumed as follows: Level I: \$1,520, Level II: \$2,230; Level III: \$3,000; Level IV: \$3,850; and Level V: \$4,100, plus \$10 per point over 380.
- (3) Level of care monthly fees for the Memory Care Units are based on a point system and assumed as follows: Level I: \$3,980; Level II: \$4,510; and Level III: \$4,820, plus \$10 per point over 440.

### **The Cardinal Advantage Program**

The Companies offer the Cardinal Advantage Program, a continuing care services without lodging program, which provides an option for seniors to age in their homes and access home- and community-based services as needed. Members of the Cardinal Advantage Program (“Members”) have access to many of the amenities of the Community. The Cardinal Advantage Program supports older adults to be healthy and independent throughout their years through education, physical activities, socialization, and the coordination of care when necessary. Members must reside in their own home within the designated service area to continue to participate in the Cardinal Advantage Program. Members pay an initial membership fee \$15,000 to \$20,000 for first and second persons, respectively (the “Membership Fee”) and a \$100 and \$50 monthly fee for first and second persons, respectively.

**See Independent Accountants’ Compilation Report**

## Description of the Residency Agreement

In order to reserve an 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, and pay a community 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 Companies 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 Community, to meet the financial obligations as a resident of the Community (“Resident”).

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

- Complimentary breakfast, as well as thirty (30) meals per month;
- Bi-weekly housekeeping and flat linen laundry service;
- All utilities, except telephone;
- Security and emergency alert system in the 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.

In addition to the items included in the Monthly Fee, certain services, including covered parking and valet parking, are available to Residents at an additional cost. The Monthly Fee may be revised based on the experience of the Companies and estimates of its future costs, at its sole discretion. The Companies endeavor 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 Independent Accountants’ Compilation Report**

### **Cardinal Advantage Program Membership Agreement**

The Companies have a membership services agreement (the “Membership Agreement”) for individuals wishing to enroll in the Cardinal Advantage Program. The Companies will accept persons at least 55 years of age into the Cardinal Advantage Program, who are able to meet the financial obligations as a Member in the program. A prospective Member must complete a “Member Application” and sign a medical release form allowing the Companies to request medical records from the prospective Member’s personal physician. An interview shall be arranged in the prospective Member’s home to assess their ability to function independently within normal living activities and to do a baseline cognitive assessment. Members are expected to obtain and maintain Medicare Parts A and B (or an equivalent substitute policy approved by the Companies) and suitable supplemental medical insurance.

In exchange for payment of the Membership Fee and Monthly Fee, the Cardinal Advantage Program is to provide Members the following services and programs:

- Participation in social, recreational, educational, and cultural activities offered at the Community;
- Use of the Community campus amenities including: meeting rooms and private dining room; wellness center; spa and salon; pool; library; art studio; and, family room;
- Monthly meal program at a reduced rate;
- Access to preferred partner hotels;
- Guest meals for Member visitors;
- Access to the Community’s on-site rehabilitation services (provider bills for Medicare Part B); and,
- Second tier priority access to the Community’s Independent Living Units, Assisted Living Units, Memory Care Units, and Skilled Nursing Beds.

**See Independent Accountants’ Compilation Report**

### **Summary of Significant Accounting Policies**

Basis of Accounting – The Companies maintain their accounting and financial records according to the accrual basis of accounting.

Principles of Combination – The combined financial statements include the accounts of the Companies. The carrying amounts of the Companies are combined into the financial statements, due to the entities being under common ownership. The combined financial statements do not represent that of a single entity. Furthermore, all significant intercompany accounts and transaction have been eliminated in combination.

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 include investments in highly liquid securities with an original maturity of three months or less when purchased.

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 Independent Living Units, Assisted Living Units and Memory Support Units occupancy exceeds 90 percent.

Property and Equipment – Property and equipment are stated at cost less accumulated depreciation. Donated property is recorded at its estimated fair value at the time of receipt. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	15 years
Buildings	27.5 years
Furniture and equipment	3 to 7 years

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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. The provisions of ASU No. 2016-02 are effective for the purpose of Management’s forecast.

Advance Admission Deposits – Potential Residents sign a binding Reservation Agreement with the Companies and pay a Deposit. The Deposits from Resident are kept in an escrow account in the Resident’s name and identification number.

**See Independent Accountants’ Compilation Report**

Deferred Revenue – Amounts of revenue that are collected from Residents in advance are recognized as deferred revenue until the performance obligations are satisfied. The Residency Agreement includes a lease component pursuant to the Accounting Standards Codification, *Leases*, the terms of which are month-to-month and provide the Resident access to a residential unit. The Companies have elected the practical expedient not to separate lease- and non-lease components from the Residency Agreements containing a lease. The company has determined the prominent services component in the Residency Agreement is the non-lease components and accordingly, the residential services revenue is recognized as performance obligations are satisfied. Performance obligations are satisfied ratably over the year in accordance with the Residency Agreement. Revenue is recognized as the performance obligation are satisfied.

Membership Fee – The Membership Fee revenue consists of charges for the Cardinal Advantage Program Membership Fee and access to the Cardinal Advantage Program. The Membership Fee is a one-time, non-refundable fee that a members can apply to their Deposit if they desire to move into an available unit at the Community. The Membership Fee revenue is recognized at a point in time, which is when the Member pays the Membership Fee and has access to the Cardinal Advantage Program services.

Income Taxes – The Companies are 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 forecast, the Companies have assumed no material unrecognized tax benefits or obligations during the forecast period.

### **Summary of Operating Revenue Assumptions**

#### *Independent Living Unit Revenue*

Service fee revenue for Residents living in the Independent Living Units is based upon the assumed occupancy and the Monthly Fee of the respective units. The Independent Living Unit Monthly Fees are assumed to increase 5.0 percent annually during the forecast period.

The Independent Living Units are assumed to maintain a 99.0 percent occupancy level throughout the forecast period. The following table summarizes the assumed utilization of the Independent Living Units during the forecast period.

**See Independent Accountants' Compilation Report**

**Table 3**  
**Utilization of the Independent Living Units**

<b>Years Ended December 31,</b>	<b>Average Units Occupied</b>	<b>Average Units Available</b>	<b>Average Occupancy</b>
<i>Forecasted:</i>			
2023 <sup>(1)</sup>	163.3	165.0	99.0%
2024	163.3	165.0	99.0%
2025	163.3	165.0	99.0%
2026	163.3	165.0	99.0%
2027	163.3	165.0	99.0%

Source: Management

(1) Average occupancy for the Independent Living Units through March 31, 2023 was 163.0 units occupied (98.8%).

The double occupancy percentage for the Independent Living Units is assumed to approximate 30.0 percent throughout the forecast period.

**See Independent Accountants' Compilation Report**

*Assisted Living Unit Revenue*

Service fee revenue for Residents living in the Assisted Living Units is based upon the assumed occupancy and the Monthly Service Fee of the respective units. The Assisted Living Unit Monthly Service Fees are assumed to increase 5.0 percent annually during the forecast period.

The Assisted Living Units are assumed to maintain a 97.4 percent occupancy level throughout the forecast period. The following table summarizes the assumed utilization of the Assisted Living Units during the forecast period.

**Table 4**  
**Utilization of the Assisted Living Units**

<b>Years Ended December 31,</b>	<b>Average Units Occupied</b>	<b>Average Units Available</b>	<b>Average Occupancy</b>
<i>Existing:</i>			
2023 <sup>(1)</sup>	26.3	27.0	97.4%
2024	26.3	27.0	97.4%
2025	26.3	27.0	97.4%
2026	26.3	27.0	97.4%
2027	26.3	27.0	97.4%

Source: Management

(1) Average occupancy for the Assisted Living Units through March 31, 2023 was 26.6 units occupied (98.5%).

**See Independent Accountants' Compilation Report**



*Memory Care Units Revenue*

Service fee revenue for Residents living in the Memory Care Units is based upon the assumed occupancy and the Monthly Service Fee of the respective units. The Memory Care Unit Monthly Service Fees are assumed to increase 5.0 percent annually during the forecast period.

The Memory Care Units are assumed to maintain a 96.7 percent occupancy level throughout the forecast period. The following table summarizes the assumed utilization of the Memory Care Units during the forecast period.

**Table 5**  
**Utilization of the Memory Care Units**

<b>Years Ended December 31,</b>	<b>Average Units Occupied</b>	<b>Average Units Available</b>	<b>Average Occupancy</b>
<i>Forecasted:</i>			
2023 <sup>(1)</sup>	17.4	18.0	96.7%
2024	17.4	18.0	96.7%
2025	17.4	18.0	96.7%
2026	17.4	18.0	96.7%
2027	17.4	18.0	96.7%

Source: Management

(1) Average occupancy for the Memory Care Units through March 31, 2023 was 17.3 units occupied (96.3%).

For Residents of the Assisted Living Units and Memory Care Units, additional higher levels of care are determined based on a Resident assessment. Management offers additional levels of care to Residents in the Assisted Living Units and Memory Care Units, in which the additional fee is determined by the types of services provided. Management assumes care revenue to increase approximately 5.0 percent annually throughout the forecast period.

**See Independent Accountants' Compilation Report**

*Skilled Nursing Beds Revenue*

Service fee revenue for Residents living in the Skilled Nursing Beds is based upon the assumed occupancy and the Daily Fee of the respective bed. The Daily Fees are assumed to increase 5.0 percent annually during the forecast period.

Management assumes the Skilled Nursing Beds will maintain an 84.0 percent occupancy level throughout the forecast period. The following table summarizes the assumed utilization of the Skilled Nursing Beds during the forecast period.

**Table 6**  
**Average Utilization of the Skilled Nursing Beds**

<b>Years Ended December 31,</b>	<b>Private Pay</b>	<b>Medicare</b>	<b>Managed Care</b>	<b>Total</b>	<b>Total Beds Available</b>	<b>Occupancy Percentage</b>
<i>Forecasted:</i>						
2023 <sup>(1)</sup>	9.5	2.6	0.6	12.7	15.0	84.4%
2024	9.5	2.6	0.6	12.7	15.0	84.4%
2025	9.5	2.6	0.6	12.7	15.0	84.4%
2026	9.5	2.6	0.6	12.7	15.0	84.4%
2027	9.5	2.6	0.6	12.7	15.0	84.4%

Source: Management

(1) Average occupancy for the Skilled Nursing Beds through March 31, 2023 was 12.8 beds occupied (85.6%).

*Cardinal Advantage Program Utilization*

The following table summarizes the forecasted utilization of the Cardinal Advantage Program:

**Table 7**  
**Cardinal Advantage Program Utilization**

<b>Years Ending December 31,</b>	<b>Average Members</b>	<b>Contracts Available</b>	<b>Average Utilization</b>
<i>Forecasted:</i>			
2023 <sup>(1)</sup>	27.0	70.0	38.6%
2024	27.0	70.0	38.6%
2025	27.0	70.0	38.6%
2026	27.0	70.0	38.6%
2027	27.0	70.0	38.6%

Source: Management

(1) Average utilization for the Cardinal Advantage Program through March 31, 2023 was 48.3 contracts (69.0%).

**See Independent Accountants' Compilation Report**

*Other Revenue*

Management assumes meal revenue, other miscellaneous revenue, community fees, beauty and barber, medical supplies, and unrestricted contributions to increase approximately 5.0 percent annually throughout the forecast period.

**Summary of Operating Expense Assumptions**

Management assumes all departmental, residential, assisted living, and long-term care expenses to increase approximately 2.5 percent annually throughout the forecast period.

The table below shows the total number of FTEs assumed throughout the forecast period.

<b>Department</b>	<b>Full-time Equivalent (FTEs)</b>
Assisted living, memory care, and skilled nursing	26.6
Wellness	6.1
Dining services	26.3
Housekeeping and laundry	9.8
Environmental services	13.4
General and administrative	31.5
Utilities	3.6
<b>Total FTEs</b>	<b>114.7</b>

Source: Management

Management assumes wellness, general and administrative, and sales and marketing expenses to increase approximately 2.5 percent annually throughout the forecast period. The cost of employee fringe benefits and payroll taxes are assumed to approximate 25.8 percent of salaries and wages.

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses and are assumed to increase 2.5 percent annually throughout the forecasted period.

**See Independent Accountants' Compilation Report**

*Management Fee Expense*

Under the terms of a management agreement between the Companies and Kisco, the Companies pay a management fee (the “Management Fee”) to Kisco for the day-to-day management of the Independent Living Units, the Assisted Living Units, the Memory Care Units, and the Skilled Nursing Beds. For the purpose of Management’s forecast, the Management Fee is assumed to equal 5.0 percent of total operating revenue, with no assumed capital management fees. The table below shows the total Management Fee assumed throughout the forecast period.

**Table 9**  
**Management Fees**  
**(In Thousands)**

<b>Years Ended December 31,</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Management Fees	\$ 1,217	\$ 1,278	\$ 1,342	\$ 1,409	\$ 1,479

Source: Management

*Lease Expense (Operating Lease)*

Under the terms of a sublease agreement (the “Sublease Agreement”) between the Companies and the Master Tenant, the Companies sublease the real and personal property of the Community from the Master Tenant. Under the terms of the Sublease Agreement, the lease expires on April 2036 and provides for monthly rent of \$677,900 plus monthly variable expenses.

As of December 31, 2022, the Company recognized approximately \$99,196,000 in Right of Use assets (“ROU”) related to the lease property and equipment under the Sublease Agreement and a corresponding lease liability of \$99,196,000 (the “Present Value”). The Present Value lease payments are based on a weighted average discount rate of 1.4 percent of the present value lease payments due over the remaining 13.3 year term.

**See Independent Accountants’ Compilation Report**

## Statutory Operating Reserve

The following table summarizes the forecasted Statutory Operating Reserve, which is calculated as a percentage of the Companies' estimated cash operating expenses.

	2023	2024	2025	2026	2027
Operating expenses	\$ 22,464	\$ 23,057	\$ 23,665	\$ 24,289	\$ 24,931
Less: Depreciation	(245)	(251)	(257)	(264)	(270)
Operating expenses - adjusted	\$ 22,219	\$ 22,806	\$ 23,408	\$ 24,025	\$ 24,661
Operating reserve % required <sup>(1)</sup>	25%	25%	25%	25%	25%
Required operating reserve	\$ 5,555	\$ 5,702	\$ 5,852	\$ 6,006	\$ 6,165
Available	210.0	210.0	210.0	210.0	210.0
Occupied	207.0	207.0	207.0	207.0	207.0
Occupancy percentage <sup>(2)</sup>	98.6%	98.6%	98.6%	98.6%	98.6%

Source: Management

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

Management satisfies the Statutory Operating Reserve requirement through an irrevocable standby letter of credit ("Letter of Credit") with a financial institution.

## Property and Equipment and Depreciation Expense

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

Years Ended December 31,	2023	2024	2025	2026	2027
Property and equipment, Gross beginning balance	\$ 2,016	\$ 2,491	\$ 2,966	\$ 3,441	\$ 3,916
Routine capital additions	475	475	475	475	475
Property and equipment, gross	\$ 2,491	\$ 2,966	\$ 3,441	\$ 3,916	\$ 4,391
Accumulated depreciation	(858)	(1,109)	(1,366)	(1,630)	(1,900)
Property and equipment, Net ending balance	\$ 1,633	\$ 1,857	\$ 2,075	\$ 2,286	\$ 2,491

Source: Management

**See Independent Accountants' Compilation Report**

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### 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 Companies' historical trends:

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Accounts receivables, net	2	days of operating revenues
Other receivables	2	days of operating revenues
Prepaid expenses and other current assets	2	days of operating expenses
Accounts payable	1	days of operating expenses
Accrued expenses	9	days of operating expenses

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Source: Management

See Independent Accountants' Compilation Report

**Exhibit C**

**The Cardinal at North Hills  
Material Variances from Prior Year Forecast and Actual FY 2022 Audited Results**

THE CARDINAL AT NORTH HILLS, LLC  
 Report on material variances between prior year's forecast and actual audited results  
 For the year ended December 31, 2022

**ASSETS**

	<b>2022 <u>Forecasted</u></b>	<b>2022 <u>Audited</u></b>		<b>Variance Greater than <u>\$250K &amp; 5%</u></b>	
Cash and cash equivalents	2,666	1,343	<b>1)</b>	(1,323)	-99%
Restricted cash	-	47		47	100%
Accounts receivable, net	126	180		54	30%
Other receivables	257	97		(160)	-166%
Prepaid expenses and other current assets	134	125		(9)	-8%
	<u>3,183</u>	<u>1,791</u>			
Property and Equip	1,377	1,403		26	2%
Right of Use Assets-operating, net	-	99,196	<b>2)</b>	99,196	100%
Due from affiliates, net	-	24		24	100%
Deposits	16	16		0	3%
	<u>4,576</u>	<u>102,430</u>			



THE CARDINAL AT NORTH HILLS, LLC  
 Report on material variances between prior year's forecast and actual audited results  
 For the year ended December 31, 2022

**LIABILITIES AND MEMBERS' EQUITY**

	<b>2022</b>	<b>2022</b>	<b>Variance Greater than</b>	
	<b><u>Forecasted</u></b>	<b><u>Audited</u></b>	<b><u>\$250K &amp; 5%</u></b>	
Accounts payable	40	17		(23) -300%
Accrued expenses	804	320	<b>3)</b>	(484) -200%
Due to affiliate-net	-	19		19 -100%
Deferred revenue	442	352		(90) -26%
Current portion of lease liabilities-operating	-	6,828	<b>2)</b>	6,828 100%
	<u>1,286</u>	<u>7,536</u>		
Lease liabilities - operating, net of current portion	-	92,368	<b>2)</b>	92,368 100%
Equity	3,290	2,527	<b>4)</b>	(763) -30%
	<u>4,576</u>	<u>102,430</u>		

THE CARDINAL AT NORTH HILLS, LLC  
Report on material variances between prior year's forecast and actual audited results  
For the year ended December 31, 2022

**STATEMENT OF OPERATIONS**

	<u>2022</u> <u>Forecasted</u>	<u>2022</u> <u>Audited</u>	<u>Variance Greater than</u> <u>\$250K &amp; 5%</u>	
Revenue				
Residential services	20,168	20,349	181	1%
Healthcare services	1,950	2,174	224	10%
Cardinal Advantage Program membership fees	183	151	(32)	-21%
Cardinal Advantage Program service fees	60	73	13	17%
Other	715	806	91	11%
	<u>23,076</u>	<u>23,553</u>		
Cost of sales				
Assisted living	667	738	71	10%
Memory care	475	592	117	20%
Skilled nursing	1,057	1,289	232	18%
Wellness	483	488	5	1%
Dining services	2,970	2,909	(61)	-2%
Housekeeping and laundry	773	602	(171)	-28%
Utilities	507	546	39	7%
Environmental services	889	897	8	1%
Property taxes	750	767	17	2%
General & Administrative	4,332	4,333	1	0%
Lease expense	8,304	8,229	(75)	-1%
Cardinal Advantage Program	69	77	8	10%
Depreciation	144	212	68	32%
	<u>21,420</u>	<u>21,678</u>		
Other	<u>-</u>	<u>(982)</u>	<b>5)</b>	(982) 100%
	<u>-</u>	<u>(982)</u>		
Net Income	1,656	893	<b>6)</b>	(763) -85%

THE CARDINAL AT NORTH HILLS, LLC  
Report on material variances between prior year's forecast and actual audited results  
For the year ended December 31, 2022

**STATEMENT OF CASH FLOWS**

	<u>2022 Forecasted</u>	<u>2022 Audited</u>	<b>Variance Greater than \$250K &amp; 5%</b>	
<b>Cash flows from operating activities:</b>				
Net income	1,656	893	<b>6)</b>	(763) -85%
Adjustments to reconcile net income to net cash (applied) by operating activities:				
Depreciation	144	212		68 32%
Bad debt expense	-	5		5 100%
Amortization of right of use assets - operating	-	6,735	<b>2)</b>	6,735 100%
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(27)	(85)		(58) 68%
Due from affiliate		(24)		
Prepaid expenses	(24)	(15)		9 -63%
Other receivables	(128)	32		160 500%
Increase (decrease) in:				
Accounts payable	27	4		(23) -555%
Accrued expenses	93	(391)	<b>3)</b>	(484) 124%
Deferred revenue	-	(90)		(90) 100%
Due to affiliates	(147)	(128)		19 -15%
Lease liabilities - operating	-	(6,735)	<b>2)</b>	(6,735) 100%
Net cash (applied) by operating activities	<u>1,594</u>	<u>414</u>		
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment	<u>(475)</u>	<u>(570)</u>		(95) 17%
Net cash (applied) provided by investing activities	<u>(475)</u>	<u>(570)</u>		
Net increase (decrease) in cash	1,119	(156)		
Cash, beginning of year	1,547	1,546		
Cash, end of year	<u><u>2,666</u></u>	<u><u>1,390</u></u>		

THE CARDINAL AT NORTH HILLS, LLC  
Report on material variances between prior year's forecast and actual audited results  
For the year ended December 31, 2022

**REPORT ON MATERIAL VARIANCES**

- 1) The cash balance was lower than forecasted due to payments mentioned in Note 3 and Note 5.
- 2) In compliance with ASC 842 the company capitalized the building lease as a right of use asset with the associated liability.
- 3) Accrued expenses were lower than the forecast due to the payout of deferred compensation to a former executive as well as timing of expense payments (more were paid and thus not accrued).
- 4) Equity was lower than forecasted due to the lower than forecasted net income, see Note 6 for further explanation.
- 5) \$1M payment made to parent company, offset by interest income.
- 6) Net income was lower than forecasted due to the payments mentioned in Notes 3 and 5 offset by higher than forecasted revenue.

**Exhibit D**

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

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

This Binding Reservation Agreement (“Reservation Agreement”) made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between The Cardinal at North Hills, LLC (hereinafter, “The Cardinal”), a North Carolina limited liability company, and

\_\_\_\_\_ and \_\_\_\_\_

(hereinafter referred to as Prospective Resident, whether one or two persons). Prospective Resident desires to make a reservation for residency at The Cardinal and hereby requests acceptance of this Reservation 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 second person fee, if applicable, is \$ \_\_\_\_\_ (together, the “Monthly Fee”). The Monthly Fee is subject to change according to the terms of the Residence and Service Agreement which is signed at the time of your occupancy of the Residence (“Residence Agreement”).

**A. Reservation Fee**

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

**B. Residency Requirements**

Concurrent with the execution of this Reservation Agreement, Prospective Resident will complete an Application for Residency including a confidential financial information form and health history form, and must meet the preliminary financial and medical criteria for residency at The Cardinal. An additional updated confidential financial statement and physical examination form completed by Prospective Resident's physician stating that Prospective Resident is capable of living independently at The Cardinal will be required prior to Resident executing the Residence Agreement and taking up occupancy within The Cardinal.

**C. Receipt of Residence Agreement and Disclosure Statement.**

By signing below, Prospective Resident acknowledges that Prospective Resident received, on or before the date of this Agreement, a copy of the Residence Agreement and a copy of The Cardinal's Disclosure Statement.

**D. Refund of Reservation Fee Prior to Execution of Residency Agreement.**

The Reservation Fee is nonrefundable except as specifically set forth below:

- 1. Death of Prospective Resident.** If Prospective Resident dies before taking occupancy, the Reservation Fee will be refunded to the Prospective Resident's estate, less any costs specifically incurred by The Cardinal at the written request of Prospective Resident for upgrades or design changes to the selected residence. If Prospective Resident in this Reservation Agreement 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 Reservation Agreement as if the survivor had been the only Prospective Resident.

- 2. Inability to Live Independently.** If The Cardinal rejects the Application for Residency because Prospective Resident is precluded from independent living for health reasons as certified in the confidential physical examination, The Cardinal shall refund the Reservation Fee less (a) any costs specifically incurred by The Cardinal 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 in this Agreement is two (2) persons and one Co-Prospective Resident is able to live independently but the other is not, the Co-Prospective Residents may elect to (i) terminate this reservation 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 Cardinal shall refund the Reservation Fee, less (a) any costs specifically incurred by The Cardinal 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 Sections 1, 2, or 3 above.

**E. Entire Agreement; Assignment.**

Prospective Resident and The Cardinal agree that this Reservation Agreement contains the complete understanding between them with respect to the Reservation Fee. Prospective Resident cannot transfer or assign this Agreement.

This Agreement shall be considered to be in effect only when executed by an authorized representative of The Cardinal.

\_\_\_\_\_  
Prospective Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Resident

\_\_\_\_\_  
Date

The Cardinal hereby acknowledges the receipt of the Reservation Fee in the amount of:

\$ \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Community Representative Signature

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

**Exhibit E**

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



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

NORTH CAROLINA

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**INDEPENDENT LIVING**  
**RESIDENCE AND SERVICE AGREEMENT**

This Independent Living Residence and Service Agreement (the “Agreement”) is entered into on \_\_\_\_\_ (“Effective Date”), by The Cardinal at North Hills, LLC, a North Carolina limited liability company (“The Cardinal” and/or the “Community”), and its agent, Kisco Senior Living, LLC, (“Kisco”) and

\_\_\_\_\_ (“you”). (If more than one person signs this Agreement, the term “you” refers to each of you individually, and to both of you together).

**RECITALS**

The Cardinal at North Hills, LLC, a Continuing Care Retirement Community (hereinafter “The Cardinal or the “Community”) 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 Cardinal 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 Cardinal. You desire to take up residence at The Cardinal and agree to pay the fees and other amounts required under this Agreement in consideration for the accommodations and services provided by The Cardinal.

**AGREEMENT**

**1. LIVING ACCOMMODATIONS**

The Cardinal will provide you with the following accommodations and services, subject to the terms and conditions of this Agreement. You may move into your Residence on or after the Effective Date of this Agreement, however, your financial responsibility for the Residence begins on the Effective Date of this Agreement.

**Residence.** You have chosen to live in Residence No. \_\_\_\_\_ (the “Residence”) located at 4030 The Cardinal at North Hills, Raleigh, North Carolina 27609.

**1.1.**

**1.2. Furnishings.** You are responsible for furnishing your Residence with those items not provided by the Community. If you are unable to furnish your Residence, The Cardinal can provide furnishings to you for an additional fee. 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 Cardinal 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 Cardinal for an additional monthly fee. The Cardinal 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 Cardinal 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 Cardinal, 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 Cardinal 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 Cardinal. 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 share the use of the grounds and common areas at The Cardinal 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 Cardinal. These common areas may change during your time of residency and the Community reserves the right to modify, change or expand the common areas at The Cardinal at any time, in its sole discretion.

## **3. INDEPENDENT LIVING SERVICES**

The following services will be available to you at The Cardinal. 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 guest meals will be included on your monthly statement.

**3.1.2. Delivery Service.** Meal delivery to your Residence shall be provided on 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 Cardinal 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 Cardinal 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 Cardinal 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 Cardinal 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 Cardinal, as 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 Cardinal. 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 Cardinal 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 Cardinal. (See Section 4.7 regarding Home Care Service/Personal Service Provider).
- 3.8. Pets.** Subject to The Cardinal’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 the pet if it determines that your pet constitutes a nuisance or danger to the Community or threatens the quiet enjoyment of other Residents. If you wish to bring a pet to The Cardinal, you must pay a monthly pet fee, as set forth on 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 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 Cardinal unless otherwise indicated. The Cardinal reserves the right to re-schedule planned trips in the event of an emergency, equipment failure or based on minimum resident participation. If you utilize Community transportation, you agree to abide by our policy and procedures which are in place to protect the safety of our residents.
- 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). Designed parking spaces are personal to the Resident and may not be transferred, leased or assigned. Any additional vehicles must be parked in public parking garages located in North Hills.

- 3.11. Safety and Emergencies.** Your 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 Cardinal.
- 3.13. Wellness Services.** The Cardinal will provide select preventive health services, 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 Cardinal, 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**

- 4.1. Summary of Health Center Agreements.** If your health status changes, The Cardinal offers health care service options (“Health Center Services”) at the Health Center (“Health Center”) located on The Cardinal campus and operated by The Cardinal at North Hills Healthcare, LLC. Health Center Services include assisted living, memory support and nursing care. Prior to or upon moving to a residence in the Health Center, Resident must (i) sign a Assisted Living and 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 fee, charges for levels of care and for all option services fees due under the Health Center Agreements (collectively, the “Health Center Fees”). The Health Center Agreements will be a binding agreement between Resident and The Cardinal at North Hills Healthcare, LLC. Generally, Assisted Living Health Center Fees are determined and billed on a monthly basis, while Skilled Nursing Health Center Fees are determined on a daily basis but billed on a monthly basis. The current forms of the Assisted Living and Memory Care Residence and Care Agreement and the Skilled Nursing Residence and Care Agreement are attached to the Disclosure Statement you received when you applied for residency at The Cardinal. Some, but not all, of the services provided and obligations set forth in these agreements are described in this Section 4. You should review the Health Center Agreement in full.
- 4.2. Assisted Living Services.** The Health Center includes assisted living apartments and services. 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. Part of the move-in process to assisted living involves signing a separate Assisted Living Residence and Care Agreement in its then current form. The services you receive, and certain additional rights and obligations will be set forth in the Assisted Living Residence and Care Agreement. If there are no assisted living apartments available or your needs exceed the level of care that can be provided in an assisted living apartment, you

may be transferred to the memory support or nursing care apartments or to an outside care center as appropriate.

- 4.3. Memory Support Services.** The Health Center includes memory support apartments and services. If you need assistance with such daily activities as bathing, grooming, dressing, or medication supervision and have Dementia or require memory enhancement services, the Community will make available these services to you in a memory support apartment. Part of the move-in process to memory support involves signing a separate Assisted Living and Memory Care Residence and Care Agreement in its then current form. The services you receive, and certain additional rights and obligations will be set forth in the Assisted Living and Memory Care Residence and Care Agreement. If there are no apartments available or your needs exceed the level of care that can be provided in the memory support apartment, you may be transferred to the nursing care apartments or to an outside care center as appropriate.
- 4.4. Nursing Care Services.** The Health Center includes nursing care apartments and services. If you need assistance with daily activities such as bathing, grooming, dressing, or medication supervision and require nursing services, the Community may make available these services to you in a nursing care apartment. Part of the move-in process to nursing care involves signing a separate Nursing Care Residence and Care Agreement in its then current form. The services you receive, and certain additional rights and obligations will be set forth in the Agreement. If there are no apartments available or your needs exceed the level of care that can be provided in the nursing care apartment, you may be transferred to an outside care center as appropriate.
- 4.5. Level of Living Determinations.** The Community care management team will determine, in consultation with you, your physician, and your representative, 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 community..
- 4.6. No Obligation to Prepay for Health Center Services.** You are not obligated to prepay for any future Health Center services. The Cardinal 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. In the event any other health care provider seeks payment from you for services offered under this Agreement, The Cardinal shall not assume any liability for or make any payment for any such health care services because you were not required to prepay for any Health Center services.
- 4.7. 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 Cardinal. 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. Our approval of your use of any such caregiver or service provider is not to be construed as an evaluation of any such caregiver or service provider, an approval of the quality or scope of services to be provided or any representation or warranty that any such person is properly licensed or trained. 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 Cardinal 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 against your Community Fee. Any refund of your Community Fee will be governed by Section 7 below. If there are two of you, the allocation of any such refund will be as described in Section 7.

### 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 Cardinal or personally delivered to The Cardinal Administrative Office.

**5.2.3. Late Payment Charge and Interest.** The Cardinal 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 Cardinal 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 your Monthly Fee or other charges by the tenth (10th) day of each calendar month, we may charge you a late payment of up to five percent (5%) on your then-current Monthly Fee for each delinquent payment. Returned checks/payment shall be subject to a Non-Sufficient Funds (NSF) fee penalty, as set forth in **Appendix A** in addition to any late fees that are assessed. If you fail to pay your Monthly Fee when due, we may terminate this Agreement and take legal action to regain possession of your Apartment according to the provisions in 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 Cardinal.

**5.2.5. Adjustments.** The Cardinal 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 Cardinal.** The Cardinal 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 Cardinal.

**6.2. Voluntary Relocation of Single Resident or Both Joint Residents.** If you wish, you may move to another Residence at The Cardinal, subject to Residence availability and The Cardinal'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 Cardinal in Unit Ready condition, after which you will then only pay the Monthly Fee on your new Residence. The parties shall 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 Cardinal'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 Cardinal's approval. Each resident shall be responsible for all moving and cleaning costs and the cost of restoring their respective residences to Unit Ready condition. The Monthly Fee for the vacated residences will cease upon it being Unit Ready. You and your joint occupant will sign a new Residence Agreement that identifies your new accommodation and 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 Cardinal, 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 Cardinal. 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 7.4. 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 Cardinal, 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 Within The Cardinal for Health Center Services.** The Community care management team, in consultation with you, your physician, and your representative, shall determine whether due to a change in your health status, relocation from your Residence is necessary and whether such relocation is temporary or permanent.

**6.6.1. Temporary Relocation To Health Center.**

**6.6.1.1. Single Occupancy.** If you require temporary Health Center services, you shall continue to pay your regular Monthly Fee for your Residence as well as any Health Center Fee and ancillary charges, due under your care agreement with The Cardinal at North Hills Healthcare, LLC, as well as any charges for ancillary items and services you receive that are not covered by the Health Center Fee.

**6.6.1.2. Double Occupancy.** If you occupy your Residence with another Resident and one of you is temporarily transferred outside your Residence for 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 charges for optional items and services. The transferred Resident will pay the applicable Health Center Fee and any charges for ancillary items and services (s) he receives that are not covered by the Health Center Fee. If both of you simultaneously receive Health Center services, you will be responsible for continuing to pay the double occupancy Monthly Fee for your Residence and each of you shall pay (a) the applicable Health Center Fee for care received; and (b) any charges for ancillary items and services that each of you receive that are not covered by the Health Center Fee.

**6.6.2. Permanent Relocation to The Cardinal Health Center**

**6.6.2.1. Single Occupancy.** If you occupy your Residence by yourself and you require permanent Health Center services, you shall vacate your Residence and relocate to a Health Center apartment as appropriate. You will continue to pay The Cardinal the Monthly Fee until you make your Residence Unit Ready to The Cardinal. You shall be responsible for all moving and cleaning costs and the cost of restoring your former Residence to Unit Ready condition. In addition, you shall pay the applicable Health Center Fee and any charges for ancillary items and services you receive under your Health Center Agreement. After you have made your Residence Unit Ready to The Cardinal, you shall be responsible for paying only the Health Center Fee and any charges for ancillary items and services you receive.

**6.6.2.2. 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 transferred Resident will pay the applicable Health Center Fee and any charges for ancillary items

and services he/she receives under their Health Center Agreement. If both of you simultaneously require permanent Health Center services, you shall vacate your Residence and relocate to one of The Cardinal Health Center apartments. You shall continue to pay the double occupancy Monthly Fee until your Residence is Unit Ready. You shall be responsible for all moving and cleaning costs and the cost of restoring your former residence to Unit Ready condition. In addition, each of you shall pay the applicable Health Center Fee for the care received and any charges for ancillary items and services you receive under your Health Center Agreements. Once your Residence is Unit Ready, each of you shall be responsible for paying only the applicable Health Center Fee and any charges for ancillary items and services you receive.

## **6.7. Relocation to an Outside Health Care Facility**

**6.7.1. Temporary Relocation.** If you relocate to an outside facility for health care services because no space is available at The Cardinal 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 Cardinal is not responsible to pay such charges to the outside facility. When space becomes available at The Cardinal Health Center, and as medical circumstances allow, as determined by the Community care management team, you, your physician, and/or your representative, The Cardinal 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 Cardinal, and you agree to hold The Cardinal harmless for any injury or damage you incur at an outside care center.

**6.7.1.1. Single Occupancy.** If you require temporary health care services outside The Cardinal, 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.

**6.7.1.2. Double Occupancy.** If you occupy your Residence with another Resident and one of you is temporarily transferred outside The Cardinal 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. If both of you simultaneously receive health care services outside The Cardinal, you will be responsible for continuing to pay the single 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.

**6.7.2. 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 assisted living, memory care or nursing care at an outside facility, this Agreement will terminate with respect to the transferring Resident and will continue only with respect to the remaining Resident in accordance with Section 7. 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.

**6.8. Conditions Pertaining to Change of Residence.** If you choose to move to a different Residence at The Cardinal, transfer to The Cardinal Health Center, or move out of The Cardinal, the cost to restore your Residence to original, Unit Ready condition, 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.

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

- a. You fail to meet the conditions of occupancy for independent residential living;
- b. The relocation is necessary to protect your welfare and The Cardinal 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;
- c. Your safety and well-being, or the safety and well-being of other individuals at the Community is endangered;
- d. Your health, or the health of other individuals at the Community is endangered;
- e. You exhibit behaviors that violate the Community's rules, regulations, policies or procedures;
- f. You require care that cannot lawfully be provided, or require care that The Cardinal or the Health Center, as applicable, is unable to or does not routinely provide; or
- g. Your personal physician has determined that you require services and care not available at The Cardinal or the Health Center.

## **7. TERM, TERMINATION AND REFUNDS**

**7.1. Term.** This Agreement has an initial term of thirteen (13) 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 Cardinal 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 Cardinal 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 Cardinal. 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 is terminated by the surviving resident.

### **7.3. Thirty (30) Day 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) the date Resident signs this Agreement or (b) the date The Cardinal 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 Cardinal except that The Cardinal 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 Cardinal applicable to the period in which you actually

occupied your Residence; (c) any other costs specifically incurred by The Cardinal at your request as set forth in writing and signed by you; (d) any Advantage Program Fees applied to the Community Fee; and (e) 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 Cardinal resulting from your cancellation. You will not be entitled to receive any interest earned on monies paid to The Cardinal. 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 Cardinal as described above within twenty (20) days after the date of the written notice of cancellation.

**7.3.2. Cancellation by The Cardinal.** The Cardinal 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 Cardinal except that The Cardinal 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 Cardinal applicable to the period in which you actually occupied your Residence; (c) any other costs specifically incurred by The Cardinal at your request as set forth in writing and signed by you; and (d) any Advantage Program Fees applied to the Community Fee. You will not be entitled to receive any interest earned on monies paid to The Cardinal. You will receive the refund within thirty (30) days after the date of The Cardinal'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 Cardinal. You must make your Residence Unit Ready to The Cardinal 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 Cardinal and will not be refundable for any reason.

**7.4. Termination by Resident After Cancellation Period/Refund.** You may terminate this Agreement at any time after the Cancellation Period by giving The Cardinal 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 Cardinal through the effective date of the termination date, or the date you provide your residence to The Cardinal in Unit Ready condition. You will also be responsible for the charges described in Section 7.7. No portion of your Reservation Fee or Community Fee will be refunded.

**7.5. Termination by The Cardinal After Cancellation Period.** The Cardinal 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 Cardinal. You will also be responsible for the charges described in Section 7.7. Good cause shall include, but not be limited to, the following:

- a) Your failure to perform any of your obligations under this Agreement, including your obligation to pay your Monthly Fee and other charges;
- b) You, your guest's, or Home Care/Personal Service Provider failure to abide by the rules,

regulations, policies and procedures of The Cardinal, described in the Resident Handbook as it now exists, as it may be modified in the future, as they now exist or as they may later be amended by The Cardinal in its sole discretion;

- c) Any material omission or misstatement in your Application For Residency, your Reservation Agreement and any and all other documents filed with The Cardinal by you or on your behalf;
- d) Your behavior creates an unreasonable and continuing disturbance within the Community that is detrimental to the health, safety or peaceful enjoyment of others;
- e) You have needs that cannot be met at The Cardinal for reasons such as licensing, design or staffing, or a condition that cannot be accommodated at The Cardinal as determined by the Community or as defined by licensing regulations;
- f) You refuse to relocate for appropriate care in accordance with Section 6.9 or accept services and care required in order for the Community to meet your needs;
- g) Your mental or physical condition is such that your continued occupancy of your Residence or Health Center apartment would be unlawful, or The Cardinal determines that your continued occupancy would present an unreasonable risk of injury to yourself or to The Cardinal; or
- h) Your permanent relocation (or the permanent relocation of both of you, if you are a couple) from The Cardinal 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 Cardinal will pay a refund to Resident's estate in accordance with the provisions of Section 7.7.

**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 Cardinal will pay a refund to you or your estate only if The Cardinal 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 Cardinal 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 Unit Ready; (c) any other costs specifically incurred by The Cardinal at your request as set forth in writing and signed by you; and (d) any cost of the removal and storage of your property as provided in Section 7.8. Your indemnification obligation reflected in Section 10.8 survives the termination of this Agreement.

**7.8. Removal and Storage.** The Cardinal 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 Cardinal 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 Cardinal 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 Cardinal or in any fees once paid to The Cardinal. You shall have no estate, leasehold, or other real property interest in your Residence or in The Cardinal, and you shall have no ownership or management interest in The Cardinal 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 Cardinal, including the Community Fee, shall become the sole property of The Cardinal. These fees are not held in trust for your benefit. All fees paid by you to The Cardinal, including Community Fee, may be used by The Cardinal 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 Cardinal property, now or in the future.

## **9. RESIDENT RECORDS**

You consent to the release of your personal and medical records maintained by The Cardinal for treatment, payment and operational purposes as determined to be reasonably necessary by The Cardinal. 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 Cardinal 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. Resident Advisory Council.** You are encouraged to participate in the Resident Advisory Council at The Cardinal to discuss and make suggestions regarding any program at The Cardinal. However, you understand and agree that the Resident Advisory Council is advisory only and that neither it nor you shall have any right to manage or determine policy at The Cardinal.

**10.2. Rules, Regulations, Policies and Procedures/Resident Handbook.** You agree to be bound by the general rules, regulations, policies and procedures of The Cardinal 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 Cardinal in its sole discretion. The Resident Handbook should not be construed as a contract. It does not grant any contractual rights to Residents. The Cardinal 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.

**10.3. Smoking.** The Cardinal 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.

**10.4. Firearms and Weapons Prohibited.** The Cardinal does not permit firearms or weapons of any nature on its premises.

**10.5. Keys and Locks.** The Cardinal shall provide you with a set of keys or electronic key fobs or cards to access your Residence and the common areas within The Cardinal 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 Cardinal 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 Cardinal'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 Cardinal

- 10.3. Power of Attorney.** You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to execute 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 a signed Power of Attorney, that is in effect, the individual(s) agree to sign this Agreement along with any Guarantor as set forth in Section 10.20. Copies of documents regarding assignment of a Durable Power of Attorney will be provided to The Cardinal.
- 10.4. 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 Cardinal 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, and expenses as may be incurred by you in The Cardinal Health Center. 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.
- 10.5. 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 Cardinal has relied on this information in accepting you for residency at The Cardinal. You further understand that the submission of false information shall constitute grounds for the termination of this Agreement.
- 10.6. Other Residents or Non-Residents.** The Cardinal 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 residence at The Cardinal. We reserve the right to assign this Agreement to any successor-in-interest select by us.
- 10.7. No Assignment.** The Cardinal 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.
- 10.8. Liability and Property Matters**
- 10.8.1. 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 Cardinal 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 Cardinal's policies and procedures.
- 10.8.2. 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 Cardinal 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.
- 10.8.3. Property Damage.** The Cardinal 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 Cardinal,



including property placed in your storage area, if any, your 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.

**10.9. Right of Entry.** Except in the case of emergencies, The Cardinal will attempt to contact you before entering your Residence. You agree that the Community 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.

**10.10. Relationships Between Residents and Associates.** The Cardinal instructs the Community 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 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 Cardinal 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 Cardinal.

**10.11. Waiver.** The failure of The Cardinal 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 Cardinal 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.

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

**10.13. 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 Cardinal and may be amended only by a written instrument signed by you or your legal representative and by an authorized representative of The Cardinal. If you relocate to Health Center, you will sign an Assisted Living and Memory Care Residence and Care Agreement or Skilled Nursing Residence and Care Agreement, as applicable, which will contain additional 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 Cardinal and you acknowledge that you are not relying on any oral representations or agreements made by any person representing or purporting to represent The Cardinal.

- 10.14. Governing Law.** This agreement shall be governed by the laws of the State of North Carolina.
- 10.15. 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.
- 10.16. Consent to Assignment.** You consent to the collateral or other assignment by The Cardinal of its right, title and interest in this Agreement.
- 10.17. Smoking.** The Cardinal is a smoke-free Community. Accordingly, smoking/vaping is not permitted in any indoor public space or outdoor common areas at any time. Smoking /vaping is not permitted in your individual Residence or on the patio.
- 10.18. Firearms Prohibited.** The Cardinal does not permit firearms or weapons on its premises.
- 10.19. Motor Vehicle Operating Privileges.** You shall operate a motor vehicle in accordance with The Cardinal's rules, regulations, policies and procedures which are reflected in the Resident Handbook and which include, but are not limited to, legal speed limits and safe driving procedures and practices. The Cardinal reserves the right to revoke your driving and parking privileges on its property if you do not abide by the applicable rules, regulations, policies and procedures.
- 10.20. Legal Representative, Responsible Parties and Guarantors**
- 10.20.1. 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 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.
- 10.20.2. 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 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 stay.
- 10.20.3. Guarantor.** A Guarantor is an individual who has agreed to be personally liable to pay for all amounts you owe to The Cardinal. 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 Cardinal Health Center 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 Cardinal shall have no obligation to file suit or obtain a judgment against you prior to enforcing its rights against the Guarantor.
- 10.20.4. 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.

**10.21. Voluntary Arbitration.** BOTH PARTIES UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF YOUR MOVE-IN TO THE CARDINAL. 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 CARDINAL, 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 CARDINAL 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                      POA                      Guarantor Initials                      Community Representative 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 a writing signed by you and delivered to The Cardinal within thirty (30) days from the date you sign this Agreement.

\_\_\_\_\_  
Resident(s) Initials                      POA                      Guarantor Initials                      Community Representative Initials

**10.22 Resident Acknowledgment**

By signing below, you acknowledge all of the following:

1. You have received a signed copy of this Residence and Services Agreement, which specifies the services and accommodations that you will receive at the Community and the charges for such services;
2. You have received a copy of **Appendix A** which contains fees for optional services;
3. You have received a copy of **Appendix B**, the Resident Handbook which contains the rules for the Community's residents and the Community's grievance procedure;
4. You have received a copy of **Appendix C**, the Pet Policy;
5. You have received a copy of **Appendix D**, the Motorized Cart Policy;
6. You have received a copy of **Appendix E**, the Personal Service Provider Guidelines Waiver Release;
7. You have received a copy of **Appendix F**, the Apartment Entry Authorization form;

**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**

**RESIDENT REPRESENTATIVE/POWER  
OF ATTORNEY**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Date**

**COMMUNITY REPRESENTATIVE**

\_\_\_\_\_  
**By**

\_\_\_\_\_  
**Title**

**Community** \_\_\_\_\_

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

\_\_\_\_\_  
**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 Cardinal by the Resident. The undersigned agrees that The Cardinal 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.

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**Signature**

---

**Typed or Printed Name**

---

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**Address**

---

---

**Date**

**Exhibit F**

**The Cardinal at North Hills  
Resident Handbook**



# The Cardinal at North Hills

A KISCO COMMUNITY

## **Resident Handbook**

4030 Cardinal at North Hills ♦ Raleigh ♦ North Carolina ♦ 27609

Health Center

311 Garden at North Hills Street ♦ Raleigh ♦ North Carolina ♦ 27609



Dear New Resident,

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

We hope that living at The Cardinal at 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 and give you the new inserts to place in this handbook as they occur. 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 Cardinal at North Hills as your home and we look forward to getting to know you.

Sincerely,

Executive Director

# **KISCO SENIOR LIVING**

## **Our Vision Statement**

**"We Deliver on the Promise of Kisco Confidence"**

The Cardinal at North Hills is a Kisco Senior Living community. Kisco Senior Living was founded in 1990 and currently operates senior living communities in several locations 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 & 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.

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**KISCO SENIOR LIVING**

For over 20 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 customers and their families.

**THE ART OF LIVING WELL<sup>SM</sup>**

Kisco Senior Living embraces the Art of Living Well<sup>SM</sup> 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 Cardinal.

**COMMUNITY LIFESTYLE & AMENITIES**

The Cardinal Clubhouse - Residents gather to socialize, learn, entertain others, and be entertained, dine or just relax.

Wellness Center - Fitness Center, pool, spa, yoga, other classes, and showers. State of the art instructors, 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 and a magnifying reader.

Multi-Purpose – Indoor, outdoor area for events, presentations, lectures, and spiritual services. This area will be equipped with multimedia projection and surround sound capabilities.

All Residents of The Cardinal will be members of the Resident Council. The Council will be run by the Residents. Meetings will be held monthly as a forum for comments, concerns, compliments, community updates and to promote activities of interest. The Resident Council input to the management is advisory in nature. The Resident Council will elect its own officers. The Executive Director of The Cardinal may assist the Residents in developing and organizing the Resident Council.

**RESIDENT COMMITTEES**

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

- Building & Grounds
- Dining Services

- Wellness (Events / Programs)
- Associate Appreciation
- Library

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 has an open-door policy and will provide to Residents the 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

**ASSOCIATE APPRECIATION FUND**

You may give money to this fund, which is managed by the Resident Association and distributed to all staff at the end of the year. This gift is a voluntary contribution given to show your appreciation for the services that our associates provide for you. Please speak with the President of the Resident Council and let him/her know that you would like to contribute. If you have received exemplary service from an associate, please let a member of the Community Management Team know, so he/she may be rewarded through Kisco’s reward and recognition program.

<b>Section 3</b>	<b>The Community Management Team</b>
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The Management Company shall be responsible for all duties and responsibilities relating to the management and day-to-day operations of The Cardinal. These duties and responsibilities include the employment of the Executive Director and a Community Management Team (Department Heads) essential to the start-up and ongoing operation of The Cardinal.

**Resident Input and Communications**

We are committed to open communication and being responsive to Resident’s needs and concerns. We encourage our Residents to convey their ideas, concerns, and compliments to the Community Management Team. The channels are:

- 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 Cardinal.
- Residents may contact an officer of the Resident Council concerning any aspect of inter-Resident relations, or The Cardinal policies governing Resident activities.
- Residents may make suggestions or ask questions, through 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 team resident, or, at the discretion of the Executive Director, the Resident Council.

<b>Section 4</b>	<b>General Information</b>
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**4.1 GENERAL POLICIES**

The following policies have been adopted by The Cardinal:

#### **4.1.1 Insurance**

The Cardinal will maintain insurance on all property owned by The Cardinal against reasonable losses and liabilities. Residents are required to purchase personal liability and personal property insurance similar to a "renter's" policy.

#### **4.1.2 Electric Scooters**

Any Resident needing an electric scooter inside the buildings of The Cardinal must submit a written request to the Executive Director with a statement from a physician to confirm that the scooter is required.

For safety reasons, Residents will be required to demonstrate their ability to operate the scooter in accordance with procedures established by the Community. Maximum speed control governors are required and will be set by The Cardinal. Residents shall pay for installation of the governor if scooter isn't already equipped. Scooters should be driven at a speed which does not exceed a normal walking pace for most Residents. Please contact the Resident Relations Director before operating a scooter on campus.

In the Dining Venues, a Resident using 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 buildings. The recharging of scooters is the responsibility of the Resident, and the Resident is responsible for any damage due to battery leaks or other malfunctions. Scooters may not exceed a maximum size of 46 inches in length and 24 inches in width. In addition, a governor to control speed and an audible back up device are required for your safety and the safety of others.

#### **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 The Cardinal buildings, if available, one may be obtained by contacting a Resident Relations associate.

#### **4.1.4 Tipping**

The Cardinal is committed to providing high quality, consistent and equal service to all Residents. Because of its potential for compromising this goal, tipping any associate of the Community is prohibited. Tipping is broadly defined to include not only monetary gifts but also any gifts of personal items such as clothing, jewelry, furniture, appliances, etc.

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 services. Please share your appreciation of respective associates with the Executive Director and the associate will be rewarded in accordance with The Cardinal's Associate Rewards and Recognition programs.

#### **4.1.5 Hiring Outside Services by Residents**

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

It is the responsibility of the Resident to satisfy the following conditions prior to hiring any individual or contractor to perform a service:

- Receive prior written approval from The Cardinal Executive Director or designee.
- Provide proof of acceptable workers' compensation and liability insurance.
- Establish that the person to be hired has current local and state licenses, as appropriate.
- Criminal background screening.
- Negative tuberculosis test or chest x-ray indicating free of communicable disease.
- Person hired to provide a service must comply with the Community PSP Policy and Procedures. You or your responsible party must sign a waiver and release form prior to hiring the person.

#### **4.1.6 Appropriate Dress**

Residents are requested to be appropriately dressed while using the public areas of The Cardinal. The Resident Council, with concurrence from the Executive Director, will determine the dress code for Residents when in the Health Center dining venues or other public activity spaces. While visiting the Main Building Residents are asked to follow the dress code established by the Resident Council. Bed clothes, slippers, undergarments and bare feet are not permitted outside the apartment.

#### **4.1.7 Smoking**

To promote the health, safety and wellbeing of all Residents, The Cardinal is committed to maintaining a smoke-free environment. Accordingly, smoking is not permitted in any indoor public space at any time. Smoking is not permitted in your individual Residence or on the patio. 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.

#### **4.1.8 Bed / Side Rails**

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

#### **4.1.9 Barbecues**

Outdoor barbecue equipment will be provided by The Cardinal in designated areas. Cooking is not allowed on your patio or balcony.

#### **4.1.10 Pets**

We understand that having pets is an important part of your life. We welcome pets in our independent living residences and assisted living and memory care apartments but are unable to accommodate pets in our nursing care apartments. Residents may have a maximum of two dogs and/or cats in their Residence. Guest 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 subject to the following conditions:

- The pet must be leashed at all times in common areas of the 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 Cardinal.
- Residents must keep pet noise to a minimum.
- Pets are not allowed in public areas within The Cardinal with the exception of corridors



and elevators which must be utilized by the pet to go outdoors.

- All dogs must be registered with The Cardinal. 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 Cardinal of liability for damage to property or for an injury caused by a pet.
- All pet owners must agree to reimburse The Cardinal for damage and odor elimination beyond reasonable wear and tear to The Cardinal property, including Residence fixtures and carpeting, 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 Cardinal management. All Resident pet owners agree that if their current pet permanently departs The Cardinal, any replacement pet will have a size limitation not to exceed 35 lbs. and subject to Management written approval.
- Residents wishing to bring a pet to The Cardinal other than those types listed above must contact The Cardinal in advance for written approval.
- Residents wishing to take pets to the Health Center for a “visit” are encouraged to do so, but only after making prior arrangements with the Executive Director or designee.
- Guests should not bring pets of any kind onto the Community grounds, without prior written approval by Management.

#### **4.1.11 Parking**

In order to maintain a safe environment for The Cardinal, please review and maintain the guidelines outlined below:

- A parking space is specifically assigned to a Residence and resident vehicle(s) should be parked in the assigned space.
- Guests should park in designated visitor spaces.
- In the event of a violation of parking restrictions, a Cardinal associate will notify the violator to correct the situation. If unable to make contact, and it is determined that a hazard exists, the vehicle may be towed at the expense of the owner.

#### **4.1.12 Guest Parking**

Designated parking spaces are available for visitors and Residents should encourage their guests to use them. Long-term visitors should check in with the Resident Relations associate to receive a parking pass that should be displayed on the vehicle at all times. Visitors are not allowed to park in spaces assigned for Residents only.

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

#### **4.1.13 Operation of Motor Vehicles**

All vehicles must be operated in a safe manner when on The Cardinal property. 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.

## **4.2 RESIDENT INFORMATION SERVICES**

Effective communication between The Cardinal Residents and management is essential to the operational success of The Cardinal. In addition to the more formal lines of communication outlined above, The

Cardinal 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 hours a day.

#### **4.2.2 Resident Information Form**

All Residents must have an up to date "Resident Information Form" on file with the main office. All information will be kept confidential. The purpose of this form is to provide basic information to be used in the event of an emergency. The Cardinal will request that Resident Information Forms be updated periodically. Residents are urged to contact the administration office to initiate a change whenever appropriate.

#### **4.2.3 Resident Directory**

A Resident Directory containing the telephone numbers, email addresses, and Residence numbers of each Resident are published periodically by The Cardinal. To protect the privacy of all Residents, this directory should be treated as confidential. All changes necessary to this directory should be reported to The Cardinal.

Residents' telephone numbers and email addresses will be listed in the directory unless a Resident specifically requests in writing that this information be omitted. Residents may also have their names and Residence numbers omitted if they prefer not to be listed in the directory.

#### **4.2.4 U.S. Postal Service**

The U.S. Postal Service will pick up and deliver mail to the postal and message center. A separate postal and message center is located in the Health Care Center for residents of assisted living, memory care, and nursing care apartments. 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.

The Resident Relations associate 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 Cardinal associate will assist a Resident in moving large or heavy packages to the Residence 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 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 newspapers and magazines must be made directly by the Resident.

#### **4.2.7 Cable Television**

Premium direct TV cable television is included in the Monthly Fee.

An "in-house" community information channel is provided for items such as daily dining specials, scheduled events, Community updates, and emergency announcements.

#### **4.2.8 Telephone Service**

A land line is available for a monthly fee. Please see a Resident Relations associate for number porting and set up.

### **4.3 ADDITIONAL RESIDENT CONVENIENCE SERVICES**

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 these services are listed below. Facilities to handle these services may be available in the Business Center. If you require assistance, please contact the Resident Relations representative.

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

An additional fee may apply to above services.

#### **4.3.2 Salon**

A beauty and barber salon will be located within The Cardinal. The salon is operated by an independent business owner, not by The Cardinal. 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 Cardinal will maintain all "found" property until either the owner is identified, or 90 days have passed, after which time The Cardinal may dispose of the "found" property. For "found" items deemed to have material value, The Cardinal may post a "found" notice on one of the two bulletin boards near the North and South Tower cubbies. For "lost" items, the Resident may prepare a "lost" notice and present it to The Cardinal management for posting.

#### **4.3.4 Motorized Carts / Wheelchairs**

You may use a motorized cart at the Community. Residents are responsible for proving maintenance of personal vehicles. Motorized carts must be operated in a safe manner, taking special precautions near doorways, at corners, when approaching pedestrians, backing up and in other situations that present risk of injury or damage. Residents are responsible for any damage or injuries as a result of the use of a motorized cart including payment for all associated costs the community or claimant may incur. To ensure safety of others and to prevent blocking hallways and other common areas, Motorized Carts may not be parked in the corridors or near any emergency exits. The Community may designate specific parking in some areas of the Community for motorized carts.

### **4.4 RESIDENT GUESTS**

#### **4.4.1 Overnight Guests in the Residence**

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

#### **4.4.2 Length of Visit**

Guests should be limited to a stay of 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 if there are valid reasons to stay. 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 at The Cardinal. Guests may participate in activities that are available to Residents. Guests may be required to sign a waiver for certain activities.

#### **4.4.4 Dining Privileges**

Residents are welcome to have guests for meals offered in the Community dining venues. The dining charges for guests may be deducted from the Resident's dining account or added to their 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 at The Cardinal.

### **4.5 RESIDENCE AMENITIES AND FURNISHINGS**

#### **4.5.1 Modifications to a Residence**

Modifications to the interior of a Residence requested by a Resident may be approved as long as the modification complies with all applicable laws and building codes, including any applicable health care laws and regulations, is structurally feasible, is consistent with the Community architecture, and does not unduly inconvenience other Residents. The requesting Resident must agree to pay for all installation 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, at which time a determination will be made as to whether the Resident is responsible for the costs associated with returning the Residence to its original condition upon vacancy. If an independent contractor is used by the Resident to perform the modifications, the independent contractor must show that they are appropriately licensed and insured with both liability and workers compensation insurance. A Modification Request Form is available from the Resident Relations representative for this purpose.

Nursing care 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 Cardinal 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 Cardinal 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 Cardinal is the same as that for substituting appliances or fixtures. The Cardinal must approve any non-standard flooring specifications or substitutions. All substituted floor coverings will remain the property of The Cardinal.

#### **4.5.5 Painting of Residences – Routine**

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 Cardinal and labor and material will be provided by The Cardinal.

Residents may choose a color or type of paint other than that provided by The Cardinal 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 – Routine**

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 Cardinal. The cost of any upgraded or non-standard carpets will be borne by the Resident.

#### **4.5.7 Repair of Appliances – Routine**

Each time an appliance requires repair, the Executive Director, through past service records, will determine (at The Cardinal's 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 for the use and enjoyment of the resident. The patio is visible to other Residents, guests and prospective Residents of The Cardinal. 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 Cardinal we practice The Art of Living Well<sup>SM</sup> 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 Cardinal Clubhouse is the center for community connectivity including health and wellness programs,

socializing, neighborhood events, cultural and educational opportunities.

The Wellness/Fitness Center includes a heated swimming pool and spa area and includes cardiovascular and strength training equipment. Classes, opportunities for life-long learning, social outings, spiritual growth, community involvement, 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**

Examples may include:

- Regularly scheduled fitness programs including aqua exercise, yoga, tai chi, meditation and personal training
- Billiards room with card games such as bridge, poker, mahjong and cribbage
- Art appreciation and painting classes
- Seminars – Current event forums, book reviews, cooking and guest speakers
- Excursions – Theatre, Symphony trips, 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 of 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 SERVICES**

The Cardinal's pool is available for the use of 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. Therefore, diving 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 Cardinal. This set consists of one (1) each of the following: Residence key, mailbox key, storage key 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 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 Cardinal or its affiliates 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 you. 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 Cardinal's policies, must register with The Cardinal, sign agreements and meet requirements established by The Cardinal 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 Cardinal. You will be responsible for seeing that any in-home assistant hired by you complies with all policies of The Cardinal, 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 (1<sup>st</sup>) day of each month, each Resident will receive a written statement for that month's 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 "The Cardinal at North Hills" should be remitted to the administration office. Please note there is a check processing fee. Check the Appendix A for charges. 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 Cardinal is responsible for the upkeep and repair of the building and its amenities. We provide Maintenance, Housekeeping, Security, and Community 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 Cardinal. The primary functions of Maintenance are:

- To keep the Residence and public areas clean and in good repair
- To maintain The Cardinal 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 The Cardinal property or of a Residence 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.

### **6.1.2 Reporting Procedures**

**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 Cardinal 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 Cardinal 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 Maintenance 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 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.

### **6.1.4 Preventive Maintenance**

The Cardinal will follow a written preventive maintenance plan to keep the buildings, equipment, furniture and furnishings in good repair and free of safety hazards.

### **6.1.5 Replacement of Light Bulbs**

Maintenance associates will replace light bulbs in the common areas and in the Residence's 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 Maintenance of a Residence during a Resident's Absence**

In the event of a maintenance emergency, as determined by The Cardinal, a Maintenance associate may enter the Residence.

A Maintenance associate 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.

Corrective maintenance items are initiated by "Requests for Maintenance" from Residents or the Community staff when necessary. The Maintenance department schedules corrective maintenance on a routine basis. 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 Cardinal. In that event, the Maintenance associate will not enter the Residence and maintenance will be rescheduled in accordance with maintenance priorities.

Corrective maintenance is generally scheduled between the hours of 8:30A.M. and 4:30P.M., Monday-Friday. Residents will be notified in advance if corrective maintenance is to begin during standard hours. If a Maintenance associate plans to visit a Residence at other times, the Resident affected will be notified in advance. All maintenance on The Cardinal property and equipment must be performed by The Cardinal or authorized by The Cardinal.

### **6.1.7 Grounds Maintenance**

The Cardinal 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 Cardinal 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 Cardinal. Residents are asked not to tend these plants without specific agreement with The Cardinal.

#### **6.1.10 Tools and Supplies - Resident Use**

The Cardinal 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 Cardinal.

#### **6.1.11 Swimming Pool/Spa Maintenance**

Care of the swimming pool, including establishing and maintaining proper chemical levels, is the responsibility of The Cardinal. 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 difficulties with pests, the Resident should complete a "request for maintenance" form. Arrangements will be made to re-treat the area.

Should, in the opinion of The Cardinal, special pest control be required in a Residence or in a public area due to unhygienic conditions created by the Resident or by a Resident's pet, the Resident may be charged for that service.

#### **6.1.13 Recycling and Waste Disposal**

Trash and recycling rooms will be provided on each floor with trash and recycle bins. Only disposable trash in sealed plastic bags, not loose garbage, should be placed in the trash and recycle bins in these rooms. Items to be recycled will be collected in accordance with the current community recycling program. 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.

A Resident with a large or bulky trash item, including moving boxes, may call the maintenance 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**

Each independent living residence is assigned a storage cubicle in a storage area separate from the residence. Assisted living and nursing care apartments are not automatically assigned a storage cubicle.

- The storage entrances will remain unlocked at all times. It is the Residents responsibility to keep their individual storage bay locked. Assistance in moving items into or out of the storage cubicle can be obtained by contacting a Resident Relations associate.
- The Cardinal 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, Spiritous liquor, 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 Cardinal management. The primary functions of Housekeeping are:

- Basic housekeeping and cleaning services in the Residences
- Cleaning of all public spaces
- Laundering of The Cardinal washable goods.

### **6.2.1 Housekeeping Service**

Housekeeping service is provided once every other week to each Independent Living Residence and weekly to each Health Center 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 Cardinal 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 Cardinal 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.
- Cleaning bathtub and showers, sink, countertops, toilet bowl, tank and tank cover, and mirror; sweeping and wet mopping the floor.
- 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, trash removal; sweeping patio.
- Certain cleaning tasks will be accomplished by The Cardinal on a periodic basis, including:
  - Window washing, inside and out.
  - Carpet shampooing, if needed.

### **6.2.3 Services Not Included in Routine or Expanded Cleaning**

- 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.

#### **6.2.4 Extra Housekeeping Services**

Extra housekeeping services may be requested from The Cardinal. 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 Cardinal. Under no circumstances will personal services be provided by the housekeeping 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 Cardinal without prior written approval from the Executive Director.

#### **6.2.5 Housekeeping Services in the Health Center**

Housekeeping and laundry services in Health Center apartments are more comprehensive than those provided in independent living residences. For more information on the housekeeping and laundry services that are provided in the Health Center, please refer to the current form of the Residence and Care Agreements for Nursing Care and 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 Cardinal. Should, in the opinion of The Cardinal, 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 responsible Resident will be charged for that service.

### **6.3 SAFETY**

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.

#### **6.3.1 Firearms**

Firearms, including collectibles and antique firearms, are not allowed anywhere on The Cardinal's property. Explosive and highly flammable materials such as kerosene, gasoline or paint stripper may not be brought into the Community.

#### **6.3.2 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 Cardinal at the time of vehicle registration. In the event that a vehicle is added or disposed of, the Resident is responsible for notifying The Cardinal of the change. Residents who own vehicles are required to maintain current registration and appropriate insurance.

#### **6.3.3 In Case of Fire or Other Disasters**

All buildings 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 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. This plan includes a specific section on Fire and Evacuation. Residents are urged to read and to become familiar with the contents of the Disaster Plan.

#### **6.3.4 Smoke Detectors, Residences**

Every Residence will have a smoke detector installed. Smoke detectors report directly through the emergency call system and to communication devices.

#### **6.3.5 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 desk in the Administrative area 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.

Cardinal associates will be dispatched to the location of an activated public area smoke detector. Residents should take action per the Emergency Fire Evacuation procedures.

#### **6.3.6 Fire Drills**

To promote safety and awareness, periodic fire drills will be held at The Cardinal. All fire drills scheduled by The Cardinal 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.

#### **6.3.7 Emergency Call System**

Residences are equipped with an emergency call system in each bedroom and 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 COMMUNITY SERVICES**

#### **6.4.1 Scheduled Transportation**

Transportation service is provided to residents on a scheduled basis in community vehicles. As a resident of The Cardinal you will also have access to the North Hills transportation program. A list of destinations, as well as departure and return times, will be established by The Cardinal 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 Cardinal with input from the Resident's. An appropriately licensed associate will drive the vehicle and assist Residents with packages. All scheduled trips depart from the main entrance of The Cardinal unless otherwise indicated. The Cardinal 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, The Cardinal vehicles, with 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 30 days in advance. A minimum of Five 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 Bistro offers a casual dining option featuring an “open kitchen” for demonstrations and cooking classes as well as lunch and take-out dinner that features healthy dining choices, seasonal selections and Chef’s daily specials. The Bleu Dining Room and Pub will be available for cocktails, dinner, and other events such as Sunday Brunch.

The Cardinal management is responsible for the operation of all food and beverage areas in The Cardinal including the Clubhouse and Health Center.

The primary functions of Dining Services are:

- Planning menus for all food and beverages served in The Cardinal dining venues, and ordering food and supplies accordingly.
- Preparing and serving at The Cardinal
- Providing catered services for the Residents of The Cardinal at an additional fee.

## **7 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 Cardinal, and may be changed periodically, based on input from Residents. During holidays and special occasions, meal times may be modified based on input from Residents. Schedules for these meal times 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 bill or may be deducted from the Resident dining account.

### **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.

### **7.1.6 Nutrition/Diet Counseling**

A Registered Dietitian will review all menus on a continuing basis. The Dietitian may be available to counsel individual Residents on such issues as nutrition, diets, and special diets. Appointments for counseling may be scheduled.

### **7.1.7 Dining Account**

In Independent Living each Resident will have a dining account based on a predetermined value included in the Fees. The menu offerings will include a wide range of options and flexibility in using

your dining account. Your account can be used in any dining venue at The Cardinal, including meals eaten as a guest in the Health Center, and may also be utilized for guest dining and beverages. A dining account balance not utilized within the current month will be forfeited.

Residents in assisted living and nursing care 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 or her Residence or in one of The Cardinal public areas at an additional fee. These services range from "party trays" that can be taken to the Residence, to full dinner parties. Since the primary function of Dining Services is preparing meals for Residents, reservations for catering services should be made as far in advance as possible. Arrangements for catering and parties may include food, beverages, room set-ups, decorations, wait staff and clean up. A Resident desiring catering service will be required to approve a written cost estimate prior to the event. Actual charges 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.

## **Section 8**

### **Health Care Services**

The Cardinal offers health care options for Residents that include assisted living, memory support and nursing care, should you require assistance due to a change in your health status. Fees for these services are outlined in the service offerings. Entry into the Health Center is subject to certain additional requirements, including the execution of an Assisted Living Residence and Care Agreement or Skilled Nursing Care Residence and Care Agreement, as applicable. Cardinal Residents will have priority access to the following healthcare services:

#### **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.

#### **8.2 Memory Support**

The Memory Support household 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 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 hours a day with Registered Nurses and certified nursing assistants. These services are provided within the scope of state licensure.

## **Section 9**

## **Community Service**

The Cardinal fosters a culture of service and desires to make a meaningful impact in our community. There are opportunities for volunteer service at The Cardinal. 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 Cardinal at 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 apartment. 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 Cardinal 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 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 work and living 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 Association or you may inform 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.



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 Cardinal at 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

**Exhibit G**

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

**APPLICATION FOR RESIDENCY**

This Application for Residency at The Cardinal at 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 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

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

<u>Assets:</u>	<u>Total</u>
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:	_____
<b>TOTAL ASSETS:</b>	<b>\$ _____</b>

### 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 Cardinal at North Hills  
Physician's Report**



## Physician's Report

### TO BE COMPLETED BY APPLICANT'S PHYSICIAN:

I understand that The Cardinal at North Hills is a Continuing Care or Life Care Community, and I desire to move in to an area that has not been licensed by the State as an Assisted Living or Nursing Home 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: THE CARDINAL AT NORTH HILLS Phone: 984-204-8444 Fax: 984-204-8479

Address: 4030 Cardinal at North Hills Street, 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 Cardinal at North Hills Appendix A**

THE CARDINAL AT NORTH HILLS  
FEES FOR OPTIONAL SERVICES – INDEPENDENT LIVING

Services	Fees
<b>Service and Dining Packages</b>	
<b>Dining Services:</b>	
Complimentary Breakfast + 31 meals/month	Included
Guest Dining	Prices as posted
Requested Tray Service	\$7 per day
<b>Wellness Services</b>	
<b>Transportation / Programming:</b>	
Scheduled transportation: within 10-mile radius	Included
Scheduled transportation: outside of 10-mile radius	\$1 per mile
Non-scheduled transportation day (less than 48-hour notice)	\$35
Transportation same day cancellation	\$5
Transportation no show	\$25
Transportation escort charge	\$35 per hour
Transportation wait charge	\$25 per hour
Special programs/outings	Cost varies; actual cost provided in advance
Personal Training (30 minutes)	\$30
<b>Environmental Services</b>	
<b>Housekeeping Services:</b>	
Housekeeping	Included (every other week)
Specialized housekeeping services	\$50 per hour, or cost provided in advance
Linen services	Included
Personalized laundry services	\$15 per load
<b>Maintenance Services:</b>	
Normal maintenance and repair	Included
Specialized maintenance service	\$100 per hour plus the cost of supplies
Apartment transition support/removal of unwanted items	\$300
<b>Other Services</b>	
<b>Administrative:</b>	
Second occupant	\$1,050 per month
In-house apartment transfer fee to a higher Level of Care	\$3,000
In-house apartment transfer at same Level of Care	Difference between new Community fee and original Community fee paid
Pet fee	\$30 per month
Electric charging station	\$30 per month
Telephone service: local and long-distance	\$35 per month
Premium Wi-Fi/Private network	\$150 onetime fee or \$10/month
Emergency response system	Included
Business services	Included with exception of stamps
Rollaway bed	Provided as requested
Wireless response pendant	\$30 per month
Pendant replacement	\$200 dollars
Returned check/payment	\$25 per check/payment
Check processing service fee	\$25 per month
Late fee: rent payments are due on the 1st of each month	5% per month starting on the 10 <sup>th</sup> 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

**CARDINAL AT NORTH HILLS  
FEES FOR OPTIONAL SERVICES  
HEALTH CARE CENTER**

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

***Service and Dining Packages***

<b>Meals:</b>	
3 Meals per day Guest Dining Requested Tray Service	Included Prices as posted \$7 per delivery

***Wellness Services***

<b>Transportation / Programming:</b>	
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***

<b>Housekeeping Service Plans:</b>	
Housekeeping Additional housekeeping services	Included (weekly) \$50 per hour
<b>Housekeeping Services:</b>	
Basic personal laundry services Additional laundry services	Included Cost varies; actual cost provided in advance
<b>Maintenance Services:</b>	
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

***Health Care Center Services***

<b>Assisted Living Services:</b>	
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	  \$1,520 per month \$2,230 per month \$3,000 per month \$3,850 per month \$4,110 per month plus \$10 per point over 380
<b>Memory Care Services:</b>	
As determined by assessment  Level I, Memory Care Level II, Memory Care Custom Care Above Level II	  \$3,980 per month \$4,510 per month \$4,820 per month plus \$10 per point over 440
<b>Personal Care Solutions Program:</b>	
Tier I Tier II Tier III	\$195 per month \$275 per month \$340 per month

**CARDINAL AT NORTH HILLS  
FEES FOR OPTIONAL SERVICES  
HEALTH CARE CENTER**

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

***Other Services and Fees:***

<b>Administrative:</b>	
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 <sup>st</sup> of each month	5% per month starting on the 10 <sup>th</sup> 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

**APPENDIX A**  
**The Cardinal Advantage Program**

**Effective May 31, 2023**

**(Fees and services subject to change upon thirty (30) days advance notice to participants.)**

Initial Program Fee: \$20,000

Initial Program Fee (couple): \$25,000

Monthly Program Fee: \$100

Second Person Monthly Program Fee: \$50

Dining Program and fees:

- 2 meal counts/month Dining Credit is included in the Program Monthly Fees. Unused Dining Credits do not carry over.
- Dining charges exceeding the monthly Dining Credit will be charged to you at posted price at time of service.
- Dining Credit does not apply to purchases of alcoholic beverages.

Late Fee: 1.5% of balance until paid

Returned Checks: \$50 per check

Application of Program Fee to Community Fee: At the time you become a resident of The Cardinal, \$10,000 of your Program Fee may be applied to any Community Fee due under your Residence and Services Agreement.

**Exhibit J**

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



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

**PREPARED FOR**

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**The Cardinal  
at North Hills**

A KISCO COMMUNITY

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# THE CARDINAL AT NORTH HILLS HEALTH CENTER - ASSISTED LIVING RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (“Agreement”) is made by and among The Cardinal at North Hills Healthcare, LLC, (“Cardinal Healthcare” doing business as “The Cardinal Health Center” located at 311 Garden at North Hills Street, 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”) on the other. Where appropriate, Cardinal healthcare and

Kisco Senior Living are collectively referred to in this Agreement as “we”, “us” or “our”. (If more than one person is signing this Agreement, “you” refers to each of you individually and to both of you together.)

Cardinal Healthcare operates The Cardinal Health Center, which is the assisted living, memory care and skilled nursing component of The Cardinal, a licensed Continuing Care Retirement Community located in Raleigh, North Carolina, which provides residences, care and services to persons 62 years of age and older (“The Cardinal”). Kisco Senior Living manages The Cardinal Health Center on behalf of Cardinal Healthcare. For the purposes of this agreement, the term Cardinal Health Center refers only to Assisted Living and Memory Care residences and residents. The Cardinal 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.

You have applied for accommodations at The Cardinal Health Center for Assisted Living or Memory Care 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 Cardinal Health Center, and the other legal obligations that The Cardinal Health Center will assume. This Agreement also sets forth your legal obligations to The Cardinal Health Center, both financial and non-financial.

## **I. CORE SERVICES**

You will be provided with the following Core Services at The Cardinal, subject to the terms of this Agreement. These Services are included in your Monthly Fee unless otherwise indicated.

### **A. Living Accommodations**

1. **Residence.** You have chosen to live in Apartment # \_\_\_\_\_ (“the Apartment”) at The Cardinal Health Center. 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 Cardinal Health Center, 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 Cardinal Health Center.
2. **Utilities.** Utilities included in the Monthly Fee for the Residence are electricity, water and sewer, trash removal, basic internet/data services, and basic cable TV service. You are responsible for paying for all other utilities and service charges including local and long distance telephone charges, premium internet/data services and premium TV service fees. The Cardinal 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 Cardinal Health Center’s safety standards are met. For your safety and the safety of all the other residents of The Cardinal Health Center, cooking in your Apartment

is not allowed. You may furnish the Apartment with your own furniture, if appropriate for your health condition and provided that The Cardinal Health Center'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 Cardinal 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 Community for any damage to the Apartment or the furnishings and equipment provided by The Cardinal 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 Cardinal 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 Cardinal Health Center the use of the common areas, including the dining areas, lounge areas, beauty/barber shop, multi-purpose rooms and recreation rooms. We may change or reconfigure common spaces in the future 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 Cardinal 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 Cardinal Health Center and snacks will likewise be made available. Those meals and snacks are included in your Monthly Health Center 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. **Tray Service.** We will provide tray service to your Apartment, as set forth in the Resident Handbook. There may be an additional charge for tray service as set forth in **Appendix A**.
2. **Guests.** Guests are welcome to any meal as set forth in the Resident Handbook. There will be a fee for guest meals (see **Appendix A**).

**F. Planned Activities**

The Community has a program of social, emotional, intellectual, physical, spiritual and vocational activities, both at and away from The Cardinal Health Center. You are welcome to participate in such

activities as desired. There may be an extra charge for some of the activities offered by the Community which require additional supplies or services provided by an outside vendor or outings which are away from The Cardinal Health Center as set forth in **Appendix A**.

#### **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 a charge (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 Cardinal determines that, in its judgement, an emergency exists, staff will call 911.

## **II. PERSONAL ASSISTANCE AND CARE**

Staff of The Cardinal Health Center will regularly observe your medical condition and help identify health, dietary and social needs or needs for special services. In accordance with your plan of care and applicable North Carolina law, The Cardinal Health Center 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 a designated apartment or specific common areas related to assisted living. Services include, but are not limited to: assistance with activities of daily living, such as bathing, dressing, ambulating, and assistance with medications; scheduling of medical, dental and business appointments; providing incidental medical care, as appropriate, accessing community resources and transferring to outside facilities as needed and prescribed by your primary care physician and intervening on your behalf in the event of an emergency.

#### **B. Memory Support Services**

Memory care services will be provided for residents with Alzheimer's disease and other forms of dementia. These services will be provided in a designated, secured memory support area within The Cardinal Health Center. Services include, but are not limited to: assistance with activities of daily living, such as bathing, dressing, ambulating, and assistance with medications; scheduling of medical, dental and business appointments; providing incidental medical care, as appropriate, accessing community resources and transferring to outside facilities as needed and prescribed by your primary care physician and intervening on your behalf in the event of an emergency.

#### **C. Establishing Levels of Care**

Personal care services packages are offered to residents of The Cardinal Health Center dependent on their specific needs. The scope and pricing of these levels of care and services may be changed at The Cardinal Health Center's discretion upon thirty (30) days' written notice to you. When you applied for move-in to The Cardinal Health Center, the professional staff performed an appraisal of your needs and determined with you and your physician the appropriate level of service for you, as set forth in Section VI.A. We will periodically reappraise you as needed in light of your changing needs to determine the appropriate level of service that you require. If you begin to receive a different Level of Care, charges relating to that new Level of Care are effective immediately. The current fees for the various Levels of Care at The Cardinal Health Center and the description of these Levels are set forth in attached **Appendix A**. These fees are subject to change provided in Section VI.C below.

**III. OPTIONAL SERVICES**

The Cardinal Health Center 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 Cardinal Health Center 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 described in Section I.D above;
6. Additional laundry and housekeeping services beyond those referenced in Sections I.B and I.C above;
7. Repairs and maintenance of personal items; and
8. Any other optional services that we elect to offer in the future.

The current fees for optional services at The Cardinal Health Center are set forth in attached **Appendix A** and are subject to change as provided in Section VI.C below.

**IV. EXCLUDED HEALTH-RELATED SERVICES**

The Cardinal Health Center 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 Cardinal Health Center’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**

Fee for Core Services for Resident One: \$ \_\_\_\_\_

Fee for Level of Care: \_\_\_\_\_ \$ \_\_\_\_\_

**Total Monthly Fee for Resident One:** \$ \_\_\_\_\_

If applicable, the Monthly Fee for Second Resident residing in the Apartment:

Fee for Core Services for Resident Two: \$ \_\_\_\_\_

Fee for Level of Care: \_\_\_\_\_ \$ \_\_\_\_\_

**Total Monthly Fee for Resident Two:** \$ \_\_\_\_\_

**Monthly Fee for Both Resident(s) (if applicable)\*:** \$ \_\_\_\_\_

Prior to occupancy of your Apartment, you will be responsible to pay your entire Monthly Health Center 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 Health Center 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 “Core Services for Resident One” and the fee for the level of care for that resident. The Monthly Health Center 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 Cardinal Health Center 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 Cardinal Health Center shall be as set forth in **Appendix A**, which is attached to this Agreement or as it may later be amended at our discretion. **Appendix A** is subject to change from time to time. You will be given notice of any planned change in the fees set forth in **Appendix A**, as described in subsection D below. Charges for 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 Cardinal Health Center. This Fee covers the costs incurred by The Community to review and process your application and other materials, including your physician’s report, development of the care plan, and move in. The Community Fee is used to support the costs of various programs at The Cardinal Health Center, such as Wellness and technology, and to support the maintenance of the physical plant, your Apartment and the common areas. The Community Fee is also used to help us attract and retain qualified and well-trained staff. The Community Fee is not a security deposit and is not refundable for any reason. The Community Fee will not be credited against your Monthly Fees.

**D. Adjustments to Fees or Services**

1. Fees. The community shall give thirty (30) days’ prior written notice to you of any change in the Monthly Health Center Fee, as set forth in **Appendix A**, fees for levels of care, or in the charges for optional services. However, as described in Section VI.G, if you begin receiving a different level of care, including beginning to receive Memory Care services, the rate for the new level of care shall be charged immediately. In the event of a rate increase, The Cardinal Health Center 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 Community 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. Payments and Failure to Make Payments**

You will be required to make all payments due to The Cardinal Health Center in a timely manner and otherwise fulfill your financial obligations to The Cardinal Health Center. We do not accept SSI/SSP eligible residents for move-in to The Cardinal Health Center. Payment shall be made to The Cardinal Health Center by check or money order and either mailed to 4030 Cardinal at North Hills Street, Raleigh, NC 27609 or delivered to the business office at The Cardinal Health Center, or you may arrange for automatic payments from a financial institution. If you fail to pay your Monthly Health Center Fee or other charges by the fifth (5th) day of each calendar month, The Cardinal Health Center

may charge you a late payment as described in **Appendix A** on your then-current Monthly Health Center Fee for each delinquent payment. You will receive a monthly statement that itemizes any fees or charges you have incurred. Returned checks shall be subject to a penalty as described in **Appendix A**.

**F. Guarantor**

Your obligation to pay the Monthly Fee and any other fees due under this Agreement shall be guaranteed by \_\_\_\_\_

("Guarantor"). You agree to provide The Cardinal Health Center 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 Cardinal shall have no obligation to file suit or obtain a judgment against you prior to enforcing its rights against the Guarantor.

**G. Change of Level of Care**

The staff of The Cardinal Health Center 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 Cardinal Health Center 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. The rate for the new level of care, as set forth in **Appendix A**, shall apply immediately.

**VII. TRANSFERS**

**A. Transfer for More Appropriate Care**

The area of The Cardinal Health Center in which you will reside is licensed by the state of North Carolina for assisted living, however it is not designed to provide higher levels of care such as nursing or care for serious mental or emotional disorders. You may remain in the assisted living or memory care area of The Cardinal Health Center as long as doing so is permitted by applicable licensure laws and fire safety standards, and, in the judgment of the staff of The Cardinal Health Center, 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 Cardinal Health Center, and your presence does not create a danger to yourself or others. If the staff of The Cardinal Health Center determines that it is inappropriate for you to remain in your Apartment, you may be asked to move to the nursing care area of The Cardinal Health Center or to an outside facility, and 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 Cardinal Health Center in accordance with **Appendix A**.

**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 Cardinal Health Center. You agree to such substitution and agree to pay the Monthly Health Center Fee applicable to the new Apartment.

**C. Voluntary Apartment Change**

Your request for a change of apartment may be granted at The Cardinal Health Center's discretion. You will pay the then-applicable Monthly Health Center 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**.

## **VIII. TERMINATION**

### **A. Termination by You**

You may terminate this Agreement at any time, with or without cause, by giving The Cardinal Health Center thirty (30) days' prior written notice of termination, with the exception of your death wherein this agreement terminates automatically. After termination, you will continue to be responsible for your full Monthly Health Center Fee until the thirty (30) day period has expired and all your property is removed.

### **B. Termination by Us**

1. Upon Thirty (30) Days' Notice. The Cardinal Health Center may terminate this Agreement upon thirty (30) days' written and verbal notice to you and your Legal Representative and/or Responsible Person, if applicable, if any of the following events occur:
  - a. Nonpayment of the Monthly Fee within ten (10) days of the due date;
  - b. Your failure to comply with State or local law after receiving written notice of the alleged violation;
  - c. Your failure to comply with general policies of The Cardinal Health Center as described in this Agreement, in the Resident Handbook as it now exists, as it may be modified in the future, or as determined by the Executive Director; or
  - d. If after move-in, it is determined that discharge is necessary for your welfare because your needs can no longer be met at The Cardinal Health Center.
  - e. You acquire a condition or engage in conduct that poses a danger to you or endangers the health or safety of other individuals at the Community.
  - f. Any information provided by you in your application for your Apartment or in support of such Application is determined to have been false in any materially respect as of the date provided by you to us.
2. Upon Three (3) Days' Notice. In addition, The Cardinal Health Center may terminate this agreement upon three (3) days written notice for good cause. Good cause exists if we determine that your continued presence at The Cardinal Health Center poses a threat to the mental and/or physical health or safety of yourself or to the mental and/or physical health or safety of others in the Community.
3. Notice. If the community terminates this Agreement under Section VIII.B., you and your personal representative (if any) shall receive a notice describing the reasons for such termination.
4. Appeal. If you wish to appeal a termination, you may do so by requesting a review in writing to the Chief Financial Officer of Kisco Senior Living within ten (10) days following the termination notice. The Chief Financial Officer or designee will schedule a meeting with you and your representatives during which you can present reasons why the termination should not occur. The Chief Financial Officer will then make a final determination which will be provided to you in writing.
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 Cardinal Health Center or if you cannot generally benefit from the program of services available at The Cardinal Health Center.
  - 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 Cardinal Health Center to meet your needs.
  - i. You have health care needs that cannot be met at The Cardinal Health Center 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 Cardinal Health Center as defined by state licensing regulations
  - j. Your personal physician has determined that you require services not available at The Cardinal Health Center.
  - 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 and your needs cannot be met through the Memory Care program.
  - 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 Cardinal Health Center's scope of services or the staffs' training and skill or do not comply with state licensing regulations.
6. In the event of a termination by the Community, you will be responsible for the Monthly Fee until such time as all property is removed from your Apartment. After all property has been removed, you or your estate will receive a refund of any unused pro rata portion of any prepaid Monthly Fee within thirty (30) days, or will be billed for any unpaid Monthly Fee, in each case calculated by reference to the date on which all property has been removed.

7. **Appeal.** If you wish to appeal a termination by us, you may do so by requesting a review in writing to the Chief Operating Officer, 5790 Fleet Street, Suite 300, Carlsbad, CA 92008[1-866-KISCO SL] 1-866-547-2675 within ten (10) days following the thirty (30) day termination notice or within one (1) day following a three (3) day termination notice. The Chief Operating Officer or designee will schedule a meeting with you and your representatives during which you can present reasons why the termination should not occur. The Chief Operating Officer will then make a final determination which will be provided to you in writing.

**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 Health Center Fee within thirty (30) days following removal of all property from your Apartment.

**D. Move Out and Refund**

1. **Vacating Apartment.** If this Agreement is terminated for any reason, you or your estate must vacate the Apartment and remove all of your property from it. You or your estate shall remain liable for the Monthly Health Center 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 Cardinal Health Center 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 Cardinal Health Center shall have the right to dispose of such abandoned property in accordance with state law. The Cardinal Health Center has the right to enforce the provisions of this section by appropriate legal proceedings.
2. **Refund of Unused Portion of Monthly Health Center Fee.** Following termination of this Agreement, The Cardinal Health Center will pay you or your estate a refund equal to any Monthly Health Center Fees received by The Cardinal in excess of those required by VIII.D.1. above, or other amounts that The Cardinal Health Center owes to you, minus the following: (i) the amount of any unpaid Monthly Health Center Fees or other charges that you owe to The Cardinal Health Center 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 Cardinal Health Center's property that was damaged by you or your visitors; and (iv) the costs of restoring your Apartment to its original condition if physical alterations were approved by the Community pursuant to Section I.5; and (v) any expense incurred by The Cardinal Health Center 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 Health Center Fee applicable to single occupancy of the Apartment at the level of care for the remaining resident shall apply.

**F. Termination Due to License Forfeiture or Change of Use**

Community may terminate this Agreement upon forfeiture of its license, whether due to voluntary closure or otherwise, or upon change of use of The Cardinal Health Center, in accordance with state law.

## **IX. YOUR PROPERTY RIGHTS AND OBLIGATIONS**

### **A. No Management or Property Interest**

This Agreement shall give you no property right or management interest in The Cardinal Health Center, The Cardinal, or any of their assets. In addition, you shall have no right to any of The Cardinal Health Center's personal property, including furnishings and fixtures in the Apartment or in the common areas at The Cardinal Health Center.

### **B. Property Loss and Damage**

The Cardinal 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 Cardinal, whether in your Apartment or elsewhere 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 property at The Cardinal, 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.

### **C. Right of Entry**

For your safety and comfort, the staff of The Cardinal Health Center must be permitted to enter the Apartment to perform basic housekeeping services, respond to emergencies, make repairs and improvements, and perform other management functions as we deem necessary or advisable. In addition, because components of The Cardinal Health Center are licensed under the North Carolina nursing home laws, any duly authorized agent of the North Carolina Department of Health and Human Services (the "Department") may, upon stating the purpose of the visit, enter and inspect any licensed portion of The Cardinal Health Center, which may include your Apartment, without advance notice. 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 Cardinal shall provide you with a set of keys or electronic key fobs or cards to access your Apartment and the common areas within The Cardinal. 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 Cardinal 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 of your key(s). You agree not to install additional locks or gates on any doors or windows of the Apartment without The Cardinal'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 Apartment and the common areas within The Cardinal.

## **X. OTHER 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 Cardinal 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 Cardinal's 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 Community a lien on any judgment, settlement, or recovery in the amount of any expense incurred by The Cardinal 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.

**C. Personal Affairs**

You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to execute 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 executed a Power of Attorney that is in effect, the individual(s) named as your attorney-in fact shall be required to sign this Agreement along with any Guarantor as set forth in Section VI E.

**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 Community 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 Cardinal 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 Cardinal 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 Community 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 Cardinal 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 Cardinal 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 Article VII. The Cardinal 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 Cardinal Health Center in performing their duties to maintain your Apartment and provide the care and other services described in this Agreement and in your care plan. The Cardinal instructs the Community 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 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 Cardinal associates or solicit such associates to resign to work for you without the prior written consent of the Community to such arrangement. You agree not to hire any former Community associate without the written consent of The Cardinal.

## **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 stay.

### **C. Guarantor**

A Guarantor is an individual who has agreed to be personally liable to pay for all amounts you owe to The Cardinal Health Center 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 Cardinal Health Center 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 Cardinal 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.

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 Cardinal Health Center, 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 Cardinal Health Center.

### **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 Cardinal Health Center.

### **C. Resident Handbook**

You agree to abide by the general policies of The Cardinal Health Center contained below and in the Resident Handbook, as it now exists or as it may later be amended at the discretion of The Cardinal Health Center. 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. If there are amendments to the Resident Handbook, you will be provided with new inserts or a new Resident Handbook and a receipt acknowledgement. You understand that your failure to abide by The Cardinal Health Center's general policies may result in termination of the Agreement by The Cardinal Health Center. 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 Cardinal Health Center and agree that they are reasonable. The following additional general policies apply:

1. Residents of The Cardinal Health Center must pay all fees and charges that are owing to The Cardinal Health Center 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 your 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 Cardinal Health Center. 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 Cardinal Health Center strives to provide a positive work and living 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 Cardinal Health Center you may do so at any time by notifying the Executive Director.

### **D. Guest Visits and Communications**

We encourage family visits and communication. Your guests are welcome to visit and participate in appropriate activities at The Cardinal Health Center, 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 Cardinal Health Center. We reserve the right to remove or deny entry to The Cardinal Health Center to any visitor whom we determine is disruptive or dangerous.

**E. Smoking Policy**

The Cardinal is a smoke free community and smoking/vaping is not permitted in your Apartment or any of the common areas of The Cardinal. In addition, you may not keep lighters, matches, cigarettes or pipes in your Memory Care Apartment.

1. In the event that you develop memory impairment, dementia, or other physical or mental conditions, that in the sole good faith determination of the Community makes it unsafe for you to smoke/vape unsupervised, you understand that you will not be permitted to smoke/vape on the property unless supervised by a staff person or approved visitor. Smoking/vaping is prohibited where oxygen is in use.
2. You are required to advise your guests of the smoking policy.
3. If you violate this policy, we may terminate this Agreement in accordance with Section VIII. You also agree to reimburse the Community for refurbishment and cleaning costs associated with smoking in your Apartment or any indoor area.

**F. Pet Policy**

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

**G. Motorized Cart**

If you at any time you intend to utilize a motorized cart, you must abide by The Cardinal Health Center's rules set forth in the Resident Handbook and a separate Motorized Cart Policy. If you reside in Memory Care Apartment you are not permitted to operate a motorized cart at the Community.

**H. Assignment**

The Cardinal Health Center 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 Cardinal Health Center to any other individual or entity.

**I. Licensing Surveys**

A copy of licensing surveys for the past year for The Cardinal Health Center performed by the Department will be available for you to review. In addition, copies of licensing reports are available from us and other documents pertaining to The Cardinal Health Center are available from the Department.

**J. 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**.

**K. Notices**

All notices given under this Agreement shall be in writing and shall be addressed to The Cardinal Health Center at its administrative office at The Cardinal Health Center or to you 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.



**L. Grievances**

If you have a grievance or complaint regarding The Cardinal Health Center you may contact the Executive Director or Kisco Senior Living Management Company at 1-866-KISCO SL (866- 547-2675). A copy of the community’s grievance procedure for resolution of resident complaints is available upon request.

**M. Entire Agreement**

This Agreement (together with the documents and appendices referenced herein) constitutes the entire agreement between you and The Cardinal Health Center and may be amended only by a written instrument signed by you and by an authorized representative of The Cardinal Health Center. 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.

**N. Waiver**

The failure of The Cardinal Health Center 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 Cardinal Health Center of any payment from you after your breach of any term of this Agreement or after providing you with a notice of termination based on a reappraisal as described in Section VIII.B.1.d, above, shall not constitute a waiver of the right of The Cardinal Health Center to insist upon full performance of all terms of this Agreement, nor shall it waive The Cardinal Health Center’s right to terminate this Agreement for any breach previously committed or to terminate in accordance with Section VIII.B.1.d.

**O. ARBITRATION**

BOTH PARTIES UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF YOUR MOVE-IN TO THE CARDINAL. 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 Cardinal, 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 Cardinal 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

\_\_\_\_\_  
POA

\_\_\_\_\_  
Guarantor Initials

\_\_\_\_\_  
Community Representative 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 a writing signed by you and delivered to The Cardinal within thirty (30) days from the date you sign this Agreement.

\_\_\_\_\_  
Resident(s) Initials

\_\_\_\_\_  
POA

\_\_\_\_\_  
Guarantor Initials

\_\_\_\_\_  
Community Representative Initials

**P. 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 Cardinal Health Center 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 B**), which contains the rules and regulations and grievance policies for The Cardinal Health Center residents;
4. You have received a copy of the Statement of Residents' Personal Rights, which is attached to this Agreement (**Appendix C**);
5. The Cardinal Staff has indicated to you whether The Cardinal has signed Form DSS-1464 concerning compliance with Title VI of the Civil Rights Act;
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.

**Q. Governing Law**

This Agreement shall be governed by North Carolina law.

**SIGNATURE PAGE FOLLOWS**

This Agreement will be effective as of \_\_\_\_\_ ("Effective Date")

**RESIDENT:**

**RESIDENT:**

\_\_\_\_\_  
**nature**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**RESIDENT REPRESENTATIVE/POWER OF ATTORNEY**

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

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**COMMUNITY REPRESENTATIVE**

\_\_\_\_\_  
**By**

\_\_\_\_\_  
**Title**

**Community** \_\_\_\_\_

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

\_\_\_\_\_  
**Date**

**THE CARDINAL HEALTH CENTER**  
**Assisted Living/Memory Care**

**FINANCIAL STATUS**

The Cardinal Health Center 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 Cardinal Health Center.

*Signed:* Resident: \_\_\_\_\_

Responsible Party: \_\_\_\_\_

**THE CARDINAL HEALTH CENTER**  
**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 CARDINAL AT NORTH HILLS RESIDENT HANDBOOK**

See Attachment



**Exhibit K**

**The Cardinal at North Hills  
Skilled Nursing Care Residence and Care Agreement**

**THE CARDINAL AT NORTH HILLS  
HEALTH CENTER  
SKILLED NURSING RESIDENCE AND CARE AGREEMENT**

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The Cardinal  
at North Hills

A KISCO COMMUNITY

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# **THE CARDINAL AT NORTH HILLS HEALTH CENTER - SKILLED NURSING RESIDENCE AND CARE AGREEMENT**

This Residence and Care Agreement (“Agreement”) is made by and among The Cardinal at North Hills Healthcare, LLC, (“Cardinal Healthcare”) doing business as “The Cardinal Health Center” located at 311 Garden at North Hills Street Raleigh, NC 27609], and its agent Kisco Senior Living, LLC, a Delaware limited liability company (“Kisco Senior Living”), on the one hand, and \_\_\_\_\_ (“you”) on the other. Where appropriate, Cardinal Healthcare and Kisco Senior Living are collectively referred to in this Agreement as “we,” “us”, or “our”. (If more than one person is signing this Agreement, “you” refers to each of you individually and to both of you together.)

Cardinal Healthcare operates The Cardinal Health Center, which is the assisted living, memory care and skilled nursing component of The Cardinal, a licensed Continuing Care Retirement Community located in Raleigh, North Carolina, which provides residences, care and services to persons 62 years of age and older (“The Cardinal”). Kisco Senior Living manages The Cardinal Health Center on behalf of Cardinal Healthcare. The Cardinal 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 Cardinal 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 Cardinal Health Center for Nursing Care 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 Cardinal Health Center, and the other legal obligations that The Cardinal Health Center will assume. This Agreement also sets forth your legal obligations to The Cardinal Health Center, both financial and non-financial. If your move to The Cardinal Health Center is temporary in nature then this Agreement supplements, but does not replace or amend, the Independent Living Residence Agreement you signed when you became a resident of the independent living portion of The Cardinal. If your move to The Cardinal Health Center is permanent, then the Independent Living Residence Agreement will terminate in accordance with the provisions therein.

## **I. CORE SERVICES**

You will be provided with the following Core Services at The Cardinal Health Center, subject to the terms of this Agreement. These services are included in your Daily Health Center Fee unless otherwise indicated. If you (singly or jointly with another person) currently occupy a Residence in the independent living component of The Cardinal, the Daily Health Center Fee is in addition to any fees that may be owed to The Cardinal with respect to that Residence, in accordance with your Independent Living Residence Agreement.

### **A. Living Accommodations**

1. Residence. You have chosen to live in Apartment # \_\_\_\_\_ (“the Apartment”) at The Cardinal Health Center. You may live in the Apartment on a daily basis, subject to the terms of this Agreement and to the general policies of The Cardinal Health Center, contained in the Resident Handbook, attached as **Appendix D**, as it now exists and as it may later be amended, and to the other written rules and policies of The Cardinal Health Center.
2. Utilities. Utilities included in the Daily Health Center Fee for the Residence are electricity, water and sewer, trash removal, basic internet/data services, local and long-distance telephone service and basic cable TV service. You are responsible for paying for all other utilities and service charges including premium internet/data services and premium TV service fees. The Cardinal 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, and floor and window coverings. You are also free to use your own small electric appliances and special equipment, provided that The Cardinal Health Center's safety standards are met. For your safety and the safety of all other residents of The Cardinal Health Center, cooking in your Apartment is not allowed. You may furnish the Apartment with your own furniture, if appropriate for your health condition and provided that The Cardinal Health Center'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 your 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 Cardinal 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 Community for any damage to the Apartment or the furnishings and equipment provided by The Cardinal 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 Cardinal, and shall be made at your own expense. If you obtain such approval, you will be responsible for restoring the original decor when the Apartment is vacated, unless we specifically exempt you from this requirement in writing. Note- No structural changes to your Apartment are allowed.
6. **Common Facilities**. You will be entitled to share with all other residents of The Cardinal Health Center the use of the common areas, including the dining areas, lounge areas, library, beauty/barber shop, multi-purpose rooms and recreation rooms. We may change or reconfigure common spaces in the future 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 shall be responsible for your personal dry-cleaning.

**C. Housekeeping**

The Cardinal Health Center 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. Medical Supplies**

If your physician orders medical supplies, you may provide those supplies yourself or you may ask that we provide them for an additional charge (see **Appendix A**).

**F. Meals**

Three meals will be served daily to residents at The Cardinal Health Center and snacks will likewise be made available. These meals and snacks are included in your Daily Health Center Fee. We will also accommodate some special diets, if prescribed by your physician as a medical necessity which may require an additional charge. If your physician prescribes supplements, you may provide them yourself or you may ask that we provide them for an additional charge (see **Appendix A**). 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. Room Service. We will provide room service to your Apartment, as set forth in the Resident Handbook. There may be an additional charge for room service outside of regularly scheduled meals and snacks, as set forth in **Appendix A**.
2. Guests. Guests are welcome to any meal as set forth in the Resident Handbook. There will be a fee for guest meals (see **Appendix A**). If your guest is a resident in the independent living component of The Cardinal, your guest may use his or her dining account to pay for guest meals in the Health Center.

#### **G. Planned Activities**

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

#### **H. 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 a charge (see **Appendix A**).

#### **I. 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 Cardinal Health Center determines that, in its judgment, an emergency exists, staff may call 911 based on the nature of the emergency.

### **II. PERSONAL ASSISTANCE AND CARE**

Staff of The Cardinal Health Center will regularly observe your medical condition and help identify health, medical, dietary and social needs or needs for special services. In accordance with your plan of care and applicable North Carolina law, The Cardinal Health Center 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.

When you applied for move-in to The Cardinal Health Center, your attending physician and professional staff performed an assessment of your needs. Within twenty (24) hours of your move-in, a nursing assessment will be completed by a registered nurse to determine the appropriate level of service for you. We will reassess you within fourteen (14) days and then periodically as needed in light of your changing needs. The Daily Health Center Fee will be determined by the level of care required to meet your needs, as determined by the initial assessment and periodic reassessments. The Daily Health Center Fee is discussed in more detail in Section VI of this Agreement.

Please note that The Cardinal Health Center does not permit use of restraints on its residents, and the use of restraints is also inconsistent with our philosophy. We encourage our residents to participate in physical activities to the extent of their capabilities. Thus, falls and other personal injuries may occur from time to time.

**III. OPTIONAL SERVICES**

The Cardinal Health Center 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 Cardinal health Center include:

1. Guest meals and services;
2. Room service outside of regularly scheduled meals and snacks;
3. Personal transportation and supervision;
4. Beauty/barber shop services;
5. Provision of certain personal supplies described in section I.D above;
6. Provisions of certain medical supplies described in section I.E above;
7. Additional laundry and housekeeping services beyond those referenced in Sections I.B and I.C above;
8. Repairs and maintenance of personal items; and
9. Any other optional services that we elect to offer in the future. The current fees for optional services at The Cardinal Health Center 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 Cardinal Health Center 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, surgery, hospital care, home care, private duty care, 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 or equipment beyond The Cardinal Health Center '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. Daily Health Care Fee**

Daily Health Care Fee for Resident: \$ \_\_\_\_\_

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

Total Daily Health Care Fee for Resident One: \$ \_\_\_\_\_

**B. Daily Health Center Fee**

Prior to occupancy of your Apartment, you must pay an amount equal to thirty (30) days of Daily Health Center Fees at the level of care determined by your initial assessment. This amount will be credited to the Daily Health Center Fees incurred by you after you occupy your Apartment. At the beginning of each month thereafter, you must pay an amount equal to (i) thirty (30) days of the Daily Health Center Fee for the level of care in effect as of the day of payment, to be credited to the Daily Health Center Fees incurred by you during such month, plus or minus (ii) any excess amount owed by you to The Cardinal on account of an increase in your Daily Health Center Fees during the prior month(s) or any amount owed by The Cardinal to you on account of a decrease in your Daily Health Center Fees during the prior month(s). You will receive a statement setting forth the amount due prior to the first (1st) day of each month. Daily Health Center Fees described in this Section 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.

Your right to occupy and use the Apartment and to receive services at The Cardinal Health Center is contingent upon timely payment of Daily Health Center Fees and all other applicable charges and fees under this Agreement.

**C. Fees for Optional Services**

The charges for all optional services at The Cardinal Health Center shall be as set forth in **Appendix A**, which is attached to this Agreement. **Appendix A** is subject to change from time to time. You will be given notice of any planned change in the fees set forth in **Appendix A**, as described in subsection D below. Charges for 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.

**D. Adjustments to Fees or Services**

1. Fees. The Community shall give thirty (30) days' prior written notice to you of any change in the schedule of Daily Health Center Fees associated with each level of care, and any change in the schedule of fees for optional services, as set forth in **Appendix A**. In the event of a rate increase, The Cardinal Health Center 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. When your level of care changes so that your Daily Health Center Fee increases or decreases in accordance with the schedule of fees then in effect, you will begin paying the Daily Health Center Fee associated with the new level of care immediately.
2. Services. The Community may modify the services provided under this Agreement upon thirty (30) days' prior written notice, provided that the services do not fall below the standards established by applicable North Carolina regulatory authorities.

**E. Payment and Failure to Make Payments**

You will be required to make all payments due to The Cardinal Health Center in a timely manner and otherwise fulfill your financial obligations to The Cardinal Health Center. The Cardinal Health Center does not participate in the Medicaid program. We do not accept SSI/SSP eligible residents for move-in to The Cardinal Health Center. Payment shall be made to The Cardinal Health Center by check or money order and either mailed to 311 Garden at North Hills Street- Raleigh NC, 27609 or delivered to the business office at The Cardinal Health Center, or you may arrange for automatic payments from a financial institution. If you fail to pay your Daily Health Center Fee or other charges by the fifth (5th) day of each calendar month, The Cardinal Health Center may charge you a late payment fee (as described in Appendix A) for each delinquent payment. You will receive a monthly statement that itemizes any fees or charges you have incurred. Returned checks shall be subject to a penalty as described in **Appendix A**.

**F. Guarantor**

Your care and services at The Cardinal Health Center shall be guaranteed by \_\_\_\_\_ ("Guarantor"). You agree to provide The Cardinal Health Center 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 Cardinal shall have no obligation to file suit or obtain a judgment against you prior to enforcing its rights against the Guarantor.

**G. Change of Level of Care**

The staff of The Cardinal Health Center 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 Cardinal Health Center 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. The rate for the new level of care, as set forth in **Appendix A**, shall apply immediately.

## **VII. TRANSFERS FROM APARTMENT**

### **A. Transfer for More Appropriate Care**

The portion of The Cardinal Health Center in which you will reside is licensed by the state of North Carolina as a Nursing Home. You may remain in the portion of The Cardinal Health Center as long as doing so is permitted by applicable licensure laws and fire safety standards, and, in the judgment of the staff of The Cardinal Health Center, your care needs and levels of functioning are consistent with those of other residents and with the level of staffing and services offered at The Cardinal Health Center, and your presence does not create a danger to yourself or others. If the staff of The Cardinal Health Center determines that it is inappropriate for you to remain in your Apartment, you may be asked to move from The Cardinal Health Center or to an outside facility, and 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 Cardinal Health Center in accordance with **Appendix A**.

### **B. Substitution of Apartment**

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

### **C. Voluntary Apartment Change**

Your request for a change of apartment may be granted at The Cardinal Health Center's discretion. You will pay the then-applicable Daily Health Center 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**.

## **VIII. TERMINATION**

### **A. Termination by You**

You may terminate this Agreement and discharge yourself from receiving nursing care at The Cardinal Health Center and return to your independent living Residence or assisted living Apartment at The Cardinal by giving us two days advance notice. Your return is conditional based on your ability to meet the admission criteria for Independent Living. If you are discharging from nursing care and departing The Cardinal (for any reason other than your death), you must also give us two days advance notice. You may depart your Apartment at any time, subject to our right to charge you for two (2) days of the Daily Health Center Fee if you leave without providing the required two (2) day advance notice. Your estate will not be charged for the two (2) days stay if the inability to give the required two (2) day advance notice is caused by your death. We will provide assistance and consult with your physician, Legal Representative and/or Responsible Person in arranging for your voluntary transfer or discharge.

### **B. Termination by Community**

1. Internal Transfer. After consultation with your physician, Legal Representative, and/or Responsible Person, The Cardinal Health Center may transfer you back to your independent living Residence or assisted living Apartment at The Cardinal upon thirty (30) days advance notice of such transfer if we determine that the transfer or discharge is appropriate because your health has improved sufficiently

- so that you no longer need nursing care services.
2. Upon Thirty (30) Days' Notice. The Cardinal Health Center may terminate this Agreement upon thirty (30) days' written and verbal notice to you and your Legal Representative and/or Responsible Person, if applicable, if any of the following events occur:
    - a. Nonpayment of any amounts owed by you, including the Daily Health Center Fees, within ten (10) days of the due date;
    - b. Your failure to comply with Federal, State or local law or ordinances after receiving written notice of the alleged violation;
    - c. Your failure to comply with general policies of The Cardinal Health Center as described in this Agreement, in the Resident Handbook as it now exists, as it may be modified in the future, or as determined by the Executive Director; or
    - d. If after move-in, it is determined that discharge is necessary for your welfare because your needs can no longer be met at The Cardinal Health Center.
  3. Upon Three (3) Days' Notice. In addition, The Cardinal Health Center may terminate this agreement upon three (3) days written notice for good cause. Good cause exists if we determine that your continued presence at The Cardinal Health Center poses a threat to the mental and/or physical health or safety of yourself or to the mental and/or physical health or safety of others in the Community.
  4. Notice. If the Community terminates this Agreement under Section VIII.B., you and your personal representative (if any) shall receive a notice describing the reasons for such termination.
  5. Discharge Planning. The community will work with you, your physician, and your responsible party to create a discharge plan. This plan will be designed according to each resident's needs.
  6. Appeal. If you wish to appeal a termination, you may do so by requesting a review in writing to the Chief Operating Officer of Kisco Senior Living within ten (10) days following the termination notice. The Chief Operating Officer or designee will schedule a meeting with you and your representatives during which you can present reasons why the termination should not occur. The Chief Operating Officer will then make a final determination which will be provided to you in writing.
  7. Conditions That May Lead To Reassessment.
    - 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 have an unstable medical condition which requires services above those provided in care setting.
    - e. You have needs in conflict with other residents or the program of services offered.
    - f. You have a primary need for care and supervision that results from a mental disorder causing ongoing behavior which would upset the general resident group, or which would require us to provide you a greater amount of care and supervision than other residents at The Cardinal Health Center or if you cannot generally benefit from the program of services available at The Cardinal Health Center.
    - g. You refuse to accept services required in order for The Cardinal Health Center to meet your needs.
    - h. You have health care needs that cannot be met at The Cardinal Health Center 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, any unstable medical condition or conditions that cannot be accommodated by The Cardinal Health Center as defined by state licensing regulations.
    - i. Your personal physician has determined that you require services not available at The Cardinal

Health Center.

- j. If your condition changes so that you are considered a wandering or significant fall risk.

**C. Your Death**

This Agreement shall terminate automatically upon your death.

**D. Move Out and Refund**

1. Vacating Apartment. If this Agreement is terminated for any reason, you or your estate must vacate the Apartment and remove all of your property from it. You or your estate shall remain liable for the Daily Health Center 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 Cardinal Health Center 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 Cardinal Health Center shall have the right to dispose of such abandoned property in accordance with state law. The Cardinal Health Center has the right to enforce the provisions of this section by appropriate legal proceedings.
2. Refund of Unused Portion of Daily Health Center Fee. Following termination of this Agreement, The Cardinal Health Center will pay you or your estate a refund equal to any Daily Health Center Fees received by The Cardinal in excess of those required by VIII.D.1. above, or other amounts that The Cardinal Health Center owes to you, minus the following: (i) the amount of any unpaid Daily Health Center Fees or other charges that you owe to The Cardinal Health Center 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 Cardinal Health Center's property that was damaged by you or your visitors; and (iv) any expense incurred by The Cardinal Health Center 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.

**IX. YOUR PROPERTY RIGHTS AND OBLIGATIONS**

**A. No Management or Property Interest**

This Agreement shall give you no property right or management interest in The Cardinal Health Center, The Cardinal, or any of their assets. In addition, you shall have no right to any of The Cardinal Health Center's personal property, including furnishings and fixtures in the Apartment or in the common areas at The Cardinal Health Center.

**B. Property Loss and Damage**

The Cardinal 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 Cardinal, whether in your Apartment or elsewhere 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 property at The Cardinal, 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.

**C. Right of Entry**

For your safety and comfort, the staff of The Cardinal Health Center must be permitted to enter the Apartment to perform basic housekeeping services, respond to emergencies, make repairs and improvements, and perform other management functions as we deem necessary or advisable. In addition,

because components of The Cardinal Health Center are licensed under the North Carolina nursing home laws, any duly authorized agent of the North Carolina Department of Health and Human Services (the "Department") may, upon stating the purpose of the visit, enter and inspect any licensed portion of The Cardinal Health Center, which may include your Apartment, without advance notice. 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 Cardinal shall provide you with a set of keys or electronic key fobs or cards to access your Apartment and the common areas within The Cardinal. 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 Cardinal 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 of your key(s). You agree not to install additional locks or gates on any doors or windows of the Apartment without The Cardinal'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 Apartment and the common areas within The Cardinal.

**X. OTHER 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 Cardinal 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 Cardinal's 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 Community a lien on any judgment, settlement, or recovery in the amount of any expense incurred by The Cardinal 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.

**C. Personal Affairs**

You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to assign 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.

**D. Home Care/Personal Service Providers**

Subject to applicable North Carolina laws and regulations pertaining to skilled nursing facilities, 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 Community 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 Cardinal 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 Cardinal 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 Community 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 Cardinal 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 Cardinal 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 Article VII. The Cardinal 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 Cardinal Health Center in performing their duties to maintain your Apartment and provide the care and other services described in this Agreement and in your care plan. The Cardinal instructs the Community 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 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 Cardinal associates or solicit such associates to resign to work for you without the prior written consent of the Community to such arrangement. You agree not to hire any former Community associate without the written consent of The Cardinal.

**XI. LEGAL REPRESENTATIVES, RESPONSIBLE PARTIES, AND 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 stay.

**C. Guarantor**

A Guarantor is an individual who has agreed to be personally liable to pay for all amounts you owe to The Cardinal Health Center 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 Cardinal Health Center 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 Cardinal 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 or 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.You are also entitled to receive all notices required to be sent to the Resident by current law or by this Agreement.

**XII. MEDICAL TREATMENT**

**A. Consent to Treatment and Right to Refuse Medical Treatment**

By signing this Agreement, you consent to receive the nursing facility care and services we have agreed to provide to you. You consent to routine nursing care and medical care, as recommended or ordered by your attending physician.

You have the right to refuse any nursing care or medical treatment. If you are incapable of making your own medical decisions, or become so in the future, we will follow the direction of your Legal Representative.

You have the right to be fully informed about the nursing and medical care we provide to you. Your inquiries will be handled promptly by our administrative and nursing care staff.

**B. Appointing a Personal Physician**

All Residents receiving nursing care at The Cardinal Health Center must have a designated attending physician. You have the right to receive care from an attending physician of your choice. You must provide us with your attending physician's name and telephone number.

If you have no attending physician, or do not provide us with the information concerning your attending physician, we will consult with you and/or your Legal Representative and assist you in selecting an attending physician of your choice. If, after consultation, you do not select a physician, we will select an attending physician for you. If we select an attending physician for you, we will make reasonable efforts to ensure that the services of the physician are covered by your health insurance, if any, and we will provide you with the physician's name, telephone number and specialty.

In the event of a life-threatening emergency, we will make reasonable efforts to contact your attending physician, and if we are unable to do so, we may obtain the services of our Medical Director or the services of another physician. You are responsible for payment of physician services not covered

by your insurance programs.

**C. Selecting a Pharmacy**

While residing at The Cardinal Health Center, you have the right to utilize the services of a pharmacy of your choice; however, you acknowledge that your choice of pharmacy must meet certain requirements established by The Cardinal Health Center as well as limitations imposed by your health insurance provider. You agree not to bring medications or drugs into The Cardinal Health Center. All medications you consume at The Cardinal Health Center must be administered by our staff.

**D. Advanced Directives**

You may provide us with advance directives specifying your wishes as to the care and services you desire to receive in certain situations. Such an advance directive may be a separate form or contained within a Durable Power of Attorney, or Health Care Power of Attorney. While it is not a condition of admission, you may provide us with a Health Care Power of Attorney designating an individual to make health care decisions for you in the event you become incapable of doing so or in the event you are unable to communicate your health care decisions to us. If you have an advance directive, you must provide a copy of the directive to us so that we may inform our staff to ensure that your wishes are respected.

**XIII. MISCELLANEOUS**

**A. Accuracy of Application Documents**

As part of your application to The Cardinal Health Center, 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 Cardinal Health Center.

**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 Cardinal Health Center

**C. Resident Handbook**

You agree to abide by the general policies of The Cardinal Health Center contained below and in the Resident Handbook, as it now exists or as it may later be amended at the discretion of The Cardinal Health Center. A copy of the current Resident Handbook is attached as **Appendix D** and is a part of this Agreement. We reserve the right to amend the Resident Handbook at any time. If there are amendments to the Resident Handbook, you will be provided with new inserts or a new Resident Handbook and a receipt acknowledgement. You understand that your failure to abide by The Cardinal Health Center's general policies may result in termination of the Agreement by The Cardinal Health Center. In accordance with state law, these policies must be reasonable. By signing this Agreement, you acknowledge that you have received a copy of the Resident Handbook and the general policies of The Cardinal Health Center and agree that they are reasonable. The following additional general policies apply:

1. Residents of The Cardinal Health Center must pay all fees and charges that are owing to The Cardinal Health Center 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 Cardinal Health Center. 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 Cardinal Health Center strives to provide a positive work and living 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 Cardinal Health Center you may do so at any time by notifying the Executive Director.

#### **D. Guest Visits and Communications**

We encourage family visits and communication. You have the right to have visits from family members, friends, physicians, or representatives of the State Health Department or Ombudsman Program at any time; however, you may need to inform staff of after-hours visitation in order for your visitors to gain access when the building is secured. Your guests are welcome to visit and participate in appropriate activities at The Cardinal Health Center, 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 Cardinal Health Center. We reserve the right to remove or deny entry to The Cardinal Health Center to any visitor whom we determine is disruptive or dangerous.

#### **E. Smoking Policy**

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

#### **F. Pet Policy**

Pets are not allowed at The Cardinal Health Center. Guest shall not bring pets of any kind onto the community grounds without prior 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 Cart**

If you at any time you intend to utilize a motorized cart, you must abide by The Cardinal Health Center's rules set forth in the Resident Handbook and a separate Motorized Cart Policy.

#### **H. Assignment**

The Cardinal Health Center 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 Cardinal Health Center 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 Cardinal Health Center at its administrative office at The Cardinal Health Center or to you 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 Cardinal Health Center you may contact the Executive Director or the home office of Kisco Senior Living at **1-866-KISCO SL (866- 547-2675)**. A copy of the community's grievance procedure for resolution of resident complaints is available upon request.

#### **L. Entire Agreement**

This Agreement (together with the documents and appendices referenced herein) constitutes the entire



agreement between you and The Cardinal Health Center and may be amended only by a written instrument signed by you and by an authorized representative of The Cardinal Health Center. 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 Cardinal Health Center 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 Cardinal Health Center of any payment from you after your breach of any term of this Agreement or after providing you with a notice of termination based on a reappraisal as described in Section VIII.B.1.d, above, shall not constitute a waiver of the right of The Cardinal Health Center to insist upon full performance of all terms of this Agreement, nor shall it waive The Cardinal Health Center's right to terminate this Agreement for any breach previously committed or to terminate in accordance with Section VIII.B.1.d.

**N. ARBITRATION**

BY INITIALING BELOW, 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 CARDINAL AT NORTH HILLS, WHETHER MADE AGAINST US OR ANY OTHER INDIVIDUAL OR ENTITY, INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY CLAIMS, WRONGFUL DEATH CLAIMS SHALL BE RESOLVED BY SUBMISSION TO NEUTRAL, BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT; EXCEPT THAT ANY CLAIM OR DISPUTE INVOLVING UNLAWFUL DETAINER PROCEEDINGS (EVICTION) OR ANY CLAIMS THAT CAN BE BROUGHT IN SMALL CLAIMS COURT SHALL NOT BE SUBJECT TO ARBITRATION UNLESS BOTH PARTIES 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 FURTHER WAIVE YOUR RIGHT TO PARTICIPATE IN A REPRESENTATIVE CAPACITY, OR TO PARTICIPATE AS A MEMBER OF A CLASS, IN ANY LITIGATION OR ARBITRATION PROCEEDING WITH RESPECT TO ANY SUCH DISPUTE.** THE ARBITRATION SHALL BE ADMINISTERED BY THE JUDICIAL ARBITRATION AND MEDIATION SERVICES ("JAMS") AND SHALL BE CONDUCTED IN RIVERSIDE, CALIFORNIA BY A SINGLE NEUTRAL ARBITRATOR SELECTED BY JAMS, UNLESS OTHERWISE MUTUALLY AGREED. IN REACHING A DECISION, THE ARBITRATOR SHALL PREPARE A WRITTEN DECISION THAT INCLUDES FINDINGS OF FACT, THE REASONS UNDERLYING THE DECISION, AND CONCLUSIONS OF LAW. THE PARTIES AGREE NOT TO DISCLOSE THE EXISTENCE, CONTENT, OR RESULTS OF THE ARBITRATION WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTIES, UNLESS DISCLOSURE IS REQUIRED BY COURT ORDER. EACH PARTY SHALL BEAR ITS OWN COSTS AND FEES IN CONNECTION WITH THE ARBITRATION. **YOU MAY WITHDRAW YOUR AGREEMENT TO ARBITRATE WITHIN THIRTY (30) DAYS AFTER SIGNING THIS AGREEMENT BY GIVING WRITTEN NOTICE OF YOUR WITHDRAWAL TO US.** THIS ARBITRATION CLAUSE BINDS ALL PARTIES TO THIS AGREEMENT AND

THEIR SPOUSES, HEIRS, REPRESENTATIVES, EXECUTORS, ADMINISTRATORS, SUCCESSORS, ASSIGNS, MANAGERS, AND AGENTS 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. IN THE EVENT THAT 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. IF JAMS IS UNABLE TO ADMINISTER THE ARBITRATION IN ACCORDANCE WITH THE TERMS OF THIS CLAUSE, THE PARTIES SHALL SELECT ANOTHER ARBITRATION ADMINISTRATOR THAT IS ABLE TO DO SO, AND IF NO SUCH ARBITRATION ADMINISTRATOR IS AVAILABLE, THE PARTIES SHALL SELECT AN ARBITRATOR IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT. IF THE FEDERAL ARBITRATION ACT DOES NOT PERMIT ARBITRATION IN ACCORDANCE WITH THIS CLAUSE, THEN THE MATTER SHALL BE ARBITRATED IN ACCORDANCE WITH STATE LAW.

**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 CARDINAL AT NORTH HILLS.**

\_\_\_\_\_  
**Resident 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 Cardinal Health Center and the charges for such services;
2. You have received a written copy of the Resident Handbook, which contains the rules and regulations and grievance policies for The Cardinal Health Center residents;
3. You have received a copy of the Statement of Residents' Personal Rights, which is attached to this Agreement as **Appendix C**;
4. The Cardinal staff has indicated to you whether The Cardinal has signed Form DSS-1464 concerning compliance with Title VI of the Civil Rights Act;
5. You or your family members, 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. This Agreement shall be effective as of June 12, 2017.

**SIGNATURE PAGE FOLLOWS**

**RESIDENT:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Date of Move-In

\_\_\_\_\_  
Date

**LEGAL REPRESENTATIVE:**

(Power of Attorney, Guardian, etc.)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Date

**COMMUNITY:**

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Community

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

**RESPONSIBLE PERSON:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
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 Cardinal by the Resident. The undersigned agrees that The Cardinal 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:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Date

**THE CARDINAL HEALTH CENTER**

**Skilled Nursing**

**FEEES FOR OPTIONAL SERVICES**

*(Fees and services subject to change upon thirty (30) days advance notice to residents)*

See Attached

**FINANCIAL STATUS**

The Cardinal Health Center 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”). The Cardinal Health Center does not participate in the Medicaid program. 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 Cardinal Health Center.

---

Resident Signature

---

Responsible Party

**THE CARDINAL HEALTH CENTER**

**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 specific period of time by a physician according to clean 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.
- 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' advanced 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 CARDINAL AT NORTH HILLS  
RESIDENT HANDBOOK**

See Attached

## **Holding Bed Space Policy Statement**

The Cardinal Health Center informs Residents upon admission and prior to a transfer for hospitalization or therapeutic leave of our bed-hold policy.

### **Policy Interpretation and Implementation**

1. Upon admission and at the time a Resident is transferred for hospitalization or for therapeutic leave, a representative of the business office will provide the Resident with information concerning our bed-hold policy.
2. When emergency transfers are necessary, The Cardinal Health Center will provide the Resident or the Resident's Legal Representative with information concerning our bed-hold policy upon transfer.
3. Residents must provide The Cardinal Health Center with written authorization to either reserve or release the bed space within twenty-four hours of the Resident's transfer from The Cardinal Health Center.
4. A copy of the resident's bed-hold or release record will be filed in the Resident's medical record.
5. Inquiries concerning bed-hold policies should be referred to the business office.

## Bed Hold Reservation Form

I, \_\_\_\_\_, a resident of The Cardinal Health Center skilled nursing facility, hereby request that The Cardinal Health Center hold my bed space during my absence from The Cardinal Health Center. I understand that by making this request I am responsible for payment of the basic Health Center Daily Fee for each day that the bed space is held.

I, \_\_\_\_\_, the Legal Representative of, a resident of The Cardinal Health Center skilled nursing facility, hereby request that The Cardinal Health Center hold his/her bed space while he/she is absent from the facility. I understand that I will be responsible for payment of the basic Health Center Daily Fee.

I understand that the basic Health Center Daily Fee is \$ \_\_\_\_\_ per day.

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

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

Signature/Title of Community Representative: \_\_\_\_\_

A copy of this document must be filed in the Resident's medical record.

## Release of Bed Space

I, \_\_\_\_\_, a resident of The Cardinal Health Center skilled nursing facility, have been informed of The Cardinal Health Center's bed-holding policy and hereby request that my bed not be held during my absence. I understand that by releasing my bed space I will be eligible for readmission to the first available semi-private room if I continue to meet the admission policies of The Cardinal Health Center skilled nursing facility.

I, \_\_\_\_\_, the Legal Representative of, a resident of The Cardinal Health Center skilled nursing facility, have been informed of The Cardinal Health Center's bed-holding policy and hereby request that the Resident's bed not be held during his/her absence. I understand that by releasing the Resident's bed space the Resident will be eligible for readmission to the first available semi-private room if he/she continues to meet the admission policies of The Cardinal Health Center skilled nursing facility.

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

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

Signature/Title of Community Representative: \_\_\_\_\_

A copy of this document must be filed in the Resident's medical record.

## **Payments by Third Party Payors**

### 1. Payment by the Medicare Program:

#### a. Medicare Payment Eligibility

The Medicare Program will pay for your nursing facility care and services at The Cardinal Health Center if and only if:

- i. We are able to accept payment from the Medicare Program;
- ii. You are eligible for nursing facility benefits under the current Medicare Program;
- iii. You have been admitted to The Cardinal Health Center within 30 days after a hospital stay or at least three (3) nights; AND
- iv. You require nursing services that must be performed or supervised by professional or technical personnel, based on current Medicare regulations.

The current Medicare Program will pay for your nursing facility care and services at The Cardinal Health Center only if a bill is submitted to the Medicare Program for that care. Based on the four factors listed above, we will make the initial decision on whether or not to submit a bill to the Medicare Program for any portion of your first 100 days in nursing care at The Cardinal Health Center. We will give you or (if applicable) your Legal Representative or Responsible Party written notification when we first decide that we will not submit a bill to the Medicare Program. This notification is sometimes referred to as a Denial Letter or Notice of Non-Coverage. If, at that point, you or your Legal Representative or Responsible Party disagrees with our decision, you or your Legal Representative or Responsible Party can require us to bill the Medicare Program for up to 100 days of care. Your direction to us is sometimes referred to as a direction to submit a Demand Bill. If the reason for the Denial Letter or Notice of Non-Coverage involves clinical reasons and you direct us to submit a Demand Bill, we will not bill you for any applicable co-payment or deductible. If the reason for the Denial Letter or Notice of Non-Coverage involves technical reasons (for example, you were not admitted to The Cardinal Health Center within 30 days after a hospital stay or at least three nights), then we may bill you while the Medicare Program considers the Demand Bill, and we will furnish you with an appropriate refund if the Medicare Program approves the Demand Bill, subject to your obligation to pay any applicable co-payment or deductible.

#### b. Daily Co-Payment

Currently the Medicare Program will pay for at most 100 days of your stay in nursing care at The Cardinal Health Center per spell of illness. During the 21st through 100th days, however, you will be responsible for paying a daily Medicare co-payment to us. The Medicare Program sets the amount of this daily co-payment.

c. Covered Items and Services

Payment by the Medicare Program currently includes payment for nursing services, certain therapies, use of a bed and the room in which the bed is located, linens, bedding, diapers and other incontinence supplies, routine laundry service, regular meals and snacks, certain equipment, social services, activities, and routine personal hygiene items which are required to meet your needs.

Certain items and services are not covered in the Medicare daily rate. Extra charges for those non-covered items and services are set forth in Appendix A of this Agreement. Certain other services are not included in our daily Medicare rate (such as dental care and optometry services) and are billed directly by the provider.

Future change in federal law may change the items and services that are included in payment by the Medicare Program to us. You will be notified of such changes as they may occur.

d. Medicare Managed Care Plans

We do not participate as a provider of nursing facility care and services under any Medicare managed care plan.

**Exhibit L**

**The Cardinal at North Hills  
Advantage Program Participation Agreement**

**THE CARDINAL AT NORTH HILLS**

**CARDINAL ADVANTAGE PROGRAM**

**PARTICIPATION AGREEMENT**



## PARTICIPATION AGREEMENT

This Cardinal Advantage Program Participation Agreement (the "Agreement") is made effective as of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date") by and between The Cardinal at North Hills, LLC, a North Carolina limited liability company ("The Cardinal", "we", "us", or "ours") and \_\_\_\_\_ (collectively, "you", "your", or "yours", whether one or two persons), whose place of residence is \_\_\_\_\_, with regard to the following facts and circumstances:

- A. The Cardinal, together with its affiliate The Cardinal at North Hills Healthcare, LLC, operates a continuing care retirement community located at 4030 The Cardinal at North Hills Street, Raleigh, North Carolina 27609, known as "The Cardinal at North Hills". The Cardinal is a private, independent, for-profit limited liability company, which is not affiliated with any religious, charitable, or other affinity group.
- B. The Cardinal has established The Cardinal Advantage Program (the "Program") which provides certain benefits to Program participants, including access to The Cardinal's facilities and amenities, programming, and wellness services, as further described in this Agreement.
- C. You wish to join the Program to enjoy the benefits provided by the Program, pursuant to and in accordance with the provisions of this Agreement.

In consideration of the foregoing facts and circumstances, of the mutual agreements contained herein, and of other good and valuable consideration, the parties agree as follows:

- 1. Services. The Cardinal agrees to provide the following services (the "Services") to you as a Program participant from and after the Effective Date until the termination of this Agreement, subject to Suspension pursuant to Section 2.6.1:
  - 1.1. Facilities and Amenities. You will have access to the common areas of The Cardinal, including dining areas, lounges, exercise and wellness center, spa, salon, pool, woodworking facility, theater, library, art studio, and gathering spaces. You acknowledge that access to the common areas will be limited by capacity, availability, and hours of operation, and that your use of the common areas is subject to the specific policies and rules applicable to each common area.
  - 1.2. Programs and Activities. The six dimensions of wellness – emotional, intellectual, physical, social, spiritual and vocational - are part of promoting a healthy lifestyle. The Cardinal provides programs and services designed to encourage a healthy lifestyle in accordance with the schedule and established at its discretion, and you will have access to all programming and activities subject to capacity and other generally applicable limitations and policies. There may be an additional charge for some activities, programs and special excursions.

- 1.3. Dining Program. The Cardinal has designed a Dining Program for Program participants. The details of the Dining Program are described in Appendix A. The Dining Program is subject to change upon thirty (30) days' notice to Program participants.
- 1.4. Partner Program. The Cardinal may, from time to time, establish preferential pricing or access to amenities provided by other businesses that may or may not be affiliated with The Cardinal, such as nearby hotels. You will have access to such partnership programs in accordance with the terms and conditions of such programs.
- 1.5. Annual Assessment. Once in each twelve (12) month period, you are entitled (but not required) to receive a health assessment in your home from The Cardinal's care coordination team or wellness staff. The annual assessment is intended to provide recommendations to you regarding your health and wellness, living environment, or additional assistance needs, but is not intended to provide medical advice or substitute for your regular physician visits.
- 1.6. Touchtown. You are entitled (but not required) to participate in the Touchtown program, which provides digital access to The Cardinal's programs and offers additional communications and wellness opportunities.
- 1.7. Home Care. The Cardinal has identified preferred care agencies to provide in-home assistance to Program participants. The Cardinal can assist you in contacting our preferred agencies to arrange for in-home assistance. These agencies offer a range of options for in-home assistance, from light housekeeping and companionship to assistance with activities of daily living. The rates for in-home assistance are set by the agencies, and if you choose to utilize a preferred care agency, you will enter into a separate agreement with such agency.
- 1.8. Healthcare Access. Should you require skilled nursing services, rehabilitation, assisted living, or memory care services that are provided in the Health Center operated by The Cardinal at North Hills Healthcare, LLC, you may access these services on the following basis:
  - 1.8.1. Priority Access. Program participants shall receive priority access to available beds/units in the Health Center ahead of persons who are not participants and who are not current residents of The Cardinal. Current residents of The Cardinal shall have priority over Program participants. You, and your health insurance program or Medicare, will be responsible for all fees and costs for services provided in the Health Center.
  - 1.8.2. Rehabilitation. You shall receive priority access to rehabilitation appointments provided in the Health Center ahead of persons who are not participants and who are not current residents of The Cardinal. Current residents of The Cardinal shall have priority over Program participants. You, and your health insurance program or Medicare, will be responsible for all fees and costs for rehabilitation services provided in the Health Center.

- 1.8.3. Separate Contracts. In order to receive any services in the Health Center, you will be required to enter into a separate agreement with The Cardinal at North Hills Healthcare, LLC, and/or providers of rehabilitation or other services. Such agreements are separate and apart from this Agreement.
  - 1.9. Other Services. The Program may offer other programs and benefits from time to time. These additional programs and benefits may require additional fees, which will be determined by The Cardinal and are the responsibility of the participants of the Program.
2. Fees. In consideration for the Services, you shall pay the following fees:
  - 2.1. Program Fee. Upon execution of this Agreement, you shall pay a one-time Program Fee in the amount set forth on Appendix A. The Program Fee is nonrefundable except as set forth in Section 4. If you are joining the Program with another person who is your spouse or domestic partner, the total Program Fees paid by the two participants shall be in the amount set forth on Appendix A.
  - 2.2. Monthly Fee. You agree to pay a Monthly Fee in the amount set forth on Appendix A. The Monthly Fee is due and payable on the first day of each month during the term of this Agreement. The Monthly Fee for the first month of your participation in the Program is due and payable upon signing this Agreement. Monthly Fees are subject to increase upon thirty (30) days' advance notice to participants.
  - 2.3. Charges for Optional Services. You will be billed for optional services selected either at the time they are rendered or with the next billing cycle (see Appendix A). The payment procedures for optional service charges, including the imposition of late fees and interest, are the same as for the Monthly Fee. The current charges for optional services are set forth in the schedule of fees for optional services. By signing this Agreement, you hereby acknowledge receipt of a copy of The Cardinal schedule of current fees for optional services. The Cardinal may, in its sole discretion, adjust the fees for optional services for any reason upon providing thirty (30) days advance notice to participants.
  - 2.4. Payment Terms; Late Fees. You will be billed by The Cardinal for the Monthly Fee for the next month's Services. Payment must be made by check, money order, electronic payment, or other means prescribed by The Cardinal. Any check, money order, or other paper remittance must be mailed to The Cardinal or personally delivered to The Cardinal Administrative Office. The Cardinal 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 Cardinal related to the recovery of delinquent amounts due under this Agreement.
  - 2.5. Suspension and Termination. If you fail to pay the Monthly Fee or other charges in a timely fashion, The Cardinal may, in its discretion:
    - 2.5.1. Put your participation in the Program into suspended status ("Suspension") until all fees and charges (including late payment charges and interest) are brought

current. During Suspension, you will not be entitled to receive or participate in any of the Services, and access to any charge accounts you may have established with The Cardinal may be frozen.

2.5.2. Terminate this Agreement under Section 5.2 upon thirty (30) days written notice. In the event of such termination, all unpaid fees and charges (including late payment charges and interest) will be deducted from any amounts owed to you by The Cardinal. The Cardinal is not required to put your Program participation benefits into Suspension before electing to terminate this Agreement.

### 3. Terms and Conditions of Participation.

- 3.1. Qualifications. All participants must be 55 years of age or older. The Program is offered on a nondiscriminatory basis and affords equal treatment and access to services to all eligible persons.
- 3.2. Guests. You may invite guests to enjoy the facilities and amenities, however, you must accompany your guests at all times during their visit at The Cardinal. There may be additional fees for guest participation in the Program. Guests must abide by all applicable rules contained in the Advantage Program Handbook (“Program Handbook”), including any limitations on the length of stay or frequency of visits. You will be responsible for assuring that your guests abide by these rules and are not disruptive. Your guests may be denied access to The Cardinal if they fail to observe the Program Handbook rules. 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 Cardinal (See Section 3.4 regarding Personal Service Providers).
- 3.3. Pets. Subject to The Cardinal’s pet policy, pets are welcome provided they meet the criteria set forth in the Program Handbook. You shall assume financial responsibility and any obligations for any damage, to persons, property, or otherwise, caused by the pet. The Cardinal reserves the right to rescind approval of the pet if it determines that the pet constitutes a nuisance or danger to The Cardinal, or threatens the quiet enjoyment of other Residents or Program participants.
- 3.4. Personal Service Providers. The Cardinal will accommodate caregivers, companions, personal service providers and other personnel employed or retained by you (“Personal Service Providers”) to the extent reasonably necessary to enable you to enjoy the benefits of the Program. All such providers shall be subject to our policies and rules. Our policies and rules for personal service providers are available at the front desk of The Cardinal and may be updated or revised from time to time. 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 Program does not include monitoring the services of outside providers, and we are not responsible for their actions or omissions.

- 3.5. Rules, Regulations, Policies and Procedures/Program Handbook. You agree to be bound by the general rules, regulations, policies and procedures of The Cardinal contained within the Program Handbook or in such other documents or publications, as they now exist or as it may later be amended by The Cardinal in its sole discretion. The Program Handbook should not be construed as a contract. It does not grant any contractual rights to Program participants. The Cardinal may, in its sole discretion, amend the Program Handbook from time to time. By signing this Agreement, you hereby acknowledge receipt of a copy of the current Program Handbook. You understand that failure to abide by such rules and regulations may result in termination of this Agreement. You agree not to: (a) engage in any conduct that is harmful to property of The Cardinal or residents or associates of The Cardinal, or is disturbing to residents; (b) engage in any commercial activity at The Cardinal; (c) employ any person in or about The Cardinal whose employment may create a liability on our part; or (d) hire any of our associates to perform any services at The Cardinal without our consent.
4. Rescission Period. You may rescind this Agreement by giving written notice to The Cardinal of your decision to rescind within thirty (30) days following the latter of the execution of this Agreement or the date you receive the Disclosure Statement (the “Rescission Period”). If you die during the Rescission Period, this Agreement will be deemed to be cancelled as of the date of your death. If you cancel this Agreement or die during the Rescission Period, The Cardinal will refund all monies paid by you to The Cardinal except The Cardinal will retain an amount equal to the sum of (a) a portion of the Monthly Fee applicable to the period during which you were enrolled in the Program; (b) the amount you have incurred for meals, programs, or other services not included in the Monthly Fee, and (c) a service charge in the amount of one thousand dollars (\$1,000). You will not be entitled to receive any interest earned on monies paid to The Cardinal. You will receive the refund within thirty (30) days after the date we receive written notice of your decision to rescind this Agreement.
5. Termination and Refunds (after Rescission Period).
- 5.1. Termination By You. You may terminate this Agreement by giving written notice to The Cardinal of your decision to terminate at least thirty (30) days in advance of the termination date. In the case of your death, this Agreement shall terminate automatically effective as of the date of your death.
- 5.2. Termination By The Cardinal. The Cardinal may terminate this Agreement at any time for good cause, upon giving you thirty (30) days written notice. Good cause shall include, but not be limited to, the following:
- 5.2.1. Your failure to perform any of your obligations under this Agreement, including your obligation to pay your Monthly Fee and other charges;
- 5.2.2. You, your guests, or your Personal Service Providers fail to abide by the rules, regulations, policies and procedures of The Cardinal, as described in the Program 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 Cardinal in its sole discretion;

5.2.3. Any material omission or misstatement in your Application to participate in the Program, your Reservation Agreement and any and all other documents provided to The Cardinal by you or on your behalf;

5.2.4. Your behavior creates an unreasonable and continuing disturbance within The Cardinal community that is detrimental to the health, safety or peaceful enjoyment of others; or

5.2.5. Your permanent relocation to a residence more than fifty (50) miles from The Cardinal.

5.3. Refunds. Except as provided in Section 4 regarding termination during the Rescission Period, you will not be entitled to any refund of your Program Fee upon termination of this Agreement. If this Agreement is terminated for any reason after the end of the Rescission Period, and you have paid Monthly Fees applicable to periods after the effective date of termination, The Cardinal will refund to you an a pro rata portion of any Monthly Fee already paid by you applicable to the period after the date of termination, less any unpaid fees or charges you have incurred for meals, programs, or other services not included in the Monthly Fee. You will not be entitled to receive any interest earned on monies paid to The Cardinal. You will receive the refund within thirty (30) days after the effective date of your termination of this Agreement. Unless you have completed a Beneficiary Designation Form with different instructions, refunds will only be paid to you or to your estate.

5.4. Residency at The Cardinal. If you choose to become a resident of The Cardinal and enter into a new agreement with The Cardinal for residency, a portion of your Program Fee as specified in Appendix A, may be applied to the Community Fee applicable to your residence at The Cardinal. This Agreement will be terminated when you become a resident of The Cardinal. Notwithstanding the foregoing, if you enter the Health Center for a short-term stay (for example, respite care or rehabilitation), this Agreement will remain in force, and Monthly Fees will be equitably adjusted to take into account the meals included in the cost of any such short term Health Center occupancy.

## 6. General Provisions.

6.1. Power of Attorney. You agree to make reasonable advance arrangements in the event of your death or incompetence. You may want to assign 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.

- 6.2. Participant's Financial Condition. You have completed Confidential Financial and Health Information contained in the Application for participation in the Program, and demonstrated therein to the satisfaction of The Cardinal that you have the financial ability to pay the Program Fee, Monthly Fee, other expenses associated with your participation in the Program and receipt of services at The Cardinal, and expenses as may be incurred by you in The Cardinal Health Center. You agree that your financial condition is substantially the same on the date this Agreement is executed, as it was on the date of the most recent financial statement provided to The Cardinal.
- 6.3. Program Documents. You have submitted your Application and other related documents to participate in the Program, which are incorporated by reference into this Agreement. You warrant that all information contained in these documents are true and correct, and you understand that The Cardinal has relied on this information in accepting you for participation in the Program. You further understand that the submission of false information shall constitute grounds for the termination of this Agreement.
- 6.4. Agreements with Other Persons. The Cardinal may enter into agreements with other participants, residents, or other persons 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 participation in the Program.
- 6.5. No Assignment. Your rights and privileges to use and enjoy the Program are personal, and may not be transferred or assigned by you, by any proceeding at law or otherwise.
- 6.6. Liability and Property Matters
- 6.6.1. 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 Cardinal 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 Cardinal's policies and procedures.
- 6.6.2. Property Damage. The Cardinal 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 Cardinal. You shall also be responsible for any loss or damage that you or your guests cause to property at The Cardinal, excluding ordinary wear and tear. You hereby agree to indemnify and reimburse The Cardinal for any loss or damage suffered by The Cardinal caused by you or your guests' or invitees.

- 6.7. Relationships Between Participants and Associates. The Cardinal instructs its associates to be cordial and helpful to Program participants. The relationship between you and The Cardinal associates should at all times remain professional. Associates must not be delayed or deterred by participants in the performance of their duties. The supervision of associates comes from The Cardinal's supervisors and not from you. 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 Cardinal associates or solicit such associates to resign to work for you without the prior written consent of The Cardinal to such arrangement. You agree not to hire any former Cardinal associates without the written consent of The Cardinal.
- 6.8. Waiver. The failure of The Cardinal 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 Cardinal 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 Cardinal to insist upon full performance of all terms of this Agreement, nor shall it waive The Cardinal's right to terminate this Agreement for any cause, including any breach previously committed.
- 6.9. Notices. All notices given under this Agreement shall be in writing. Such notices shall be effective when personally delivered to the other party, or when deposited in the United States first class mail. Your address for notice purposes will be as shown on the signature page hereof. The address for The Cardinal is as follows:
- Executive Director  
c/o The Cardinal at North Hills, LLC  
4030 Cardinal at North Hills Street  
Raleigh, North Carolina 27609
- 6.10. Entire Agreement. This Agreement, its attachments, documents incorporated by reference, and all of your Application for Program participation documents constitute the entire agreement between you and The Cardinal and may be amended only by a written instrument signed by you or your legal representative and by an authorized representative of The Cardinal. 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 Cardinal and you acknowledge that you are not relying on any oral representations or agreements made by any person representing or purporting to represent The Cardinal.
- 6.11. Governing Law. This agreement shall be governed by the laws of the State of North Carolina.



- 6.12. 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.
- 6.13. Consent to Assignment. You consent to the collateral or other assignment by The Cardinal of its right, title and interest in this Agreement.
- 6.14. Smoking. The Cardinal is a smoke-free community. Accordingly, smoking is not permitted in any apartment, indoor public space or outdoor common areas at any time.
- 6.15. Firearms Prohibited. The Cardinal does not permit firearms or weapons on its premises.
- 6.16. Rights and Obligations of a Legal Representative and Responsible Party under this Agreement: If you sign this Agreement as a Legal Representative/POA or Responsible Party, you incur no personal financial liability by doing so. If you sign this Agreement as a Legal Representative or Responsible Party, you agree to use the participant's available income and resources to pay for the participant's obligations hereunder.
- 6.17. Voluntary Arbitration. BOTH PARTIES UNDERSTAND THAT AGREEING TO ARBITRATION IS NOT A CONDITION OF YOUR PARTICIPATION IN THE PROGRAM. 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 participation in the Program, whether made against us or any other individual or entity, shall be resolved by submission to neutral, binding arbitration; except that 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 Cardinal. 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 Cardinal 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.

Participant's initials \_\_\_\_\_ POA 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 a writing signed by you and delivered to The Cardinal within thirty (30) days from the date you sign this Agreement.

Participant's initials \_\_\_\_\_ POA initials \_\_\_\_\_

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

RESIDENT REPRESENTATIVE/POA:

RESIDENT REPRESENTATIVE/POA:

\_\_\_\_\_

\_\_\_\_\_

Printed Name

\_\_\_\_\_

\_\_\_\_\_

COMMUNITY REPRESENTATIVE

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

\_\_\_\_\_  
Title

Address: 4030 Cardinal at North Hills Street, Raleigh, NC 27609

## **Exhibit M**

### **The Cardinal at North Hills Advantage Program Participant Handbook**



# The Cardinal at North Hills

A KISCO COMMUNITY

## **Cardinal Advantage Program Participant Handbook**

4030 Cardinal at North Hills ♦ Raleigh ♦ North Carolina ♦ 27609

Health Center

311 Garden at North Hills Street ♦ Raleigh ♦ North Carolina ♦ 27609

Dear Cardinal Advantage Program Participant,

On behalf of the staff, it is with great pleasure that we welcome you to The Cardinal Advantage Program.

We hope that being part of The Cardinal at North Hills community (“The Cardinal” or the “Community”) will provide you the opportunity to make new friends, develop new interests, and to enhance your physical and social well-being. In order to help you familiarize yourself with The Cardinal, we are providing you with this detailed Advantage Participant Handbook.

Periodically we will update this Handbook in order to keep the information current. We will notify you of all updates and give you the new inserts to place in this Handbook as they occur. If you feel that we have neglected to include information that you believe would be helpful to new Cardinal Advantage Participants, please let us know.

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

We are delighted you chose to join The Cardinal Advantage Program and we look forward to getting to know you.

Sincerely,

Executive Director

## KISCO SENIOR LIVING

### Our Vision Statement

*“We create communities where we share passions, live in balance,  
And build a legacy”*

The Cardinal is a Kisco Senior Living community. Kisco Senior Living (“Kisco”) was founded in 1990 and currently operates senior living communities in multiple locations 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 and Advantage Program Participants. 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 & 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 residents' 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.

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**KISCO SENIOR LIVING**

For over 30 years, Kisco has 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, Advantage Program Participants (“Participants”), 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 explore and live for residents and Participants 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 customers and their families.

**THE ART OF LIVING WELL<sup>SM</sup>**

Kisco embraces the Art of Living Well<sup>SM</sup> philosophy as part of every aspect of community life. Wellness is truly a combination of all six dimensions including 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 Cardinal.

**COMMUNITY LIFESTYLE & AMENITIES****The Cardinal Clubhouse**

The Cardinal Clubhouse is a place where residents and Participants gather to socialize, learn, entertain others and be entertained, dine or just relax.

**Wellness Center**

The Wellness Center features a state-of-the-art fitness center, pool, spa, showers, and professional fitness/wellness team dedicated to providing creatively designed wellness programs such as yoga and other classes.

**Gardens & Fitness Paths**

A number of walking/fitness paths and gardens for outdoor living and activities.

## **Library**

The library features computer stations, Wi-Fi and a range of selected news, reference and reading materials.

## **Multi-Purpose**

Indoor/outdoor area for events, presentations, lectures and spiritual services. This area is equipped with multimedia projection and surround sound capabilities.

## **SECTION 2**

## **THE COMMUNITY MANAGEMENT TEAM**

Kisco is responsible for all duties and responsibilities relating to the management and day-to-day operations of The Cardinal. These duties and responsibilities include employing and managing the Executive Director and a Community Management Team (i.e., department heads).

### **Participant Input and Communications**

We are committed to open communication and being responsive to our Participants' needs and concerns. We encourage our Participants to convey their ideas, concerns and compliments to the Community Management Team. The channels are:

- Participants may direct specific questions regarding any services to the Community Management Team.
- Participants may contact the Executive Director on any other matter concerning The Cardinal.
- Participants may make suggestions or ask questions through the Comment and Concern program. Forms may be obtained from the Resident Relations representative.

## **Section 3**

## **General Information**

### **3.1 GENERAL POLICIES**

The following policies have been adopted by The Cardinal:

#### **3.1.1 Electric Scooters**

Any Participant needing an electric scooter inside the buildings of The Cardinal must submit a written request to the Executive Director with a statement from a physician to confirm that the scooter is required.

For safety reasons, Participants will be required to demonstrate their ability to operate the scooter in accordance with procedures established by the Community. Maximum speed control governors are required and will be set by The Cardinal. Participants shall pay for installation of the governor if scooter is not already equipped. Scooters should be driven at a speed which does not exceed a normal walking pace for most Participants. Please contact a Resident Relations representative before operating a scooter on campus.

In the dining venues, a Participant using 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 buildings.

The recharging of scooters is the responsibility of the Participant, and the Participant is responsible for any damage due to battery leaks or other malfunctions.

Scooters may not exceed a maximum size of 46 inches in length and 24 inches in width. In addition, an audible back up device are required for your safety and the safety of others.

### **3.1.2 Wheelchairs**

Some Participants may require the use of wheelchairs. In the dining venues, a Participant is encouraged to transfer from a wheelchair into a comfortable dining room chair. For those Participants or guests who occasionally need a wheelchair for use while in The Cardinal buildings, if available, one may be obtained by contacting a Resident Relations representative.

### **3.1.3 Tipping**

The Cardinal is committed to providing high quality, consistent and equal service to all residents and Participants. Because of its potential for compromising this goal, tipping any associate of the Community is prohibited. Tipping is broadly defined to include not only monetary gifts but also any gifts of personal items such as clothing, jewelry, furniture, appliances, etc.

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 services. Please share your appreciation of The Cardinal associates with the Executive

Director and the associate will be rewarded in accordance with The Cardinal's Associate Rewards and Recognition programs.

**3.1.4 Appropriate Dress**

While visiting The Cardinal, Participants are requested to be appropriately dressed.

**3.1.5 Smoking**

To promote the health, safety and wellbeing of all residents and Participants, The Cardinal is committed to maintaining a smoke-free environment. Accordingly, smoking is not permitted in any indoor public space at any time, including the individual residences. For your convenience, The Cardinal has a designated outdoor smoking area for use by residents and Participants. Participants must dispose of all tobacco materials and cigarette butts in specially designated disposal containers to avoid the risk of fires.

**3.1.6 Pets**

Except for service animals, Participants shall not bring pets of any kind onto the Community grounds without the prior approval from the Executive Director.

**3.1.7 Parking**

While visiting The Cardinal, Participants may park in Advantage Program member parking spaces, or in the courtyard or in the adjacent brick parking deck on Church Street while visiting The Cardinal. Participants may not park in spaces designated for residents only.

In the event of a violation of parking restrictions, a Cardinal associate will notify the violator to correct the situation. If unable to make contact, and it is determined that a hazard exists, the vehicle may be towed at the expense of the owner.

**3.1.8 Guest Parking**

Designated parking spaces are available for visitors and Participants should encourage their guests to use them. Visitors are not allowed to park in spaces assigned for residents only.

**3.1.9 Operation of Motor Vehicles**

All vehicles must be operated in a safe manner when on The Cardinal property. Maximum speed of any vehicle will be designated and posted signs should be obeyed. It is the vehicle owner's responsibility to be properly insured for any risks associated with vehicle operation or ownership. Participant is responsible for any damage arising from the

operation of their vehicle at the Community. The Cardinal is not responsible for damages to any vehicles parked on the property.

## **3.2 INFORMATION SERVICES**

Effective communication between The Cardinal Participants and management is essential to the operational success of Advantage Program. In addition to the more formal lines of communication outlined above in Section 2, The Cardinal has established a number of informal communications vehicles for the ease and convenience of Participants.

### **3.2.1 Resident Relations Associate**

Resident Relations associates will be the primary point of contact for Participant concerns or information. When a Resident Relations associate is not on duty, the Community's main line telephone will be answered by the desk attendant.

### **3.2.2 Participant Information Form**

All Participants must have an up-to-date "Information Form" on file with the main office. All information will be kept confidential. The purpose of this form is to provide basic information to be used in the event of an emergency. The Cardinal will request that your Information Form be updated periodically. Participants are urged to contact the administration office to initiate a change whenever appropriate.

## **3.3 ADDITIONAL CONVENIENCE SERVICES**

Please contact a Resident Relations representative if you have any questions or need assistance with the following additional convenience services that are available to Participants.

### **3.3.1 Clerical Services**

Participants may desire certain business services from time to time. Examples of these services are listed below. Facilities to handle these services may be available in the Business Center. If you require assistance, please contact the Resident Relations representative.

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

An additional fee may apply to the above services

### **3.3.2 Salon**

A beauty and barber salon will be located within The Cardinal. The salon is

operated by an independent business owner, not by The Cardinal. Operating hours and rates will be set by the salon proprietor, and are subject to change without notice.

### **3.3.3 Lost and Found**

The Cardinal maintains all "found" property until either the owner is identified, or 90 days have passed, after which time The Cardinal may dispose of the "found" property.

For "found" items deemed to have material value, The Cardinal may post a "found" notice on the official bulletin board. For "lost" items, Participant may prepare a "lost" notice and present it to The Cardinal management for posting.

## **3.4 PARTICIPANT'S GUESTS**

### **3.4.1 Overnight Guests Accommodations**

Participants and their guests may be eligible for discounted rates at local area hotels. Accommodations can be made through the concierge desk of The Cardinal.

### **3.4.2 Responsibility for Guests**

The Participant should take special care to ensure that guests follow the policies at The Cardinal. Guests may participate in select activities that are available to Participants. Guests may be required to sign a waiver for certain activities.

### **3.4.3 Dining Privileges**

Participants are welcome to have guests for meals offered in the Community dining venues. The dining charges for guests may be deducted from the Participant's dining account or added to their monthly statement.

### **3.4.4 Guests under the Age of 16**

Children are welcome as guests of a Participant. Guests under the age of sixteen (16) must be accompanied by the sponsoring Participant at all times when using any of the public facilities at The Cardinal.

## **3.5 WELLNESS / FITNESS CENTER**

At The Cardinal, we practice The Art of Living Well<sup>SM</sup> 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 Cardinal Clubhouse is the center for community connectivity including health and wellness programs, socializing, neighborhood events, cultural and educational

opportunities.

The Wellness/Fitness Center includes a heated swimming pool, a spa area and includes cardiovascular and strength training equipment. Classes, opportunities for life-long learning, social outings, spiritual growth, community involvement, day and overnight trips are offered.

A monthly calendar of events will be made available. Participants will also have access to Touchtown, an application available on a tablet or smartphone, to stay informed about Community events.

### **3.5.1 Classes and Events**

Examples may include:

- Regularly scheduled fitness programs including aqua exercise, yoga, tai chi, meditation and personal training
- Learning Center offering computer classes, second career and volunteer opportunities, card games such as bridge, poker, mahjong and cribbage
- Art appreciation and painting classes
- Seminars – Current event forums, book reviews, cooking and guest speakers
- Excursions – Theatre, overnight trips and special attractions

### **3.5.2 Fees**

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

### **3.5.3 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.

## **3.7 POOL AND SPA SERVICES**

The Cardinal's pool is available for the use of Participants 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. Participants and guests use the pool "at their own risk" as there is no lifeguard on duty. Pool hours are from 7a.m. until 9 p.m.

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.

Participants are cautioned that the pool depth is not appropriate for diving and accordingly, diving is prohibited.

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

Spa services will be available by appointment only. Contact a Resident Relations associate for reservations and fee schedule.

## **Section 4**

### **Payment of Monthly Fees**

On or about the first (1<sup>st</sup>) day of each month, each Participant will receive a written statement for the Monthly Fee due under their Advantage Program Participation Agreement, plus an itemized listing of all ancillary charges incurred during the previous month (e.g., dining, spa services, etc.).

For the convenience of the Participant and efficiency of operations, payments made through the use of electronic funds transfer are preferred. If electronic funds transfer is not utilized by the Participant, a check payable to "The Cardinal at North Hills" should be remitted to the administration office.

Should a Participant 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 (30) days of billing shall be subject to a late charge of 1.5% per month until paid.

## **Section 5**

### **Additional Services**

The Cardinal is responsible for the upkeep and repair of the Community buildings and its amenities. We provide Maintenance, Security, and Community Services, as described in the sections below.

#### **5.1 MAINTENANCE**

Supervision of the maintenance function is the direct responsibility of the management of The Cardinal. The primary functions of the Maintenance team are:

- To keep the residences and public areas clean and in good repair
- To maintain The Cardinal grounds and landscaping
- To develop and implement a program of preventative maintenance



- To provide trash removal services

#### **5.1.1 Preventive Maintenance**

The Cardinal will follow a written preventive maintenance plan to keep the buildings, equipment, furniture and furnishings in good repair and free of safety hazards.

#### **5.1.2 Swimming Pool/Spa Maintenance**

Care of the swimming pool, including establishing and maintaining proper chemical levels, is the responsibility of The Cardinal. Water temperatures will be maintained at a comfortable to comply with state regulatory requirements.

### **5.2 SAFETY**

The safety of our residents, Participants, associates and guests are of paramount important to The Cardinal.

#### **5.2.1 Firearms**

Firearms are not allowed at The Cardinal.

#### **5.2.2 In Case of Fire or Other Disasters**

All buildings are fully sprinkled and Emergency Fire Evacuation procedures are in place. In case of fire in a residence or the common areas of the buildings, Participants should not use the elevators, but should proceed with caution to the nearest building exit.

A Community Disaster Plan is available upon request. This plan includes a specific section on Fire and Evacuation. Participants are welcome to read and to become familiar with the contents of the Disaster Plan.

#### **5.2.4 Smoke Detectors, Residences**

Every residence will have a smoke detector installed. Smoke detectors report directly through the emergency call system and to communication devices.

#### **5.2.5 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 desk in the Administrative area 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.

Cardinal associates will be dispatched to the location of an activated public area smoke detector. Participants should take action per the Emergency Fire Evacuation procedures or as directed by Community staff.

## Section 6

## Dining Services

The Cardinal's dining program offers Participants and their guests a variety of dining venues. The Bistro offers casual all-day dining featuring an "open kitchen" for demonstrations and cooking classes as well as breakfast, lunch and dinner featuring healthy dining choices, seasonal selections and Chef's weekly specials. The Veranda Dining Room and pub will be available for cocktails, dinner and other events such as Sunday Brunch.

The Cardinal management is responsible for the operation of all food and beverage areas in The Cardinal.

The primary functions of Dining Services are:

- Planning menus for all food and beverages served in The Cardinal dining venues, and ordering food and supplies accordingly.
- Preparing and serving at The Cardinal
- Providing catered services for the Participants (for an additional fee).

## 6 DINING SERVICES

### 6.1.1 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 our residents, Participants and guests, different dining venues have been established.

### 6.1.2 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.

### 6.1.3 Service Hours

The hours for dining service will be established by The Cardinal,

and may be changed periodically.

During holidays and special occasions, meal times may be modified. Schedules for these meal times will be communicated well in advance.

#### **6.1.4 Guest Meals**

Guests are welcome at any meal. Charges for the guest meal will be included on the Participant's monthly bill or may be deducted from the Participant dining account.

#### **6.1.5 Dining Account**

Cardinal Advantage Participants will have a dining account based on a predetermined value included in the Monthly Fees. The menu offerings will include a wide range of options and flexibility in using your dining account. Your account can be used in any dining venue at The Cardinal, including meals eaten as a guest in the Health Center, and may also be utilized for guest dining and beverages. A dining account balance not utilized within the current month will be forfeited.

## **Section 7**

## **Healthcare Services**

### **7. HEALTHCARE**

#### **7.1.1 Priority Access**

Program participants shall receive priority access to available units in the Health Center ahead of persons who are not Participants and who are not current residents of The Cardinal. Current residents of The Cardinal shall have priority over Participants. Participant and their health insurance program or Medicare will be responsible for all fees and costs for services provided in the Health Center.

#### **7.1.2 Rehabilitation**

Participants shall receive priority access to rehabilitation appointments provided in the Health Center ahead of persons who are not Participants and who are not current residents of The Cardinal. Current residents of The Cardinal shall have priority over program Participants. Participants and their health insurance program or Medicare, will be responsible for all fees and costs for rehabilitation services provided in the Health Center.

### **7.1.3 Separate Contracts**

In order to receive any services in the Health Center, Participants will be required to enter into a separate agreement with The Cardinal at North Hills Healthcare, LLC, and/or providers of rehabilitation or other services.

## **Section 8**

## **Conclusion**

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 Participant seeking clarification of a stated policy or who otherwise has a comment or question is encouraged to contact the Executive Director or complete a Participant Suggestion form.

**Exhibit N**

**The Cardinal at North Hills  
The Advantage Program Collateral Piece/Flyer**

# THE CARDINAL AT NORTH HILLS

The Cardinal at North Hills is a Life Plan Community licensed as a continuing-care retirement community organized to provide housing, wellness activities, health care and other services to people age 55 and older.

Situated at the East end of the North Hills neighborhood, The Cardinal is all about location and convenience. Steps away from restaurants, shopping and entertainment, in a gorgeous state-of-the-art community, you will never want to leave! We have multiple dining venues to choose from, an inviting lounge and gathering areas connected to spacious outdoor terraces. Here, you'll also have access to a state-of-the-art fitness center, rejuvenating spa, an indoor heated pool, an inspiring art studio, card room, and many other wonderful multipurpose spaces.

**For more information, please  
contact us at 984.204.8444**

The Cardinal  
at North Hills   
A KISCO COMMUNITY

4030 Cardinal at North Hills Street  
Raleigh, North Carolina 27609  
984.204.8444

LifeAtTheCardinal.com  
Facebook.com/TheCardinalAtNorthHills

# THE CARDINAL ADVANTAGE PROGRAM



The Cardinal  
at North Hills   
A KISCO COMMUNITY



## WHAT DO I HAVE ACCESS TO?

Upon receipt and acceptance of the completed physician's report by your personal physician, members of The Cardinal Advantage Program have access to temporary or permanent transfer to The Pines at The Cardinal for Assisted Living or Health Care services. Advantage members also have access to The Cardinal community and amenities, programming, and wellness services subject to capacity and other generally applicable limitations and policies.

Amenities include:

- Dining
- Indoor Pool and Wellness Center
- Beauty Salon
- Library
- Notary Services (fees may apply)
- Office Conveniences
- Wireless Internet
- Wood Working Shop
- Art Studio
- Game Room and Media Room
- Gathering Spaces
- Family Room and Common Spaces
- Concierge Services
- Therapy Services with Preferred Provider
- Access to Preferred Home Care Providers
- Touchtown access

## WHAT IS THE CARDINAL ADVANTAGE PROGRAM?

The Cardinal Advantage Program allows members access to benefits and amenities of The Cardinal at North Hills prior to becoming permanent residents of the community. Benefits and amenities include those in independent living, as well as access to Health Care services.

## CARDINAL ADVANTAGE PROGRAM FEES

If you choose to join The Cardinal Advantage Program, a membership entry fee will apply. An additional second person entry fee would be applicable for a spouse or domestic partner. After joining, members pay a monthly fee due on the first of each month. Once you decide to move to a residence at The Cardinal at North Hills, a portion of your Advantage membership fee will be credited toward the reservation fee for your desired residence.



**Exhibit O**

**The Cardinal at North Hills  
Interim Financial Statements Ending 4/30/2023**



**Kisco Senior Living, LLC  
The Cardinal at North Hills, LLC and Affiliate  
Balance Sheet - Unaudited  
End of Apr 2023**

Financial Row	Amount
<b>ASSETS</b>	
<b>Total Other Current Asset</b>	<b>\$2,230,152.33</b>
<b>Total Current Assets</b>	<b>\$5,878,995.50</b>
<b>Total Fixed Assets</b>	<b>\$1,504,666.59</b>
<b>Total Other Assets</b>	<b>\$99,212,229.00</b>
<b>Total ASSETS</b>	<b>\$106,595,891.09</b>
<b>Liabilities &amp; Equity</b>	
<b>Current Liabilities</b>	
<b>Total Accounts Payable</b>	<b>\$1,445,638.77</b>
<b>Total Other Current Liability</b>	<b>\$8,100,940.41</b>
<b>Total Current Liabilities</b>	<b>\$9,546,579.18</b>
<b>Total Long Term Liabilities</b>	<b>\$94,005,146.00</b>
<b>Total Equity</b>	<b>\$3,044,165.91</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$106,595,891.09</b>

**Kisco Senior Living, LLC**  
**The Cardinal at North Hills, LLC and Affiliate**  
**Income Statement - Unaudited**  
**From Jan 2023 to Apr 2023**

Financial Row	Amount
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Total - 400000 - Rent Revenue</b>	<b>\$7,020,374.29</b>
<b>Total - 405000 - Care Revenue</b>	<b>\$749,893.22</b>
<b>Total - 410000 - Other Revenue</b>	<b>\$255,965.18</b>
<b>Total - 420000 - SNF Other Revenue</b>	<b>\$115,292.70</b>
<b>Total - Income</b>	<b>\$8,141,525.39</b>
<b>Cost Of Sales</b>	
<b>Total - 510000 - Labor</b>	<b>\$2,513,695.70</b>
<b>Total - 520000 - Non-Labor</b>	<b>\$1,419,510.76</b>
<b>Total - 590000 - Non-Controllable</b>	<b>\$784,016.31</b>
<b>Total - Cost Of Sales</b>	<b>\$4,717,222.77</b>
<b>Gross Profit</b>	<b>\$3,424,302.62</b>
<b>Net Ordinary Income</b>	<b>\$3,424,302.62</b>
<b>Other Income and Expenses</b>	
<b>Total - Other Expense</b>	<b>\$2,904,396.26</b>
<b>Net Other Income</b>	<b>(\$2,904,396.26)</b>
<b>Net Income</b>	<b>\$519,906.36</b>

**Kisco Senior Living, LLC  
The Cardinal at North Hills, LLC and Affiliate  
Cash Flow Statement - Unaudited  
From Jan 2023 to Apr 2023**

**Options: Activity Only**

Financial Row	Amount (Jan 2023 - Apr 2023)
<b>Operating Activities</b>	
Net Income	\$523,328
<b>Adjustments to Net Income</b>	
Accounts Receivable	(\$1,417,498)
Other Current Asset	(\$371,671)
Accounts Payable	\$1,315,929
Other Current Liabilities	\$600,910
<b>Total Adjustments to Net Income</b>	<b>\$127,670</b>
<b>Total Operating Activities</b>	<b>\$650,998</b>
<b>Investing Activities</b>	
Fixed Asset	(\$101,258)
Other Asset	\$0
<b>Total Investing Activities</b>	<b>(\$101,258)</b>
<b>Financing Activities</b>	
Long Term Liabilities	\$0
Other Equity	\$0
<b>Total Financing Activities</b>	<b>\$0</b>
<b>Net Change in Cash for Period</b>	<b>\$549,740</b>
<b>Cash at Beginning of Period</b>	<b>\$1,342,978</b>
<b>Cash at End of Period</b>	<b>\$1,892,719</b>