

TPR's Conversion to an Entrance Fee Model

Answers to Questions Received from Members as of January, 2026

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BASS's Purchase Offer

Key Takeaways

- BASS will finalize its offer in March after surveying residents about their likelihood of participating.
- We'll make offers after TPR receives approval from the Department of Social Services to proceed.
- Members may reject BASS's offer and remain on the equity contract.

Member Questions

When will I know what purchase price BASS is offering?

We're going to conduct a survey in late February to gauge how many members are interested in transitioning to the entrance fee contract. The results will allow us to update our financial projections and finalize the offer.

When will we receive an offer?

We will begin making offers after receiving approval from the Department of Social Services to proceed. We expect this to happen sometime between March and June, though it could take longer.

Management provided a purchase price range of 65-75% of what I paid for my condo. Is it possible that BASS could offer less than 65%?

Assuming timely approval by DSS, we do not expect to offer Members less than 65% of what they paid for their condo to convert to the entrance fee model. However, a prolonged delay could force us to reevaluate our plans.

Can you provide example pricing for a condo?

If a Member purchased a condo for \$600,000 and BASS offered 75% of the Member's purchase price, BASS's offer would be for \$450,000. There would be no transfer fee or monthly fees paid after move out in the future, likely saving the Member between \$140,000 and \$200,000 in future transfer-related expenses.

What is the transfer fee?

The Membership Agreement includes a fee to transfer membership to new resident. Transfer fees are paid to TPR upon resale and equal to 10% of the member's original purchase price and 75% of any appreciation. Converting members will not be required to pay a transfer fee to sell their condo to BASS.

Is the purchase price negotiable?

BASS's offer will be final. You are under no obligation to accept the offer and can retain ownership of your condo or list it for sale at whatever price you want.

Management has used the term “original investment,” what does it represent?

“Original investment” refers to the initial lump sum payment to move in to TPR.

- For equity owners, their original investment was the condo purchase price.
- For entrance fee residents, their original investment was the entrance fee.

TPR is currently offering an entrance fee contract for new residents with an 80% repayment. Why aren't Members receiving the same amount?

Incoming residents pay a one-time entrance fee to move into the community. They can choose between an 80% or 0% repayment option. The 0% option comes with a lower price point.

Pricing for incoming residents is based on different factors than the conversion offer is. To the extent they're comparable, there are several key differences:

- Converting residents won't pay a cash entrance fee (which means TPR can't earn investment income on the fee over the life of the resident).
- The average entrance fee paid by a converting resident will on average be lower than that paid by new incoming residents.
- Converting Members would otherwise pay transfer and monthly fees after move out, and TPR waiving these fees lowers the repayment amount.

For the standard purchase offer, will BASS inspect the condo first or buy it sight unseen?

BASS will purchase the condo as is, with no inspection.

Will you offer higher if the condo is kept in good condition?

No. BASS's offer is based your initial purchase price, not the condo's condition.

Will upgrades I made to my condo be reflected in the conversion offer?

We will have a process for valuing condo renovation investments made by Members. It will likely include these steps:

1. A walkthrough to confirm the condo is resale-ready in its current condition. (In other words, the work the member already did removes the need for TPR to pay for additional renovation).

2. Eligible renovations will be valued based on verified project costs using TPR's existing records.
3. A standard depreciation schedule will be applied upon move out to account for a Member's length of stay and the expected useful life of renovations.

The final step accounts for the fact that some Members may convert to the entrance fee contract and remain in their home for 15 or more years, during which the value of the renovation will decline relative to its value today.

After DSS approval, how long will the offer be good for?

We haven't decided the exact timeframe, but no longer than 30 days.

Is there any fine print I should be aware of now?

We plan to include a provision in BASS's purchase offer that adjusts the repayment amount if a resident voluntarily moves out within one year of accepting the offer. This is designed to protect the interests of residents who intend to remain at the community after conversion. Move outs within one year for death or health reasons will receive the full repayment amount. Voluntary move outs after one year will also receive the full amount.

Will there be different contracts for different circumstances?

The Residence & Care Agreement will be the same for all residents who convert. In a small number of cases, unique circumstances may require an individualized appendix to the Residence & Care Agreement, similar to how custom addenda exist today under some residents' Membership Services Agreements.

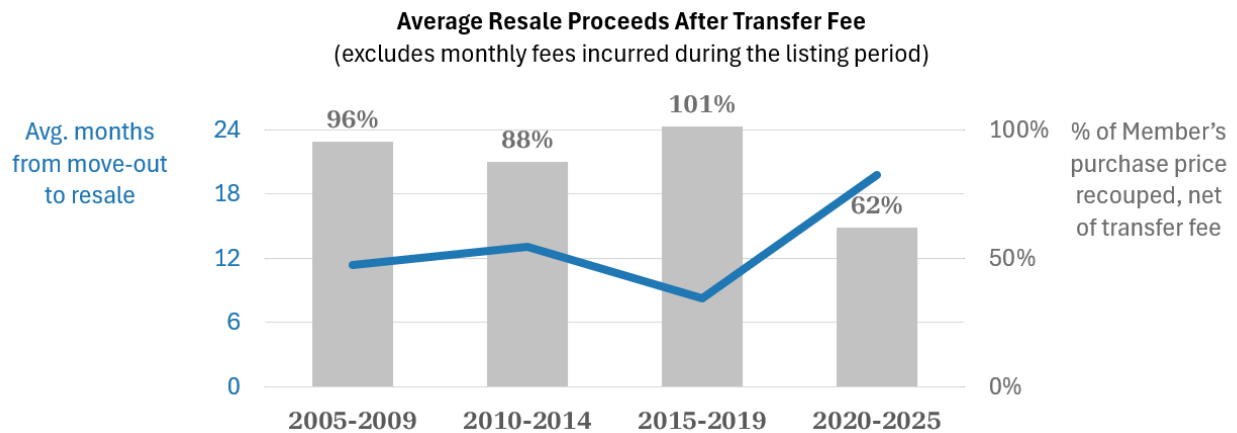
I'm younger—if I expect my condo value to go up, why would I convert at a lower amount today?

An expectation of appreciation is one reason someone might choose to stay on the equity contract. However, keep in mind that:

- TPR receives 75% of appreciation as part of its standard transfer fee.
- Monthly fees will increase over time. Monthly fees paid during the list period can quickly erode any gains in value.

Since 2005, TPR condos have resold for about 90% of what the member originally paid, after transfer fees. This does not include any monthly fees or property taxes

paid while condos were on the market. On average, condos have taken about 12 months to sell over the last 20 years.



Resale wait times are correlated with the number of vacancies at the community. As more condos are listed, wait times increase (*see chart below*). With over 30 TPR condos currently on the market, and 15–20 more expected each year, equity members looking to sell in the next few years will face long waits. For younger members who are less likely to be affected by the current oversupply, assuming a wait time of eight to twelve months is reasonable based on historical averages.



I moved in recently under a 50/50 appreciation split contract, will your offer consider my higher appreciation share?

We recognize that some Members moved in under a contract that differs from the standard 75/25 Membership Agreement. For these and other unique, documented

circumstances, we'll work with you to identify an approach that fits your situation while maintaining fairness across the community.

Why won't BASS purchase my condo in cash?

Your transition to the entrance fee contract doesn't involve the exchange of cash because it is designed to be seamless.

- You continue living in the condo under a Residence & Care Agreement (RCA).
- The RCA requires payment of an entrance fee; the sale of your condo serves as your entrance fee payment to TPR.
- Because the transition is seamless, no cash is exchanged. BASS doesn't pay cash for the condo; you don't pay a cash entrance fee.

The promissory note structure allows the value of your condo to serve directly as your entrance fee, providing a smooth transition and better financial results for Members.

What happens if DSS denies TPR's conversion plan?

TPR will continue selling DSS-approved entrance fee contracts on BASS-owned condos. Current Members would remain on the equity contract and be required to transfer membership to a new resident in the future.

Strategy

Key Takeaways

- BASS now owns 37 condos, acquired through donations and direct purchases. These units will be renovated and resold under entrance-fee contracts.
- By controlling listings, BASS has stabilized and increased market pricing, stopping the downward pressure created by individual sellers competing against each other.
- Given the high number of current vacancies, listings will continue to take some time to sell. Offering to pre-purchase Member condos gives residents an alternative to listing and potentially selling at a discount later.

Member Questions

How many condos does BASS own?

BASS owns 37 condos as of February 1, 2026.

Do you plan to renovate BASS-owned condos?

Yes, we are renovating the condos that we recently purchased from sellers. Modernizing apartments will help us maximize our appeal to prospects on tours.

TPR recently bought all seller-listed condos but one—why?

In November 2025, we made offers on all seller-listed condos. One seller rejected our offer, choosing instead list on the market.

Will TPR buy all equity condos that come to market?

TPR has no plans to purchase Member-owned or seller-listed condos after the initial conversion.

If I don't convert, will the marketing department still sell my condo?

Yes. We will continue to support the sale of equity condos through our Membership Services team.

Will you prioritize selling BASS-owned condos before member listings?

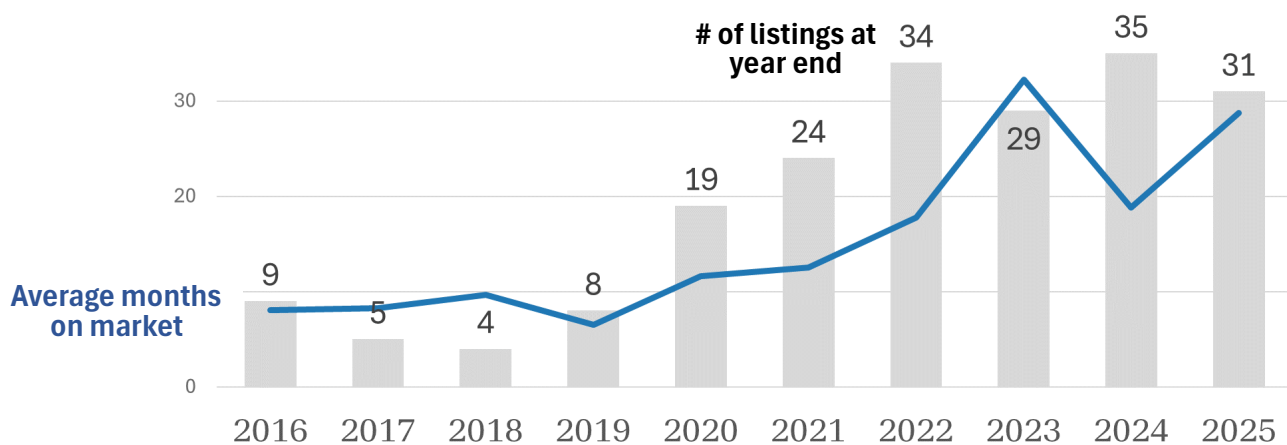
No. By law, our licensed real estate agents can't favor BASS-owned condos to the detriment of equity-owner listings. Our practice is to tour prospects through any apartment that aligns with their preferences, regardless of who the condo owner is.

Will new prospects be able to choose between equity or an entrance-fee contracts, or will all units become entrance-fee?

New prospects will have a choice for as long as there are equity listings. On TPR-owned listings, only the entrance fee contract will be offered.

What drove the downturn at TPR?

The downturn was driven by a 138% surge in listings during the first year of the pandemic. This increased wait times and sellers' carrying costs, prompting sellers to cut prices that others soon matched. The result was a sustained drop in condo values that has financially harmed members and the community.



If bad market conditions drove the downturn, won't better conditions fix the problem without the need for conversion?

Recovery under the equity model would take years with the current number of vacancies. TPR has more than 30 vacant condos today. On top of this, 15 to 20 Members list condos for sale each year. To meaningfully reduce the number of listings, TPR must reoccupy its existing vacancies along with any new listings.

Since 2021, TPR has averaged 18 sales a year. Even with aggressive sales assumptions, it will take three years or more for vacancies to decrease to the point that wait times drop below twelve months.

Meanwhile, the equity model's 25/75 appreciation split and ongoing monthly fees discourage sellers from waiting for higher offers. The incentive for sellers to cut prices reduces TPR's transfer-fee revenue, draining the organization's cash reserves and leaving the community unable to cover its debt costs.

By purchasing seller-listed condos, TPR has effectively reset pricing to market value for a continuing care community like ours. Allowing residents to convert to the entrance fee plan protects them from the longer wait times projected over the next three to five years as occupancy recovers. It also ensures that future listings will remain at or above fair market value.

At your other PRS properties, do you sell faster with an entrance fee model?

The sales cycle (i.e. how long it takes to complete a sale) is somewhat correlated to contract type, but PRS entrance fee contracts don't sell appreciably faster than TPR equity ones on average. The equity contract does have more steps and paperwork, which slows the sale process down a little compared to an entrance fee contract.

What are current entrance fee prices at TPR?

Entrance fees for new residents range from around \$500,000 to \$1,000,000 for a repayable contract, depending on the apartment type.

Why are you confident entrance fees will sell higher when we can't sell condos for \$250–\$300k?

Most prospects fund their move to TPR through the sale of a home, so the entrance fee amount is rarely the main barrier. The larger constraint on new move-ins is that the number of older adults actively considering a move to a community like TPR at any given time is much smaller than the number of people shopping for non–age-restricted housing.

This shows up clearly in TPR's sales data: even substantial price reductions on condos have not produced more move-ins. Demand is determined by how many people are ready for this type of living (age-restricted, bundled services, large monthly fee, onsite care, etc.) not by lowering the sale price.

If TPR continues attracting older adults based on the lifestyle, services, and care it provides, then prospects will pay the posted entrance fee. The key difference between the equity model and entrance fee one is that TPR will hold its prices, where individual condo sellers often lower prices in an effort to end their ongoing monthly fee obligations.

How do you set entrance fee prices?

Our prices for new residents are based on actuarial estimates about the cost to provide services and care to someone over the course of their life at TPR. They also consider the competitive market and local housing prices.

What's the industry standard for entrance fee pricing?

There is no single standard for entrance fees across the industry. The same factors TPR uses to determine its entrance fee prices are generally those used by other communities.

What makes ours a continuing care contract compared to residents of a non-continuing care community?

According to the Department of Social Services, a continuing care contract is:

An agreement between a person 60 years or older and a continuing care provider. The contract includes a promise to provide a range of services at a CCRC for a period longer than one year in exchange for payment. Usually, but not always, the promise is effective for the life of the resident. Most continuing care contracts call for payment of an entrance fee and monthly fees. It is the promise to provide care, not the method of payment, which defines a continuing care contract. A continuing care contract may consist of one or a series of agreements.