

NON-BINDING RESERVATION AGREEMENT

**The Forest at Duke, Inc.
Durham, North Carolina**

This Non-Binding Reservation Agreement (“Agreement”) is made this _____ day of _____, 20__, by and between The Forest at Duke, Inc., a North Carolina nonprofit corporation (“Corporation”), and

Priority Deposit Holder (1st person)

Priority Deposit Holder (2nd person)

Name: _____

Name: _____

Address: _____

Address: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

hereinafter called the “Priority Deposit Holder” or “you”. In the event two persons enter into this Agreement, the term “Priority Deposit Holder” or “you” shall apply to them jointly and severally, except where the context otherwise applies.

WHEREAS, the Corporation presently owns and operates a continuing care retirement community located at 2701 Pickett Road, Durham, North Carolina 27705 known as The Forest at Duke (“The Forest at Duke”); and

WHEREAS, the Corporation is in the process of expanding The Forest at Duke by adding approximately 71 new independent living units (the “New ILUs”), which such New ILUs are projected to be available for occupancy beginning in or around the second quarter of 2025; and

WHEREAS, Priority Deposit Holder has expressed an interest in residing in one of the New ILUs at The Forest at Duke.

NOW, THEREFORE, in consideration of the Priority Deposit (defined below), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Priority Deposit Holder and the Corporation agree as follows:

I. PRIORITY AND CHOICE OF RESIDENCE TYPE AND PROJECTED AVAILABILITY

A. Priority and Choice of Residence. This Agreement establishes priority for you to have the opportunity to select the style of accommodation you desire in the

New ILUs and to execute a Binding Reservation Agreement and/or a Residence and Care Agreement for the New ILUs (subject to certain other requirements regarding Priority Deposit Holder’s eligibility to enter into such agreements).

Your priority number is _____ (“Priority Number”).

Your Priority Number applies only to the New ILUs and not to any other residence at The Forest at Duke. If you wish to establish priority for residences at The Forest at Duke other than the New ILUs, you will have to enter into a separate non-binding reservation agreement with The Forest at Duke and pay The Forest at Duke a separate fee.

The Corporation will confer with Priority Deposit Holder to discuss the specific types/styles of residences in the New ILUs the Priority Deposit Holder would be interested in occupying.

B. Projected Availability. The Corporation projects the New ILUs to be available for occupancy beginning in or around the second quarter of 2025. It is understood that such a projected date of availability for occupancy is an estimate and may vary due to the actual availability of the residence.

II. CHOICE OF RESIDENCE AND BINDING AGREEMENTS

A. Choice of Residence.

After the issuance of the required certificates by the North Carolina Department of Insurance, the Corporation will offer you the opportunity to select the residence in the New ILUs of your choice before other Priority Deposit Holders who have higher Priority Numbers or no Priority Number at all. You may accept or reject the offer to reserve the residence within three (3) business days from the date of notification. You may reject any offer by the Corporation to take occupancy without losing the priority position.

However, it is understood and agreed by the parties to this Agreement that this Agreement gives the Priority Deposit Holder only a one-time opportunity to execute a Binding Reservation Agreement and/or Residence and Care Agreement for the New ILUs prior to the Corporation offering such Binding Reservation Agreement and/or Residence and Care Agreement for the New ILUs to other Priority Deposit Holders with higher Priority Numbers or no priority number at all before offering the opportunity to you again. Furthermore, it does not guarantee the Priority Deposit Holder the availability of or the right to occupy a living unit in The Forest at Duke as such rights are only guaranteed by a fully executed Residence and Care Agreement.

B. Binding Reservation Agreement and Application Forms. Should you accept the offer for occupancy of a New ILU residence by the Corporation, you shall sign a Binding Reservation Agreement and/or a Residence and Care Agreement and pay the

required fees as outlined in the Binding Reservation Agreement and/or Residence and Care Agreement, less the value of the Priority Deposit, credited against such fees. Prior to entering into a Binding Reservation Agreement and/or Residence and Care Agreement, you agree to provide to the Corporation completed application forms containing all of the information required by the Corporation for its admissions review. The application forms shall include, without limitation, an Application for Admission and other information requested by the Corporation. The parties acknowledge and agree that admission to The Forest at Duke remains subject to all applicable admissions criteria and policies of The Forest at Duke at the time of execution of the Residence and Care Agreement. You understand that there may be a substantial amount of time (one year or more) between the date you sign a Binding Reservation Agreement and/or Residence and Care Agreement and the date a residence becomes available for occupancy, if at all.

- C. **Binding Residence and Care Agreement and Updated Application Forms.** Prior to taking occupancy of a New ILU residence at The Forest, you shall sign a Residence and Care Agreement and pay all outstanding fees as outlined in the Residence and Care Agreement. In addition, you will make your selections for your new home with our staff representative. Prior to entering into a Residence and Care Agreement, you agree to provide updated application forms, medical records and other information for review by the Corporation, if requested. The parties acknowledge and agree that admission to The Forest at Duke remains subject to all applicable admissions criteria and policies of The Forest at Duke at the time of execution of the Residence and Care Agreement.

III. **CONSIDERATION FROM PRIORITY DEPOSIT HOLDER**

- A. **Priority Deposit.** In consideration for the rights and privileges as outlined in this Agreement, you agree to pay a priority deposit of one thousand dollars (\$1,000.00) (“Priority Deposit”). The Corporation will promptly place the Priority Deposit in an escrow account with an FDIC-insured financial institution in accordance with and subject to applicable statutes and regulations. Interest earned on the Priority Deposit will be retained by the Corporation and will not be paid to the Priority Deposit Holder or credited toward the fees due by the Priority Deposit Holder at the time of signing the Binding Reservation Agreement and/or Residence and Care Agreement. This Priority Deposit does not lock in the entrance fee amount for a residence.

IV. **TERMINATION AND REFUND**

- A. **Termination by the Priority Deposit Holder.** You may terminate this Agreement for any reason prior to signing a Binding Reservation Agreement and/or Residence and Care Agreement by giving written notice to the Corporation. A full refund of the Priority Deposit will be made to you within thirty (30) days of such notification of termination.

B. Termination by The Forest. The Corporation may terminate this Agreement at any time if there has been a material misrepresentation or omission submitted by the Priority Deposit Holder in the Priority Deposit Holder's Application for Admission or other information provided to the Corporation. In the event of such termination, the Priority Deposit is non-refundable and shall be retained by the Corporation.

The Corporation may terminate this Agreement if (i) the Priority Deposit Holder does not meet the admission criteria set by the Board of Directors of the Corporation, (ii) the New ILUs are not completed for any reason or (iii) after all of the New ILUs have been occupied for the first time. Upon either such termination, the Corporation shall notify you, and the Corporation shall refund the Priority Deposit Holder the full amount of the Priority Deposit within thirty (30) days of such notification of termination.

V. GENERAL PROVISIONS

A. Disclosure Statement. As of the day and year first written above in this Agreement, the undersigned Priority Deposit Holder acknowledges receipt of the Disclosure Statement of The Forest at Duke dated _____. The Disclosure Statement was received prior to the execution of this Agreement or prior to or at the time of the transfer of any money or other property to The Forest, whichever occurred first. As a prospective resident, the Corporation's representatives have encouraged me to read the Disclosure Statement in its entirety before entering into any contract or written agreement or paying any fee.

B. Assignment. The rights and privileges of the Priority Deposit Holder under this Agreement are personal to the Priority Deposit Holder and may not be transferred or assigned by the Priority Deposit Holder or otherwise.

C. Entire Agreement. This Agreement constitutes the entire agreement between the Corporation and the Priority Deposit Holder and is preliminary to the Binding Reservation Agreement and/or Residence and Care Agreement.

D. Successors and Assigns. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and the heirs, executors, administrators, and assigns of the Priority Deposit Holder.

E. Governing Laws. This Agreement shall be governed by the laws of the State of North Carolina without regard to conflict of laws principles.

F. Copy of the Agreement. The Corporation will provide the Priority Deposit Holder with a copy of this Agreement when it has been signed by the Corporation and the Priority Deposit Holder.

G. Notice Provisions. Any notices, consents, or other communications to the Corporation hereunder (collectively “notices”) shall be in writing and addressed as follows:

CEO/President
The Forest at Duke, Inc.
2701 Pickett Road
Durham, NC 27705

The address of the Priority Deposit Holder for the purpose of giving notice is the address appearing after the signature of the Priority Deposit Holder below.

H. Counterparts. This Agreement may be executed in one or more counterparts, including by electronic or facsimile signature and transmission, each of which will be deemed an original, but all of which will constitute one and the same Agreement. Any photocopy, facsimile or electronic reproduction of the executed original shall constitute an original.

[Signature page follows.]

IN WITNESS WHEREOF, the Corporation and the Priority Deposit Holder have executed this Agreement, and the one thousand dollar (\$1,000.00) Priority Deposit has been paid as of the day and year first written above.

Priority Deposit Holder

Priority Deposit Holder

Current Address

City, State, Zip Code

Telephone

Email

THE FOREST AT DUKE, INC.

Signature

Title