

MDS RESEARCH COMPANY, INC.

P O Box 100578 Fort Worth, TX 76185 817-731-4266

www.m-d-s.com mdsresearch@m-d-s.com

TO: Jay Patel

DATE: March 21, 2024

FROM: Lynne Moore

SUBJECT: **Memorandum of Understanding for a
Phase II Market Feasibility Study
In Clinton, Tennessee**

Per our discussion, attached is a Memorandum of Understanding (MOU) confirming that you are authorizing MDS Research Company, Inc. (MDS) to conduct the Phase II market study work scope for a site location in Clinton, Tennessee. The location for this new development is an 85.6-acre site that is located near Longmire Road in Clinton, Tennessee. The objective of the market analysis is to assess the potential development of various types of Senior housing and services including luxury independent living apartments with services, residential assisted living units and memory care units in an assisted living setting. In addition, there is interest in evaluating fee simple housing (for-sale) for age 55+ active adult seniors (like a Del Webb type development). The developer will retain a professional management company to maintain continuity of care and to maintain the community to an acceptable standard.

MDS completed the Phase I market analysis in February, 2024. MDS stands ready to answer any questions or to modify this work scope upon your review. This MOU also confirms project schedule and costs for this engagement.

Phase II Work Scope Description

The scope of work for Phase II of the market feasibility study represents an expansion of Phase I and will result in a detailed market study document that will contain the appropriate and comprehensive level of detail required by lenders or financial institutions for financing purposes. The Phase II work scope will include the following types of tasks:

1. Conduct a more detailed economic base analysis:
 - Quantify total number of age- and income-qualified Senior households and adult children households and growth from 2024 through 2029.
 - Establish final qualifying income (affordability) criteria based on proposed pricing
 - Determine impact of Senior's home equity on income thresholds/affordability
 - Determine potential impact of adult children/decision influencers on demand
2. Expand the competitive analysis to include a detailed description of:
 - Living arrangements offered
 - Unit types and sizes

- Pricing by living arrangement and unit type – including levels of care charges, community fee, second occupant charges and other ancillary income
 - Resident services – included in pricing and offered at an additional cost
 - Living unit features
 - Common area amenities
3. Develop/confirm the detailed product characteristics and market positioning for the proposed new development:
 - Living arrangements to be offered
 - Unit types and sizes for each living arrangement
 - Proposed pricing by living arrangement and unit type
 - Proposed living unit and common area amenities and features
 - Proposed resident services – included in the proposed pricing and available at an additional cost
 4. Conduct a price per square foot value analysis for the subject community versus the key area Senior housing competitors. MDS should express an opinion on the appropriateness and competitiveness of the proposed pricing.
 5. Provide a description of the subject site location and express an opinion regarding appropriateness of the site location for the proposed Senior housing community.
 6. Express final professional opinion of market feasibility and the size and depth of the market area for the living arrangements proposed for the new Senior housing community.
 7. Estimate time frame for project fill-up.

This work scope will be customized to address your unique and specific requirements.

Project Schedule

MDS will require approximately six to eight weeks to complete the Phase II market feasibility work scope for this engagement. We stand ready to begin work immediately upon your authorization.

Project Cost

The MDS' consulting fee for Phase II of the market feasibility study will be \$5,750. This is a firm-fixed consulting fee on the part of MDS and is inclusive of all work and necessary support materials and an electronic copy of the final report.

It should be noted that this work scope and corresponding consulting fee does not include an optional onsite field trip. The field trip (if authorized) would involve an inspection of the site location and personal onsite mystery shops of key area competitors. If there is a desire or requirement for an onsite field trip to the market area, there would be an additional consulting

**Memorandum of Understanding
For a Phase II Market Feasibility
Study in Clinton, Tennessee**

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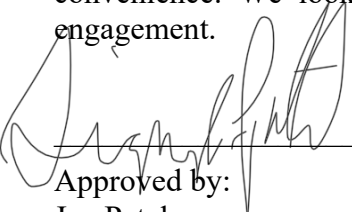
March 21, 2024

fee of \$2,500 per day plus the out of pocket expenses associated with this field trip. The field trip expenses include round trip airfare, hotel, food, rental car, fuel and airport parking. These expenses will be billed at cost – with no mark-up. The field trip will only be conducted upon your request and authorization.

Progress Payments – As is normal company policy, MDS will require the following progress payments on this engagement – based on our adherence to the project schedule:

Project Initiation Fee - Due Upon Go-Ahead Authorization	60%	\$3,450
All Final Documentation Submitted and Accepted by the Client	40%	<u>2,300</u>
TOTAL CONSULTING FEE		\$5,750

If you are in concurrence with the contents of this Memorandum of Understanding and wish to authorize this Phase II market analysis engagement, please sign and date and forward it to the MDS offices with a check for the project initiation fee. An invoice has been included for your convenience. We look forward to the opportunity of continuing working with you on this engagement.


Approved by:
Jay Patel

Lynne Moore

Lynne Moore
President
MDS RESEARCH COMPANY, INC.

Date

03/21/2024

Date

INVOICE/STATEMENT

Please remit to:

MDS Research Company, Inc.
Market Research/Business Consulting
P O Box 100578 Fort Worth, TX 76185
(817) 731-4266 www.m-d-s.com mdsresearch@m-d-s.com

March 21, 2024

Mr. Jay Patel
jpatels430@yahoo.com

Mr. Bill Underwood
billunderwoodny@yahoo.com
917-723-9070

Phase II Senior Housing Market Analysis for Clinton, Tennessee

Project Initiation Fee <i>Due Upon Project Go-Ahead Authorization</i> 60% of \$5,750	\$3,450.00
TOTAL DUE	\$3,450.00

DUE UPON RECEIPT

MDS Research Company, Inc.
Federal Tax I.D. 75-2499253