

BROOKSBY VILLAGE

DISCLOSURE STATEMENT

June 2018

This Disclosure Statement is not a contract and the Provider reserves all rights to amend, revise, update, and otherwise change the Disclosure Statement at any time, in accordance with applicable laws.

BROOKSBY VILLAGE **DISCLOSURE STATEMENT**

1. Continuing Care Provider. The name and address of the Provider for Brooksby Village Retirement Community is Brooksby Village, Inc. (referred to as “Brooksby Village”). Brooksby Village is a non-stock corporation organized under the laws of the State of Maryland and is qualified to do business in the Commonwealth of Massachusetts. The corporate address for Brooksby Village is: 701 Maiden Choice Lane, Baltimore, Maryland 21228. Residents will enter into the Residence and Care Agreement, attached as Exhibit 1 to this Disclosure Statement, with Brooksby Village.

Peabody Campus, LLC, a Maryland limited liability company (sometimes referred to as the “Lessor”) which is authorized to do business in the Commonwealth of Massachusetts, is the owner of the site. Peabody Campus, LLC has entered into a Master Lease and Use Agreement with Brooksby Village to operate the retirement community (sometimes referred to as the “Community”). Brooksby Village has also entered into a Management and Marketing Agreement with Erickson Living Management, LLC (referred to as “Erickson Living” or “Manager”), a Maryland limited liability company which is authorized to do business in the Commonwealth of Massachusetts, to provide certain services for the retirement community.

A diagram of the community structure described in this section is attached as Exhibit 2 to this Disclosure Statement.

2. Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests. Brooksby Village, Inc. is a Maryland non-stock, 501 (c) (3) corporation. As such, the corporation has no stockholders. The sole member of the corporation is National Senior Campuses, Inc., a nonprofit corporation. As of July, 2008 Peabody Campus, LLC is a wholly-owned subsidiary of Brooksby Village.

A list of and biographies for the directors and officers of Brooksby Village, Inc. and for the officers of Erickson Living is attached to this Disclosure Statement in Exhibit 3. The business address for all directors and officers of Brooksby Village, Inc. and Erickson Living Management, LLC, is 701 Maiden Choice Lane, Baltimore, Maryland 21228.

3. Business Experience in the Operation or Management of Similar Facilities. Brooksby Village, Inc. is an entity formed for the purpose of operating this community. Thus, Brooksby Village has no history in similar facilities. However, the Board of Directors of Brooksby Village has experience in similar communities since many of its members are also members of the Board of Directors for Linden Ponds in Hingham, Massachusetts and of other communities affiliated with National Senior Campuses, the sole member of Brooksby Village.

Erickson Living is a new entity formed in 2009 and has managed the community since May 2010. Erickson Living has experience since it retained substantially all of the employees of the former management company, including the management team at Brooksby Village. These individuals have experience in managing and developing retirement communities through their prior work with the previous manager which built an innovative network of communities that

combine a maintenance-free active lifestyle with a host of amenities, social activities, and wellness and medical centers.

Erickson Living currently manages the Charlestown Retirement Community in Catonsville, Maryland, Oak Crest Village in Parkville, Maryland, Seabrook Village in Tinton Falls, New Jersey, Riderwood Village in Silver Spring, Maryland, Brooksby Village in Peabody, Massachusetts, Cedar Crest Village in Pompton Plains, New Jersey, Ann's Choice in Warminster, Pennsylvania, Fox Run Village in Novi, Michigan, Linden Ponds in Hingham, Massachusetts, Eagle's Trace in Houston, Texas, Maris Grove in Concordville, Pennsylvania, Highland Springs in Dallas, Texas, Wind Crest in Highlands Ranch, Colorado, Tallgrass Creek in Overland Park, Kansas, Ashby Ponds in Ashburn, Virginia, Lantern Hill in New Providence, New Jersey, Devonshire in West Palm Beach, Florida and Windsor Run in Matthews, North Carolina.

4. *Ownership of Real Property.* The property on which Brooksby Village is located is currently owned by Peabody Campus, LLC which purchased the property in 1999. In 2002, Brooksby Village and Peabody Campus entered into a Purchase Option Agreement for the eventual purchase of the Community by Brooksby Village.

On June 30, 2008, Brooksby Village completed the purchase option by purchasing all of the member interest in the landowner, Peabody Campus, LLC, for a purchase price of: i) forgiveness of the outstanding community loan of deposits from Brooksby Village to Peabody Campus by acquisition of Peabody Campus; ii) the \$55,000,000 Purchase Deposit remitted at the execution of the Purchase Option Agreement; and iii) a deferred amount not to exceed \$19,715,086.

In 2013, Brooksby Village entered into an agreement with the Massachusetts Development Finance Agency to issue \$62M in tax-exempt revenue bonds with a 10 year maturity. The proceeds were used to refund Brooksby Village's previously issued 2004 bonds and to provide additional liquidity to finance the construction of a new Assisted Care building.

5. *Location and Description of Real Property.* Brooksby Village is located on approximately 90 acres in Peabody, Massachusetts. Construction of the community began in the spring of 1999 and was substantially completed in June 2007.

Erickson Living communities are designed to emulate a college campus atmosphere for senior citizens. Brooksby Village is comprised of small clusters of brick buildings of various sizes and shapes. The sloped roofs, varying building heights, and architecture establish the "campus" feeling. All of the buildings are joined with glass-enclosed air-conditioned and heated bridges and walkways. Residential buildings have balconies, awnings, and patios and are interspersed with two-story clubhouse-style community buildings that feature expansive windows and welcoming entrances. As of 2014, the Community is a tobacco-free campus and residents and their guests must abide by the Community's rules restricting smoking and use of tobacco products.

The independent living component of the community includes approximately 1350 Independent Living apartments divided between 3 neighborhoods. Each neighborhood features a community center which contains a dining area, classrooms, library, activity spaces, and other common areas. Certain community centers also include beauty salons, banks, convenience or gift stores, on-site therapy space, and a pool for the whole community. The community also has an on-site medical center with services by both primary care practitioners and sub-specialists.

For those residents who need additional help with the activities of daily living or skilled nursing care, Brooksby Village also features an on-site health care neighborhood ("Continuing Care at Brooksby Village"). Continuing Care at Brooksby Village includes approximately 124 assisted care units and 104 private nursing rooms. Each floor of the facility includes a dining room, a resident lounge, activity rooms and a bathing core.

6. *Affiliation with Religious, Charitable, or other Nonprofit Organization, Tax Status of Provider.*

6.1 *Affiliation with Religious, Charitable, or other Nonprofit Organization.* Brooksby Village, Inc. is a non-profit corporation which is exempt from taxation as a 501(c)(3) organization. The sole member of Brooksby Village is National Senior Campuses, Inc., a nonprofit corporation. Brooksby Village is not affiliated with any other religious, charitable or non-profit organization.

6.2 *Tax Status of Provider.* Brooksby Village, Inc. is a nonprofit corporation which is exempt from taxation as a 501(c)(3) organization.

7. *Services provided under Continuing Care Contracts.* The Residence and Care Agreement, attached as Exhibit 1 to this Disclosure Statement, provides full detail on the services included as part of the continuing care contract between Brooksby Village and the resident. The following sections are brief descriptions of the services included in the monthly fee for each level of care in the Community and a brief description of the ancillary services which would be available for an additional fee. The monthly service packages and the entrance deposits are attached as Exhibit 4. Exhibit 5 shows changes in monthly service packages and ancillary service fees for the time that the community has operated or the last five years, whichever is less.

7.1 *Included Services for Monthly Fee.*

7.1.1 *Independent Living.* In addition to use of the designated apartment, residents in Independent Living receive the following services: Monthly Meal Plan; emergency communication system; security/safety officers on duty 24 hours a day; all utilities (except for personal telephone); basic cable or satellite television service (except premium channels); on-site Fitness Center basic membership; pre-wiring for telephone; maintenance and insurance of the buildings, grounds and equipment; insurance of the Independent Living Unit and all items in the unit, except items owned by Resident; on-campus shuttle transportation and scheduled local shuttle transportation; sewage, trash and snow removal from public areas; use of all public rooms and common areas of the Community.

7.1.2 Assisted Care. In addition to use of the designated apartment, residents in Assisted Care receive the following services, depending on care package: at least three meals a day; supervision, verbal and physical assistance, as appropriate, with the activities of daily living; light housekeeping care; planned activities; social worker services, emergency communication system; security/safety officers on duty 24 hours a day; all utilities (except for personal telephone); basic cable or satellite television service (except premium channels); pre-wiring for telephone; maintenance and insurance of the buildings, grounds and equipment; insurance of the Assisted Care Unit and all items in the unit, except items owned by Resident; on-campus shuttle transportation and scheduled local shuttle transportation (as medically appropriate); sewage, trash and snow removal from public areas; use of all public rooms and common areas of the Community.

7.1.3 Skilled Nursing. In addition to use of the designated nursing room, residents in Skilled Nursing receive the following services: at least three meals a day; tray service, nursing care, medicine administration; individual care plans; housekeeping care; planned activities; social worker services, emergency communication system; security/safety officers on duty 24 hours a day; all utilities (except for personal telephone); basic cable or satellite television service (except premium channels); pre-wiring for telephone; maintenance and insurance of the buildings, grounds and equipment; insurance of the Nursing Room and all items in the unit, except items owned by Resident; sewage, trash and snow removal from public areas; and use of all public rooms and common areas of the Community.

7.2 Ancillary Services. Brooksby Village also makes the following services available to Residents for an additional fee: tray service to Residents in Independent Living or Assisted Care; housekeeping and laundry service for residents in Independent Living or Assisted Care; extra meals for Residents in an Independent Living Unit (unless covered by meal plan); guest meals; lodging in guest rooms on a temporary and space available basis; limited personal storage space; reserved parking space; snow removal from resident cars; consultation with a social worker; on-site Fitness Center premium services, classes or personal training; home health services in an Independent Living Unit and home health services in an Assisted Care Room for one-on-one care by a nursing aide.

Brooksby Village also contracts with outside providers for the following services at the Community: medical services provided through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; hospice program; and physical, speech and occupational therapy. These services are provided at an additional fee and will be billed separately by the outside providers.

7.3 Services Not Available at Facility. Except for those listed healthcare services included in the monthly fee for Residents in Assisted Care or in the Skilled Nursing or the ancillary services listed in Section 7.2, Brooksby Village does not provide advanced medical care such as acute care or psychiatric care. Brooksby Village is not responsible for making funeral arrangements for Residents or for other personal debts of Residents.

8. ***Certified Financial Statements.*** Certified financial statements for Brooksby Village are included in Exhibit 6 of this Disclosure Statement.

9. ***Admission of New Residents.*** In order to become a resident, an applicant must be 62 years of age or older. From a financial standpoint, Brooksby Village generally requires that a prospective resident have assets equal to the expected cost of 40 months of nursing care and a monthly income equal to 1.3 times the monthly fee for the unit selected. Brooksby Village will conduct a pre-residency meeting through a nurse, social worker, or allied professional. Pre-residency meetings are meant to assist Brooksby Village in determining the appropriate level of care or services for the prospective resident, whether independent living, assisted care, or nursing care. If Brooksby Village does not have an appropriate level of care for the individual, it will so inform the applicant and will refund any portions of the Entrance Deposit paid. Brooksby Village is an equal housing opportunity provider. New residents must abide by the terms of the Residence and Care Agreement and the community's reasonable rules and regulations including those in the Resident Handbook.

TABLE OF EXHIBITS

Exhibit 1:	Residence and Care Agreement
Exhibit 2:	Diagram of Community Operating Structure
Exhibit 3:	Executive Biographies
Exhibit 4:	Schedule of Entrance Deposits & Fees
Exhibit 5:	Changes in Periodic Charges
Exhibit 6:	Certified Financial Statements

EXHIBIT 1
RESIDENCE AND CARE AGREEMENT

Summary:

Exhibit One, the Residence and Care Agreement, is the most pertinent document in this Disclosure Statement for the prospective resident. The Residence and Care Agreement details the services the resident will receive, the facilities the resident will use, the rights and responsibilities the resident will accept, and the costs associated with living at the Community. Brooksby Village has detailed its policies on a full range of issues, including common every day issues such as meal policies, fee-for-service health care, and the procedure for the return of the resident's 90% refundable entrance deposit. In addition to the Residence and Care Agreement, there are various sample forms such as the application forms, refund forms, note, etc. These are samples only and every form does not necessarily apply to every resident.

***BROOKSBY VILLAGE
RESIDENCE AND CARE AGREEMENT***

June 2018

THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE CONTRACT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.

TABLE OF CONTENTS

Section 1.	<u>DESCRIPTION OF COMMUNITY</u>	3
1.1	Independent Living Units.....	3
1.2	Continuing Care at Brooksby Village.....	3
Section 2.	<u>TERM</u>	4
Section 3.	<u>LIVING ACCOMMODATIONS</u>	4
3.1	Resident's Right to Occupy.....	4
3.2	Joint Residents	4
3.3	Rights of New Spouse.....	4
3.4	Resident's Obligation to Furnish Unit.....	5
3.5	Customized Improvements	5
Section 4.	<u>SERVICES TO RESIDENTS</u>	5
4.1	Independent Living Services.....	5
4.2	Assisted Care Services	5
4.3	Nursing Services.....	6
Section 5.	<u>ANCILLARY SERVICES</u>	7
5.1	Services Available through Brooksby Village.....	7
5.2	Services Available through Outside Providers.....	7
5.3	Services Not Provided.....	7
Section 6.	<u>OTHER RESIDENT RIGHTS</u>	7
6.1	Residents' Association	7
6.2	Resident Guests	8
6.3	Physicians and Other Professionals	8
Section 7.	<u>ENTRANCE DEPOSIT</u>	8
7.1	Payment of Entrance Deposit	8
7.2	Use of Entrance Deposits.....	8
7.3	Adjustments to Entrance Deposit.....	8
7.4	Refund Prior to Occupancy	9
7.5	Refund after Occupancy.....	9
7.6	Refund Account & Refund Eligibility.....	10
Section 8.	<u>MONTHLY SERVICE PACKAGES</u>	11
8.1	Monthly Service Package	11
8.2	Monthly Service Package for Joint Residents.....	11
8.3	Adjustments to the Monthly Service Package.....	11
8.4	Monthly Service Package in the Event of a Temporary Transfer.....	12
8.5	Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit	12
8.6	Monthly Service Package in the Event of a Termination of Agreement	12
Section 9.	<u>OTHER FEES, PERIODIC CHARGES, AND COSTS</u>	13
9.1	Processing Service Charge	13
9.2	Ancillary Services.....	13
9.3	Other Services	13
9.4	Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage	13
9.5	Medical and Other Insurance.....	14
9.6	Funeral Arrangements and Burial Expenses	14

9.7	Non-Solicitation of Employees	14
Section 10.	<u>FINANCIAL INABILITY TO PAY</u>	15
Section 11.	<u>TRANSFERS</u>	16
11.1	Temporary and Permanent Transfers	16
11.2	Transfer at the Election of Resident.....	16
11.3	Transfer at the Election of Brooksby Village - Non-Emergency	16
11.4	Transfer at the Election of Brooksby Village - Emergency	17
11.5	Use of Living Unit	17
Section 12.	<u>TERMINATION</u>	18
12.1	Automatic Cancellation or Termination Prior to Occupancy	18
12.2	Termination by Resident.....	18
12.3	Termination by Brooksby Village	18
12.4	Vacating the Living Unit	19
Section 13.	<u>RIGHTS OF BROOKSBY VILLAGE</u>	19
13.1	Community Rules and Regulations	19
13.2	Access to Living Units at the Community.....	19
13.3	Property Rights	19
13.4	Limitation of Liability	20
13.5	Unauthorized Transfers of Property.....	20
13.6	Religious Affiliation and Sponsorship.....	20
13.7	Non-Smoking Policy.....	20
Section 14.	<u>MISCELLANEOUS PROVISIONS</u>	20
14.1	Documents Incorporated by Reference	20
14.2	Rules of Construction	21
14.3	Non-waiver.....	21
14.4	Entire Agreement.....	21
14.5	Amendment	21
14.6	Severability	21
14.7	Paragraph Headings	21
14.8	Governing Law; Jurisdiction.	21
14.9.	Assignment.....	21
Section 15.	<u>DEFINITIONS</u>	22

SCHEDULE I - SCHEDULE OF FEES
SCHEDULE II- DOCUMENTS INCORPORATED

BROOKSBY VILLAGE
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the _____ day of _____, _____ by and between INC. Brooksby Village, Inc. (referred to in this Agreement as "We", "us" or "Brooksby Village") and _____ (referred to in this Agreement as "You" or the "Resident(s)").

RECITALS

R.1 Brooksby Village (the "Community") is a continuing care retirement community located in Peabody, Massachusetts developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 Brooksby Village is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Massachusetts. Brooksby Village desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. DESCRIPTION OF COMMUNITY

The Community includes Independent Living Units, Assisted Care Units and Nursing Units. As of 2014, the Community is a smoke-free campus and you hereby agree to abide by our rules restricting smoking.

1.1 Independent Living Units. The Community has approximately 1352 independent living units within 3 residential neighborhoods with community buildings. The Community includes an on-site bank, beauty salon, convenience stores, guest rooms, a conference center, a full-service outpatient Medical Center, and a pool. Each club house includes dining options, classrooms, cardrooms, lounges and other common areas. Each residential neighborhood features at least one unique facility, such as the Medical Center, the swimming pool, health club, or the like.

1.2 Continuing Care at Brooksby Village. Continuing Care at Brooksby Village refers to our on-site health care neighborhood. Continuing Care at Brooksby Village houses both the Assisted Care Units and the Nursing Units. Each floor of Continuing Care at Brooksby Village includes a dining room, a resident lounge, activity rooms and a bathing core.

1.2.1 Assisted Care Units. Continuing Care at Brooksby Village includes approximately 124 Assisted Care Units, offering services for Assisted Care and/ or special programming. We anticipate that the aggregate number of Assisted Care Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstances that the Assisted Care Units are fully occupied, our Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in your Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer

1.2.2 Nursing Units. Continuing Care at Brooksby Village includes approximately 104 Long Term Care Units ("Nursing Units"), many of which are private rooms. We anticipate that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, our Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by you in the event of such a transfer.

Section 2. TERM

The Term of this Agreement shall commence on the date on which this Agreement is executed by both parties and shall continue for your lifetime unless the Agreement is terminated earlier per Section 12 of this Agreement.

Section 3. LIVING ACCOMMODATIONS

3.1 Your Right to Occupy. You have the right to occupy and to use the following Living Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. You may not assign or sublet the right to occupy a Living Unit to any other person. We will provide the Living Unit, in good condition, with neutral painted walls, and with standard carpeting and/or floors.

3.2 Joint Residents. When two (2) or more residents reside together in a selected Living Unit, they are considered to be Joint Residents. Each Joint Resident is required to meet our financial requirements for entrance into the Community, as well as our health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

3.3 Rights of New Spouse. If during the term of residency, you marry a person who is not a resident of the Community, your new spouse will be required to meet our financial and health-related qualifications for entrance into the Community. The financial qualifications are meant to serve as a financial protection for our larger community of residents. We reserve the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If your spouse is not accepted, you may terminate this Agreement per Section 12.2 hereof. If your

spouse is accepted for residency, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

3.4 Resident's Obligation to Furnish and Maintain Unit. You are responsible for furnishing the Independent Living Unit and the Assisted Care Unit and for procuring insurance for personal possessions and furnishings. We will provide furnishings and equipment, as required by law, for Nursing Units. You are also responsible to maintain any Living Unit in which you reside in a reasonably clean and habitable condition.

3.5 Customized Improvements. You may decorate the Living Unit to your personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Living Unit. All other customized improvements to any Independent Living Unit or Assisted Care Unit that you want to undertake either before or after the Occupancy Date must be approved in writing by the Executive Director. If you contract with an outside contractor, the selection of your contractor and the proposed plans or work must be approved by the Executive Director. If you contract with us to do the work, we will sign a contract to agree upon the extent of work and the charges related to the work to be done. For charges related to the removal of any improvements, please see Section 9.4. We cannot permit structural changes or customized improvements to a Nursing Unit.

Section 4. SERVICES TO RESIDENTS

We will make the following services available to you, as applicable, for the appropriate Monthly Service Package, during your residency here, unless the Agreement is terminated earlier per Section 12.

4.1 Independent Living Services. We provide the following Covered Services included in the Monthly Service Package for Independent Living:

- Monthly Meal Plan (see Section 15);
- All utilities (except personal telephone);
- Basic cable/ satellite television service (except premium channels);
- On-site Fitness Center basic membership;
- Pre-wiring for telephone;
- 24 hour security system with security officer(s) and emergency alert system;
- On-campus shuttle transportation;
- Scheduled off-campus transportation to local shopping, as determined by us;
- Maintenance and insurance of buildings, grounds and equipment;
- Insurance for the Independent Living Unit and all items in such unit, except items owned by Resident;
- Sewage, trash and general snow removal from common areas; and
- Use of all public rooms and common areas of the Community.

4.2 Assisted Care Services. We provide several packages for Assisted Care residents to serve different care needs. The services listed below are included in most care packages but

some services may not be available for certain care packages. Further details on the services available at each level of Assisted Care and additional rights and obligations in Assisted Care will be set forth in the Assisted Care Addendum to the Residence and Care Agreement:

- Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
- Individualized plan of care;
- At least three meals per day;
- Regularly scheduled Registered Nurse review and assessment;
- Laundry service;
- Light housekeeping care, including emptying trash, light dusting, bathroom and floor cleaning as needed;
- Social/recreational activities;
- 24 hour security system with security/safety officers and emergency alert system;
- All utilities (except personal telephone);
- Basic cable or satellite television service;
- Pre-wiring for telephone;
- On-campus shuttle transportation;
- Scheduled local shuttle transportation, as determined by Community (if medically appropriate);
- Maintenance and insurance of buildings, grounds and equipment;
- Sewage, trash and general snow removal in common areas; and
- Use of all public rooms and common areas of the Community.

4.3 Nursing Services. We provide the following Covered Services included in the Monthly Service Package for Nursing Units. Further details on the services and additional rights and obligations in the Nursing Unit will be set forth in the Nursing Contract Addendum to the Residence and Care Agreement.

- Nursing care;
- At least three meals a day;
- Tray service;
- Individual care plans;
- Daily housekeeping services;
- Personal laundry and linen service;
- Planned recreation;
- Incontinence care and supplies;
- Administration of medication;
- Assistance with transfer and ambulation;
- 24 hour security system with security/safety officers and emergency alert system;
- Basic cable or satellite television service;
- All utilities (except personal telephone);
- Maintenance and insurance of buildings, grounds and equipment;
- Pre-wiring for telephone;

Sewage, trash and general snow removal in common areas; and
Use of all public rooms and common areas of the Community.

Section 5. ANCILLARY SERVICES

5.1 Services Available through Brooksby Village. In addition to the Covered Services described earlier in Sections 4.1, 4.2, and 4.3, we also make the following services available to you for an additional fee. Other services that are not currently listed may also be available.

Tray service to Residents in Assisted Care;
Housekeeping and laundry service for residents in Independent Living or Assisted Care;
Extra meals for Residents in an Independent Living Unit (if not included in Monthly Meal Plan;
Guest meals (if not included in Monthly Meal Plan;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
Reserved parking space;
On-site Fitness Center premium services, classes or training;
Home health services in an Independent Living Unit; and
Home health services in an Assisted Care Unit for one-on-one care by nursing aide assigned to Resident.

5.2 Services Available through Outside Providers. We contract with outside providers to provide the following services to you at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; physical, speech and occupational therapy. These services will be provided at an additional fee and will be billed separately by the outside provider. Such services may be covered by Medicare or by Resident's other medical insurance. We do not charge you any additional fee for use of or access to these outside providers. These services will be phased in as the Community is developed and some services may not be immediately available.

5.3 Services Not Provided. We do not provide hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Care Unit and comprehensive care in a Nursing Unit or otherwise covered under the terms of this Agreement. We will assist with any necessary transfers to such facilities; however, you will be responsible for the cost of such care.

Section 6. OTHER RESIDENT RIGHTS

6.1 Residents' Association. You have the right to participate fully in a Residents' Association, or other organization of residents by whatever name designated and to meet privately to conduct business.

6.2 Resident Guests. You have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a temporary basis, subject to our reasonable policies and procedures for use of the Community. Guest meals (unless covered by the Monthly Meal Plan as defined), guest cots, or rental of one of the Community's guest rooms will be treated as an Ancillary Service, the costs of which are chargeable to you.

6.3 Physicians and Other Professionals. You have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow our reasonable policies and procedures and applicable federal and Commonwealth laws, rules and regulations. You are not required to use the on-site Medical Center or the physicians practicing there.

Section 7. ENTRANCE DEPOSIT

7.1 Payment of Entrance Deposit. You will pay or have paid to us a total Entrance Deposit as shown in Schedule I. The payment of the Entrance Deposit may be made in a series of deposits on or before taking occupancy of your Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. We do not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit. Ten percent (10%) of your Entrance Deposit is designated as the non-refundable Community Fee.

7.2 Use of Entrance Deposits. Any and all deposits made by you toward the total Entrance Deposit for a Living Unit will be held by us until you either occupy the selected Living Unit or when such Living Unit is ready for occupancy, whichever first occurs. Once the Living Unit is occupied or ready for occupancy, we can fully use the Entrance Deposit including the Community Fee. We normally use the Entrance Deposits for financing, operational costs, or future refunds for the Community. Appreciation in new Entrance Deposits is normally used by us generally for capital repairs, improvements to benefit the Community, and for any reserve funds, but we may use the Entrance Deposits for any other purpose. However, you will retain the right to the 90% Refund Amount as discussed in this Section 7. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the joint Residents with the right of survivorship and may be used for the care of either joint Resident. No interest shall be paid to you on your Entrance Deposit.

7.3 Adjustments to Entrance Deposit. You will not be required to pay an additional or increased Entrance Deposit as long as you reside in your original Living Unit. You retain the right to the 90% Refund Amount, upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement. Your Entrance Deposit, minus the Community Fee, is also available for your maintenance and support as provided in Section 10.

7.3.1 If you request a permanent transfer from one Living Unit to another Living Unit with a higher Entrance Deposit and we approve the transfer, you must pay to us an additional deposit for the new Living Unit to which you are transferring. The amount of the

additional deposit will vary, depending on the market conditions for your current Living Unit and for the desired new Living Unit at the time of the transfer. We will advise you of the additional deposit prior to the transfer and you may then decide whether or not to proceed with the transfer. Ten percent (10%) of the additional deposit paid will be added to the Community Fee and will be non-refundable.

7.3.2 If your new spouse is accepted as a resident in the Community and is placed in a Living Unit other than your current Living Unit (see Section 3.2 of this Agreement), you and your new spouse must pay us an additional Entrance Deposit for the spouse's Living Unit and the new spouse must sign a separate Residence and Care Agreement for the new Living Unit.

7.3.3 You will normally not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement. However, we may make a partial refund of the Entrance Deposit, minus the Community Fee, to you in the following circumstances: 1) You transfer to a smaller Independent Living Unit than the Independent Living Unit which you currently occupy; and 2) the Entrance Deposit for the smaller Independent Living Unit is currently lower than the Entrance Deposit that the one you originally paid for an Independent Living Unit. In these specific circumstances, we may elect to refund the difference between the current Entrance Deposit for your new Independent Living Unit and the original Entrance Deposit paid by you but minus the Community Fee.

7.3.4 We may offer the Flexible Payment Program that reduces the Entrance Deposit together with an increase in the Monthly Service Package. The Entrance Deposit is reduced to the specific amount described in the Flexible Payment Program Addendum, attached and incorporated hereto as Schedule II. The fees, terms and conditions of, and eligibility for participation in the Flexible Payment Program are determined by us in our sole discretion. If we agree that you may participate in the Flexible Payment Program, you must sign the Flexible Payment Program Addendum, a copy of which is included in Schedule II.

7.4 Refund Prior to Occupancy. We shall pay a refund of the Entrance Deposit to you or your representative, as appropriate, if the Agreement is canceled or terminated prior to the Occupancy Date as described in Section 12.1. We will refund the Entrance Deposit within thirty (30) days following the termination of the Agreement pre-occupancy. If one joint resident dies prior to occupancy, the remaining resident may, but is not required to, rescind this Agreement. The surviving resident may request a different living unit and we will refund or charge any difference in the Entrance Deposit between the living units; provided, however, that this election is made in writing at least thirty (30) days prior to occupancy.

7.5 Refund after Occupancy. After occupancy of the Living Unit and subject to the terms and conditions of this Agreement, we shall pay the 90% Refund Amount as provided in this Section 7.5 and Section 7.6. Your refund will be equal to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care and maintenance per Section 10 of this Agreement, (ii) you or your representative, as the case may be, elect to deduct any outstanding fees and charges from

the 90% Refund Amount for your convenience, or (iii) you or your representative elect to take a lower statutory refund, as described in Section 7.6.3 below, for your convenience.

7.5.1 Termination By Resident During Lifetime. If you terminate the Agreement at any time after the Occupancy Date, we will pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

7.5.2 Termination Due To Death of Resident. If you die after the Occupancy Date, we will pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in a Refund Form or, if there is no Refund Form, then to your Estate. If one joint resident dies, there will be no refund of any portion of the 90% Refund Amount; instead, so long as a surviving resident continues to reside at the Community, the Entrance Deposit (minus the Community Fee) shall be deemed to have been paid entirely on behalf of the surviving resident to be used for the survivor's care if necessary, and the 90% Refund Amount will eventually be paid to the survivor, to the beneficiaries named in the survivor's Refund Form, or to the survivor's estate.

7.5.3 Termination by Brooksby Village. If we terminate the Agreement for good cause (see subsection 12.3 of this Agreement), we shall pay the 90% Refund Amount within sixty (60) days of the date that you become eligible for refund from the Refund Account per section 7.6. We will pay the 90% Refund Amount to the duly designated beneficiaries named in your Refund Form or, if there is no Refund Form, then to you as the Resident.

7.6 Refund Account & Refund Eligibility. These provisions describe how we pay the 90% Refund Amount to you, your representative, or beneficiaries, as the case may be:

7.6.1 We have established a Refund Account for paying the 90% Refund Amount per the terms of this Agreement. The Refund Account is funded by the receipt of all or a portion of new Entrance Deposits from new residents who subscribe participating Independent Living Units. Please see the definition of "Refund Account" in Section 15 for explanation on funding the Refund Account and participating Independent Living Units. When the Agreement terminates during your lifetime for any reason or if the Agreement terminates due to your death, you or your representative must promptly vacate and remove all possessions from the Living Unit, turn in the keys, sign a Unit Release for the Living Unit, and pre-approve the final bill. If you occupied any other Living Units at the Community, all previous units also must be vacated and released. When the foregoing steps are completed, we then assign you a Refund Number for the Refund Account.

7.6.2 We pay the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order. If you have the next assigned Refund Number in sequence, you are eligible for your 90% Refund Amount when: (i) you or your representative pay your final bill, and (ii) the funds in Refund Account are sufficient to fully pay the 90% Refund Amount to you.

7.6.3 If you do not receive your 90% Refund within a reasonable period of time, you or your representative, as the case may be, can elect to receive a statutory refund of the Entrance Fee, which is made regardless of the sequential Refund Numbers. If you elect the statutory refund, then you will receive a refund equal to the Entrance Fee (i) minus any spend-down per Section 10, and (ii) minus one percent (1%) of the Entrance Fee for each month of your occupancy. You will receive the statutory refund within sixty (60) days of making the election and paying (i) your final bill to Brooksby Village and, (ii) paying a sales charge of five percent (5%) of the Entrance Fee to Brooksby Village. If you elect to receive the statutory refund, this will constitute your refund in full.

Section 8. MONTHLY SERVICE PACKAGES

8.1 Monthly Service Package. During the term of this Agreement, you must pay the applicable Monthly Service Package for the Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for Resident's current Living Unit is shown in Schedule I. Monthly Service Package The Monthly Service Package is due and payable each month, in advance, within five (5) days of the monthly statement; provided, however, that the Monthly Service Package for the month during which you first take occupancy of the Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the term of this Agreement. Our acceptance of partial payment of the Monthly Service Package does not constitute a waiver of such outstanding fees and charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

8.2 Monthly Service Package for Joint Residents. Joint Residents occupying the same Living Unit shall pay the appropriate Monthly Service Package for double occupancy of the Living Unit. If Joint Residents occupy different Living Units, both Residents shall each pay the full Monthly Service Package for their respective Living Unit. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a non-resident who are accepted to the Community on different dates.

8.3 Adjustments to the Monthly Service Package. The Monthly Service Package may be revised from time to time. We normally use the Monthly Service Package to cover the expenses of providing covered services to Residents but we may use the Monthly Service Package for any other purpose. We generally adjust fees on an annual basis after having evaluated those factors that we perceive to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next calendar year with notice of THIRTY (30) DAYS to residents in Independent Living, notice of FORTY-FIVE (45) DAYS to residents in Assisted Care, and notice of SIXTY (60) DAYS to residents in Nursing Care. However, in unusual circumstances,

we reserve the right, at any time, upon notice of THIRTY (30) DAYS to residents in Independent Living, notice of FORTY-FIVE (45) DAYS to residents in Assisted Care, and notice of SIXTY (60) DAYS to residents in Nursing Care, to adjust the Monthly Service Packages to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Notice to residents in Assisted Care or Nursing Care may be less than FORTY-FIVE (45) DAYS OR SIXTY (60) DAYS, respectively, only if the adjustment is due to a change in level of care. If we agree that you may participate in the Flexible Payment Program, then your Monthly Service Package will be increased effective upon the execution of the Flexible Payment Program Addendum, a copy of which is included in Schedule II.

8.4 Monthly Service Package in the Event of a Temporary Transfer. In the event that you temporarily transfer to another Living Unit in the Community or to an Off-Site Facility, you must pay the Monthly Service Package for your permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for your permanent Living Unit assures that such permanent Living Unit will remain available to you during the time of the temporary transfer. The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period of the temporary transfer.

During the period of the temporary transfer, your Monthly Service Package for the permanent Living Unit shall be adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit as applicable and as defined in Section 15 of this Agreement, (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit as applicable, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit as applicable.

Upon your return to the permanent Living Unit, you must continue to pay the current Monthly Service Package associated with such Living Unit and shall cease to pay the additional Monthly Service Package for the temporary Living Unit.

8.5 Monthly Service Package in the Event of a Permanent Transfer to a Different Living Unit. If you permanently transfer from one Living Unit to another Living Unit at the Community, you are responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until you completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to us.

8.6 Monthly Service Package in the Event of a Termination of Agreement. If you terminate this Agreement, or if we terminate this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of your death, then you or your estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit as applicable, until a period of up to and including ninety (90) days from the date that both of these conditions are fulfilled: (i) you

vacate the Living Unit and remove all possessions, and (ii) you sign a Unit Release Form for the Living Unit and return your keys. If your vacated Living Unit is re-subscribed by another new resident in less than 90 days, then the Monthly Service Package will end on the Occupancy Date for that new resident. We do not automatically deduct the remaining Monthly Service Packages, Ancillary Fees, or other fees from the 90% Refund Amount unless you or your representative so direct.

Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS

9.1 Processing Service Charge. You shall pay or have paid us a Processing Service Charge, as indicated in Schedule I, in connection with your application for residence at the Community. The service charge is non-refundable.

9.2 Ancillary Services. During the term of this Agreement, you must pay us the periodic charges for any Ancillary Services (as described in Section 5) which we provide to you. The current periodic charges for Ancillary Services are attached in Schedule I. The charges for Ancillary Services are normally used by us to cover the expense of providing such Ancillary Services but we may use the Ancillary Services charges for any other purpose. We may revise the periodic charges for Ancillary Services that we provide from time to time, and such change shall take effect upon our giving you thirty (30) days' notice of such increase. The charges which are based on published rates for Commonwealth or Federal assistance programs (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services which we provide are billed on your monthly statement, and payment is due within five (5) days of your receipt of the monthly statement. Our acceptance of partial payment of the charges shall not constitute a waiver of the outstanding charges unless we agree to a waiver in writing. We may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

9.3 Other Services. Ancillary Services not provided by us and any other services that you arrange independently shall be billed directly to you, and we are not responsible for payment of or collecting payment for such services.

9.4 Refurbishing a Vacated Living Unit and Repairing Extraordinary Damage . Each time that you permanently vacate an Independent Living Unit or Assisted Care or memory care Unit, irrespective of the length of time of occupancy, we will perform work to clean, refurbish, and restore that Living Unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. The reasonable costs and expenses of this work (the "Refurbishing Charges") are charged as follows:

9.4.1 If you first entered the Community in an Independent Living Unit and you then permanently transfer from that Independent Living Unit to an Assisted Care Unit, memory care unit, or a Nursing Unit, we will cover any portion of the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to

pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

9.4.2 If you first entered the Community in an Independent Living Unit and you then permanently leave the Community from an Independent Living Unit, we will cover the Refurbishing Charges for work that is due to ordinary wear and tear. You will only be responsible to pay the portion of the Refurbishing Charges for work needed to repair any extraordinary damage to the Living Unit. By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit, or removing customized improvements. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident.

9.4.3 If your last residence at the Community is a Nursing Unit and you either permanently leave the Community from that unit or you pass away, we will cover the full Refurbishing Charges for the Nursing Unit.

9.4.4 If you transfer from one Independent Living Unit to another Independent Living Unit, or if you transfer from an Assisted Care Unit or memory care unit to any other Living Unit, or if you permanently leave the Community from an Assisted Care Unit, or memory care unit, you are responsible to pay the full Refurbishing Charges.

9.5 Medical and Other Insurance. You must procure and maintain in force at your own cost, the maximum coverage available under Medicare Parts A and B. We may accept documented equivalent coverage if you are not qualified for Medicare or are insured under other adequate programs. However you must maintain, at your expense, a supplemental ("Medigap") type insurance. We do not provide supplemental insurance. You must also shall procure and maintain, at your own expense, sufficient renter's insurance coverage against damage or, loss to, or theft of, your personal property maintained at the Community and coverage for personal liability and medical payments should a claim be made or suit brought against you for damages because of a bodily injury or property damage caused. You must provide evidence of such insurance prior to occupancy or at our request.

9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are your responsibility. We will not make such arrangements or provide such services.

9.7 Non-Solicitation of Employees. We expend significant resources on the hiring, training and development of their employees. Recognizing this expenditure, during the Term of the Agreement, you agree not to employ any person currently employed by us, either directly or

indirectly by hiring the services of any such person through a third party. You also agree not to employ any person formerly employed by us, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with us. You further agree not to solicit any person employed by us to terminate his or her employment in order to work for you directly or indirectly through a third party.

Section 10. FINANCIAL INABILITY TO PAY

It is our policy not to terminate a resident's occupancy for the resident's financial inability to pay provided that the resident is otherwise in compliance with the terms of such resident's Residence and Care Agreement. To the extent that it is financially feasible, we will assist residents who are unable to pay full Monthly Service Packages by providing financial assistance as described in this Section 10.

To insure that our charitable intentions are equitably allocated for the benefit of as many residents as possible, we require that, in the event that you claim to be unable to make full monthly payment by reason of financial inability, you must take any or all of the following actions, as directed by the Executive Director. We have the right, but not the obligation, to initiate financial assistance if we independently determine that you need financial assistance.

10.1 If your sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for you to make the payments required under this Agreement, you must file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, you must disclose your remaining available assets and income. The Executive Director will review your financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for your care.

10.2 If you have outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for you to spend the outside assets and to obtain assistance from other available means. If you can qualify, you will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. You agree to execute any and all documents necessary to make and perfect such claims or rights. If you fail to cooperate with the Spending Plan for the outside assets, such failure may constitute good cause for termination of the Agreement due to non-payment of fees in accordance with Section 12.3 of this Agreement.

10.3 After you complete the Spending Plan or if you have no available assets other than the Entrance Deposit, we will spend-down an amount up to the Entrance Deposit minus the Community Fee. After depletion of outside assets, the Entrance Deposit (less the Community Fee) is considered available to you for your maintenance and support. You may access these amounts, without moving from the Community, to pay any and all fees at the Community including any Monthly Service Packages or to pay another provider for support and maintenance if your income and other resources are insufficient to pay for support and maintenance. The Executive Director will notify you when spend-down is available and will give the effective date.

You will receive periodic statements reflecting the remaining balance of the Entrance Deposit (less the Community Fee).

10.4 Upon completion of the spend-down, you may qualify for assistance from the resident care fund established by us to the extent that it is financially feasible. If you are approved for such assistance, the Executive Director shall inform you of the amount which the resident care fund will contribute to the monthly fees and the amount which you must contribute to the Monthly Service Package.

10.5 If requested by us, you will transfer to an alternate Living Unit at the Community if and when available.

10.6 You will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by us. You will notify us of any and all assets acquired by you through any means thereafter, and you will assign or pay such property received to us in an amount equivalent to the total outstanding charges and fees, owed by you.

10.7 When you are notified by the Executive Director approximately three months before the projected depletion of your remaining Entrance Deposit (less the Community Fee), you agree to immediately apply for Medicaid if available. You also agree to execute any and all documents necessary to make and perfect such claims or rights.

Section 11. TRANSFERS

11.1 Temporary and Permanent Transfers. For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, your permanent Living Unit shall remain available to you as long as you continue to pay the Monthly Service Package in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, you will be requested to release the Living Unit. After a permanent transfer, if you are able to qualify to return to your previous Living Unit or to a different, medically appropriate Living Unit at the Community, you will have the right to occupy the Living Unit subject to our approval and to the availability of such Living Unit.

11.2 Transfer at the Election of Resident. You may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Care Unit, Nursing Unit or an Off-Site Facility by giving notice to us. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and to subject to our approval.

11.3 Transfer at the Election of Brooksby Village - Non-Emergency. All decisions regarding a transfer of any resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with you or your legal representative. If you have a Guarantor or ombudsman, such person also will be consulted if you so request. We attempt to interact with you or your representative with the goal of achieving a consensus on the need for a transfer although a consensus is not always achieved.

You will not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of your health and/or safety or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If you are transferring due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit.

The Committee shall give you thirty (30) days advance written notice of the proposed transfer. You or your representative, shall notify us of any objection to the permanent transfer within ten (10) days of receipt of the notice. If you or your representative do not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to you if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of your health and safety or the welfare of other residents. If you or your representative do not consent to either the transfer or the provision of Ancillary Services, we may consider such refusal to constitute good cause to terminate the Agreement in accordance with Section 12.3 hereof.

11.4 Transfer at the Election of Brooksby Village - Emergency. If your health and safety or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer you from your current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to your health and safety or to the health and safety of other people at the Community. In the event that you are required to be transferred to Continuing Care at Brooksby Village during a period that you are suffering from legal incompetency, you agree to be bound by the terms of the Agreement in effect at the time of such transfer.

11.5 Use of Living Unit. In the event of a temporary transfer, whether at your election or at our election, your prior Living Unit will remain available to you as long as you continue to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4 hereof.

In the event of a permanent transfer, whether at your election or our election, you or your representative shall sign Living Unit Release Transfer form unless you are one of Joint Residents and the other Joint Resident remains in the Living Unit. After receipt of notice of permanent transfer, you shall take all reasonable steps to vacate the Living Unit before the date set for the transfer. You or your representative shall then be responsible for vacating the Living Unit and removing all personal possessions from the Living Unit. We shall have the right to show the Living Unit to interested applicants as of the Departure Date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by us, within sixty (60) days from the notice of transfer, we shall have the right to store

your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

Section 12. TERMINATION

12.1 Automatic Cancellation or Termination Prior to Occupancy. In accordance with the laws of the Commonwealth of Massachusetts, this Agreement will be automatically canceled if the unit is not available for occupancy on the date agreed upon in writing by the parties unless the parties agree in writing to extend the occupancy date. The Agreement may also be terminated prior to occupancy in these circumstances: (i) you withdraw your application or terminate this Agreement for any reason prior to occupancy; (ii) if you die before occupying the Living Unit or are precluded from occupying the Living Unit due to illness, injury or incapacity, or (iii) we elect to terminate the Agreement prior to occupancy if we determine that you are ineligible for entrance into the Community. If the Agreement is either automatically canceled or terminated by either party prior to occupancy as described herein, we shall, within sixty (60) days, refund the Entrance Deposit to you. You will not receive a refund of costs of any custom improvements or other expenses incurred at your request as set forth in a separate written addendum, signed by both parties.

12.2 Termination by Resident. After the Occupancy Date, you may terminate this Agreement at any time and for any reason by giving notice to us of your intention to terminate. Where practicable, we request at least sixty (60) days' notice of termination.

12.3 Termination by Brooksby Village. We may terminate this Agreement only for good cause which decision will be made by the Executive Director of the Community. "Good Cause" is defined as: (i) Non-payment of Fees; (ii) A good faith determination in writing, signed by the Executive Director and Medical Director of the Community, that you are a danger to yourself or others while remaining in the Community; (iii) Repeated conduct by you that interferes with other residents' quiet enjoyment of the Community; (iv) Persistent refusal to comply with reasonable written rules and regulations of the Community; (v) A material misrepresentation made intentionally or recklessly by you in your application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of providing care and service to you under the Agreement; or (vi) Your material breach of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, we will give you thirty (30) days written notice of the termination and the reason for termination. In the event of non-payment of fees, we will give you written notice that you are in default under this Agreement for non-payment of fees. We may charge you interest on the overdue amount of one and one-half percent (1 ½ %) per month. If you fail to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, we may, at our election, either terminate the Agreement upon an additional thirty (30) days' notice or may require a spend-down of the Entrance Deposit (less the Community Fee), in accordance with our spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Our acceptance of

partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless we agree to a waiver in writing.

12.4 Vacating the Living Unit. Upon termination of the Agreement, whether at your election, our election, or due to your death, you or your representative shall sign and give to us Unit Release Form advising of your Departure Date. You or your representative shall then be responsible to vacate the Living Unit, to remove all personal possessions from the Living Unit, and turn in the keys. We shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If you fail to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by us within the required time for the notice of termination as provided in Section 12.3, we shall have the right to store your possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

Section 13. RIGHTS OF BROOKSBY VILLAGE

13.1 Community Rules and Regulations. We shall have the right to promulgate reasonable rules and regulations governing the conduct of the residents and to thereafter revise such rules and regulations. You agree and acknowledge that you have received such rules and regulations in our current Resident Handbook (as they may be further amended). You will enjoy the fullest measure of independence consistent with the accommodation in which you live, subject, however, to the limitations of our reasonable rules and regulations now or hereafter adopted for the conduct and care of all residents. You hereby agree to abide by all such rules and regulations (as in effect from time to time), and generally to conduct yourself in such a manner as to promote the peace and harmony of the Community.

13.2 Access to Living Units at the Community. You acknowledge and accept our ability and responsibility to enter the Living Unit in order to carry out the purpose and intent of this Agreement and you hereby authorize such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that you are reported missing or have not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's rules and regulations, including as set forth in the Resident Handbook. We acknowledge and respect your right to privacy and agree to limit uninvited entry into the Living Unit at the Community to the situations set forth in this paragraph.

13.3 Property Rights. You acknowledge that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title, lease, or any other interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by us. Your rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for your right to occupy the Living Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in our real and personal property, to all amendments, modifications, replacement or

refunding, of any such mortgage or deed of trust or leasehold interest, and to such reasonable rules and regulations governing the use of the property as shall from time to time be imposed by us. You hereby agree, upon our request, to execute and deliver any document which is required to this effect by us, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoint Brooksby Village as your attorney-in-fact to accomplish that purpose.

13.4 Limitation of Liability. You agree that we, along with our sole member/owner, any subsidiaries, our management company, and all of their members, directors, officers, and employees, are not responsible for the loss of any of your personal property due to theft or any other cause. Liability for damage to or loss of your personal property shall be limited to damage or loss caused by negligent acts or omissions of Brooksby Village employees acting within the scope of their employment.

13.5 Unauthorized Transfers of Property. The financial information which you submitted is a material aspect upon which we reasonably relied in determining your qualifications for becoming a resident of the Community. Being able to meet the financial criteria to become a resident helps assure the financial stability of this Community. Furthermore, we are committed to take every reasonable step to assist residents who have depleted those assets through normal living expenditures so that he or she may continue to remain as a resident of the Community. However, in order to protect us a situation wherein a resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, you hereby agree not to divest yourself of, to sell, or transfer any assets or property interests (excluding expenditures for your normal living expenses) that reduces the assets that you or your representative disclosed as available assets for you on admission, without having first obtained our written consent.

13.6 Religious Affiliation and Sponsorship. The sole member of Brooksby Village, Inc. is National Senior Campuses, Inc., a nonprofit organization. There is no religious organization which maintains financial control over us.

13.7 Non-Smoking Policy. You agree to abide by our prohibition against smoking in the Living Unit and in common areas as designated. You and your guests, or contractors, are also prohibited from smoking in the Living Unit or in the common areas of the Community. You understand that certain prior residents will be permitted to continue smoking in their living units. You further understand that we may consider your failure to abide by the non-smoking policy as cause to terminate the Residence and Care Agreement.

Section 14. MISCELLANEOUS PROVISIONS

14.1 Documents Incorporated by Reference. This Agreement includes the Priority List Application for residence, the Financial Information Form, the Resident History/Information Form, including Resident's medical records, if any, and the Refund Form. This Agreement may include a Promissory Note, a Guaranty Agreement, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and your medical insurance documentation, all of which documents are incorporated by

reference and made a part of this Agreement (see Schedule II attached hereto). You acknowledge that we will rely on your statements in these documents and you warrant that all statements are true and complete to the best of your knowledge and information.

14.2 Rules of Construction. In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

14.3 Non-waiver. The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

14.4 Entire Agreement. This Agreement and the documents referenced in Section 14.1 represent the entire Agreement between us, you and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

14.5 Amendment. This Agreement shall be amended only in writing, signed by all parties.

14.6 Severability. The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the remainder of this Agreement; however, the Resident, to the extent provided by law, retains the right to rescind this Agreement if any provision is in violation of the laws of the Commonwealth of Massachusetts, as amended from time to time.

14.7 Paragraph Headings. Paragraph headings are added solely to aid in the review of this Agreement and are not to be construed to affect the interpretation of this Agreement.

14.8 Governing Law; Jurisdiction. This Agreement shall be governed by and continued and enforced in accordance with the laws of the Commonwealth of Massachusetts, without giving effort to the conflict of law provisions thereof. All parties to this Agreement, including Brooksby Village, Assignee, Resident, and Guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Essex County, Massachusetts. All parties agree that the filing of any action may include a request for an expedited hearing.

14.9. Assignment. In the event that we or any of our successors or assigns shall give you notice that any or all of the rights, duties and obligations of Brooksby Village have been assigned to a new person or entity registered as a continuing care provider under the laws of the

Commonwealth of Massachusetts to provide services at the Community, you agree to recognize such new person or entity as the provider under this Agreement, to the extent of such assignment.

Section 15. DEFINITIONS

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

Agreement: This document, including all exhibits, supplements, amendments or addenda, as signed by us, you, and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement which either we provide or are provided by approved outside providers, the cost of which is not included in the Monthly Service Package. Periodic charges for Ancillary Services may be changed from time to time by us as specified in Section 9.2 or by the outside providers.

Brooksby Village (We/ Us): Brooksby Village, Inc.

Assisted Care Unit: Accommodations for residents who need a higher level of care and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, Assisted Care and service than is provided in the Nursing Units.

Community: The physical site and structures which we operate as a retirement community in Peabody, Massachusetts.

Community Fee: The Community Fee is defined as ten percent (10%) of the original Entrance Deposit paid by you at admission. If you later transfer to a Living Unit with a larger Entrance Deposit and paid an additional sum towards the larger Entrance Deposit, then the Community Fee is defined as ten percent (10%) of your original Entrance Deposit paid at admission plus ten percent (10%) of the incremental Entrance Deposit paid by you on transfer to the Living Unit with the larger Entrance Deposit. The Community Fee does not decrease if you move to a Living Unit with a lower Entrance Deposit.

Continuing Care at Brooksby Village: The Community building in which the Assisted Care Units and the Nursing Units will be situated. The Continuing Care facility is expected to be licensed for Assisted Care, memory care, skilled and intermediate nursing care but will not be licensed to provide chronic or acute hospital care or other institutional care. Such services, if required by you, are not services covered under the scope of this Agreement.

Covered Services: Those services specified in Section 4 of this Agreement which we make available for the applicable Monthly Service Package.

Departure Date: The date on which you or, in the event of your death, your personal representative or family, vacates the Living Unit after providing us with a signed Unit Release Form, removing all possessions from such Living Unit, and turning in the Living Unit keys. If you or your personal representative or family do not timely provide us with a signed Unit

Release Form, remove the possessions, or turn in the keys, the Departure Date shall be the date on which we remove all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at your expense, until disposition thereof can be made. We assume no responsibility for your stored possessions.

Entrance Deposit: The Entrance Deposit required to be paid to us on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Deposit is generally paid in a series of deposits. The 10% Community Fee is deducted from the Entrance Deposit.

Executive Director: The chief administrative officer of the Community appointed as such by Brooksby Village.

Flexible Payment Program: The alternate payment program which we offer in which a resident pays a reduced Entrance Deposit with a corresponding increase in the Monthly Service Package.

Guarantor: Any person or persons who guarantee your obligations to pay the Monthly Service Package or any other fees or periodic charges payable by you under the terms of this Agreement.

Independent Living Unit: Living accommodations at the Community for a resident who is able to live independently within our guidelines.

Joint Residents: Two or more residents who reside together in a particular Living Unit.

Living Unit: An Independent Living Unit, Assisted Care Unit or Nursing Unit.

Medical Director: A licensed physician whom we officially designate as the person responsible for the direction and control of medical services offered at the Community.

Monthly Meal Plan: The standard meal plan for residents in Independent Living Units. Residents will have a plan offering either: (i) a fixed number of standard meals per month, equal to the number of days in the calendar month; or (ii) a fixed meal credit per month which allows purchase of one standard meal per day in the calendar month with a declining monetary balance as the credit is used. We will advise residents at least 60 days in advance if the Community phases from one plan to another. You may use the Monthly Meal Plan on a daily basis or as otherwise desired through the calendar month until either the number of meal allowance or the meal credit balance is exhausted for that calendar month. The Monthly Meal Plan may also be used by you for guest meals during the calendar month (some restrictions may apply for designated holiday or special cuisine meals). At the beginning of each calendar month, you receive a new set of meals or meal credits for that new month. If you do not use the all of the meal allowance or meal credit within the calendar month, any unused portion is forfeited, does not carry over to the next month, and no credit will be due to you.

Monthly Service Package: The fee payable with respect to a particular Living Unit as defined in Section 8.1 hereof, which fee includes the Covered Services specified in Section 4 hereof. Monthly Service Packages may be adjusted as provided in Section 8.3 hereof.

(Ninety Percent) 90% Refund Amount: The refund payable to you or your beneficiaries, as the case may be, upon termination of this Agreement. Your refund will be equal to ninety percent (90%) of the total Entrance Deposit unless: (i) the Entrance Deposit, minus the Community Fee, has been partially or fully spent down for your care per Section 10 of this Agreement, or (ii) you or your representative, as the case may be, elect to deduct the outstanding fees and charges from the 90% Refund Amount for your convenience.

Non-Occupancy Credit: You may receive a Non-Occupancy Credit to reduce your Monthly Service Package when you are, or if one of Joint Residents, then the Joint Residents are, transferred temporarily to a different Living Unit. You may receive a Non-Occupancy Credit upon request in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule I, Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by us in our sole discretion. Credit is given based on the required consecutive days of absence.

Notice: For the purposes of this Agreement, notice shall be deemed to have been given to you when deposited in your community mailbox or personally delivered to you, and given to Brooksby Village when either personally delivered or delivered with return receipt to the office of the Executive Director at the Community and to General Counsel at the corporate office situated at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If you have not yet taken possession of the Living Unit, then notice to you shall be given by first-class mail, postage pre-paid, to your last known address and such notice shall be deemed to be effective on the third day following such mailing. If you have been transferred to an Off-Site Facility, notice shall be given by first-class mail, postage pre-paid, to you at such Off-Site Facility and shall be deemed to be effective on the third day following such mailing.

Nursing Unit: Accommodations for residents who are unable to perform those functions necessary to live in an Independent Living Unit or an Assisted Care Unit and who need the degree of medical care, Assisted Care and service that is provided in the Nursing Center.

Occupancy Date: The date on which you are authorized by Brooksby Village to take possession of a Living Unit. On this date, you are allowed access to move belongings or to personally inhabit the Living Unit pursuant to this Agreement. Delivery of keys to you shall be deemed authorization to take possession.

Off-Site Facility: Any housing or health care facility not located within the Community and which is neither owned nor operated by Brooksby Village.

Processing Fee: The non-refundable fee payable when you submit an application for residency at the Community or for a position on the futures or standby list.

Refund Account: The balance(s) which we establish to fund the 90% Refund Amount to

eligible residents upon termination of the Agreement. The Refund Account is funded only when we receive all or a portion of new Entrance Deposits from new residents who sign a Residence and Care Agreement with a 90% Refund Amount obligation for participating Independent Living Units. A participating Independent Living Unit is one whose prior resident also had a Residence and Care Agreement with a 90% Refund Amount obligation. We make continued refunds from the Refund Account as new available funds are received into the Refund Account. We have the right to temporarily suspend refunds if the Refund Account has insufficient funds to pay the next sequential refund that is due. We pay the 90% Refund Amount based on assigned Refund Numbers generally proceeding in sequential order.

Refund Form: An agreement signed by you, when accepted by us, designating to whom the 90% Refund Amount shall be made upon termination of this Agreement.

Refund Number: The number assigned per Section 7.6 which determines eligibility for a refund of the 90% Refund Amount.

Refurbishing Charges: The reasonable costs and expenses of work performed to clean, refurbish, and restore that Living Unit after a resident permanently vacates the unit. This work will generally include, but is not limited to, cleaning or replacement of carpeting and flooring, spackling and/or painting of walls, removing any customized improvements, replacement of fixtures, or any other appropriate repairs repairing any extraordinary damage, in our sole discretion, to bring the Living Unit back to a like-new condition. It is intended that the Living Unit shall be restored to the condition that it was in before it was occupied by the recent resident. The determination as to the extent of refurbishment shall be established by the Executive Director.

Repairing Extraordinary Damage: By way of example, such extraordinary damage may include, but is not limited to, material damage to the walls, structures, or fixtures, material damage caused by pets, or material odors, stains, or damage due to smoking in the Living Unit. You must also pay the reasonable costs and expenses of removing any customized improvements that you made to the Living Unit unless we specifically agree in writing to accept those improvements for re-subscription to a new resident. The extent of work is determined by Brooksby Village, in our sole discretion to put the Living Unit into like-new condition.

Resident/ You: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

Spending Plan: A plan set forth by the Executive Director of the Community in the event that you are financially unable to pay your Monthly Service Packages.

SIGNATURES

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

BROOKSBY VILLAGE, INC.

_____	By: _____	_____
Witness		Date

_____	_____	_____
Witness	Resident	Date

_____	_____	_____
Witness	Resident	Date

If applicable: Guarantors: I (We) _____ have read and understand the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

_____	_____	_____
Witness	Guarantor	Date

_____	_____	_____
Witness	Guarantor	Date

Schedule I
Schedule of Fees

Total Entrance Deposit for Unit: \$ _____ consisting of:

Priority List Deposit	\$1,000
Reservation Deposit 1:	\$ _____
Reservation Deposit 2:	\$ _____
The Signing Deposit:	\$ _____ (bringing total to 10% of Entrance Deposit including previous deposits);
The Final Deposit:	\$ _____ (remaining portion of Entrance Deposit)

Minus the 10% Community Fee: \$ _____ (non-refundable)

Current Monthly Service Package for Unit: \$ _____ per month

Current Processing Fee: \$ _____ per applicant

Current Ancillary Fee Schedule: See next page

Ancillary Fee Schedule

		<u>2018</u>
Administration		
	New Non-Occupancy Credit (Effective May 1, 2013)	
	Credit for Absences per day – Single (11 consecutive nights or more – credit begins on 11 th night):	\$16.22
	Credit for Absences per day – Double (11 consecutive nights or more – credit begins on 11 th night):	\$27.30
Dining Services	Guest meal (Mon-Sat)	\$16.75
	Guest meal (Buffet)	\$16.75
	Guest meal (Holiday)	\$21.00
	Child Guest meal (age 11 and under)	\$7.05
	Tray Service (carry out delivery)	\$4.15
	Cider House Bistro Pizza Delivery	\$4.15
	Additional Resident Meal	\$12.80
General Services	Additional Apartment Key	\$7.50
	Additional Exterior Door Key Replacement (per occurrence)	\$27.00
	Additional Mailbox Key	\$4.80
	Padlock for Storage Bin	\$11.85
	Reserved Parking per month	\$26.50
	Reserved Parking (covered) by month	\$53.00
	Additional Gatehouse Transponder	\$53.00
	Replacement I.D. Badge	\$8.00
	Emergency Pendant-Monthly (\$128.75 installation fee)	\$136.75
	Guest Roll Away Bed/Baby Crib, Daily	\$18.05
	Storage Bin per month (Independent Living only)	\$11.50
	Guest Room, Daily (Kitchenette) - \$10 each additional person	\$96.50
	Guest Room, Daily (Kitchen) - \$10 each additional person	\$107.25
	Maintenance Service per hour plus materials (1/2 hr. minimum)	\$33.95
	Snow Removal (per car)	\$19.50 over 6" \$23.25
	Jump Starts (per car)	\$5.00
	Grounds Service per hour plus materials	\$33.95

		<u>2018</u>
	Housekeeping per hour (one hour minimum)	\$34.40
	Ironing (per hour)	\$34.40
	Laundry per load (Independent Living only)	\$34.40
	Transportation	Destination Dependent
Resident Life	Health Club - Basic Membership	Included in MSP
	Health Club - Group Exercise	\$5.00 per class
	Health Club - Enhanced Fitness & Enhanced group exercise	\$20.00
	Health Club - Basic Balance-10 classes which include pre and post assessments	\$100.00
	Intermissions Daily Session fee	\$66.00
IT	Service calls for Computer assistance	\$37 per 1/2 hour. \$12 for each additional 15 min

Brooksby Home Support Services – 2018 Fee Schedule

<u>Aide Services</u>	<u>Price</u>
Per Hour	\$29.50
>/= 4 Hours (per hour)	\$27.00
>/= 12 Hours (per hour)	\$26.00
24 Hours (per hour)	\$25.00
Medication Reminder (per visit)	\$20.00
Pet Care (per visit)	\$16.00
Wheelchair Escort One Way (round trip is double)	\$12.50
 <u>RN Services</u>	
Assessment	No Charge
Nurse Visit (per visit)	\$75.00
Nurse Service (per hour)	\$75.00

Note: Holiday fees are 1.5 times the regular rate and are in effect on: New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Schedule II
Documents Incorporated

- A. Priority List Application
- B. Financial Information Form
- C. Resident History Profile
- D. Refund Form
- E. Unit Release and Unit Release-Transfer Forms
- F. Guaranty Agreement (if any)
- G. Power of Attorney for property disposition (if any)
- H. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)
- I. Resident's medical insurance documentation (if any)
- J. Promissory Note (if any)
- K. Allonge to Promissory Note
- L. Flexible Payment Program Addendum (if any)

Brooksby Village Priority List Application

I hereby make application for a secured position on the Brooksby Village Priority List.

Priority date: _____

(To be completed by sales counselor. Priority date is determined by the date this application is received at the Sales and Information Office.)

As you join the Priority List, we ask that you further designate whether you wish to be on the "Standby" or "Futures" part of the Priority List. Both designations maintain your same, all-important priority date. If you would like to review available apartment homes when selections are available for reservation, please designate "Standby Priority." Our sales counselor will call you as soon as the type of apartment home you specify is available. If you are not sure when you would like to move, please designate "Futures Priority."

☐ RESERVATION

I am reserving the following
apartment home _____
Apartment #

☐ STANDBY PRIORITY

I would like to move to the next
available apartment home which meets
my preferences.

☐ FUTURES PRIORITY

I wish to establish my priority
status with the intent of moving
at a later date.

My living accommodation preference:

☐ STUDIO

☐ ONE BEDROOM

☐ ONE BEDROOM & DEN

☐ TWO BEDROOM

☐ OTHER _____

NAME _____ DATE OF BIRTH _____

MARITAL STATUS _____

NAME _____ DATE OF BIRTH _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ EMAIL _____

WERE YOU REFERRED BY ANYONE? _____

Please sign this application and return it with your check to Brooksby Village.
A copy will be returned to you for your records.

APPLICANT(S) _____ DATE _____

APPLICANT(S) _____ DATE _____

BROOKSBY VILLAGE _____ DATE _____

Please enclose one check for:

(1) The fully refundable \$1,000 deposit. (2) A \$150-per-person application fee.

Make your check payable to: **Brooksby Village**

Mail to: Brooksby Village Sales and Information Office, 100 Brooksby Village Drive, Peabody, MA 01960

Brooksby Village Priority List Application

Conditions of the Priority List Agreement

- ① Your status on the Priority List is determined by your priority date with earlier dates having higher priority. Paying the refundable Priority List deposit and the application fee will ensure that you are placed on the list based on the day the Sales and Information Office receives your application.
- ② If you wish to move from the Priority List to an apartment home reservation, you will not need to complete another application or pay another Priority List deposit or application fee. You will need to pay an additional reservation deposit, which is always refundable per the Residence and Care Agreement.
- ③ Prior to moving to Brooksby Village, applicants must complete the admissions process, which includes financial and health/service screenings. Brooksby Village reserves the right to determine if the community offers appropriate care and services for the applicant. Brooksby Village may offer conditional approval or may offer a different residence than the applicant's preference.
- ④ Joining the Priority List does not ensure that the amount of the Entrance Deposit will not change before the applicant enters the community. Reserving an apartment does ensure that the Entrance Deposit for that specific apartment will not change if the applicant enters the community within the requisite time frame.

Entrance Deposit Agreement

- ① Your \$1,000 Priority List deposit and any additional deposits will be applied in full toward your Entrance Deposit as you begin your move to Brooksby Village.
- ② All deposits will be returned to you before you sign the Residence and Care Agreement:
(a) within 30 days of a written request; (b) if you are not able to move to the community due to illness, incapacity, or death; or (c) if you are determined to be ineligible for entrance into the community.
- ③ Brooksby Village may use all deposits at any time but subject to its obligations to refund or credit the deposits per the terms of this Agreement or the Residence and Care Agreement signed by the parties.
- ④ Any interest earned on deposits held by Brooksby Village will be used for the benefit of Brooksby Village.
- ⑤ Your \$150-per-person application fee is a one-time, nonrefundable fee.



100 Brooksby Village Drive, Peabody, MA 01960

978-536-7810 | 1-800-979-7270 | Fax: 978-536-7818

BrooksbyVillage.com

FINANCIAL INFORMATION FORM
CONFIDENTIAL

Note: The following questions will be discussed at the financial appointment. If you would like to answer below, please feel free to do so:

Additional Questions	Detailed Answer (Name, Amount, Valuation Date, Etc)
1. Please provide details for joint account holders / joint asset holders (such as children, POA, other family member) for assets listed in "Assets" section.	
2. Other than personal liabilities listed above, have you cosigned / guaranteed anyone else's debts?	
3. In the last 5 years, have you transferred any of your assets worth more than \$20,000 to others? If so, please describe the circumstances and the value received by others. Also, what is the value, if any, you received back?	
4. Do you regularly make monetary gifts or provide regular monetary support to family members, friends, favorite charities or other programs?	
5. Do you plan on making significant future monetary gifts in addition to the above?	
6. In the last 10 years, have you filed for protection from creditors, or been judged bankrupt?	
7. In the last 5 years, have you loaned money to family/friends and have money owed back to you as the lender?	

Resident Name _____ Current Date: _____ Page 3 of 3

100 Brooksby Village Drive, Peabody, MA 01960
978-536-7810 | 1-800-979-7270 | Fax: 978-536-7818
EricksonLiving.com



FINANCIAL INFORMATION FORM



FINANCIAL INFORMATION FORM
CONFIDENTIAL

Name: _____ Date of Birth: _____
 Marital Status: _____
 Name: _____ Date of Birth: _____
 Address: _____ Zip: _____
 City: _____ State: _____
 Phone: _____ Email: _____

Note: Please ensure that below amounts are as current as possible and please bring support for stated amount to financial appointment.

Assets	Name (Bank, Location, Description)	Value as of Date	Amount
A)	Checking Account	___/___/___	\$ _____
B)	Savings Account	___/___/___	\$ _____
C)	Savings Account	___/___/___	\$ _____
D)	Certificate of Deposit	___/___/___	\$ _____
E)	Certificate of Deposit	___/___/___	\$ _____
F)	Mutual Funds	___/___/___	\$ _____
G)	Stocks and Bonds	___/___/___	\$ _____
H)	Stocks and Bonds	___/___/___	\$ _____
I)	Real Estate—Plan to Sell	___/___/___	\$ _____
J)	Real Estate—Plan to Hold	___/___/___	\$ _____
K)	Other Financial Assets (e.g. Trusts available for Resident use, Life Insurance, Long-term care Insurance)	___/___/___	\$ _____
Total Assets			\$ _____

Liabilities	Amount		
A)	Home Mortgage	___/___/___	\$ _____
B)	Loan on Autos	___/___/___	\$ _____
C)	Credit Cards	___/___/___	\$ _____
D)	Other Debts / Liabilities	___/___/___	\$ _____
E)	Other Debts / Liabilities	___/___/___	\$ _____
Total Liabilities			\$ _____
Total Net Worth (Assets minus Liabilities)			\$ _____

Resident Name: _____ Current Date: _____ Page 1 of 3

FINANCIAL INFORMATION FORM
CONFIDENTIAL

Sources of Monthly Income:	Resident Name	Term of Income (# of months, whole life, etc)	Survivor Benefits (Yes or No)	Amount
A)	Social Security			\$ _____
B)	Social Security			\$ _____
C)	Pension			\$ _____
D)	Pension			\$ _____
E)	Annuity			\$ _____
F)	Annuity			\$ _____
G)	IRA			\$ _____
H)	IRA			\$ _____
I)	Investment Income	Source: _____		\$ _____
J)	Other Income			\$ _____
K)	Other Income			\$ _____
Total Monthly Income				\$ _____

If we have additional financial questions, whom should we contact?

☐ You ☐ Your Financial Advisor ☐ Other

If OTHER, please give information (if applicable):

Name _____
 Street _____
 Address _____
 City, State, _____
 Zip _____
 Phone _____
 Email _____

Who will be responsible for your bills?

I hereby certify that the information supplied herein is complete and accurate to the best of my knowledge, and I agree to provide whatever information Brooksbury Village deems necessary to verify my financial position. I also understand that my approval for residency is predicted upon the accuracy of this information and said approval may be revoked at any time should any of the information prove to be substantially false.

Signature: _____ Date: _____
 Signature: _____ Date: _____
 We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, sexual orientation or national origin.

Resident Name: _____ Current Date: _____ Page 2 of 3

Thank you for completing this form.

We are looking forward to getting to know you when you come to Brooksby Village for your pre-residency meeting. Please bring the following to your appointment:

- ☐ This completed form
- ☐ The Financial Information Form and related documents
- ☐ All health insurance cards
- ☐ Power of attorney for finances
- ☐ Advance directives for health care to include your power of attorney for health care and/or living will
- ☐ Document indicating the executor of estate
- ☐ Long-term care insurance

My signature confirms that I understand the information I provide on the Resident Profile and at the pre-residency meeting will be treated with confidentiality and that it is accurate as signed and dated. The information will be used only by authorized employees or agents of the community. The information may also be subject to disclosure as provided by applicable laws.

(Applicant's Signature)

(Date)

If this form was completed by someone other than the applicant, please have that person state the reason and sign below.


Form Completed By _____

Reason _____

Relationship to Applicant _____

(Applicant's Signature)

(Date)

 **Brooksby Village**
Add more Living to your Life®
100 Brooksby Village Drive, Peabody, MA 01960
1-800-979-7270 | EricksonLiving.com



RESIDENT PROFILE



We are excited you have chosen Brooksby Village as your next home! As you proceed with your planning, one of your next steps is to come in for a pre-residency meeting. During this session, you will meet with a Brooksby Village staff member and begin to understand how the community can help support a successful transition to your new home, while also learning more about the amenities that are available to you. This dedicated time is an opportunity for us to learn more about you and for you to continue to develop relationships with the rest of the Brooksby Village team.

In preparation for your pre-residency meeting, we ask that you please complete the pages that follow this letter; this information will be used to start your unique Resident Profile. During this meeting, we will be happy to answer any questions you have and to provide you with any additional amenity information you may desire.

We look forward to partnering with you as you begin this new chapter of your life; we view this pre-residency meeting as the beginning of a lasting relationship.

Best regards,

The Brooksby Village Team

RESIDENT PROFILE

PERSONAL & DEMOGRAPHIC INFORMATION

First Name _____ MI _____ Last Name _____ Title _____
Maiden Name _____ Preferred Name _____
Sex: ☐ Male ☐ Female
Phone _____ Mobile _____ Email _____
Date of Birth _____ Place of Birth _____
(City, State, Country)

WORK INFORMATION

If retired, what was your main occupation? _____
Are you currently working? ☐ Yes ☐ No
If Yes: ☐ Full-Time ☐ Part-Time
Company _____ Occupation _____
Military Service: ☐ Veteran ☐ Non-Veteran

RELIGIOUS PREFERENCE (Optional)

Please Specify (Example: Buddhist, Catholic, Jewish, Muslim, Protestant): _____

ADDITIONAL DEMOGRAPHICS

Primary Language _____
Marital Status: ☐ Single ☐ Married ☐ Widowed ☐ Separated
☐ Divorced ☐ Domestic Partner ☐ Other _____

WILL YOU BE BRINGING A PET TO CAMPUS? ☐ Yes ☐ No

Type _____
Who would take care of your pet if you could not?
Name _____ Phone _____
(Home or Mobile)

WILL YOU BE BRINGING A MOTOR VEHICLE TO CAMPUS? ☐ Yes ☐ No

NOTIFY IN CASE OF EMERGENCY (List three contacts if possible)

1. Name _____ Relationship _____
Address _____ City _____
State _____ Zip _____ Email _____
Phone _____ Mobile _____ Work _____
2. Name _____ Relationship _____
Address _____ City _____
State _____ Zip _____ Email _____
Phone _____ Mobile _____ Work _____
3. Name _____ Relationship _____
Address _____ City _____
State _____ Zip _____ Email _____
Phone _____ Mobile _____ Work _____

ADVANCE DIRECTIVES

Have you completed an advance directive for health care or a living will? ☐ Yes ☐ No
Have you completed a financial power of attorney? ☐ Yes ☐ No

END-OF-LIFE PROVISIONS (Optional)

Funeral Home _____
Address _____
City _____ State _____ Zip _____ Phone _____

EXECUTOR OF ESTATE

Name _____ Relationship _____
Address _____ City _____
State _____ Zip _____ Email _____
Phone _____ Mobile _____ Work _____

INSURANCE INFORMATION (Please bring all of your health insurance cards to the pre-residency meeting)

1. Primary _____ Policy # _____
Secondary _____ Policy # _____
2. Do you have long-term care insurance? ☐ Yes ☐ No
Insurance Company Name _____
Policy # _____

Sample



100 Brooksby Village Drive Peabody, MA 01960

t 978-536-7810 | 1-800-979-7270 | f 978-536-7818

EricksonLiving.com



BROOKSBY VILLAGE
REFUND FORM

Name of Resident(s): _____
Living Unit: _____
Date of Receipt by _____
BROOKSBY VILLAGE: _____

Preliminary Statements and Directions

1. Pursuant to the Residence and Care Agreement (the "Care Agreement") with BROOKSBY VILLAGE, Resident is entitled to a full refund or a 90% refund, as the case may be, of the Entrance Deposit paid to BROOKSBY VILLAGE under certain specified conditions during Resident's lifetime or upon Resident's death based upon termination of the applicable Care Agreement (referred to as the "Refund"). Resident's right to the Refund, whether full or 90% as applicable, is set forth in the Care Agreement. This Refund Form is only for the purpose of designating the beneficiaries and does not change the terms and conditions for the Refund. Resident and Resident's beneficiaries are subject to all terms and conditions for the Refund and should review the same carefully. For the purpose of these Refund Forms, the term "Resident" includes the plural.

2. Resident understands that the purpose and effect of this Refund Form is to designate the beneficiary(ies) of the right to the Refund. By signing this Refund Form, Resident is hereby revoking any previously executed Refund Forms.

3. If the Entrance Deposit is being paid on behalf of two (or more) Joint Residents, both Joint Residents understand that the Entrance Deposit of the first Joint Resident to pass on will be treated as though it has been paid by the survivor, to be used for the survivor's care if necessary (minus the Community Fee if applicable), and that the Refund will eventually be paid to the survivor or the survivor's beneficiary(ies).

4. **Resident understands that it is Resident's responsibility to review the terms of this Refund Form to make sure that its terms are coordinated with Resident's current will or other trusts and estate plan. BROOKSBY VILLAGE strongly recommends that Resident review this Refund Form with an attorney or other estate planning professional prior to execution to ensure such coordination and to review potential tax liability in making these designations or in the eventual payment of the refund. BROOKSBY VILLAGE reserves the right to review and approve the forms so that the right to the refund is clearly delineated for BROOKSBY VILLAGE's staff.**

5. BROOKSBY VILLAGE will make the Refund only as specified in the most recent duly executed and approved Refund Form. Resident may revise the right to the Refund by duly executing a new Refund Form.

6. Please sign one of the following forms designating the right to the Refund. Be sure to read all of the forms before making a selection. If you do not understand the forms,

please consult with your estate planning professional. If you do not understand the directions, please consult with the Sales and Admissions Staff. **You may select and sign only one form.**

7. If Resident is designating the Refund to more than 1 beneficiary, percentages must add up to 100%. Please do not fill in cash amounts. BROOKSBY VILLAGE can only refund based upon percentages of the Refund, due to the possibility of a spend-down or partial spend-down of the Entrance Deposit.

8. It is the responsibility of Resident or Resident's representative, if applicable, to give BROOKSBY VILLAGE the most recent addresses for all listed beneficiaries.

9. There are no third-party beneficiaries to this agreement between BROOKSBY VILLAGE and Resident. BROOKSBY VILLAGE is not responsible for notifying or advising any beneficiaries of changes in the designation of the Refund .

10. If Resident desires to assist Brooksby Village to support other residents who have exhausted their financial resources, Resident may choose to designate the Brooksby Village Benevolent Care Fund as a beneficiary by using Refund Form #2. Such a designation is **completely optional** on Resident's part.

11. Resident hereby acknowledges that he or she has read the preliminary statements and instructions, reviewed the attached options for a Refund , and understands the purpose and consequences of this Refund Form.

Date

Resident

Date

Resident

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.):

Received by BROOKSBY VILLAGE:

By: _____
BROOKSBY VILLAGE Representative

Date

REFUND FORM 1

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to the Resident. If the Entrance Deposit was paid on behalf of Joint Residents, the Refund will be paid to both joint residents.

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be made payable to the Estate of Resident. In the case of Joint Residents, the Refund will be made payable to the Estate of the final surviving Joint Resident. The check payable to the Estate of Resident or the Estate of the surviving Joint Resident should be mailed to the duly qualified personal representative, Executor, or Executrix, as the case may be, of the Estate.

Resident

Date

Resident

Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): _____

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

Witness

Address

Witness

Address

Received by BROOKSBY VILLAGE:

By: _____
BROOKSBY VILLAGE Representative

Date

REFUND FORM 2

1. Refund during Lifetime - In the event that a Refund becomes payable during Resident's lifetime under the terms of the Care Agreement, Resident hereby designates that the Refund be paid to: **(please check one option)**

Resident _____ Beneficiaries as designated below _____

2. Refund Upon Death - In the event that a Refund becomes payable upon Resident's death under the terms of the Care Agreement, Resident hereby designates that the Refund be paid directly for convenience to the beneficiaries listed below, *per stirpes*, in the percentages indicated.

Percentage Interest, Name & Address of Beneficiary

1. _____ % _____ _____ _____	2. _____ % _____ _____ _____
3. _____ % _____ _____ _____	4. _____ % _____ _____ _____
5. _____ % _____ _____ _____	6. _____ % _____ _____ _____

Resident

Date

Resident

Date

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): _____

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

Witness

Address

Witness

Address

Received by BROOKSBY VILLAGE:

By: _____
BROOKSBY VILLAGE Representative

Date

Note 1 - Per stirpes generally means that if a named person is not living at the time the Refund is to be distributed, his or her children will share that person's share of the Refund equally. A pattern of children substituting for and sharing equally in their deceased parent's share continues through succeeding generations existing as of the date of the Resident's passing or, in the case of Joint Residents, the last Resident's passing.

REFUND FORM 3

1. Refund During Lifetime or Upon Death - If a Refund becomes due during Resident's Lifetime or upon Resident's death under the Residence and Care Agreement, Resident hereby designates that the Refund be made payable to the Resident's Trust designated below. In the event that the Trust is revoked, Resident understands and agrees that he/she must provide to BROOKSBY VILLAGE proof of the revocation of the trust and a new, duly executed Refund Form disposing of the right to a Refund. If a new Refund Form is not executed, the Refund will be paid by BROOKSBY VILLAGE to the Resident or the Resident's Estate.

_____ % The _____ Trust dated _____
Mail to Trustee or qualified Successor Trustee

_____ % The _____ Trust dated _____
Mail to Trustee or qualified Successor Trustee

Resident _____
Date _____

Resident _____
Date _____

If signed by a representative, indicate name of representative and nature of authority (i.e. power of attorney, guardian, etc.): _____

This Refund Form was signed by the above-named Resident(s) in our presence and in the presence of each other and the above-named Resident(s) has acknowledged this Refund Form as Resident's own act.

Witness	Address
---------	---------

Witness	Address
---------	---------

Received by BROOKSBY VILLAGE:

By: _____
BROOKSBY VILLAGE Representative

Date

**SAMPLE
ONLY**

BROOKSBY VILLAGE
UNIT RELEASE ADDENDUM

Resident(s): _____ Unit: _____

Storage bin: _____ Parking Space/ Covered Parking: _____

Departure Date: _____

This form is used to release the current Living Unit in the event of a termination of the Residence and Care Agreement. The term "Community" refers to Brooksby Village, Inc.

1. I/ We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Deposit, the Community has my/our permission to show this Unit as of _____. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. Per Section 8.6 of the Residence and Care Agreement, I/We will be responsible for the monthly service package, minus the non-occupancy credit as applicable, for *(check applicable option depending on Resident's specific Care Agreement)*:

_____ *(100% Refundable Care Agreement)* The lesser of ninety days from the Departure Date, or until all of the conditions for a refund of the Entrance Deposit have been fulfilled, or

_____ *(90% Refundable Care Agreement)* Up to and including ninety days from the Departure Date.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for *(check applicable option depending on Resident's specific Care Agreement)*:

_____ *(100% Refundable Care Agreement)* All refurbishing fees, as defined in Section 9.4. The estimated cost for refurbishing is \$ _____. The cost for removing any customized or structural changes or any specialized refurbishing beyond normal wear and tear for will be evaluated post-occupancy, or

_____ (90% Refundable Care Agreement) The Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy. The estimated Refurbishing Charges are \$ _____. Depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

___ ILU Release ___ Assisted Care/Memory Care Release ___ Nursing Unit Release

5. The Community will provide the Refund per the terms and conditions of Section 7 of the Residence and Care Agreement. Depending on the terms of Resident's Care Agreement, the refund may be a full refund or a 90% refund (both referred to as the "Refund" for purposes of this form). After the conditions are met, the Community will generate the Refund within the 60 day period. The full period may be needed to generate the Refund. The Community also offers these options (*please initial one*):

_____ a. To expedite the Refund, I/ We direct the Community to deduct the amount of the final bill from the Refund and to send a copy of the final bill with the Refund check(s) depending on the designation of beneficiaries per the Refund Form. I/We will still have a reasonable opportunity to review the final bill and discuss charges deducted from the Refund. The Community will refund charges that were deducted in error. **For residents with a 90% Refundable Care Agreement, initialing this option constitutes pre-approval of the final bill per the terms of Section 7.6.**

_____ b. I/ We direct the Community to send the final bill for approval before any Refund. I/We understand that this may extend the processing for the Refund to the full 60 day period. **For residents with a 90% Refundable Care Agreement, initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum and any inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

Date

Signature of Resident or Resident's Representative

If signed by a Representative, Name, Address and
Phone # of Representative:

Staff Member: _____

**SAMPLE
ONLY**

BROOKSBY VILLAGE, INC.
UNIT RELEASE - TRANSFER ADDENDUM

Resident(s): _____ Unit: _____

Storage bin: _____ Parking Space/ Covered Parking: _____

Departure Date: _____

This form is used to release the current Living Unit in the event of a transfer and to modify the Residence and Care Agreement for changes in the Resident's new Living Unit, monthly service package, and Entrance Deposit, if any. The term "Community" refers to Brooksby Village, Inc.

1. I/We hereby release the referenced Unit for resettlement. I/We will vacate the Unit no later than indicated Departure Date and will also relinquish the keys to the Community. I/We also relinquish the referenced storage bin and parking space as of the same Departure Date.

2. To expedite receipt of the next Entrance Deposit, the Community has my/our permission to show this Unit as of _____. If I/We are still living in the Unit, the Community will show the Unit only on mutually agreeable dates and times.

3. Per Section 8.5 of the Residence and Care Agreement¹ and per the Community's current policy, I am/We are responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit as applicable, for the vacated Living Unit until I/We completely vacate, remove all possessions from the vacated Living Unit, and return the keys for the vacated Living Unit to the Community.

4. Per Section 9.4 of the Residence and Care Agreement, I/We will be responsible for *(check applicable option depending on Resident's specific Care Agreement)*:

_____ *(100% Refundable Care Agreement)* All refurbishing fees, as defined in Section 9.4. The estimated cost for refurbishing is \$ _____. The cost for removing any customized or structural changes or any specialized refurbishing beyond normal wear and tear for will be evaluated post-occupancy, or

¹ Section 8.5 of some older versions of the Residence & Care Agreement require that the resident is responsible for payment of the Monthly Service Package for a certain period of time after the defined Departure Date from the vacated Living Unit.

_____ (90% Refundable Care Agreement) The Refurbishing Charges as defined in Section 9.4 to be evaluated post-occupancy. The estimated Refurbishing Charges are \$ _____. Depending on the circumstances of release or transfer, all or a portion of the Refurbishing Charges may be covered by the Community (see Section 9.4 for details). This release is for (check one option):

- _____ ILU to ILU
- _____ ILU to Assisted Care/Memory Care/Nursing
- _____ Assisted Care/Memory Care to any unit
- _____ Nursing Unit to any unit
- _____ Any unit to another Erickson campus

5. I/We are making the following transfer:

_____ a. I am/We are moving to Unit _____ at the Community. The new monthly fee shall be \$ _____ and the Entrance Deposit (*circle one*): remains the same/ is changed to \$ _____. I/We have the right to occupy the new Unit from the Occupancy Date for such new Unit to the Departure Date for such new Unit.

_____ b. I am/We are moving to _____, an Erickson managed community. The Community will provide the Refund per the terms and conditions of Section 7 of the Residence and Care Agreement. Depending on the terms of Resident's Care Agreement, the refund may be a full refund or a 90% refund (both referred to as the "Refund" for purposes of this form). I/We direct the Community to send the Refund to _____ after the final bill at this Community is settled.

i. I/We direct the Community to automatically deduct the final bill at this Community from the Refund. **For residents with a 90% Refundable Care Agreement, initialing this option constitutes pre-approval of the final bill per the terms of Section 7.6.**

ii. I/We do not want the final bill automatically deducted. I/We understand that the final bill must be paid separately before the Refund is made to the new community and that this may extend the time for move-in to the new community. **For residents with a 90% Refundable Care Agreement, initialing this option does not constitute pre-approval of the final bill and thus the resident does not receive the Refund Number.**

**SAMPLE
ONLY**

This Addendum is incorporated into the Residence and Care Agreement. All other provisions of the Residence and Care Agreement remain in full force and effect, except as specifically modified in this Addendum, and any other inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

Date

Signature of Resident or Resident's Representative

If signed by a Representative, Name, Address and
Phone # of Representative:

()

Staff Member: _____

**BROOKSBY VILLAGE
GUARANTY AGREEMENT**

This Guaranty Agreement is made as of this _____ day of _____, 20____
between BROOKSBY VILLAGE, INC., ("Brooksby Village") and _____
_____(herein
collectively referred to as "Guarantor").

WHEREAS, _____ ("Beneficiary")
desires to become a resident at the Brooksby Village Retirement Community and has entered or
will enter into a Residence and Care Agreement with Brooksby Village;

WHEREAS, Beneficiary's current financial status does not meet Brooksby Village's
standard qualifications, and Brooksby Village cannot allow Beneficiary to become a resident
without additional assurances;

WHEREAS, Guarantor desires to give Brooksby Village additional assurances in order to
induce Brooksby Village to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable
consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as
follows:

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the
"Guaranty") of Beneficiary's obligations which are due or may become due to Brooksby Village
incurred relative to Beneficiary's residence at Brooksby Village pursuant to the terms of the
Residence and Care Agreement. This Guaranty shall continue in effect from the date of this
Agreement until the Guarantor is released by Brooksby Village pursuant to Section 8 of this
Agreement. The Guaranty is unlimited as to amount.

2. Guarantor understands that this is an unconditional Guaranty of payment, not
collection. If Brooksby Village believes, in its sole discretion, that an attempt to collect from the
Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable
considering Beneficiary's economic condition, Brooksby Village will not attempt to collect
from the Beneficiary first.

3. Brooksby Village will use its sole discretion in determining whether or not to
proceed to collect amounts from Guarantor or other sources. In exercising that discretion, as a
matter of policy but not obligation, generally Brooksby Village will first determine if Beneficiary
has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek
to obtain the funds from such source; second, seek to obtain payment from Guarantor; third,
from spending down the Entrance Deposit paid to Brooksby Village; fourth, seek to obtain
payment from medical assistance if Brooksby Village believes medical assistance is available to
Beneficiary; fifth, seek to obtain funds from the Community's Benevolent Care Fund; and
finally, seek to obtain funds from any remaining source of available funds.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Brooksby Village agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Brooksby Village shall be made and decided solely between Brooksby Village and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6 Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Brooksby Village all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Brooksby Village for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Brooksby Village in enforcing the Agreement. The parties agree that this agreement shall be interpreted under the laws of the State of Massachusetts and that venue for any claim arising out of this Guaranty Agreement shall be in Essex County, Massachusetts.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/ her lifetime or dies during residence at Brooksby Village, Brooksby Village agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all of Beneficiary's outstanding charges.

9. This Guaranty is incorporated into the Residence and Care Agreement. The Residence and Care Agreement remains in full force and effect, and, if there is any inconsistency between this Guaranty and the Residence and Care Agreement, the Residence and Care Agreement shall govern.

**SAMPLE
ONLY**

IN WITNESS WHEREOF, the parties have executed this Agreement.

Witness

Guarantor

Witness

Guarantor

BROOKSBY VILLAGE, Inc.

Witness

By: _____

**BROOKSBY VILLAGE
LIMITED GUARANTY AGREEMENT**

This Guaranty Agreement is made as of this _____ day of _____, 20____
between BROOKSBY VILLAGE, INC. (herein referred to as "Brooksby Village") and

(herein collectively referred to as "Guarantor").

WHEREAS, _____ ("Beneficiary")
desires to become a resident of Brooksby Village Retirement Community (the "Facility"),
operated by Brooksby Village and has entered or will enter into a Residence and Care
Agreement with Brooksby Village;

WHEREAS, Beneficiary's current financial status does not meet Brooksby Village's
standard qualifications, and Brooksby Village cannot allow Beneficiary to become a resident
without additional assurances;

WHEREAS, Guarantor desires to give Brooksby Village additional assurances in order to
induce Brooksby Village to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable
consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as
follows:

1. Guarantor agrees to voluntarily and unconditionally guarantee payment (the
"Guaranty") of Beneficiary's obligations which are due or may become due to Brooksby Village
incurred relative to Beneficiary's residence at the Facility pursuant to the terms of the Residence
and Care Agreement. This Guaranty shall continue in effect from the date of this Agreement
until the Guarantor is released by Brooksby Village pursuant to Section 8 of this Agreement.
The Guaranty is limited in the amount of _____.

2. Guarantor understands that this is an unconditional Guaranty of payment, not
collection. If Brooksby Village believes, in its sole discretion, that an attempt to collect from the
Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable
considering Beneficiary's economic condition, Brooksby Village will not attempt to collect from
the Beneficiary first.

3. Brooksby Village will use its sole discretion in determining whether or not to
proceed to collect amounts from Guarantor or other sources. In exercising that discretion, as a
matter of policy but not obligation, generally Brooksby Village will first determine if Beneficiary
has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek
to obtain the funds from such source; second, seek to obtain payment from Guarantor; third,
from spending down the Entrance Deposit paid to Brooksby Village; fourth, seek to obtain funds
from Brooksby Village's Benevolent Care Fund; and finally, seek to obtain funds from any

remaining source of available funds.

4. Subject to verification of Beneficiary's financial qualifications and health-related status, Brooksby Village agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

5. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Brooksby Village shall be made and decided solely between Brooksby Village and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

6. Guarantor will be deemed to have defaulted under this Guaranty Agreement in the event that Guarantor fails to pay to Brooksby Village all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Brooksby Village for payment pursuant to the Guaranty.

7. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Brooksby Village in enforcing the Agreement. The parties agree that this Agreement shall be interpreted under the laws of the State of Massachusetts and venue for any claim arising out of this Guaranty Agreement shall be in Essex County, Massachusetts.

8. In the event that Beneficiary terminates the Residence and Care Agreement during his/her lifetime or dies during residence at the Facility, Brooksby Village agrees that Guarantor shall be released from its obligations under this Guaranty Agreement upon satisfaction of all Guarantor's obligations under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date, or resale of the Continuing Care Unit, whichever shall occur first.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Witness

Guarantor

Witness

Guarantor

BROOKSBY VILLAGE, INC.

By: _____

Witness

**BROOKSBY VILLAGE
LIMITED GUARANTY AGREEMENT (JOINT ASSETS)**

This Guaranty Agreement is made as of this _____ day of _____, 20__ between
BROOKSBY VILLAGE, INC. ("Brooksby Village") and _____

(herein collectively referred to as "Guarantor").

Recitals

R.1 _____ ("Beneficiary")
desires to become a resident at the Brooksby Village Retirement Community and will enter into
a Residence and Care Agreement with Brooksby Village;

R.2 Beneficiary and Guarantor own jointly the assets (the "Joint Assets") set forth in
Exhibit A, attached to and incorporated in this Agreement which Joint Assets have the value set
forth in Exhibit A as of the date of this Agreement;

R.3 Due to the ownership of the Joint Assets, Beneficiary's individual financial status
does not meet Brooksby Village's standard qualifications for residency;

R.4 Guarantor desires to give Brooksby Village additional assurances as to the Joint
Assets in order to induce Brooksby Village to accept the Beneficiary as a resident;

Agreement

NOW THEREFORE, in consideration of the foregoing and other good and valuable
consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as
follows:

1. Subject to the limitations set forth in Section 2 hereof, Guarantor agrees to
voluntarily and unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations
which are due or may become due to Brooksby Village incurred relative to Beneficiary's
residence at BROOKSBY VILLAGE pursuant to the terms of the Residence and Care
Agreement. This Guaranty shall continue in effect from the date of this Agreement until the
Guarantor is released by Brooksby Village pursuant to Section 9 of this Agreement.

2. Unless Guarantor has committed a Default under this Guaranty as defined in
Section 5 hereof, the Guaranty is limited to payment from the Joint Assets as set forth in Exhibit
A. Guarantor understands that this is an unconditional Guaranty of payment, not collection.

3. Subject to Brooksby Village's verification of Beneficiary's financial
qualifications other than the Joint Assets and to Brooksby Village's determination of the
appropriate level of care for Beneficiary, Brooksby Village agrees to accept Beneficiary as a

resident pursuant to the terms of the Residence and Care Agreement.

4. In the event that Beneficiary is unable to meet his/her obligations under the Residence and Care Agreement without use of the Joint Assets, Brooksby Village will use its sole discretion in determining whether or not to proceed to collect amounts from the Beneficiary, the Joint Assets, the Guarantor, or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Brooksby Village will take the following steps:

- 4.1. Upon Beneficiary's or Beneficiary's duly authorized representative's request for assistance pursuant to the Residence and Care Agreement, Brooksby Village shall review the Beneficiary's then-current financial status, including but not limited to the balance of the Joint Assets. Brooksby Village may request further documentation to show that any changes in the value of the Joint Assets, as shown in Exhibit A, were either expenditures made for the direct benefit of the Beneficiary or market fluctuations in the value of the Joint Assets.
- 4.2. If Brooksby Village believes in its sole discretion that any expenditures from the Joint Assets were spent for the benefit of Beneficiary and that Beneficiary is not otherwise in breach of the Residence and Care Agreement, Brooksby Village may then initiate a spend-down plan with the Beneficiary or the duly authorized representative for Beneficiary's assets, including the Joint Assets, other than the entrance deposit. Brooksby Village may require that Resident seek to obtain funds from outside sources such as medical assistance. If Brooksby Village believes in its sole discretion that any expenditures from the Joint Assets were due to a Default by Guarantor, Brooksby Village shall proceed as provided in Section 5 hereof.
- 4.3. After spend-down of Beneficiary's assets, including the Joint Assets, Brooksby Village shall release the Guaranty and shall initiate a spend-down of the entrance deposit.
- 4.4. After expenditure of the entrance deposit, Beneficiary or Beneficiary's duly authorized representative may apply for assistance from the Benevolent Care Fund, if available.

5. Guarantor will be in Default under this Guaranty Agreement in the event that Guarantor withdraws, spends, distributes, pledges, assigns, or otherwise uses the Joint Assets for any purpose other than for the direct benefit of the Beneficiary. In the event of a Default, as a matter of policy but not obligation, Brooksby Village shall normally proceed as follows:

- 5.1. Prior to initiating a spend-down plan as described in Section 4.2, Brooksby Village shall first enforce the Guaranty. Brooksby Village shall

have the right to enforce payment of the Guaranty against any and all of Guarantor's personal assets in any form whatsoever and shall not be limited to payment from the Joint Assets. The Guaranty shall be limited to the amount of the Joint Assets withdrawn, spent, distributed, pledged, assigned, or otherwise used by the Guarantor other than for the direct benefit of the Beneficiary, which amount shall be determined by Brooksby Village in its sole discretion.

5.2. In the event that Brooksby Village is required to hire a collection agency or to initiate legal proceedings to enforce the Guaranty, in addition to any amounts due pursuant to the Guaranty, Guarantor shall also be responsible for any and all interest, collection costs, and court costs, including reasonable attorneys' fees, that might be incurred by Brooksby Village in enforcing the Guaranty.

5.3. After payment to Brooksby Village of all sums due pursuant to the Guaranty and any interest, collection costs, court costs, including reasonable attorney's fees, which may be due pursuant to Section 5.2, Brooksby Village will work with the Beneficiary or the Beneficiary's duly authorized representative to initiate the steps listed in Section 4.2, 4.3 and 4.4 hereof with regard to the spend-down program and application to the Benevolent Care Fund.

6. The parties agree that venue for any claim, conflict, enforcement, or other action arising out of this Guaranty Agreement shall be in Essex County, Massachusetts.

7. Guarantor hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Guarantor further agrees that all arrangements concerning Beneficiary's financial obligations to Brooksby Village shall be made and decided solely between Brooksby Village and the Beneficiary. However, Guarantor shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

8. In addition to all rights available to Brooksby Village under this Agreement, Brooksby Village shall also have all of the rights and remedies enumerated in the Residence and Care Agreement, up to and including termination of residency, for non-payment of fees.

9. Brooksby Village agrees that it will release Guarantor from the obligations under this Guaranty Agreement upon the sooner of:

a. The termination of the Residence and Care Agreement either during his/her lifetime or due to Beneficiary's death, upon satisfaction of all of Guarantor's obligations under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date or resale of the Continuing Care Unit, whichever event shall occur first;

b. The completion of the steps listed in Sections 4.1, 4.2 and 4.3 hereof; or

c. The payment of all sums due to Brooksby Village, as enumerated in Section 5.3, in the event of a Default.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Witness

Guarantor

Witness

Guarantor

BROOKSBY VILLAGE, INC.

Witness

By: _____

**SAMPLE
ONLY**

EXHIBIT A

Joint Assets

Value as of Date of Agreement

9/15/06

5

12402_1

**BROOKSBY VILLAGE
TRUST GUARANTY AGREEMENT**

This Guaranty Agreement is made as of this _____ day of _____, 20____
between BROOKSBY VILLAGE, INC. ("Brooksby Village") and _____

(herein collectively referred to as "Trustee(s)").

WHEREAS, _____
("Beneficiary") desires to become a resident at the Brooksby Village Retirement Community and
has entered or will enter into a Residence and Care Agreement with Brooksby Village.

WHEREAS, Beneficiary has certain assets and/ or income in a trust settled for his/her
benefit known as the _____
Trust dated _____ (the "Trust");

WHEREAS, Beneficiary's individual financial status, without consideration of the Trust
assets, does not meet Brooksby Village's standard qualifications, and Brooksby Village cannot
allow Beneficiary to become a resident without additional assurances of the Trust;

WHEREAS, the Trustee(s), on behalf of the Trust, desires to give Brooksby Village
additional assurances in order to induce Brooksby Village to accept the Beneficiary as a resident;

NOW THEREFORE, in consideration of the foregoing and other good and valuable
consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree as
follows:

1. Trustee(s), for and on behalf of the Trust, agrees to voluntarily and
unconditionally guarantee payment (the "Guaranty") of Beneficiary's obligations which are due
or may become due to Brooksby Village incurred relative to Beneficiary's residence at Brooksby
Village pursuant to the terms of the Residence and Care Agreement to the extent of the assets of
the _____ Trust
dated _____ (the "Trust") which assets are listed in Exhibit A,
attached and incorporated hereto. This Guaranty shall continue in effect from the date of this
Agreement until the Trustee(s) is released by Brooksby Village pursuant to Section 9 of this
Agreement.

2. In the event that the Trust is revoked, Beneficiary and/ or Trustee(s) shall give
written notice to Brooksby Village of the disposition of any and all of the assets of the Trust.

3. Trustee(s) understands that this is an unconditional Guaranty of payment, not
collection. If Brooksby Village believes, in its sole discretion, that an attempt to collect from the
Beneficiary may be detrimental to the Beneficiary's health or would not be reasonable

considering Beneficiary's economic condition, Brooksby Village will not attempt to collect from the Beneficiary first.

4. Brooksby Village will use its sole discretion in determining whether or not to proceed to collect amounts from Trustee(s) or other sources. In exercising that discretion, as a matter of policy but not obligation, generally Brooksby Village will first determine if Beneficiary has any readily available source of funds to pay his/her obligations and if Beneficiary does, seek to obtain the funds from such source; second, seek to obtain payment from Trustee(s); third, from spending down the Entrance Deposit paid to Brooksby Village; fourth, seek to obtain payment from medical assistance if Brooksby Village believes medical assistance is available to Beneficiary; fifth, seek to obtain funds from the community's Benevolent Care Fund; and finally, seek to obtain funds from any remaining source of available funds.

5. Subject to verification of Beneficiary's financial qualifications and health-related status, Brooksby Village agrees to accept Beneficiary as a resident pursuant to the terms of the Residence and Care Agreement.

6. Trustee(s), for the Trust, hereby waives its rights to the following: presentment, demand, dishonor, protest, notice of nonpayment, and notice of dishonor. Trustee(s) further agrees that all arrangements concerning Beneficiary's financial obligations to Brooksby Village shall be made and decided solely between Brooksby Village and the Beneficiary. However, Trustee(s) shall be entitled, upon request, to receive a copy of Beneficiary's monthly statement.

7 The Trust will be deemed to have defaulted under this Guaranty Agreement in the event that Trustee(s) fails to pay to Brooksby Village all amounts due and payable pursuant to the Guaranty within forty-five (45) days of demand by Brooksby Village for payment pursuant to the Guaranty.

8. In the event of a Default, in addition to any amounts due pursuant to the Guaranty, Trustee(s) shall also be responsible for any court costs, including reasonable attorneys' fees, that might be incurred by Brooksby Village in enforcing the Agreement. The parties agree that this agreement shall be interpreted under the laws of the State of Massachusetts and that venue for any claim arising out of this Guaranty Agreement shall be in Essex County, Massachusetts.

9. In the event that Beneficiary terminates the Residence and Care Agreement during his/her lifetime or dies during residence at Brooksby Village, Brooksby Village agrees that Trustee(s) and the Trust shall be released from its obligations under this Guaranty Agreement upon satisfaction of all Guarantor's obligations under this Guaranty Agreement and ninety (90) days following Beneficiary's Departure Date, or resale of the Continuing Care Unit, whichever shall occur first.

10. Trustee(s) hereby acknowledges that he/ she is fully authorized by the

**SAMPLE
ONLY**

Beneficiary(ies) to guaranty the assets of the Trust.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Witness

Trustee of the Trust

Witness

Trustee of the Trust

BROOKSBY VILLAGE, Inc.

Witness

By: _____

September 15, 2006

**SAMPLE
ONLY**

EXHIBIT A

Trust Assets as of _____, 20__:

September 15, 2006

\$ _____
Peabody, Massachusetts

Date of Note: _____, 20____

BROOKSBY VILLAGE, INC.
PROMISSORY NOTE

Now, therefore, _____, Maker, hereby promises to pay to the order of Brooksby Village, at its offices located at 100 Brooksby Village Drive, Peabody, Massachusetts 01960 or at such other place as the holder of this Note may, from time to time designate, the principal sum of:

_____ Dollars (\$ _____),
plus all accrued interest, payable on or before _____, 20____ (the "Maturity Date").

1. Interest Rate. Interest on the unpaid principal balance shall begin accruing on the **DATE OF THIS NOTE** which appears in the upper right hand corner of this note, at the rate of six percent (6%) per annum (360 days per year). In the event that the Maker of this Note pays the entire balance principal due on or before the Maturity Date, the interest for that period shall be **waived**. In the event that the **entire** balance is not paid on or before the Maturity Date, **accrued interest will be charged every month from the Maturity Date on the unpaid principal balance until satisfaction and termination of this Note.**

2. Repayment. The entire principal amount shall be due and payable on the Maturity Date. The Maker may prepay or repay all or any portion of the principal amount of the Note at any time, without penalty. If Maker fails to pay the entire principal balance on the Maturity Date, Maker agrees to pay interest as described in Section 1 of this Note until the entire principal balance is paid.

3. Application of Payments. All payments made hereunder shall be applied first to accrued interest, before being applied to principal.

4. Prepayment. The undersigned may prepay this Note in whole or in part at any time before the Maturity Date without any penalty.

5. Default. In the event of a default in the payment of any installment of interest due hereunder which has continued for a period of thirty (30) days after written notice of default, the holder may, in addition to any other remedy provided by law, recover attorneys fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/ Resident is terminated for non-payment.

6. Assignment. The Holder of this Note may assign or transfer this Note for value to a subsequent Holder who may be a holder in due course. If assigned, the Maker/Resident agrees to recognize the new Holder of the Note to the extent of such assignment.

7. Waiver. Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers of this Note. This Note shall be the joint and several

obligation of all makers, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

8. Miscellaneous. This Note shall be construed and governed according to the laws of the State of Massachusetts. Venue for any action arising out of the making of this Note shall be in Essex County, Massachusetts.

IN WITNESS WHEREOF, Maker has caused this Promissory Note to be executed and sealed the day and year first above written.

WITNESS(ES):

MAKER:

Unit: _____

ALLONGE TO PROMISSORY NOTE

THIS ALLONGE TO PROMISSORY NOTE (the "Allonge") is effective as of _____, 20__ by and between Brooksby Village, Inc. ("HOLDER"), and _____, ("MAKER").

Recitals

R.1. MAKER executed that certain Promissory Note in favor of HOLDER in the principal sum of \$ _____, dated as of _____ (the "Note").

R.2 MAKER and HOLDER have agreed to amend the Note per the terms and conditions stated herein.

Agreement

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MAKER and HOLDER hereby agree as follows:

1. **Amendment.** The Note is hereby amended as follows (initial as applicable):

a. Each reference in the Note to the Maturity Date is hereby amended to mean and refer to _____, 20__ (the "Revised Maturity Date"). MAKER agrees to pay an additional \$ _____ (the "10% Deposit") in principal on the date of this Allonge and agrees to continue paying equal 10% Deposit payments every thirty (30) days from the date of this Allonge until the Revised Maturity Date. On the Revised Maturity Date, MAKER agrees to pay all outstanding principal to HOLDER.

If MAKER pays each required 10% Deposit payment when due and also pays the outstanding principal by the Revised Maturity Date, then HOLDER will waive interest on the principal. However, if MAKER fails to make any of the required 10% Deposit payments on each due date or if MAKER fails to pay the outstanding principal by the Revised Maturity Date, then MAKER agrees and acknowledges that HOLDER will assess interest at the rate provided in the Note from the date of default of payment until full payment of the principal and accrued interest.

b. MAKER acknowledges that payment was not made by the Maturity Date and that MAKER cannot make additional principal payments. HOLDER agrees to permit MAKER to extend payment of the principal until _____, 20__ (the "Extension Date"). However, MAKER will be assessed and must pay monthly interest of 6%

on the unpaid principal until the Extension Date when all outstanding principal and interest are due and payable.

2. **Affirmation.** The representations of MAKER contained in the Note are true and correct as of this date and MAKER represents to HOLDER the accuracy of each representation as if they have been made on this date. This Allonge (a) is being physically attached to the Note simultaneously with the entry into this Allonge by the parties hereto, to evidence the modification of the provisions of the Note effected hereby, and (b) shall upon such attachment be deemed to be a part of the Note, as fully and completely as if its provisions were set forth in the body of the Note.

3. **Definition.** The term "this Note" as used in the Note, shall mean the Note as modified herein unless the context clearly indicates or dictates a contrary meaning. Other defined terms in this Allonge were previously defined in the Note and have the same meaning as defined in the Note.

4. **Default.** In the event of a default in the payment of any installment of interest or principal due hereunder, HOLDER may, in addition to any other remedy provided by law, recover attorneys' fees and costs, and in its sole discretion and without further notice or demand, declare that the Residence and Care Agreement of the Maker/ Resident is terminated for non-payment.

5. **Liability And Obligations; No Novation.** MAKER ratifies and confirms all of its liabilities and obligations under the Note and agrees that, except as expressly modified in this Allonge, the Note continues in full force and effect as if set forth specifically herein. MAKER and HOLDER agree that this Allonge shall not be construed as an agreement to extinguish the original obligations under the Note and shall not constitute a novation as to the obligations of MAKER under the Note.

6. **Prior Consent.** This Allonge may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of HOLDER.

Maker(s):

HOLDER: Brooksby Village, Inc.

By: _____

Title: _____

Living Unit: _____

FLEXIBLE PAYMENT PROGRAM ADDENDUM

Resident(s): _____

Resident(s): _____

Living Unit: _____

Effective Date: _____

This Flexible Payment Program Addendum (the "Addendum") is entered into between Resident(s) listed above and Brooksby Village, Inc. ("Brooksby Village") as of the Effective Date.

Recitals

R.1. Brooksby Village normally requires the payment of a full Entrance Deposit for a living unit as a condition to residency;

R.2. Brooksby Village offers the Flexible Payment Program (the "Program") to qualifying applicants in its sole and absolute discretion. The Program allows qualifying residents to move to the Community, with a minimum payment of ten percent (10%) of the Entrance Deposit for the selected Living Unit and payment of an additional monthly differential of Fifty Dollars (\$50.00) per each Ten Thousand Dollars (\$10,000.00) of the outstanding balance of the Entrance Deposit.

R.3. Resident is unable to pay the full Entrance Deposit for the indicated Living Unit and would like to take advantage of the Flexible Payment Program and Brooksby Village agrees to offer this program to Resident.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Brooksby Village agrees to accept Resident as a participant in the Program and Resident agrees to participate in the Program based on the terms and conditions required by this Addendum. For purposes of this Addendum, the term "Resident" includes the plural "Residents." The Term of this Addendum is from the Effective Date first listed above through _____, 20__.

2. Brooksby Village and Resident agree that, as of the Effective Date, Resident's normal Entrance Deposit and normal Monthly Service Package are the amounts indicated in Schedule I of the Residence and Care Agreement (the "Care Agreement") by and between Brooksby Village and Resident. However, during the Term of this Addendum, Brooksby Village agrees to accept Resident with the Flexible Entrance Deposit provided that Resident also pays the Monthly Differential listed below.

Flexible Entrance Deposit:	\$ _____
Monthly Differential:	\$ _____ per month

3. The Monthly Differential is due and payable in addition to the Resident's Monthly Service Package for the Living Unit and in addition to any other fees and charges ancillary fees due and

payable per the Care Agreement. The Monthly Differential for the month during which a Resident first participates in the Flexible Payment Program shall be payable monthly in advance on a pro-rated basis throughout the Term.

4. Throughout the Term, Brooksby Village will permit Resident's continued participation in the Program as long as Resident remains in compliance with all of the following conditions. Upon request, Resident will provide Brooksby Village with reasonable documentation evidencing continued compliance with these conditions.

- (i) Resident is otherwise in compliance with the terms and conditions of the Care Agreement;
- (ii) Resident's property located at _____ (the "Property") is either currently vacated by Resident or will be vacated by the Resident within thirty (30) days of the Occupancy Date for Residents' Living Unit at the Community (as defined by the Residence and Care Agreement)
- (iii) Once vacated, the Property must remain completely unoccupied and available for sale;
- (iv) The Property is listed for sale with a licensed real estate broker acceptable to Brooksby Village for fair market value of the Property;
- (v) Resident assists the real estate broker, as needed, in marketing and presenting the Property for sale, and accepts any bona fide offers to purchase the Property for the listed purchase price; and
- (vi) Resident continues to own the Property and does not transfer any right, title, or interest, including but not limited to any leasehold interest, to any other person.

5. Upon the earlier of: (i) the sale and settlement of the above-listed Property or (ii) the expiration of the Term of this Addendum, Resident agrees to promptly pay to Brooksby Village the sum of \$_____, representing the outstanding balance between the Flexible Entrance Deposit and the full Entrance Deposit listed on Schedule I of the Care Agreement. If Resident pays the balance within five (5) days following the settlement on the Property or, if the Property has not settled, then by the end of the Term of this Addendum, Brooksby Village agrees to credit the total Monthly Differentials paid by Resident towards the outstanding balance. If Resident pays the balance after the fifth day from settlement of the Property or, if the Property has not settled, if the Resident pays the balance after the expiration of the Term, Brooksby Village will not credit the Resident the Monthly Differentials and Resident will not receive any refund of the Monthly Differentials paid.

6. If Resident fails to pay the balance of the Entrance Deposit within thirty (30) days of settlement on the Property or, if the Property has not settled, if the Resident fails to pay the balance within thirty (30) days after the expiration of the Term of this Addendum, or if Resident gifts or transfers the Property or any interest therein for less than fair market value, or if Resident otherwise fails to comply with the Program requirements as indicated in this Addendum, Resident acknowledges that Resident shall be in breach of the Care Agreement for failure to pay the full Entrance Deposit for the Living Unit and that Brooksby Village may terminate Resident's residency for cause per Section 12 of the Care Agreement.

7. Resident may, at any time, voluntarily opt out of the Flexible Payment Program prior to settlement on the Property by notifying Brooksby Village in writing. If Resident opts out of the Flexible Payment Program, Resident will be required to pay, within five (5) days of the notice, the outstanding

balance between the Flexible Entrance Deposit and the full Entrance Deposit listed on Schedule I of the Care Agreement. If Resident pays the balance within five (5) days following the notice, Brooksby Village agrees to credit the total Monthly Differentials paid by Resident towards the outstanding balance. If Resident pays the balance after the fifth day from the notice, Brooksby Village will not credit the Resident and Resident will not receive any refund of the Monthly Differentials paid. Upon Community's receipt of the full Entrance Deposit, Resident will no longer be required to pay the Monthly Differential.

8. Brooksby Village reserves the right to discontinue the Flexible Payment Program at any time. In the event the Flexible Payment Program is discontinued, Residents who are currently in the program may continue to participate on the terms and conditions contained in this Addendum throughout the Term of the Addendum.

9. If Resident remains a participant in the Program and Resident permanently transfers from the Living Unit to another living unit at the Community with a higher Entrance Deposit than the Entrance Deposit listed on Schedule I of the Care Agreement, Resident agrees that the balance of the Entrance Deposit due and payable to the Community is the sum listed in Section 5 plus the difference between the Entrance Deposit listed on Schedule I of the Care Agreement and the Entrance Deposit in effect for the new Living Unit to which Resident is transferring.

10. If Resident remains a participant in the Program and Resident's Care Agreement terminates for any reason, including but not limited to the election of Resident, for just cause by Brooksby Village, or for the death of Resident, the refund of the Entrance Deposit payable by Brooksby Village per Section 7 of the Care Agreement is limited to the amount of the Flexible Entrance Deposit paid by Resident, minus the 10% Community Fee. Resident shall not receive a credit for or any refund of the Monthly Differentials paid by Resident in the event of termination of the Care Agreement.

11. This Addendum is incorporated into the Resident's Care Agreement. All defined terms, except as specifically defined herein, shall be consistent with the Care Agreement. All other provisions of the Care Agreement remain in full force and effect, except as specifically modified in this Addendum, and any other inconsistency between this Addendum and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement. This Addendum may only be modified or extended by the written agreement of both Resident and Brooksby Village.

IN WITNESS WHEREOF, the parties have executed this Flexible Payment Program Addendum.

_____ Witness	_____ Resident Signature	_____ Date
	_____ Printed Name	

_____ Witness	_____ Resident Signature	_____ Date
	_____ Printed Name	

Brooksby Village, Inc.

_____ Witness	By: _____	_____ Date
	_____ Printed Name	

EXHIBIT 2

DIAGRAM OF COMMUNITY OPERATING STRUCTURE

Summary:

Exhibit Two visually represents the contractual relationship between the business entities associated with the operation of the Community.

Brooksby Village Community Structure Users Guide

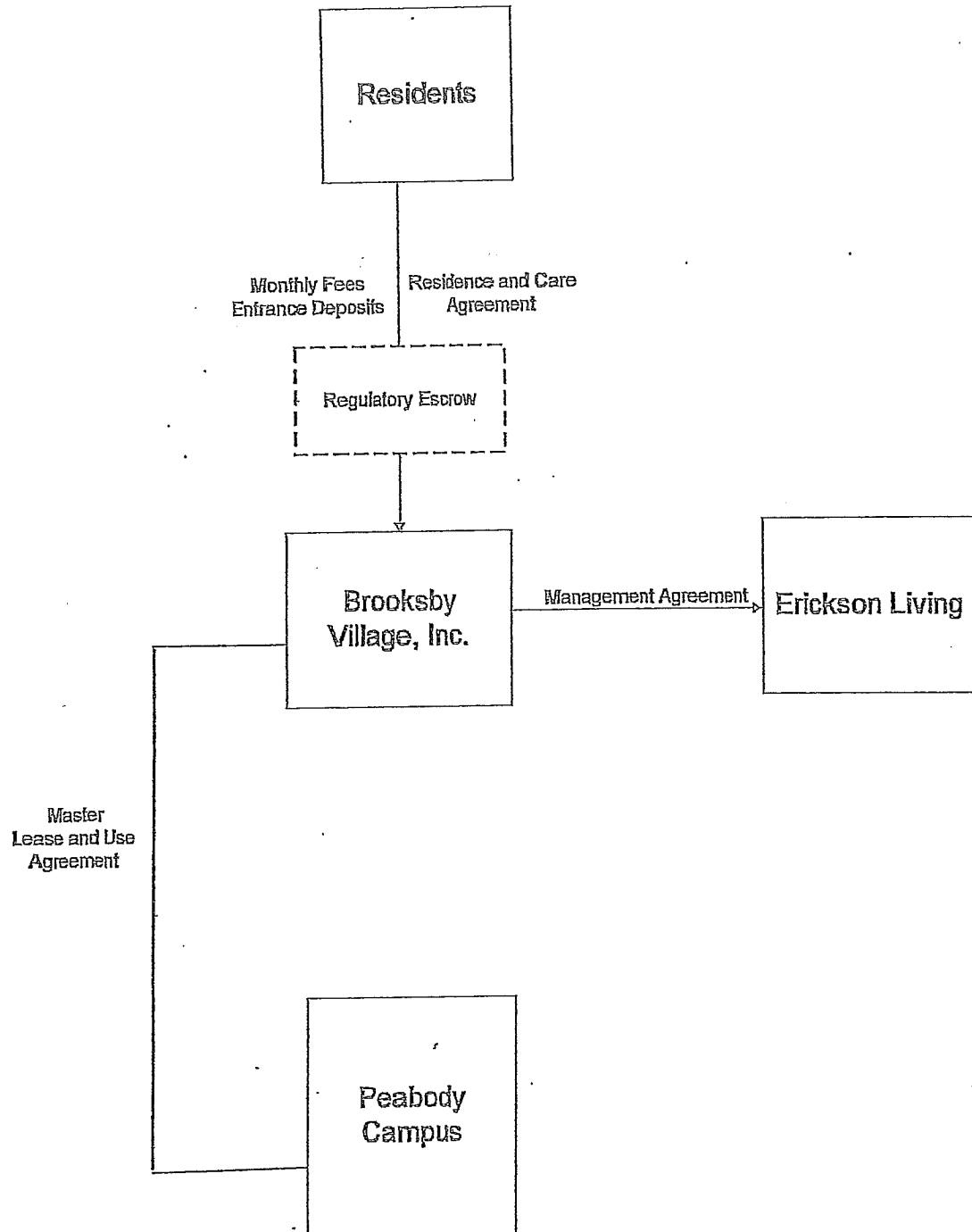


EXHIBIT 3
OWNERSHIP & EXECUTIVE BIOGRAPHIES

Summary:

Exhibit Three lists the directors and officers of Brooksby Village and the selected officers of the current management company along with short executive biographies.

EXHIBIT 3
OWNERSHIP & EXECUTIVE BIOGRAPHIES

Board of Directors of Brooksby Village, Inc.

Frederick W. Haas
Barbara Bisgaier
Willow Pasley
Carolyn Markey, Chair
Kenneth Laurence, Resident Representative
Bruce J. Beardsley
James Anders
Jackson Bain
E. Michelle Bohreer
Hon. Mary Digiacomio Colins
Eileen Erstad
James Hayes
Zina Jacque
Stephanie Reel
Arnold Speert
Grover Wrenn

Officers of Brooksby Village, Inc.

Carolyn Markey:	Chair & President
James Hayes:	Vice Chairman & Vice President
Grover Wrenn:	Vice Chairman & Vice President
E. Michelle Bohreer:	Secretary
Eileen Erstad:	Treasurer
John Hall:	Assistant Treasurer
Chris Rathmann:	Assistant Treasurer
Neal Gantert:	Assistant Treasurer

Executive Director: Tracie Bettano

Selected Officers of Erickson Living

James C. Davis:	Chairman
R. Alan Butler:	Chief Executive Officer
Debra B. Doyle:	Chief Operating Officer
Dr. Matthew J. Narrett:	Chief Medical Officer
Todd Matthiesen:	Chief Financial Officer

Erickson Living is the Manager pursuant to a Management and Marketing Agreement with Brooksby Village. Selected executive biographies for the officers of Erickson Living ("Erickson") are listed on the following pages.

EXECUTIVE BIOGRAPHIES

Brooksby Village, Inc. Board of Directors:

Carolyn Markey, Chair

Ms. Markey was president and CEO of the Visiting Nurse Associations of America (VNAA) from 1997 through June 2007. During her tenure, she led the 400 visiting nurse agencies throughout the country in the areas of advocacy, national image, clinical education and regulatory compliance. Ms. Markey has 30 years' experience in home health and community care in both for profit and not for profit organizations. Prior to VNAA, she was the CEO of Special Care Home Health Services, a \$100 million division of Advantage Health. She served on the board of Myomo, Inc and was a member of Leadership 18 and National Healthcare Coalition in Washington, D.C. She is a registered nurse and graduate of North Shore Community College. Ms. Markey also serves on the board of directors of Linden Ponds, Inc., which sole member is also National Senior Campuses, Inc.

Frederick W. Haas

Mr. Haas received his B.S. degree in Accounting from Penn State University in 1966. After joining the air force, Mr. Haas was commissioned as a 2nd Lieutenant in 1967, where he served as an aircraft maintenance officer until 1971. In 1971, Mr. Haas joined the Philadelphia tax firm, Coopers and Lybrand, earned his C.P.A. in 1973, and became partner in 1978. Mr. Haas specialized in real estate, financial services, personal financial planning, and closely held businesses. After forty years of service with PriceWaterhouseCoopers LLP, Mr. Haas retired in 2001 and relocated to Philadelphia and continues to work part time for several clients.

Barbara Bisgaier

Ms. Bisgaier recently retired from her position of Managing Director of Public Financial Management, Inc. (PFM) with more than 37 years of experience in government and public finance. She continues to consult with PFM with regard to certain long-term clients. In addition to her NSC-related board memberships, she is currently a member of the boards of WHYY, the Philadelphia public radio and television stations and the Lower Merion Library System. Ms. Bisgaier is a graduate of Mount Holyoke College and received a Master of City and Regional Planning degree from Rutgers University.

Willow Pasley

Ms. Pasley is a finance and management professional with 20 years of experience in the banking industry. During her tenure with Citizens Bank and BayBank, she specialized in lending to healthcare and not-for-profit organizations. She earned a B.A. from Hartwick College and an M.B.A. from Simmons College. She currently serves as Treasurer of the Board for the Cape Cod Children's Museum. Ms. Pasley also serves on the board of directors of National Senior Campuses, Inc., which is the sole member of Brooksby Village, Inc. and the sole member of the sponsors of several other affiliated retirement communities.

Kenneth Laurence

Mr. Laurence attended Harvard College, Harvard Law School, the London School of Economics & Political Science, and Linacre College, Oxford, he began to practice law in 1963 at

Governor Thomas E. Dewey's law firm in New York City. For twenty-two years he practiced law in the areas of antitrust, health care, banking, and environmental law at the Boston firm of Choate, Hall & Stewart. In 1990 he was appointed by Governor Michael Dukakis to the Massachusetts Appeals Court in Boston, in which he served as Associate Justice for seventeen years, retiring, by Constitutional mandate, in 2007. He has since served as Of Counsel, Assistant Attorney General, and Administrative Law Judge for the Massachusetts Attorney General's Office in Boston; General Counsel for the Grand Lodge of Masons in Massachusetts; coauthor of the Massachusetts Practice Series volume on Professional Malpractice; expert witness in legal malpractice actions; appellate practice advisor for law firms; and mediator and arbitrator for several alternative dispute resolution organizations.

Bruce J. Beardsley

Mr. Beardsley is a principal at Next Step Healthcare, LLC, where he has provided advisory, consulting and valuation services to investors in the skilled nursing and senior housing sectors. Previously, he was senior vice president of acquisitions at Harborside Healthcare Corporation which operated 76 skilled nursing centers. He has served as chairman for the Board of Assessors for the Town of Medfield, Massachusetts, and as a member of the Owner/Operator Advisory Board and Market Area Profiles Task Force for the National Investment Center (NIC). Mr. Beardsley earned his bachelor's degree in business and economics at Lehigh University and his M.B.A. from Boston University.

Honorable Mary Digiacommo Colins

For sixteen years, Judge Colins served on the Court of Common Pleas in Philadelphia as a Trial Judge. She returned to the bench in October 2010 after having been appointed as a member of the newly formed Pennsylvania Gaming Control Board by Governor Edward G. Rendell in 2005. She also served as Board Chairman. Her teaching and lecturing credits include Rutgers University Law School, Drexel University School of Hospitality and Management and University of Virginia School of Law. She has published numerous articles on state regulated gaming and she has taught numerous continuing legal education and trial practice courses. She has served as a director on numerous nonprofit boards.

Dr. Arnold Speert

Dr. Speert served as the sixth president of William Paterson University from 1985 until his retirement in July 2010. He earned his Ph.D. in chemistry from Princeton University where he was a National Institute of Health Fellow. He has served on the boards of seven nonprofit institutions, two of which he chaired. In addition, he has served on the boards of the State Farm Indemnity Company, The Ramapo Bank and the Broadway Bank and Trust Company. Dr. Speert also was a founding commissioner of the Passaic County (NJ) Improvement Authority. His areas of expertise include institutional governance, institutional community building, diversity and the mutual dependence of the three.

James Anders

Mr. Anders is the Administrator and Chief Operating Officer for the Kennedy Krieger Institute, Inc. and all subsidiary Managements. Kennedy Krieger Institute is an internationally recognized academic research, healthcare and educational facility dedicated to serving children and young adults with developmental disabilities and spinal cord injuries. He is responsible for

the overall strategic, operational, and financial management of Kennedy Krieger. In addition, he is Chairman of Chesapeake Rehab Equipment, Inc., a Mid-Atlantic rehab company. He has an MBA from the University of Baltimore and is also a CPA. Mr. Anders also serves on the board of directors of National Senior Campuses, Inc., which is the sole member of Ashby Ponds, Inc. and the sole member of the sponsors of several other affiliated retirement communities.

Jackson Bain

Mr. Bain is currently Chair and CEO of Bain and Associates, Inc., a strategic communications consulting firm based in Alexandria, Virginia. Prior to that post, he was Senior Vice President of Public Affairs at the National Association of Children's Hospitals. A communication expert with 30 years of experience.

Mr. Bain joined NBC News in the 1970's, where he covered the White House under four administrations, the State Department, Congress, and various overseas assignments. Mr. Bain created and executed major communications programs for many international companies, three foreign governments' economic development agencies and numerous trade and professional organizations.

E. Michelle Bohreer

Ms. Bohreer practices law with the firm of Bohreer & Zucker LLP. For the past 20 years, she has represented clients in regard to commercial litigation and employment defense needs. Ms. Bohreer serves as co-chair of the Leadership Council for the Gulf Coast Region of the American Cancer Society. She was the first woman chair of the Rotary Lombardi Award, an annual event honoring the NCAA college linemen of the year, with all proceeds going to benefit the American Cancer Society. A graduate of the University of Houston, she has contributed to numerous publications including *The Houston Business Journal*, *The New York Times* and *Texas Lawyer*.

Eileen Erstad

Ms. Erstad is a senior executive with extensive experience as a Chief Financial Officer in the healthcare, hospitality and financial services industries. Ms. Erstad has developed and implemented strategic plans, growth and reorganization strategies, and also participated in new product development. Her most recent position was Chief Operating Officer for ResortQuest. Her previous positions include Chief Financial Officer and Senior Vice President of Symphony Health Services, LLC, and Director of Financial Planning and Analysis at PHH Corporation. Ms. Erstad graduated magna cum laude from Loyola College in Maryland and is a licensed Certified Public Accountant.

James Hayes

Mr. Hayes is a registered CPA, and was most recently employed as Senior Associate Director of Admissions and Financial Aid at the Stephen M. Ross School of Business at the University of Michigan where he was involved in all aspects of recruiting, admissions, and enrollment. He is a retired partner of PricewaterhouseCoopers where he served as Partner in Charge of Minority Recruiting and Retention, and Partner in Charge of Workforce Diversity at Coopers and Lybrand prior to the merger of the two firms. In both positions, Mr. Hayes

succeeded in developing and implementing strategies to enhance workforce diversity. Mr. Hayes holds a Bachelor's Degree in Accounting from St. Joseph's University in Pennsylvania.

Zina Jacque

Zina Jacque is the senior pastor at the Community Church of Barrington in Illinois. Previously she has served on the staffs of multicultural, urban, and suburban churches and has done extensive work in the areas of education, counseling, and support programs. Dr. Jacque most recently served as the Executive Director and Founder of the Pastoral Counseling Center of Trinity Church in Boston. In this role she implemented training on mental health issues for local pastors and led the Center in the delivery of 2,400+ annual direct service hours. Previously Jacque was the Interim Director of Christian Education at the Melrose Church in Massachusetts. There she implemented a separate and unique Children's Church and youth group.

She has also acted as Protestant Chaplain at Bentley College and as the Executive Director of the Boston Ten Point Coalition where she served as a key member of the Boston program of violence reduction: Operation Ceasefire. Dr. Jacque holds a Doctorate of Theology and a Masters of Divinity degree from Boston University (Summa Cum Laude), a M.A. from Columbia University, and a B.A. from Northwestern University.

Stephanie Reel

Stephanie Reel is the Chief Information Officer for all divisions of the Johns Hopkins University and Health System. She was appointed Vice Provost for Information Technology and CIO for the Johns Hopkins University in January 1999. She is also Vice President for Information Services for Johns Hopkins Medicine, a post she has held since 1994. As CIO, Ms. Reel leads the implementation of the strategic plan for information services, networking and telecommunications, as well as clinical, research and instructional technologies. Under her direction, the Johns Hopkins Health System is enhancing and advancing the use of an electronic health record, while also embracing a regional health record.

Ms. Reel is a member of HIMSS, CHIME, the Healthcare Advisory Council, the American College of Medical Informatics and EDUCAUSE. She serves on the advisory board of Health Care Information.

Ms. Reel graduated from the University of Maryland with a degree in information systems management and holds a M.B.A. from Loyola College in Maryland.

Grover Wrenn

Mr. Wrenn is a retired entrepreneur and senior executive with 40 years of experience in health care services, environmental science, regulatory policy and occupational health and safety. He has served as President and COO of Safety-Kleen Corp., Chairman and CEO of Accent Health Corp and CEO of EnSys Environmental Products, Inc., Chairman of Strategic Diagnostics, Inc. (NASDAQ: SDIX), CEO of Applied Bioscience International, and Founder and CEO of Environ International. He also served as Chairman of Axolotl, Inc., a health information technology company which was recently sold to the United Health Group. Presently, Mr. Wrenn is a Director and Vice Chair at Albion Holdings, Inc., and a trustee of Eckerd College. He holds

a Master of Science in Public Health (Environmental Sciences and Engineering) from the University of North Carolina.

Selected Biographies of Officers of Erickson Living:

James C. Davis, Chairman

In 1983, Jim Davis co-founded a specialized staffing company that has grown into Allegis Group, the country's largest private staffing firm.

A decade ago, Jim Davis met John Erickson, founder of Erickson Retirement Communities, a leader in developing and managing full-service retirement communities. They came to realize they shared a passion for service, particularly to seniors; an insistence on mission-driven company cultures; and a strong sense of giving back to the community. When an opportunity to take a leadership role in the company presented itself, Jim visited every Erickson campus to see for himself, and hear from the residents, what the Erickson lifestyle meant.

Today, the company, now known as Erickson Living, matches its delivery of outstanding service and resident satisfaction with a strong financial position. The company is the strongest capitalized company in the industry and has built a solid platform for growth and innovation.

Mr. Davis, a native of suburban Philadelphia, graduated from Villanova University. He lives outside Baltimore with his wife and children.

R. Alan Butler, Chief Executive Officer

Mr. Butler joined Erickson Living in 2010 as Chief Operating Officer and assumed his current position in 2011. As CEO, he focuses on the company's strategic growth. He spent 14 years as Treasurer of Allegis Group, Inc., the largest provider of staffing in the United States with 8,000 employees and 2009 revenue of \$6 billion. Mr. Butler was responsible for all debt placement and syndicated credit facilities, cash management activities, and advised on all mergers and acquisitions. He is currently CEO of Erickson Living and President of Redwood Capital Investments, LLC, a private investment company.

Prior to joining Allegis Group and Redwood, Mr. Butler held various credit and lending positions at Bank of America and its predecessor banks from 1986 to 1996.

Mr. Butler currently serves on the Board of Redwood portfolio companies and on the Executive Board of the Boy Scouts of America. He graduated magna cum laude from the University of Maryland, College Park with a bachelor's degree in finance and received his master's degree in business administration from Loyola College in Maryland.

Debra B. Doyle, Chief Operating Officer

Ms. Doyle is the Chief Operating Officer for Erickson Living. She is responsible for managing human resources, corporate and community health and operations. In this role, developing talent, defining standards for new program initiatives, productivity and process improvements, and development of operational standards for all 16 Erickson Living Retirement Communities are key components to the success of Erickson Living. Ms. Doyle's current role

and responsibilities include delivering the services to over Twenty three thousand residents with the support of twelve thousand employees who deliver the Erickson Living Programs and Services creating the Erickson Living Lifestyle.

Over the past 8 years, previous positions at Erickson include Executive Vice President of Health and Operations and Associate Executive Director of Oak Crest Village in Parkville, Maryland. She also served as Senior Regional Health Services Director for the following Erickson Living communities: Oak Crest, Charlestown, Riderwood, and Greenspring. Before coming to Erickson Living, Ms. Doyle was vice president of nursing and executive director of medical services for the Greater Baltimore Medical Center.

Ms. Doyle earned an M.B.A. and a B.S. in business administration from Loyola College. She received her R.N. from St. Joseph's Hospital School of Nursing and a certification in senior living care from Johns Hopkins University. She is a member of the American College of Healthcare Executives and the American Nurses Association.

Ms. Doyle also serves as the Chairman of the Board for Franklin Square Hospital Center Operating Board and the Medstar Health – Quality, Safety and Professional Affairs Committee.

Dr. Matthew Narrett, Chief Medical Officer

Dr. Narrett is the Chief Medical Officer for Erickson Living. He is responsible for directing the provision of medical care and the Erickson Health strategy at all Erickson Living communities nationwide. The Medical Centers that Dr. Narrett directs are recognized as being among America's leading geriatric health care facilities.

Prior to his current position over the course of his career at Erickson, Dr. Narrett has served as Senior Vice President and Chief Medical Officer, Vice President and Regional Medical Director and Medical Director for Charlestown Community. Before joining Erickson, he was in private practice in Derry, New Hampshire, where he also served as director of medical quality assurance at Parkland Medical Center. He has extensive experience in adult medicine having seen and treated thousands of seniors throughout his over twenty five year career.

Dr. Narrett holds a B.S. in molecular biochemistry and biophysics; he graduated summa cum laude from Yale University. He received his medical degree from Harvard Medical School's Harvard-M.I.T. Division of Health Sciences and Technology. He completed his internship and residency at Beth Israel Hospital in Boston. He is board-certified in internal medicine and holds a certificate of added qualifications in geriatric medicine.

Dr. Narrett currently serves on the Clinical Practice and Models of Care Committee for the American Geriatric Society and the Advisory Board of the Practice Change Fellows Program supported by the Atlantic Philanthropies and the John A. Hartford Foundation. He is also a member of the American College of Physicians and the American Geriatrics Society. He has spoken frequently on issues affecting seniors in a number of settings including conferences, media events, health leadership summits and congressional forums.

Todd Matthiesen, Chief Financial Officer

Todd Matthiesen is responsible for directing the fiscal functions of Erickson Living in accordance with generally accepted accounting principles. He plans, develops, implements and directs the organization's fiscal function and performance; participates in the development of the company's strategic plans and programs; evaluates and advises on long-range plans; and provides financial and trending analysis in order to assist the President and CEO, the managed communities' Boards, and other senior executives in the performance of their responsibilities.

Mr. Matthiesen served previously as Vice President of Finance for Erickson Living, where his responsibilities included managing and leading several corporate departments and driving the budget and audit process as well as managing the day-to-day operations of the finance function.

Prior to Erickson Living, Mr. Matthiesen was Vice President of Operations for TEKsystems, Inc. He was responsible for the financial and operational performance of the Global Services division which provided Applications and Infrastructure services in the US, Canada, Europe and India to a broad spectrum of industries. Mr. Matthiesen was also responsible for the acquisition and integration of several multi-national companies. Before his twelve-year association with TEKsystems, Mr. Matthiesen worked for Waste Management Inc., in various financial positions, including mergers and acquisitions and operations.

Mr. Matthiesen graduated from High Point College as a Presidential Scholar in 1991 with a degree in Accounting, Business Administration and Economics.

Executive Director of Brooksby Village:

Tracie Bettano, Executive Director, Brooksby Village

Ms. Bettano is the Executive Director of Brooksby Village in Peabody, Massachusetts. She is responsible for the overall operations of the community. She has been a member of the Brooksby Village and Erickson team since 2004. During that time she has held many community and corporate positions, including Rehabilitation and Wellness Manager, Director of Rehabilitation Operations, Director of Continuing Care and Associate Executive Director. She has contributed to defining the high level of service, engagement and satisfaction that residents and staff have enjoyed at Brooksby Village.

Ms. Bettano has over 25 years of healthcare experience in the clinical, rehabilitation and management areas. She holds an M.S. degree in Speech-Language Pathology and is a licensed nursing home administrator. Prior to joining Brooksby Village and Erickson she worked as a Speech-Language Pathologist in acute care teaching hospitals on the East Coast before shifting her career focus to senior care and associated leadership roles.

EXHIBIT 4
SCHEDULE OF ENTRANCE DEPOSITS AND MONTHLY FEES

Summary:

Exhibit Four records the current entrance deposits, which are 90% refundable, the monthly fees which include the services listed in Section 4 of the Residence and Care Agreement (Exhibit 1). Also included in this Exhibit is the current list of fees for ancillary services for residents.

EXHIBIT 4
SCHEDULE OF CURRENT ENTRANCE DEPOSITS

Current Independent Living Monthly Fees

<u>Type of Unit</u>	<u>Range of Entrance Deposits</u>	<u>2018</u>
Efficiency/Studio	\$114,000 - \$166,000	\$1,810
One Bedroom	\$179,000 - \$220,000	\$2,222 - \$2,289
Extra Large One Bedroom	\$211,000 - \$286,000	\$2,289
Extra Large One Bedroom with Den	\$279,000 - \$322,000	\$2,488
Two Bedroom	\$264,000 - \$363,000	\$2,613
Two Bedroom One and Half Bath	\$337,000 - \$396,000	\$2,783
Two Bedroom Two Bath	\$359,000 - \$578,000	\$3,190 - \$3,286
Second Person Occupancy		\$942

** - Monthly fees for certain residents who moved in on or before May 30, 2001 are lower. Deposit and Service Package will vary if Resident participates in the Flexible Payment Program. Please refer to the Residence and Care Agreement. In addition, discounts may apply if marketing special promotion is in effect.

Health Care Units Monthly Fees

Assisted Care Fees (2018)

Assisted Care Monthly Fee Service Package A	\$4915- \$7517
Assisted Care Monthly Fee Service Package B	\$5715 - \$6589
Assisted Care Monthly Fee Service Package C	\$6515 - \$9117
Assisted Care Monthly Fee Service Package D	\$7315 - \$9917
Assisted Care Monthly Fee Service Package E	\$8115 - \$10,717
Memory Care	\$8163 - \$8656
Second Person Occupancy	Depends on Package Level
Assisted Care Non-occupancy credit	Same as independent non-occupancy credit

Skilled Nursing Care Center Fees (2018)	
Private Pay per diem	\$455

Ancillary Fee Schedule

		<u>2018</u>
Administration		
	New Non-Occupancy Credit (Effective May 1, 2013)	
	Credit for Absences per day – Single (11 consecutive nights or more – credit begins on 11 th night):	\$16.22
	Credit for Absences per day – Double (11 consecutive nights or more – credit begins on 11 th night):	\$27.30
Dining Services	Guest meal (Mon-Sat)	\$16.75
	Guest meal (Buffet)	\$16.75
	Guest meal (Holiday)	\$21.00
	Child Guest meal (age 11 and under)	\$7.05
	Tray Service (carry out delivery)	\$4.15
	Cider House Bistro Pizza Delivery	\$4.15
	Additional Resident Meal	\$12.80
General Services	Additional Apartment Key	\$7.50
	Additional Exterior Door Key Replacement (per occurrence)	\$27.00
	Additional Mailbox Key	\$4.80
	Padlock for Storage Bin	\$11.85
	Reserved Parking per month	\$26.50
	Reserved Parking (covered) by month	\$53.00
	Additional Gatehouse Transponder	\$53.00
	Replacement I.D. Badge	\$8.00
	Emergency Pendant-Monthly (\$128.75 installation fee)	\$136.75
	Guest Roll Away Bed/Baby Crib, Daily	\$18.05
	Storage Bin per month (Independent Living only)	\$11.50
	Guest Room, Daily (Kitchenette) - \$10 each additional person	\$96.50
	Guest Room, Daily (Kitchen) - \$10 each additional person	\$107.25
	Maintenance Service per hour plus materials (1/2 hr. minimum)	\$33.95
	Snow Removal (per car)	\$19.50 over 6" \$23.25
	Jump Starts (per car)	\$5.00
	Grounds Service per hour plus materials	\$33.95
	Housekeeping per hour (one hour minimum)	\$34.40

		<u>2018</u>
	Ironing (per hour)	\$34.40
	Laundry per load (Independent Living only)	\$34.40
	Transportation	Destination Dependent
Resident Life	Health Club - Basic Membership	Included in MSP
	Health Club - Group Exercise	\$5.00 per class
	Health Club - Enhanced Fitness & Enhanced group exercise	\$20.00
	Health Club - Basic Balance-10 classes which include pre and post assessments	\$100.00
	Intermissions Daily Session fee	\$66.00
IT	Service calls for Computer assistance	\$37 per 1/2 hour. \$12 for each additional 15 min

Brooksby Home Support Services – 2018 Fee Schedule

Aide Services

	<u>Price</u>
Per Hour	\$29.50
>= 4 Hours (per hour)	\$27.00
>= 12 Hours (per hour)	\$26.00
24 Hours (per hour)	\$25.00
Medication Reminder (per visit)	\$20.00
Pet Care (per visit)	\$16.00
Wheelchair Escort One Way (round trip is double)	\$12.50

RN Services

Assessment	No Charge
Nurse Visit (per visit)	\$75.00
Nurse Service (per hour)	\$75.00

Note: Holiday fees are 1.5 times the regular rate and are in effect on: New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

EXHIBIT 5
CHANGES IN PERIODIC CHARGES

Summary:

As required, Exhibit Five reflects the changes in Monthly Fees and Ancillary Fees since the opening of the community or for the last five years of operation, whichever is less

Changes in Monthly Fees for Residents who moved in after May 30, 2001

<u>Type of Unit</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Average Change 2017 to 2018</u>
Efficiency/Studio	\$1,554	\$1,607	\$1,648	\$1,706	\$1,757	\$1,810	3%
One Bedroom	\$1,839-\$1,966	\$1,895-\$2,039	\$1,951-\$2,084	\$2,018 - \$2,157	\$2,079 - \$2,222	\$2,141 - \$2,289	3%
Extra Large One Bedroom with Den	\$2,137	\$2,225	\$2,084	\$2,346	\$2,416	\$2,488	3%
Two Bedroom	\$2,244	\$2,311	\$2,230	\$2,463	\$2,537	\$2,613	3%
Two Bedroom One and Half Bath	\$2,390	\$2,462	\$2,534	\$2,623	\$2,702	\$2,783	3%
Two Bedroom Two Bath	\$2,586-\$2,821	\$2,657-\$2,905	\$2,742-\$2,992	\$2,838 - \$3,097	\$2,923 - \$3,190	\$3,011-\$3,286	3%
Second Person Occupancy	\$809	\$834	\$858	\$888	\$915	\$942	3%
Non-Occupancy Credit	\$9.65/person/ day from 7 to 90 days; \$14.10/1 st person per day if >90 days plus full credit for double occ fee if couple <u>(Eff no earlier than May 1, 2013)</u> \$14.00/single/per day and \$23.50/double/ per day for 11 consecutive nights or more	\$14.40/single/p er day and \$24.20/double/ per day for 11 consecutive nights or more	\$14.80/single/ per day and \$24.90/double/ per day for 11 consecutive nights or more	\$15.30/single/ per day and \$25.75/double /per day for 11 consecutive nights or more	\$15.75/single per day and \$26.50/double/ per day for 11 consecutive nights or more		3%

Changes in Monthly Fees for Residents Who Moved in Prior to or on May 30, 2001

Type of Unit	2013	2014	2015	2016	2017	2018	% Average Change 2016 – 2017
Efficiency/Studio	\$1,507	\$1,552	1,599	\$1,655	\$1,757	\$1,810	3%
One Bedroom	\$1,651-\$1,700	\$1701-\$1751	\$1,752-\$1,804	\$1,813 - \$1,867	\$2,079 - \$2,222	\$2,141 - \$2,289	3%
Extra Large One Bedroom with Den	\$1,959	\$2,018	\$2,079	\$2,152	\$2,416	\$2,488	3%
Two Bedroom	\$1,942	\$2,000	\$2,060	\$2,132	\$2,537	\$2,613	3%
Two Bedroom One and Half Bath	\$2,124	\$2,182	\$2,248	\$2,327	\$2,702	\$2,783	3%
Two Bedroom Two Bath	\$2,124-\$2,297	\$2,188-\$2,366	\$2,254-\$2,444	\$2,333 -\$2,530	\$2,923 - \$3,190	\$3,011-\$3,286	3%
Second Person Occupancy	\$713	\$734	\$756	\$782	\$915	\$942	3%
Non-Occupancy Credit	9.65/person/ day from 7 to 90 days; \$14.10/1 st person per day if >90 days plus full credit for double occ fee if couple <hr/> (No earlier than April 1) \$14.00/single/ per day and \$23.50/double/ per day for 11 consecutive nights or more	\$14.00/single /per day and \$24.20/double/ per day for 11 consecutive nights or more	14.80/single /per day and \$24.90/double/ per day for 11 consecutive nights or more	\$15.30/single/ per day and \$25.75/double/ per day for 11 consecutive nights or more	\$15.75/single per day and \$26.50/double/per day for 11 consecutive nights or more	\$16.22/single per day and \$27.30 double/per day for 11 consecutive nights or more	3%

Assisted Care Fees

Care Package	2013 Monthly Service Package	2014 Monthly Service Package	2015 Monthly Service Package	2016 Monthly Service Package	2017 Monthly Service Package	2018 Monthly Service Package	% Average Change 2017 - 2018
Assisted Care Monthly Fee Service Package A	\$4,178-\$4,928	\$4,303-\$5,076	\$4,500-\$6,300	\$4,635 - \$7,089	\$4,797 - \$7,337	\$4,915 - \$7,517	4.0%
Assisted Care Monthly Fee Service Package B	\$5,088-\$5,651	\$5,241-\$5,821	\$5,300-\$7,100	\$5,385 - \$7,839	\$5,557 - \$8,097	\$5,715 - \$6,589	4.0%
Assisted Care Monthly Fee Service Package C	\$5,517-\$6,267	\$5,683-\$6,455	\$5,967-\$7,828	\$6,135 - \$8,589	\$6,317 - \$8,857	\$6,515 - \$9,117	4.0%
Assisted Care Monthly Fee Service Package D	\$5,999-\$7,123	\$6,179-\$7,337	\$6,488-\$8,700	\$6,812 - \$9,339	\$7,077 - \$9,617	\$8,115 - \$10,717	4.0%
Assisted Care Monthly Fee Service Package E	\$6,722-\$7,498	\$6,924-\$7,721	\$7,270-\$9,159	\$7,562 - \$10,089	\$7,837 - \$10,377	\$8,115 - \$10,717	4.0%
Assisted Care Plus	\$6,615-\$7,418	\$6,813-\$7,641	\$7,120-\$7,470	\$7,476 - \$8,940	\$7,775 - \$8,158	\$8,163 - \$8,656	4.0%
Transition Level	\$6,722-\$7,498	\$6,923-\$7,723					
Assisted Care Non-occupancy credit	Same as independent non-occupancy credit	Same as independent non-occupancy credit	Same as independent non-occupancy credit	Same as independent non-occupancy credit	Same as independent non-occupancy credit	Same as independent non-occupancy credit	

Skilled Nursing

Skilled Nursing	2013	2014	2015	2016	2017	2018	% Average Change 2016 to 2017
Per Diem Rate – Private Pay	\$416.00	\$428.00	\$441.00	\$445.00	\$449.00	\$455.00	0.9%

Ancillary Fee Schedule

Description of Ancillary Service	2013	2014	2015	2016	2017	2018	% Average Increase/ Decrease 2017 to 2018
Non-occupancy credit per night (10 consecutive nights or more) – 1 st person	(\$14.10)	(14.40)/night	\$14.80	\$15.30	\$15.75	\$16.22	3.0%
Non-occupancy credit (10 consecutive nights or more) – 2 nd person	Full credit for double occ. Fee	\$24.20/night	\$24.90	\$25.75	\$26.50	\$27.30	3.0%
Guest Meal (Mon-Sat)	\$14.95	\$15.40	\$15.70	\$16.15	\$16.50	\$16.75	1.5%
Guest Holiday Meal (Holiday dinner buffet/holiday brunch)	\$20.56	\$15.40	\$20.55	\$20.55	\$21.00	\$16.75	0.9%
Child Guest Meal (ages 11 and under)	\$6.85	\$7.05	\$7.05	\$7.05	\$7.05	\$7.05	0%
Tray Service (carry out delivery)	\$3.75	\$3.85	\$3.95	\$4.05	\$4.05	\$4.15	2.5%
Cider House Bistro Pizza Delivery	\$3.75	\$3.85	\$3.95	\$4.05	\$4.05	\$4.15	2.5%
Health Club – Basic Membership	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	0%
Health Club – Group Exercise	\$5/class	\$5/class	\$5/class	\$5/class	\$5/class	\$5/class	0%

Description of Ancillary Service	2013	2014	2015	2016	2017	2018	% Average Increase/ Decrease 2017 to 2018
Health Club – Fall Proof–10 classes which include pre and post assessments	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	0%
Intermissions Daily Session fee	\$55.00	\$58.00	\$60.00	\$62.00	\$64.00	\$66.00	3.1%
Home Support, Basic Hourly Services, weekdays	\$21-\$24 per hour	\$21-\$24 per hour	\$21-\$24 per hour	\$30.00	\$28.00 per hour	\$29.50 per hour	
Home Support Basic Hourly Services, weekends	Weekday rate +\$2	Weekday rate +\$2	Weekday rate +\$2	\$28.00	\$28.00	\$29.50 per hour	
Home Support, Nursing Services, weekdays	\$70-\$105 per hour	\$70-\$105 per hour	\$70-\$105 per hour	\$70 per hour	\$70 per hour	\$75.00 per hour	
Home Support, Nursing Services, weekends	Weekday rate x 1.5	Weekday rate x 1.5	Weekday rate x 1.5	\$105 per hour	\$70 per hour	\$75.00 per hour	
Home Support, Holiday Rates	Double weekday rate	Double weekday rate	Double weekday rate	Double weekday rate	Double weekday rate	1.5 times the regular rate	
Laundry, per load (Independent Living only)	\$17.00	\$17.50	\$18.55	\$19.10	\$33.40	\$34.40	3.0%
Grounds Service per hour plus materials	\$27.55 per hour	\$28.35 per hour	\$30.00 per hour	\$31.00 per hour	\$32.95 per hour	\$33.95 per hour	3.0%

Description of Ancillary Service	2013	2014	2015	2016	2017	2018	% Average Increase/ Decrease 2017 to 2018
Maintenance Service per hour plus materials (½ hr. minimum)	\$27.55 per hour	\$28.40 per hour	\$30.00 per hour	\$31.00 per hour	\$32.95 per hour	\$33.95 per hour	3.0%
Transportation	Destination Dependent	Destination Dependent	Destination Dependent	Destination Dependent	Destination Dependent	Destination Dependent	Destination Dependent
Guest Room, Daily (Kitchenette) \$10 per additional person	\$88	\$88	\$88	\$91	\$93.80	\$96.50	2.9%
Guest Room, Daily (Kitchen) \$10 per additional person	\$98	\$98	\$98	\$101	\$104.25	\$107.25	2.9%
Guest Roll Away Bed/Baby Crib, Daily	\$16.50	\$16.50	\$16.50	\$17	\$17.55	\$18.05	2.8%
Storage Bin per month (Independent Living Only)	\$10.85	\$10.85	\$10.85	\$11.15	\$11.50	\$11.50	0%
Padlock for Storage Bin	\$10.50	\$10.50	\$10.50	\$11.50	\$11.85	\$11.85	0%
Reserved Parking per month	\$26.50	\$26.50	\$26.50	\$26.50	\$26.50	\$26.50	0%
Reserved Parking (covered) by month	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	0%
Wheelchair Escort (round trip)	N/A	N/A	\$21.00	\$21.00	\$25.00	\$25.50	2.0%

Description of Ancillary Service	2013	2014	2015	2016	2017	2018	% Average Increase/ Decrease 2017 to 2018
Wheelchair Rental	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jump Starts (per car)	\$6.00	Free	Free	Free	\$5.00	\$5.00	0%
Snow Removal (per car) (over 6" \$18.00)	\$16.40 (over 6" charge is \$19.55)	\$16.90 (over 6" charge is \$20.15)	\$17.40 (over 6" charge is \$20.75)	\$18.45 (over 6" charge is \$22.00)	\$19.00 (over 6" charge is \$22.65)	\$19.50 (over 6" charge is \$23.25)	2.6%
Additional Apartment Key/Exterior	\$7.00	\$7.00	\$7.00	\$7.20	\$7.50	\$7.50	0%
Additional Exterior Door Key Replacement (per occurrence)	\$22.50	24.50	\$25.50	\$26.25	\$27.00	\$27.00	0%
Additional Mailbox Key	\$4.50	\$4.50	\$4.50	\$4.65	\$4.80	\$4.80	0%
Housekeeping per hour (one hour minimum)	\$26.25	\$27.05	\$27.85	\$29.55	\$33.40	\$34.40	3.0%
Ironing (per hour)	\$26.25	\$27.05	\$27.85	\$29.55	\$33.40	\$34.40	3.0%
Additional Gatehouse Transponder	\$40.00	\$50.00	\$50.00	\$51.50	\$53.00	\$53.00	0%
Replacement I.D. Badge	\$7.00	\$7.00	\$7.00	\$7.20	\$8.00	\$8.00	0%

Description of Ancillary Service	2013	2014	2015	2016	2017	2018	% Average Increase/ Decrease 2017 to 2018
Emergency Pendant-	\$125 installation fee. Biannual maintenance \$15/visit	\$125 installation fee. Biannual maintenance \$15/visit	\$125 installation fee. Biannual maintenance \$15/visit	\$128.75 installation fee. Biannual maintenance \$15/visit	\$132.75 installation fee. Biannual maintenance \$15.45/visit	\$136.75 installation fee. Biannual maintenance \$	3.0%
Service calls for Computer assistance	\$33.00 per ½ hour; \$10 for each add'l 15 minutes	\$33.00 per ½ hour; \$10 for each add'l 15 minutes	\$34.00 per ½ hour; \$11 for each add'l 15 minutes	\$36.00 per ½ hour; \$11 for each add'l 15 minutes	\$36.00 per ½ hour; \$12 for each add'l 15 minutes	\$37 per ½ hour; \$12 for each add'l 15 minutes	2.7%

EXHIBIT 6
CERTIFIED FINANCIAL STATEMENTS OF PROVIDER

Summary:

As a form of consumer protection for prospective residents pursuant to Massachusetts law, Brooksby Village is required to include an audit from an independent accounting firm, expressing that firm's opinion on Brooksby Village's financial statements. Attached is the Report of Independent Accountants on Financial Statements for Brooksby Village.

BROOKSBY VILLAGE, INC. AND SUBSIDIARY

**Consolidated Financial Statements
and Supplemental Information**

December 31, 2017 and 2016



Report of Independent Auditors

To the Board of Directors
Brooksby Village, Inc. and Subsidiary:

We have audited the accompanying consolidated financial statements of Brooksby Village, Inc. and Subsidiary ("BBV") which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations, changes in net assets (deficit), and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to BBV's preparation and fair presentation of the consolidated financial statements 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 BBV's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BBV as of December 31, 2017 and 2016 and the results of their operations, changes in net assets (deficit), and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplemental Schedule is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PricewaterhouseCoopers LLP

April 25, 2018
Baltimore, MD

Brooksby Village, Inc. and Subsidiary
Consolidated Balance Sheets
December 31, 2017 and 2016

ASSETS	2017	2016
Current assets		
Cash and cash equivalents	\$ 8,338,993	\$ 6,745,831
Short term investments	7,481,587	10,030,567
Restricted cash equivalents (insurance related)	117,164	127,649
Accounts receivable, net of allowance for uncollectible accounts of \$135,602 and \$1,089,265 for 2017 and 2016, respectively	4,389,949	5,055,095
Inventory	184,164	204,790
Prepaid expenses and other current assets	235,458	193,905
Promissory notes receivable	3,982,250	2,623,300
Total current assets	<u>24,729,565</u>	<u>24,981,137</u>
Non-current assets		
Limited use cash, cash equivalents and investments		
Escrow cash equivalents	1,481,600	1,580,800
Certificates of deposit (insurance related)	125,191	125,191
Beneficial interest in gift annuities	119,548	119,548
Temporarily restricted funds	1,561,773	1,310,958
Permanently restricted funds	134,500	-
Funds held for residents	239,772	237,429
	<u>3,662,384</u>	<u>3,373,926</u>
Beneficial interest in National CCRC Business Trust 1	56,567,960	41,179,790
Total limited use cash, cash equivalents and investments	<u>60,230,344</u>	<u>44,553,716</u>
Property and equipment, net	293,174,279	300,425,922
Total non-current assets	<u>353,404,623</u>	<u>344,979,638</u>
Total assets	<u>\$ 378,134,188</u>	<u>\$ 369,960,775</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,228,564	\$ 4,945,159
Claims reserve (insurance related)	944,041	1,026,773
Resident refunds payable	8,889,577	9,381,039
Bonds payable, current portion	1,655,000	1,585,000
Other current liabilities	153,375	154,434
Purchase money note, current portion	188,935	1,131,322
Total current liabilities	<u>17,059,492</u>	<u>18,223,727</u>
Non-current liabilities		
Funds held for residents	239,772	237,429
Advance deposits	1,058,300	1,598,700
Parking deposits	50,000	50,000
Resident entrance fees, net of accumulated amortization of \$40,349,943 and \$40,965,165 for 2017 and 2016, respectively	358,938,264	350,630,970
Bonds payable, net of current portion	56,317,643	57,661,047
Accrued liability on swap agreement	1,136,811	1,034,819
Purchase money note, net of current portion	6,512,257	8,059,973
Total non-current liabilities	<u>424,253,047</u>	<u>419,272,938</u>
Total liabilities	<u>441,312,539</u>	<u>437,496,665</u>
Net assets (deficit)		
Unrestricted	(64,994,172)	(68,966,396)
Temporarily restricted	1,681,321	1,430,506
Permanently restricted	134,500	-
Total net assets (deficit)	<u>(63,178,351)</u>	<u>(67,535,890)</u>
Total liabilities and net assets (deficit)	<u>\$ 378,134,188</u>	<u>\$ 369,960,775</u>

The accompanying notes are an integral part of these consolidated financial statements.

Brooksby Village, Inc. and Subsidiary
Consolidated Statements of Operations
for the years ended December 31, 2017 and 2016

	2017	2016
Unrestricted revenue, gains and other support:		
Resident occupancy revenue	\$ 63,998,866	\$ 62,459,938
Ancillary fees	8,197,504	7,803,768
Amortization of resident entrance fees	281,854	81,439
Other revenue	595,901	589,750
Net assets released from restriction used for operations	917,427	842,923
Total revenue, gains and other support	<u>73,991,552</u>	<u>71,777,818</u>
Expenses:		
Salaries, wages and benefits	\$ 34,958,973	\$ 32,984,914
Professional and contracted services	9,573,981	8,649,088
Supplies	2,428,104	2,239,388
Dietary and other supplies	3,704,876	3,729,307
Building grounds and maintenance	1,274,618	1,301,672
Utilities	2,768,750	2,692,957
Administrative and other	1,062,755	2,016,528
Management fees	2,800,419	2,704,902
Resident relations	389,403	461,668
Insurance	441,934	707,756
Interest	1,595,749	1,512,889
Real estate taxes	1,939,571	1,907,212
Depreciation and amortization	12,864,931	12,337,945
Expenses incurred related to temporarily restricted net assets	917,427	842,923
Total expenses	<u>76,721,491</u>	<u>74,089,149</u>
Operating loss	(2,729,939)	(2,311,331)
Non-operating income and (expenses):		
Reversal of prior amortization	(49,800)	(75,600)
Interest and dividend income	142,173	145,698
Realized and unrealized loss on swap agreement	(580,293)	(187,110)
Change in beneficial interest in National CCRC Business Trust I	7,188,170	2,196,080
Net realized loss on investments	(12,236)	(10,180)
Non-operating income	<u>6,688,014</u>	<u>2,068,888</u>
Excess of revenue over expenses/(expenses over revenue)	3,958,075	(242,443)
Change in unrealized gain on investments	<u>14,149</u>	<u>38,931</u>
Increase/(decrease) in unrestricted net assets (deficit)	<u>\$ 3,972,224</u>	<u>\$ (203,512)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Brooksby Village, Inc. and Subsidiary
Consolidated Statements of Changes in Net Assets (Deficit)
for the years ended December 31, 2017 and 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets (deficit) January 1, 2016	\$ (68,762,884)	\$ 1,673,191	\$ -	\$ (67,089,693)
Restricted contributions and income earned	-	600,238	-	600,238
Net assets released from restriction used for operations	-	(842,923)	-	(842,923)
Excess of expenses over revenue	(242,443)	-	-	(242,443)
Change in unrealized gain on investments	38,931	-	-	38,931
Change in net assets (deficit)	(203,512)	(242,685)	-	(446,197)
Net assets (deficit) December 31, 2016	\$ (68,966,396)	\$ 1,430,506	\$ -	\$ (67,535,890)
Restricted contributions and income earned	-	1,168,242	134,500	1,302,742
Net assets released from restriction used for operations	-	(917,427)	-	(917,427)
Excess of revenue over expenses	3,958,075	-	-	3,958,075
Change in unrealized gain on investments	14,149	-	-	14,149
Change in net assets (deficit)	3,972,224	250,815	134,500	4,357,539
Net assets (deficit) December 31, 2017	\$ (64,994,172)	\$ 1,681,321	\$ 134,500	\$ (63,178,351)

The accompanying notes are an integral part of these consolidated financial statements.

Brooksby Village, Inc. and Subsidiary
Consolidated Statements of Cash Flows
for the years ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets (deficit)	\$ 4,357,539	\$ (446,197)
Adjustments to reconcile change in net assets (deficit) to net cash and cash equivalents provided by operating activities		
Reversal of prior amortization	49,800	75,600
Depreciation and amortization	12,864,931	12,337,945
Provision for bad debts	85,737	865,129
Amortization of resident entrance fees	(281,854)	(81,439)
Change in fair value of swap agreement	101,992	(567,679)
Change in unrealized gain on investments	(14,149)	(38,931)
Change in beneficial interest in National CCRC Business Trust I	(7,188,170)	(2,196,080)
Proceeds from non-refundable entrance fees	5,024,700	4,468,176
Spend down	(6,941,284)	(5,116,860)
Decrease/(increase) in accounts receivable	579,409	(2,865,724)
Decrease/(increase) in inventory	20,626	(445)
(Increase)/decrease in prepaid expenses and other current assets	(41,553)	80,170
Increase in accounts payable and accrued expenses	237,195	609,656
Decrease in claims reserve (insurance related)	(82,732)	(5,630)
(Decrease)/increase in other current liabilities	(1,059)	6,924
Net cash provided by operating activities	<u>8,771,128</u>	<u>7,124,615</u>
Cash flows from investing activities		
Decrease in short-term investments	2,563,129	2,852,492
Decrease/(increase) in restricted cash equivalents (insurance related)	10,485	(14,786)
(Increase)/decrease in limited use cash, cash equivalents and investments	(286,115)	10,299,306
Purchase of beneficial interest in National CCRC Business Trust I	(8,200,000)	(12,000,000)
Purchases of property and equipment	(5,536,868)	(10,405,117)
Net cash used in investing activities	<u>(11,449,369)</u>	<u>(9,268,105)</u>
Cash flows from financing activities		
Payment of deferred financing costs	(566,614)	-
Proceeds from parking deposits	-	10,000
Payment of purchase money note	(2,490,103)	(2,861,046)
Proceeds from refundable entrance fees	44,000,950	40,693,624
Refunds of refundable entrance fees	(35,935,830)	(34,925,852)
Proceeds from bond issuance	848,000	-
Principal payments of bonds payable	(1,585,000)	(1,495,000)
Net cash provided by financing activities	<u>4,271,403</u>	<u>1,421,726</u>
Increase/(decrease) in cash and cash equivalents	1,593,162	(721,764)
Cash and cash equivalents, beginning of year	6,745,831	7,467,595
Cash and cash equivalents, end of year	<u>\$ 8,338,993</u>	<u>\$ 6,745,831</u>
Supplemental cash flow disclosure:		
Change in funds held for residents	\$ 2,343	\$ 9,818
Purchases of property and equipment in accounts payable and accrued expenses	187,085	140,875
Cash paid for interest	1,333,768	1,152,866

The accompanying notes are an integral part of these consolidated financial statements.

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

1. Organization

Brooksby Village, Inc. (the "Community") was established on July 16, 1998 as a Maryland non-stock corporation to operate a continuing care retirement community ("CCRC") located in Peabody, Massachusetts. As of December 31, 2017, the Community's available units totaled 1,572 and included 1,344 independent living units, 92 assisted care units, 104 skilled nursing beds and 32 memory care units. As of December 31, 2017, there were 1,521 occupied units, which consisted of 1,302 independent living units, 90 assisted care units, 97 skilled nursing beds and 32 memory care units. As of December 31, 2016, there were 1,501 occupied units, which consisted of 1,278 independent living units, 92 assisted care units and 96 skilled nursing beds and 32 memory care units.

National Senior Campuses, Inc. ("NSC"), a not-for-profit organization, was organized to support the Community and 15 other not-for-profit organizations that operate retirement communities. NSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations. NSC is the sole member of the Community and appoints all directors of the Community's Board.

Peabody Campus, LLC ("PBC") is a Maryland limited liability company which is a wholly owned subsidiary of the Community and is the owner of the land and buildings.

The Community contracts with Erickson Living Management, LLC, ("ELM") to provide management services as described in footnote 5. Other than through the various agreements associated with the management of the Community, ELM is not affiliated with the Community or NSC.

Subsequent events have been evaluated by management through April 25, 2018, which is the date the consolidated financial statements were issued.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include the Community and its wholly owned subsidiary, PBC (collectively "BBV").

Cash and Cash Equivalents

Cash and cash equivalents consist of short term, highly liquid investments that are readily convertible into known amounts of cash and have original maturities of three months or less. BBV utilizes a controlled disbursement account that funds checks as they are presented for payment which may result in a book overdraft due to timing. There was no book overdraft as of December 31, 2017 and 2016.

Insurance

BBV participates in insurance plans which cover claims for employee health, professional and general liability and workers' compensation.

Insurance Recoverable

Insurance recoverable represents amounts over the deductible which are the responsibility of the insurance company providing the excess coverage. The insurance recoverable balance was \$39,663 as of December 31, 2017, and is included in prepaid expenses and other current assets on the Consolidated Balance Sheets. There was no insurance recoverable balance as of December 31, 2016.

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

Claims Reserve (insurance related)

Claims reserves are estimated accrued insurance liabilities for the employee health plan, professional and general liability and workers' compensation insurance plans. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided. Claims incurred but not reported represent amounts accrued for the current year which were actuarially determined to be the amount of potential claim payments for events occurring prior to year-end, including excess amounts covered by reinsurance as insurance recoverable. The Community does not discount the liability.

Employee Health Plan

BBV participates in a self-funded employee health plan with other NSC communities that are managed by ELM. A specific stop loss policy has been purchased to reduce a portion of the plan risk. The specific stop loss reimbursement policy covers medical and prescription drug claims totaling more than \$450,000 for the years ended December 31, 2017 and 2016, per member per calendar year. Symetra Life Insurance Company provides the excess coverage and reimburses the plan for amounts over the specific stop loss deductible. NSC participants in the plan share in the payment of claims within the deductible based on their percentage of participation in the plan within their region. BBV is included in NSC's New England region, which also includes Linden Ponds, Inc.

For the years ended December 31, 2017 and 2016, expenses related to the employee health plan were \$3,135,185 and \$2,848,581, respectively, and are included in salaries, wages and benefits on the Consolidated Statements of Operations. The liability for future health claims was \$469,553 and \$437,740 as of December 31, 2017 and 2016, respectively, and is included in claims reserve (insurance related) on the Consolidated Balance Sheets.

Professional and General Liability Insurance

BBV participates in a high retention professional and general liability insurance plan with ELM and other communities managed by ELM. The plan has a \$1,000,000 retention with a \$3,000,000 professional and general liability aggregate. Continental Casualty Company ("CNA") provides the excess coverage. To the extent a participant incurs a loss, all participants will share in paying for that loss, including the deductible and subject to the aggregate limits.

For the years ended December 31, 2017 and 2016, expenses related to the professional and general liability plans were \$90,067 and \$461,582, respectively, and are included in insurance expense on the Consolidated Statements of Operations. BBV follows the accounting policy of establishing reserves for all losses unpaid at the end of the year, including the excess amounts covered by CNA. These reserves have been established by management through consultation with actuaries and are recorded at the expected value to be paid. The liability for the anticipated payment for future professional and general liability claims was \$432,973 and \$587,470 as of December 31, 2017 and 2016, respectively, and is included in claims reserve (insurance related) on the Consolidated Balance Sheets.

Workers' Compensation

BBV is covered by a commercial workers' compensation policy from the Arch Insurance Company. Deductible amounts per the policy are covered by a separate policy that limits the Community's exposure to their monthly premiums.

For the years ended December 31, 2017 and 2016, expenses related to the workers' compensation plan were \$774,129 and \$752,384, respectively, and are included in salaries, wages and benefits on the Consolidated Statements of Operations.

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

Concentration of Credit Risk

Financial instruments, which subject BBV to concentrations of credit risk, consist primarily of cash, cash equivalents, certificates of deposit and investments. Cash and cash equivalents include overnight investment arrangements with banks and investments. Total deposits maintained at these institutions at times exceeded the amount insured by federal agencies and therefore, bear a risk of loss. BBV has not experienced any losses on these funds.

Inventory

Inventory consists of food and other supplies and is recorded at the lower of cost or market using the first in, first out method.

Promissory Notes Receivable

Promissory notes receivable consist of short-term receivables from residents related to payment of the final installment of their entrance fee. Often, there is a timing difference between when the sale of a prospective resident's home will be finalized, and the due date of the final installment on their entrance fee. In these cases, a short-term promissory note is issued by the resident. If the resident pays the note on or before the agreed upon due date, no interest is charged. If the resident does not pay the note by the agreed upon due date, interest may be charged from the day the note was issued through the date of payment. The promissory notes receivable balance was \$3,982,250 and \$2,623,300 as of December 31, 2017 and 2016, respectively.

Escrow Cash Equivalents, Advance Deposits, Parking Deposits and Resident Entrance Fees

Residents are required to remit entrance fees, which may vary in amount depending upon the unit to be occupied. Prospective residents are required to make certain installment payments prior to the final settlement of the given unit. These amounts are included in escrow cash equivalents and advance deposits on the Consolidated Balance Sheets. Timing differences may cause escrow cash equivalents not to be equal to advanced deposits. Residents may reserve a designated parking space, based on availability, and are required to pay a refundable deposit for the space.

Entrance fees on settled units are shown as resident entrance fees on the Consolidated Balance Sheets and are reported net of amortization and spend down. For Residence and Care Agreements ("RCA"s) issued prior to the introduction of the 90% contracts discussed below, entrance fees are fully refundable when the unit has been vacated and released, all outstanding obligations of the resident have been paid, and the unit has been resettled and paid for by a new resident with a fee amount greater than or equal to the previous entrance fee amount.

The currently offered RCA's provide for a refundable amount of 90% of the total entrance fee and a 10% non-refundable portion ("90% contracts"). Eligibility for a refund under the 90% contracts is established when the RCA has terminated, the unit has been vacated and released, all outstanding obligations have been paid and funds are available in the Refund Account. The Refund Account is funded from new residents who have settled an independent living unit with a new 90% contract. The refunds are made in sequential order, based on when a former resident has met eligibility for a refund and funds are available in the Refund Account. The refund on these units is not tied to the resettlement of the former resident's specific unit. Once these requirements have been met, the refund is due to the resident within 60 days. For the 90% contracts, when the unit is released the amount of the fully refundable portion of the resident entrance fee is reclassified from resident entrance fees, a non-current liability, to resident refunds payable, a current liability, on the Consolidated Balance Sheets. For all entrance fee refunds due under the previous RCA, the fee is reclassified when the former resident's unit is resettled.

The 10% non-refundable portion is treated as deferred revenue and amortized into revenue on a straight line basis over an 8.5 year period which approximates the estimated average length of time a resident resides at the community based on community and industry data. Amortization of resident entrance fees is included in unrestricted revenue, gains and other support on the Consolidated Statements of Operations. The amount of amortization related to the 10% non-

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

refundable portion of the deposit was \$281,854 and \$81,439 for the years ended December 31, 2017 and 2016, respectively, which is included in amortization of resident entrance fees on the Consolidated Statements of Operations.

Entrance fees may be used to satisfy monthly fees if no other resident funds are available, resulting in a spend down of the resident's entrance fees. The amounts charged to spend down are subsequently recovered by the community through a reduction of the amounts refunded to the resident when they leave the community and any required refund is made. Residents' final bills are also charged to spend down which reduces the amount of their refundable entrance fee under the terms of the RCA. For the years ended December 31, 2017 and 2016, spend down activity to offset monthly charges was \$6,941,284 and \$5,116,860, respectively. The net decrease in total spend down (spend down charges offset by recoveries) for the years ended December 31, 2017 and 2016 was \$670,137 and \$2,049,745, respectively.

The composition of resident entrance fees as of December 31, net is as follows:

	2017	2016
Fully refundable contracts		
Resident entrance fees	\$ 241,227,600	\$ 274,944,300
Less: accumulated amortization	(24,938,224)	(28,738,224)
90% Contracts		
Resident entrance fees		
90% refundable portion	152,609,400	116,048,189
10% non-refundable portion	17,291,900	13,114,476
Less: accumulated amortization	(15,411,719)	(12,226,941)
Less: spend down	<u>(11,840,693)</u>	<u>(12,510,830)</u>
Resident entrance fees, net	<u>\$ 358,938,264</u>	<u>\$ 350,630,970</u>

Limited Use Cash, Cash Equivalents and Investments

BBV has restricted cash equivalents (insurance related), escrow cash equivalents, certificates of deposit (insurance related), beneficial interest in gift annuities, temporarily restricted funds, permanently restricted funds, and funds held for residents that are comprised of cash, cash equivalents and investments, stated at fair market value. Income related to unrestricted limited use cash, cash equivalents and investments is included in excess of revenue over expenses/(expenses over revenue) on the Consolidated Statements of Operations.

BBV began investing the board designated funds in the National CCRC Business Trust I ("Trust") in April 2012. The Trust was established by NSC to invest excess cash of its supported organizations in order to achieve long-term investment goals. NSC serves as the Trustee and has the executive management and control of the funds within the Trust, which includes money market funds, equity mutual funds, fixed income funds, and fund of funds. The Trustee invests with The Vanguard Group, Inc. and its group of registered mutual funds to limit the costs and fees incurred by the Trust. The Trustee has the power to conduct, operate and carry on the business of the pooled investments fund, which includes buying, holding and selling securities on behalf of the Trust. Redemptions from the Trust are permitted quarterly upon 90 calendar days advance notice and take place as of the last business day each calendar quarter after the month end net asset value is established.

BBV's share of the net assets of the Trust is determined by multiplying the number of shares BBV has in the Trust by the net asset value per share of the Trust. As of December 31, 2017 and 2016, BBV owned 3,367,990 and 2,858,739 shares in the Trust, respectively. The value of BBV's investment in the Trust was \$56,567,960 and \$41,179,790 as of December 31, 2017 and 2016, respectively, and is included in beneficial interest in National CCRC Business Trust I on the Consolidated Balance Sheets. This investment is accounted for under the equity method of

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

accounting. BBV contributed \$8,200,000 and \$12,000,000 into the Trust during the years ended December 31, 2017 and 2016, respectively. For the years ended December 31, 2017 and 2016, the change in the beneficial interest in the Trust was \$7,188,170 and \$2,196,080, respectively, and is included in changes in beneficial interest in National CCRC Business Trust I on the Consolidated Statements of Operations.

Condensed financial statements and related information of the Trust as of December 31 are as follows:

	2017	2016
Assets	\$ 596,789,551	\$ 422,472,470
Liabilities	88,158	72,049
Net assets	596,701,393	422,400,421
Net asset value per share	16.80	14.40
Net investment income	13,918,440	10,349,238
Realized and unrealized gain from investments	60,882,532	13,005,482
Net increase in net assets	74,800,972	23,354,720

Charitable Gift Annuities

BBV has been named the beneficiary in charitable gift annuities entered into by residents with certain gift annuity foundations. As such, BBV has recorded an asset and contribution revenue for their beneficial interest in the annuities. Changes in the fair market value of the annuity are recognized as changes in the value of the charitable gift annuities in the year in which they occur and are included in other revenue on the Consolidated Statements of Operations. For the years ended December 31, 2017 and 2016 the change in the estimated fair value was insignificant. The discount rate used to compute the present value of the beneficial interest is the rate of return a market participant would expect to receive. The balance in beneficial interest in gift annuities was \$119,548 as of December 31, 2017 and 2016.

Property and Equipment, Net

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of 3 to 40 years. Improvements to property and equipment that substantially extend the useful life of the asset are capitalized. Repair and maintenance costs are expensed as incurred. Gains or losses on the disposition of property and equipment are recorded at the time of the disposition. The useful lives of property and equipment are as follows:

	Useful Life
Land improvements	15
Building and building improvements	7 - 40
Furniture and fixtures	7
Equipment and vehicles	3 - 5

Deferred Financing Costs

Financing costs incurred in connection with the issuance by the Massachusetts Development Finance Agency Bonds are included in bonds payable, net of current portion on the Consolidated Balance Sheets. These costs are being amortized over the term of the related bond issues using the straight-line method which approximates the effective interest rate method.

Compensated Absences

BBV records a liability for amounts due to employees for future absences that are attributable to services performed in the current and prior periods, which is included in accounts payable and accrued expenses on the Consolidated Balance Sheets.

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

Net Assets (Deficit)

To account for donor-imposed restrictions placed on the use of resources, net assets (deficit) is classified as follows:

Unrestricted

Unrestricted net assets (deficit) represent resources that are not restricted, either temporarily or permanently, by donor-imposed stipulations. They are available for the support of all organizational operations and services. Unrestricted net assets (deficit) are free of donor imposed restrictions and include all revenue, expenses, gains and losses that are not changes in temporary or permanently restricted net assets.

Temporarily Restricted

Temporarily restricted net assets represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations. These restrictions are temporary in that they either expire by the passage of time or by the fulfillment of certain actions pursuant to those stipulations.

Permanently Restricted

Permanently restricted net assets represent contributions and over inflows of assets whose use is limited by the donor-imposed stipulations that neither expire by the passage of time nor by the fulfillment of the certain actions pursuant to those stipulations.

Excess of Revenue over Expenses/(Expenses over Revenue)

The Consolidated Statements of Operations include excess of revenue over expenses/ (expenses over revenue) which includes all revenue and expenses that are an integral part of the Community's operating activities. Changes in unrestricted net assets which are excluded from excess of revenue over expenses/(expenses over revenue) consistent with industry practice, include unrealized gains and losses on investments in other than trading securities, if applicable.

Revenue Recognition

Resident occupancy revenues are generated from fees that residents pay for their monthly occupancy and are recorded in the period of the related occupancy. Ancillary fees consist primarily of medical care, maintenance and housekeeping fees and sales in the dining areas and convenience stores and are recorded in the period in which the related services are delivered.

Income Taxes

BBV is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and the applicable state income tax regulations. PBC is a single member limited liability company and has elected to be disregarded for federal and state income tax purposes. PBC's financial statement activity is reflected on BBV's books and records. Management has evaluated BBV's tax positions and has concluded that BBV has taken no uncertain tax positions that would require recognition or disclosure in the consolidated financial statements.

Estimates

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

Interest Rate Swap

BBV follows accounting guidance on derivative financial instruments that is based on whether the derivative instrument meets the criteria for designation as cash flow or fair value hedges. The criteria for designating a derivative as a hedge includes the assessments of the instrument's effectiveness in

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

risk reduction, matching of the derivative instrument to its underlying transactions, and the assessment of the probability that the underlying transaction will occur. All of BBV's derivative financial instruments are interest rate swap agreements without hedge accounting designation.

The value of the interest rate swap agreements entered into by BBV are adjusted to market value quarterly at the close of the accounting period based upon quotations from market makers. The change in market value, if any, is recorded in the Consolidated Statements of Operations. Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk in excess of the amounts recognized on the Consolidated Balance Sheets. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates. BBV does not hold derivative instruments for the purpose of managing credit risk and enters into derivative transactions with high quality counterparties. BBV recognizes gains and losses from the changes in fair values of interest rate swap agreements within the performance indicator excess of revenue over expenses/(expenses over revenue) on the Consolidated Statements of Operations.

Recently Adopted Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-01, "Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2016-01 addresses accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Non-public business entities will no longer be required to disclose the fair value of financial instruments carried at amortized cost. The amendments in ASU 2016-01 are effective for years beginning after December 15, 2017, and early adoption is permitted. The Community adopted this guidance for the elimination of the fair value disclosure of financial instruments carried at amortized cost for the fiscal year ended December 31, 2016, which did not have a material impact on the Community's consolidated financial statements. The Community is evaluating the impact the entire standard will have on the consolidated financial statements beginning in fiscal year 2018.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of consolidated financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. The Community is evaluating the impact this will have on the consolidated financial statements beginning in fiscal year 2018.

In February 2016, the FASB issued ASU 2016-02, "Leases." The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the consolidated balance sheets for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of operations. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, with early adoption permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Community is evaluating the impact this standard will have on the consolidated financial statements beginning in fiscal year 2019.

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities. The new guidance requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources to donors, grantor, creditors and other users of the financial statements. The standard is effective for fiscal years beginning after December 15, 2017. The Community is evaluating the impact this will have on the consolidated financial statements beginning in fiscal year 2018.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments", which adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows with the intent to alleviate diversity in practice. The update is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Community is currently evaluating the impact of this update on the Consolidated Statements of Cash Flows beginning in fiscal year 2018.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash", which clarifies the classification and presentation of changes in restricted cash in the statements of cash flows. The guidance requires reporting entities to explain the changes in the combined total of restricted and unrestricted cash and cash equivalent balances in the statements of cash flows. The update is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Community is currently evaluating the impact of this update on the Consolidated Statements of Cash Flows beginning in fiscal year 2018.

3. Investments, Including Limited Use Cash, Cash Equivalents and Investments

The composition of limited use cash, cash equivalents and investments, and short-term investments, stated at cost and carrying value, was as follows as of December 31:

	2017		2016	
	Cost	Carrying Value	Cost	Carrying Value
Current assets				
Short term investments	\$ 7,495,607	\$ 7,481,587	\$ 10,058,736	\$ 10,030,567
Current limited use cash, cash equivalents and investments				
Cash and cash equivalents	117,164	117,164	127,649	127,649
Total current investments, including limited use cash, cash equivalents and investments	<u>\$ 7,612,771</u>	<u>\$ 7,598,751</u>	<u>\$ 10,186,385</u>	<u>\$ 10,158,216</u>
Non-current assets				
Non-current limited use cash, cash equivalents and investments				
Cash and cash equivalents	\$ 2,210,237	\$ 2,210,237	\$ 2,318,438	\$ 2,318,438
Certificates of deposit	125,191	125,191	125,191	125,191
Fixed income securities	688,596	692,811	488,146	487,990
Equity securities	407,107	514,597	307,153	322,759
Beneficial interest in gift annuities	-	119,548	-	119,548
Beneficial interest in National CCRC Business Trust I	46,300,000	56,567,960	38,100,000	41,179,790
Total non-current limited use cash, cash equivalents and investments	<u>\$ 49,731,131</u>	<u>\$ 60,230,344</u>	<u>\$ 41,338,928</u>	<u>\$ 44,553,716</u>

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

4. Property and Equipment, Net

Property and equipment consisted of the following as of December 31:

	2017	2016
Land and land improvements	\$ 19,874,354	\$ 19,226,265
Building and building improvements	375,551,003	363,624,445
Furniture and fixtures	3,190,178	2,923,302
Equipment and vehicles	9,271,503	8,315,583
	<u>407,887,038</u>	<u>394,089,595</u>
Less: Accumulated depreciation	<u>(119,111,459)</u>	<u>(106,756,405)</u>
	288,775,579	287,333,190
Open projects	<u>4,398,700</u>	<u>13,092,732</u>
Total property and equipment, net	<u>\$ 293,174,279</u>	<u>\$ 300,425,922</u>

Depreciation expense was \$12,834,721 and \$12,311,715 for the years ended December 31, 2017 and 2016, respectively. For the years ended December 31, 2017 and 2016, BBV disposed of fully depreciated assets totaling \$479,667 and \$38,715, respectively.

5. Management and Marketing Agreement

On April 30, 2010, BBV and ELM entered into a Management and Marketing Agreement. ELM will provide management and marketing services to BBV during the term of this agreement. The agreement has been amended various times since inception, and the current agreement expires on November 1, 2027. BBV paid ELM a Base Fee of \$198,961 and \$196,602 per month for the years ended December 31, 2017 and 2016, respectively. The Base Fee increases annually by the increase in the Consumer Price Index for the Baltimore-Towson Metropolitan Statistical Area. In addition, BBV pays a monthly Incentive Fee, not to exceed 25% of the applicable Base Fee, based on the applicable percentage of the total actual occupancy fees over the applicable Base Fee. For the years ended December 31, 2017 and 2016, management fees were \$2,800,419 and \$2,704,902, respectively.

The direct and shared costs allocated to BBV by ELM for the years ended December 31, 2017 and 2016 were \$5,964,369 and \$5,422,839, respectively, which are included in professional and contracted services and salaries, wages and benefits on the Consolidated Statements of Operations. Direct and shared costs include salaries and benefits for management personnel, and the use of services such as finance, legal, human resources, information services, and operations.

6. Defined Contribution Plan

BBV maintains a defined contribution plan for BBV employees meeting certain eligibility requirements. Eligible employees may contribute up to 50% of their salary subject to the maximum allowed by the Internal Revenue Code on a pretax basis. BBV may make discretionary contributions to the plan equal to a discretionary percentage of the participant's elective deferrals. Total expense recognized by BBV was \$391,142 and \$376,272 in 2017 and 2016, respectively, which is included in salaries, wages and benefits on the Consolidated Statements of Operations.

7. Fair Value of Financial Instruments

The fair value measurement standard establishes measurement criteria and a hierarchy for ranking the quality and reliability of the information used to determine fair values. Fair value is a market-based measurement that defines the amount that would be received to sell an asset or paid to

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

transfer a liability in an orderly transaction between market participants. The standard requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

For the years ended December 31, 2017 and 2016, there were no transfers of financial instruments between levels 1, 2 and 3 in the fair value hierarchy as a result of changes in the inputs used to determine fair value.

The financial instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Each of the financial instruments below was valued utilizing the market approach. The following table summarizes the valuation of BBV's financial instruments by the above pricing levels as of:

	December 31, 2017			
	Unadjusted Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Current assets				
Short term Investments				
Money market funds	\$ 338,849	\$ -	\$ -	\$ 338,849
Fixed income securities	-	7,142,738	-	7,142,738
Restricted cash equivalents (insurance related)				
Money market funds	117,164	-	-	117,164
Non-current assets				
Escrow cash equivalents				
Money market funds	1,481,600	-	-	1,481,600
Certificates of deposit (insurance related)	-	125,191	-	125,191
Beneficial interest in gift annuities	-	-	119,548	119,548
Temporarily restricted funds				
Fixed income securities	692,811	-	-	692,811
Equity securities	514,597	-	-	514,597
	<u>\$ 3,145,021</u>	<u>\$ 7,267,929</u>	<u>\$ 119,548</u>	<u>\$ 10,532,498</u>
Non-current liabilities				
Accrued liability on swap agreement	\$ -	\$ 1,136,811	\$ -	\$ 1,136,811

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

	December 31, 2016			
	Unadjusted Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Current assets				
Short term Investments				
Money market funds	\$ 151,029	\$ -	\$ -	\$ 151,029
Fixed income securities	-	9,729,488	-	9,729,488
U.S. agency securities	-	150,050	-	150,050
Restricted cash equivalents (insurance related)				
Money market funds	127,649	-	-	127,649
Non-current assets				
Escrow cash equivalents				
Money market funds	1,580,800	-	-	1,580,800
Certificates of deposit (insurance related)	-	125,191	-	125,191
Beneficial interest in gift annuities	-	-	119,548	119,548
Temporarily restricted funds				
Fixed income securities	487,990	-	-	487,990
Equity securities	322,759	-	-	322,759
	<u>\$ 2,670,227</u>	<u>\$ 10,004,729</u>	<u>\$ 119,548</u>	<u>\$ 12,794,504</u>
Non-current liabilities				
Accrued liability on swap agreement	\$ -	\$ 1,034,819	\$ -	\$ 1,034,819

The following table is a roll forward of the Consolidated Balance Sheets amounts for financial instruments classified by BBV within Level 3 of the fair value hierarchy defined above:

	Unobservable Inputs (Level 3)
Fair value recorded as of Januar 1, 2016	\$ 119,548
Contributions	-
Fair value recorded as of December 31, 2016	119,548
Contributions	-
Fair value recorded as of December 31, 2017	<u>\$ 119,548</u>

Money Market Funds

These investments are carried at amortized cost which approximates fair value. These investments are considered Level 1 investments because they use unadjusted quoted market prices in active markets for identical assets or liabilities.

Certificates of Deposits (insurance related)

Certificates of deposit have original maturities of more than three months and are considered short-term investments. These investments are carried at amortized cost which approximates fair value. Computed prices and frequent evaluation versus market value render the certificates of deposit a Level 2 investment.

Fixed Income Securities and Equity Securities (Level 1)

These investments are actively traded on a primary exchange and are valued at the last sale price on the security's primary exchange, which renders them a Level 1. The fair market value of these securities fluctuates with the underlying stock price. Significant changes in the stock price of the underlying equity are analyzed and any other than temporary impairments are recorded upon determination.

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

Fixed Income Securities (Level 2)

These investments are not actively traded on a primary exchange which renders them a Level 2. These investments fluctuate in value based upon changes in the interest rates. Significant changes in the credit quality of the underlying entity are analyzed and any other than temporary impairments are recorded upon determination.

U.S. Agency Securities

For investments in U.S. agency securities, fair value is based on the average of the last reported bid or ask prices which renders them a Level 2. These investments fluctuate in value based upon changes in interest rates.

Interest Rate Swap

BBV measures the interest rate swaps at fair value on a recurring basis. The interest rate swap agreements are valued using a pricing service at net present value. These evaluated prices render these instruments Level 2. The fair value of the swap agreements will change as long-term interest rates fluctuate over time. See footnote 8.

Beneficial Interest in Gift Annuities

The fair value of the beneficial interest in gift annuities is based on the present value of the estimated future cash flows to the Community. This investment is considered a Level 3 activity due to the requirement of an actuarial analysis to properly value the assets. These investments are not actively traded nor do they contain observable inputs that would assist in a regularly occurring valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while BBV believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

8. Bonds Payable and Interest Rate Swaps

Series 2013

During June of 2013 BBV entered into agreements with the Massachusetts Development Finance Agency (the "Agency") and Branch Banking and Trust Company ("BB&T") whereby the Agency agreed to issue \$61,750,000 in a tax-exempt revenue bond (the "Series 2013 Bond") and BBV issued a \$3,000,000 taxable note, which matured in 2015, to refund BBV's previously issued 2004 bonds and to provide additional liquidity to finance new capital projects. As part of the transaction BB&T agreed to a 10 year direct purchase of the bond and the taxable note.

The Series 2013 Bond was amended during October 2017 to reduce the variable interest rate and extend the mandatory tender date to October 1, 2029. Interest payable under the original terms was determined as 78% of 1 month LIBOR plus 150 basis points which was 2.01% as of December 31, 2016. The amended interest is payable on the first of the month commencing November 1, 2017 and is determined as 68% of 1 month LIBOR plus 108 basis points which was 1.96% as of December 31, 2017.

Series 2017

On November 7, 2017 BBV entered into agreements with the Agency and BB&T whereby the Agency agreed to issue \$30,000,000 in a tax-exempt revenue bond (the "Series 2017 Bond") in order to fund repositioning projects and capital expenditures at the Community. The bond issued by the Agency was purchased by BB&T as a tax-exempt non-bank qualified loan. BB&T has agreed to lend the proceeds to BBV for the duration of the projects with a 12 year mandatory tender date. At the time of closing, BB&T made an initial advance to BBV of \$848,000 which included \$421,812 in costs associated with the issuance. Interest is payable on the first of the month commencing on

Brooksby Village, Inc. and Subsidiary

Notes to Consolidated Financial Statements

for the years ended December 31, 2017 and 2016

December 1, 2017 and is determined as 68% of 1 month LIBOR plus 108 basis points which was 2.02% as of December 31, 2017. The first principal payment is due on November 1, 2020 per the maturity and repayment schedule with a final maturity of October 1, 2042.

Deferred financing costs related to the Series 2013 and Series 2017 bonds totaled \$1,222,373 and are amortized over the life of the bonds using the straight-line method which approximates the effective interest rate method. Amortization of deferred financing costs for the years ended December 31, 2017 and 2016 was \$30,210 and \$26,231, respectively, and is included in depreciation and amortization on the Consolidated Statements of Operations.

Under the bond issues, the bondholders have been granted a security interest in all the receipts and assets of BBV. In the Mortgage Agreement, BBV has granted a first lien on BBV's respective interests in the land and buildings, including future buildings and improvements.

The required contractual principal payments per the bond indenture for the next five years and thereafter are as follows as of December 31, 2017:

2018	\$	1,655,000
2019		1,750,000
2020		1,828,562
2021		1,961,907
2022		2,053,009
Years thereafter		<u>49,824,522</u>
Total future principal payments		59,073,000
Less: Current portion		(1,655,000)
Less: Deferred financing costs, net		<u>(1,100,357)</u>
Bonds payable, net of current portion	\$	<u>56,317,643</u>

Provisions contained in the Guaranty and Credit Agreement with BB&T require BBV to maintain certain financial covenants, including a debt service coverage ratio of 1.40 to 1, a revenue-only debt service coverage ratio of 1.10 to 1 and a day's cash on hand, measured semi-annually of 150 days.

Derivative Financial Instruments

BBV has entered into various interest rate swap agreements to manage their exposure to interest rate risk associated with the variable rate bonds. The floating rate payments from these interest rate swap agreements are intended to substantially offset the floating rate of the Bonds.

In conjunction with the issuance of the Series 2013 Bond, BBV entered into an interest rate swap agreement with BB&T that required BBV to make interest rate payments based on a fixed rate of 3.34% and receive payments based on the variable rate of the bond. On October 13, 2017, in conjunction with the issuance of the Series 2017 Bond, the Series 2013 interest rate swap agreement with BB&T was amended in order to reduce the interest rate and is structured to match the interest rate convention, notional amortization and initial term of the bond. The new Series 2013 swap agreement effective November 1, 2017 has a starting notional amount of 58,365,000 and requires BBV to make interest rate payments based on a fixed rate equal to 2.80% and receive payments based on the variable rate of the bond.

On September 20, 2017, BBV entered into an interest rate agreement with an effective date of October 1, 2020 with BB&T to manage their exposure to interest rate risk associated with the issuance of the Series 2017 Bond. Interest on the forward starting swap will be determined as 68% of one-month LIBOR plus 1.08% floating rate spread. The swap agreement with BB&T will require BBV to make interest rate payments based on a fixed rate equal to 2.88% and receive payments

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

based on the variable rate of the bond. The starting notional amount of the Series 2017 swaps is \$30,000,000 and will amortize on a pro-rata basis in accordance with the Series 2017 bond's mandatory redemptions until October 1, 2029.

The change in market value of the swaps is recorded in excess of revenue over expenses/(expenses over revenue) in the Consolidated Statements of Operations.

The fair market value of the interest rate swaps and the related realized and unrealized (gains)/losses were as follows as of December 31:

Classification of derivatives in Consolidated Balance Sheets	Fair Market Value	
	2017	2016
Derivatives not designated as hedging instrument		
Accrued liability on interest rate swaps	\$ 1,136,811	\$ 1,034,819
Classification of derivatives loss/(gain) in Consolidated Statements of Operations	Amount of Loss/(Gain) Recognized in Excess of Revenue Over Expenses/ (Expenses Over Revenue)	
	2017	2016
Derivatives not designated as hedging instrument		
Unrealized loss/(gain) on interest rate swaps	\$ 101,992	\$ (567,680)
Realized loss on interest rate swaps	478,301	754,790
Total realized and unrealized loss on swap agreements	\$ 580,293	\$ 187,110

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are designated for the following purposes as of December 31:

	2017	2016
Resident care	\$ 646,132	\$ 637,062
Scholarship	1,022,083	793,444
Staff appreciation	13,106	-
Total temporarily restricted net assets	\$ 1,681,321	\$ 1,430,506

During the years ended December 31, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2017	2016
Resident care	\$ 748,788	\$ 700,387
Scholarship	168,639	142,536
Total net assets released from restriction	\$ 917,427	\$ 842,923

Staff appreciation funds totaling \$217,563 and \$233,743 were expended during the years ended December 31, 2017 and 2016, respectively. These amounts are included in both other revenue and salaries, wages and benefits on the Consolidated Statements of Operations.

Permanently restricted net assets of \$134,500 as of December 31, 2017 are permanently restricted for scholarship. BBV uses the investment income from these funds for the purpose of scholarship support.

Brooksby Village, Inc. and Subsidiary
Notes to Consolidated Financial Statements
for the years ended December 31, 2017 and 2016

10. Functional Expenses

BBV provides continuing care services to residents within the Community. Expenses related to providing these services are as follows for the years ended December 31:

	2017	2016
General and administrative	\$ 9,688,707	\$ 8,988,121
Resident care and services	<u>67,032,784</u>	<u>65,101,028</u>
Total expenses	<u>\$ 76,721,491</u>	<u>\$ 74,089,149</u>

11. Purchase Money Note

On June 30, 2008, when the Community exercised its option to purchase the BBV campus part of the purchase price was financed by signing a note for deferred initial entrance deposits and a liquidity reserve.

In conjunction with the issuance of the Series 2017 bonds (footnote 8), the purchase money note to Erickson Living Holdings was amended and restated to provide for a fixed repayment schedule commencing on November 1, 2017 with the ultimate maturity of November 1, 2027. At the time the note was amended, the outstanding balance was \$6,732,077. Interest accrues on the outstanding principal at the rate of 2.82%.

Required principal payments for the next five years and thereafter are as follows as of December 31, 2017:

2018	\$ 188,935
2019	194,340
2020	199,403
2021	205,604
2022	211,486
Years thereafter:	<u>5,701,424</u>
Total future principal payments	6,701,192
Less: current portion	<u>(188,935)</u>
Purchase money note, net of current portion	<u>\$ 6,512,257</u>

12. Commitments and Contingencies

BBV is subject to legal proceedings and claims which arise from the normal course of business. In the opinion of management, the amount of ultimate liability with respect to these proceedings and claims will not materially affect the financial position, cash flow or results of operations of BBV.

Supplemental Information

Brooksby Village, Inc. and Subsidiary
Supplemental Schedule
for the years ended December 31, 2017 and 2016

(Unaudited)	2017	2016
Unrestricted cash, cash equivalents and investments		
Cash and cash equivalents	\$ 8,338,993	\$ 6,745,831
Short term investments	7,481,587	10,030,567
Beneficial interest in National CCRC Business Trust 1	56,567,960	41,179,790
Total unrestricted cash, cash equivalents and investments	<u>\$ 72,388,540</u>	<u>\$ 57,956,188</u>
Change in unrestricted cash, cash equivalents and investments		
Cash and cash equivalents	\$ 1,593,162	\$ (721,764)
Short term investments	(2,548,980)	(2,852,492)
Beneficial interest in National CCRC Business Trust 1	15,388,170	14,196,080
Increase in unrestricted cash, cash equivalents and investments	<u>\$ 14,432,352</u>	<u>\$ 10,621,824</u>
Cash provided by business operations:		
Total unrestricted revenue, gains and other support	\$ 73,991,552	\$ 71,777,818
Less: Amortization of resident entrance fees	(281,854)	(81,439)
Less: Net cash flows related to entrance fees	6,247,736	5,129,088
Cash provided by business operations	<u>79,957,434</u>	<u>76,825,467</u>
Total expenses	(76,721,491)	(74,089,149)
Less: Depreciation and amortization	12,864,931	12,337,945
Less: Interest expense	1,595,749	1,512,889
Cash used in business operations	<u>(62,260,811)</u>	<u>(60,238,315)</u>
Net cash provided by business operations	<u>17,696,623</u>	<u>16,587,152</u>
Other sources and uses of cash:		
Net investment income	7,332,256	2,370,529
Net proceeds from bond issuances and drawdowns	848,000	10,017,690
Purchases of property and equipment	(5,536,868)	(10,405,117)
Increase/(decrease) in working capital	422,793	(1,082,021)
Debt service	(6,715,767)	(6,623,724)
Permanently restricted	134,500	-
Restricted contributions, net	250,815	(242,685)
Net cash used in non-operating activities	<u>(3,264,271)</u>	<u>(5,965,328)</u>
Total change in cash, cash equivalents and investments	<u>\$ 14,432,352</u>	<u>\$ 10,621,824</u>

Brooksby Village, Inc. and Subsidiary
Note to Supplemental Schedule
for the years ended December 31, 2017 and 2016

1. Basis of Presentation and Accounting

The Supplemental Schedule presented on page 22 is derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information is presented for the purpose of providing additional analysis of the consolidated financial statements, rather than to present the financial positions and changes in net assets of BBV, and are not a required part of the consolidated financial statements. The information is intended to expand on the sources and uses of cash generated by the operations of the community which are monitored by management to determine the overall health and performance of the organization as a whole.