

NORTH HILL RESIDENCY AGREEMENT

This Agreement is entered into as of the Effective Date by and between Provider and Resident.

RECITALS

A. Provider is a Massachusetts not-for-profit corporation and the owner and operator of North Hill, a continuing care retirement community located in Needham, Massachusetts (the "Community").

B. Provider desires to provide housing and certain services under this Agreement to Resident, and Resident desires to reside in the Community and to receive some or all of such services.

AGREEMENT

NOW, THEREFORE, in consideration of the Entrance Fee, the Lifecare Fee and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Provider and Resident, intending to be legally bound hereby, agree as follows:

1. RIGHT TO RESCIND.

Resident may rescind and terminate this Agreement for any reason prior to Occupancy. (See *Section 9.4* regarding refund of the Entrance Fee and Lifecare Fee upon rescission.)

2. DEFINED TERMS.

In addition to terms defined in the *Closing Summary* and in the body of this Agreement, each of the following capitalized terms shall have the meaning ascribed opposite to it:

Agreement: This document, including all exhibits, supplements, amendments hereto, and addenda incorporated herein, as applicable.

Ancillary Services: Those services listed in *Schedule 3* of this Agreement that may be made available from time to time by Provider and/or by third party providers, the cost of which is not included in the Monthly Service Fee.

Ancillary Service Fees: The fees charged for Ancillary Services and billed to Resident pursuant to *Sections 11.1 and 11.2*.

Care Coordination Committee: The Executive Director (or designee), Medical Social Worker (or designee), Medical Consultant (or designee), and other medical personnel, as may be changed by Provider from time to time.

Closing Summary: The closing summary attached hereto and incorporated by reference herein, which summary contains certain defined terms and financial information pertinent to this Agreement, and which summary is acknowledged and executed by Resident.

Community: The residents and team members who, respectively, live and work at the seniors housing and care campus known as North Hill, located in Needham, Massachusetts.

Covered Services: Those services listed in *Schedule 2* of this Agreement made available from time to time by Provider for the applicable Monthly Service Fee.

Customization Agreement: As applicable, the customization specifications for the Residence agreed to between Resident and Provider.

Departure Date: The date upon which the earlier of the following occurs: (i) Resident (or, in the event of Resident's death, Resident's personal representative or family) vacates his/her Residence as evidenced by (a) delivering a signed Residence Release Form to Provider, (b) by the removal of all of Resident's possessions from said Residence, and, if applicable, from the storage and parking area, as confirmed by Provider in writing, and (c) Provider's receipt of the keys to the Residence; or (ii) the date that Provider removes all such possessions and places them in storage.

Effective Date: The date set forth in the *Closing Summary*.

Enhanced Living Assessment Tool: An assessment tool used to determine the appropriate level of care provided to Resident within the Enhanced Living Residence.

Enhanced Living Monthly Service Fee: The monthly rate as of the Effective Date charged for services in connection with Resident's Enhanced Living Residence, subject to change from time to time in Provider's sole discretion.

Enhanced Living Residence: A living accommodation at the Community commonly referred to as Vista Terrace, for a resident who desires assistance with activities of daily living, including, but not limited to, medication management, ambulation, bathing, dining and dressing. The services available in an Enhanced Living Residence are listed on *Schedule 2*.

Enhanced Living Monthly Care Fee: A fee payable by Resident for certain levels of care provided to Resident residing in the Enhanced Living Residence based upon the Enhanced Living Assessment Tool and subject to change from time to time, as provided herein.

Entrance Fee: The fee set forth in the *Closing Summary* as "Entrance Fee," required to be paid in full to Provider on or before the Occupancy Date.

Executive Director: The administrative officer of the Community appointed by the CEO of Provider.

First Resident Lifecare Fee: The fee set forth in the *Closing Summary* as "First Resident Lifecare Fee," required to be paid in full to Provider on or before the Occupancy Date.

First Resident Monthly Service Fee: The Independent Monthly Service Fee, Enhanced Living Monthly Service Fee, Memory Care Monthly Service Fee or Skilled Nursing Monthly Service Fee required to be paid by the First Resident as set forth in the *Closing Summary*.

Good Cause: Means any of the following: (i) non-payment of any fees due from Resident to Provider; (ii) a determination that Resident is a danger to himself/herself or others;

(iii) repeated conduct by Resident that interferes with other residents' quiet enjoyment of the Community; (iv) persistent refusal to comply with the written rules and regulations of the Community; (v) a material misrepresentation by Resident or the omission of information from, or misinformation in, Resident's residency application, or in related materials, regarding information that, if accurately provided, would have resulted in either a failure of Resident to qualify for residency or a material increase in the cost of providing the care and service under the Agreement to Resident; or (vi) a breach by Resident of the terms of this Agreement.

Guarantor: Any person or persons who guarantee the obligation of Resident to pay any fee due from Resident under the terms of this Agreement.

Home Support Services: Certain support services available to Resident as a Covered Service or Ancillary Service, as applicable, as listed on *Schedule 2*.

Independent Living Monthly Service Fee: The monthly rate as of the Effective Date charged for services in connection with Resident's Independent Living Residence, subject to change from time to time in Provider's sole discretion.

Independent Living Residence: A living accommodation at the Community for a resident who is able to live independently within Provider's guidelines.

Joint Residents: Two residents occupying a Residence under the terms of this Agreement, e.g., First Resident and Second Resident named in the *Closing Summary* or an amendment hereto.

Lifecare Fee: The First Resident Lifecare Fee plus the Second Resident Lifecare Fee, if applicable, required to be paid by Resident as set forth in the *Closing Summary*, enabling Provider to offer a continuum of care designed to meet Resident's healthcare needs as such needs change over time.

Medical Consultant: A medical consultant designated by Provider as a person who serves on the Care Coordination Committee and assists in the oversight of medical services offered at the Community.

Medical Social Worker: A licensed social worker designated by Provider as the person responsible for the direction and control of social services offered at the Community.

Memory Care Monthly Service Fee: The monthly rate as of the Effective Date charged for services in connection with Resident's Memory Care Residence, subject to change from time to time in Provider's sole discretion.

Memory Care Residence: A living accommodation at the Community for a resident who desires assistance with activities of daily living, including, but not limited to, medication management, ambulation, bathing, dining, memory support and dressing. The services available in a Memory Care Residence are listed on *Schedule 2*.

Monthly Service Fee: The Independent Monthly Service Fee, Enhanced Living Monthly Service Fee, Memory Care Monthly Service Fee or Skilled Nursing Residence Monthly Service Fee, including, collectively, the First Resident Monthly Service Fee and, if applicable, the Second Resident Monthly Service Fee.

Notice: For the purposes of this Agreement, notice must be typed or written legibly and shall be deemed to have been given to Resident when deposited in Resident's Community in-house message box or personally delivered to Resident, and to Provider when personally delivered to the office of the Executive Director or to Provider's Notice Address. If Resident has not yet taken possession of the Residence, however, Notice to Resident shall be given by first-class mail, postage pre-paid, to Resident's last known address and such notice shall be deemed to be effective on the third day following such mailing. If Resident has been transferred to an Off-Site Facility, Notice shall be given by first-class mail, postage pre-paid, to Resident and Resident's Responsible Party and shall be deemed to be effective on the third day following such mailing.

Occupancy: Resident being in physical or constructive possession of his/her Residence.

Occupancy Date: The date on which Resident is authorized by Provider to take possession of the Residence and is therefore in Occupancy, which date shall be established by either: (i) Provider's delivery of keys to such Residence to Resident (or to Resident's personal representative) upon the execution of this Agreement or (ii) as authorized by Resident, such delivery by other means such as overnight delivery or courier, in which case, the Occupancy Date shall be that date upon which the keys are delivered to the address indicated by Resident.

Off-Site Facility: A facility for nursing care, or other health care services, not located on the campus of the Community and not owned or operated by Provider.

Permanent Transfer: The transfer of Resident from his/her Residence, which, in Provider's reasonable determination, is anticipated to be for an indefinite period of time.

Provider Notice Address: The address of Provider to which any Notice from Resident must be delivered as listed on the *Closing Summary*.

President/CEO: The President and Chief Executive Officer of Provider.

Refund Directive: The form signed by Resident designating to whom the refund of the applicable portion of the Entrance Fee and Lifecare Fee shall be made pursuant to the terms of this Agreement; the Refund Directive may be amended by Resident from time to time upon Notice to Provider (by completing an updated refund directive form signed and notarized).

Refund Documentation: In the absence of an undisputed Refund Directive, documentation which in Provider's sole judgment (i) evidences Resident's death, and (ii) authorizes the person(s) or entity to whom the applicable portions of the Entrance Fee and Lifecare Fee shall be refunded; such documentation may include, without limitation, and as may be applicable, Resident's death certificate, and/or a certificate of appointment or order issued under a judicial probate proceeding settling Resident's estate.

Refurbishing Fee: The fee payable by Resident who has occupied an Independent Living Residence, Enhanced Living Residence or Memory Care Residence for Provider's or its agent's time and reasonable costs to clean and refurbish the Residence following vacancy, and, if applicable, remove custom improvements. As solely determined by the Executive Director, refurbishing may include (but may not be limited to) spackling, painting, housekeeping, carpet replacement, and removing any customized improvements to the Residence, so that it is restored

to reasonably the same condition as existed prior to customization, reasonable wear and tear excepted.

Residence: An Independent Living Residence, Enhanced Living Residence, Memory Care Residence or Skilled Nursing Residence.

Residence Release Form: The form signed by Resident (or Resident's designee) and given to Provider in which Resident agrees to a Departure Date.

Resident: Each person designated by name in the *Closing Summary* of this Agreement, who is a party to this Agreement.

Responsible Party: The person designated by name in the *Closing Summary* of this Agreement, as Responsible Party.

Second Resident: A second person executing this Agreement as a resident evidenced in the *Closing Summary* or in an Addendum to this Agreement, as may be applicable.

Second Resident Addendum: The form signed by Second Resident and Provider pursuant to *Section 15.1*.

Second Resident Lifecare Fee: The fee set forth in the *Closing Summary* as "Second Resident Lifecare Fee," required to be paid in full to Provider on or before the Second Resident's Occupancy Date.

Second Resident Monthly Service Fee: The Monthly Service Fee required to be paid by the Second Resident as set forth in the *Closing Summary*.

Skilled Nursing Admissions Agreement: The form attached to this Agreement and incorporated by reference herein, which form is signed by Resident in connection with Resident's admission to a Skilled Nursing Residence.

Skilled Nursing Residence: A residence in the skilled nursing facility on the campus for persons unable to perform normal functions necessary to function independently and who need the degree of medical care, personal care, and service that is provided in a skilled nursing residence, commonly referred to as Pines Edge.

Skilled Nursing Monthly Service Fee: The monthly rate as of the Effective Date charged for Resident's Skilled Nursing Residence, subject to change from time to time in Provider's sole discretion.

Spending Plan: A plan set forth by the Executive Director if Resident is financially unable to pay the Monthly Service Fee.

Storage Right: Provider's right to store Resident's possessions elsewhere in the Community or off-site at Resident's sole cost, until disposition can be made.

Temporary Transfer: The transfer of Resident from his/her Residence, which, in Provider's reasonable determination, is anticipated to be for a defined period of time.

Term: "Term" shall have the meaning in *Section 3* below.

3. TERM.

The Term of this Agreement shall be from the Effective Date until the Agreement is terminated pursuant to *Section 1* or *Section 14*.

4. THE COMMUNITY.

The Community is a continuing care retirement community consisting, as of the Effective Date, of up to (i) 330 Independent Living Residences, (ii) 33 Enhanced Living Residences, (iii) 12 Memory Care Residences and (iv) 72 Medicare/Medicaid certified Skilled Nursing Residences, a Medicare Certified Home Health Agency, as well as multiple dining venues, a private dining room for special events, lounge areas, library and business center, creative arts center, multi-purpose rooms, technology center, fitness center, indoor swimming pool, woodworking shop, day spa and salon, gift shop/convenience store and administrative areas.

5. LIVING ACCOMMODATION.

5.1. Resident's Right to Occupy. Resident shall have the right to occupy the Residence, "as-is", from the Occupancy Date to the date on which this Agreement is terminated pursuant to the terms of *Section 14*, subject to the transfer provisions in *Section 13*. Resident may not assign or sublet the right to occupy his/her Residence to any other person.

5.2. Resident's Obligation to Furnish the Residence. Resident shall be responsible for furnishing the Residence and for obtaining insurance for personal possessions and furnishings. Resident's personal property shall not endanger or interfere with the health, safety or general welfare of anyone residing or working in the Community. Provider shall supply furnishings and equipment, as required by law, for Skilled Nursing Residences.

5.3. Customized Improvements. Provided that Residence is an Independent Living Residence, Enhanced Living Residence or Memory Care Residence, Resident may decorate such Residence to Resident's personal taste with wall hangings, window treatments and the like, if such decorative improvements are not permanent fixtures and can be easily removed without causing any damage. Any other improvements shall be undertaken pursuant to (i) the Customization Agreement (if prior to Occupancy), which must attach plans and specifications if applicable or (ii) the advance written approval of the Executive Director, which may be conditioned (if post-Occupancy). Resident shall be responsible for the cost of (a) purchasing and installing any improvements, including window treatments, and (b) removing all customized improvements such that the Residence is restored to reasonably the same condition as existed prior to customization. If the Residence is vacated without such customized improvements having been completely or properly removed, then Provider may remove such customized improvements or make repairs to the Residence because of same and the cost shall be included in the Refurbishing Fee and charged to Resident or deducted from the refundable portion of the Entrance Fee. No customized improvements may be made to a Skilled Nursing Residence.

6. COVERED SERVICES.

In consideration of Resident's payment of the applicable Monthly Service Fee, subject to this Agreement being sooner terminated under *Section 14*, and subject to the availability of Enhanced Living Residences and Memory Care Residences, Provider shall make the applicable

Covered Services available to Resident, for so long as the Agreement is in effect during Resident's life.

6.1. Independent Living Services. Covered Services included in the Independent Living Monthly Service Package are set forth in *Schedule 2*.

6.2. Enhanced Living Services. Covered Services included in the Enhanced Living Monthly Service Package are set forth in *Schedule 2*.

6.3. Memory Care Services. Covered Services included in the Memory Care Monthly Service Package are set forth in *Schedule 2*.

6.4. Skilled Nursing Services. Covered Services included in the Skilled Nursing Residence Monthly Service Package are set forth in *Schedule 2*. Further details on the Provider's and Resident's rights and obligations in the Skilled Nursing Residence are set forth in the Skilled Nursing Admissions Agreement.

7. ANCILLARY SERVICES.

7.1. Services Available through Provider. In addition to the Covered Services referenced in *Sections 6.1* through *6.4* of this Agreement, Provider may provide the Ancillary Services set forth in *Schedule 3* to Resident for an additional fee. Such Ancillary Services may be covered by Medicare or by Resident's other medical insurance. Provider reserves the right to discontinue and change the Ancillary Services from time to time. Resident acknowledges and agrees that some or all of the Ancillary Services may not be available or may change from time to time without prior notice.

7.2. Services Available through Outside Providers. Provider may arrange for outside providers to provide the Ancillary Services set forth in *Schedule 3* to Residents at the Community or other services approved in writing by the President/CEO in his or her sole discretion. These Ancillary Services may be provided at an additional fee charged by such outside providers and may be billed separately by the outside provider. Such Ancillary Services may be covered by Medicare or by Resident's other medical insurance. Provider shall not charge Resident any additional fee for use of or access to such outside providers.

7.3. Services not Provided. Resident acknowledges and agrees that only Covered Services and, to the extent available, Ancillary Services are provided at the Community and all other services including, without limitation, hospice care, acute hospital care, prescription medications, primary or other physician services other than those which are legally required by the Medical Consultant or any care other than the care that is appropriate in the Community and under this Agreement, are not provided by Provider, nor covered under the terms of this Agreement. Provider shall reasonably assist with any necessary transfers so that such other care can be accessed; however, Resident shall be responsible for the cost of such care and transfer.

8. OTHER RESIDENT RIGHTS.

8.1. Residents' Association. Resident shall 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. In addition to Resident's dispute resolution rights under *Section 17*, Residents' Association shall have the following rights (subject to reasonable

limitations deemed appropriate by Provider to maintain the safety and welfare of persons residing in and working in the Community, as well as the integrity of the Community):

8.1.1. The right to engage in group activities, including to keep informed of Provider's operations;

8.1.2. The right to use Provider's facilities to conduct private meetings, subject to room availability;

8.1.3. The right to obtain current copies of Provider's Disclosure Statement, Annual Report, Audit Reports and final results of any regulatory findings pertaining to the Community or any of its component facilities;

8.1.4. The right to be represented by an individual of their choice in communications with Provider's management;

8.1.5. The right to engage in concerted activities for their own purposes; and

8.1.6. The right to obtain outside advice, consultation and services of their own choosing and at their own expense on any matter, including, but not limited to, medical, legal, and financial matters.

8.2. Resident's Rights. Resident shall, subject to reasonable limitations as referenced in this Agreement, have the right to independence, dignity, individuality, privacy, choice, a residential environment and self-determination within the Community, including, but not limited to:

8.2.1. Recognition of his/her rights, responsibilities, needs, and preferences;

8.2.2. Freedom to select or refuse services and accept responsibility for the consequences;

8.2.3. Freedom to develop and maintain social ties with opportunities for meaningful interaction and involvement in the Community;

8.2.4. Acknowledgement of his/her personal space and right to furnish and decorate that personal space as private;

8.2.5. Freedom to set his/her own schedule, have guests, and leave the Community;

8.2.6. Freedom from abuse, neglect, and the use of chemical or physical restraints;

8.2.7. Access to means for resolving his/her complaints;

8.2.8. Assurance that methods of preventing and responding to incidents involving injury, loss of property, abuse, neglect, and exploitation shall be identified and implemented; and

8.2.9. Recognition of his/her transfer rights.

8.3. Resident's Guests. Resident shall have the right to receive guests at the Community and to allow such guests to stay in a guest room on a temporary basis, subject to the availability thereof and Provider's policies, or in the Residence, subject to the following terms: (i) guests may not stay in the Residence when Resident is not present, unless Resident obtains prior written approval from Provider; (ii) in no case shall any guest stay exceed thirty (30) days in a calendar year, unless advance written approval is issued by Provider in its sole discretion; and (iii) guest meals, guest cots, or rental of one of the Community's guest rooms shall be treated as an Ancillary Service, the costs of which are chargeable to Resident.

8.4. Physicians and Other Professionals. Resident shall have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals agree to comply with Provider's policies and applicable law.

9. ENTRANCE FEE AND LIFECARE FEE.

9.1. Payment of Entrance Fee. Resident shall pay to Provider the Entrance Fee and Lifecare Fee identified on the *Closing Summary* as a pre-condition to Resident's right to occupy the Residence.

9.2. Escrow and Release of Entrance Fee and Lifecare Fee. The Entrance Fee and Lifecare Fee shall be held in escrow by Provider until the Occupancy Date. Upon the Occupancy Date, the Entrance Fee and Lifecare Fee shall be released from escrow in full, and shall be held or used by Provider during the Term. Subject to the terms of this Agreement and *Sections 9.4, 9.5, and 9.6* in particular, an applicable portion of the Entrance Fee and Lifecare Fee shall be refunded to Resident.

9.3. Changes in Amount Required for Entrance Fee and Lifecare Fee. Resident shall not be required to pay an increase in the Entrance Fee or Lifecare Fee provided Resident remains in the same Residence that Resident first occupied following the Effective Date or in the event of a Temporary Transfer or Permanent Transfer to an Enhanced Living Residence or Skilled Nursing Residence. Resident shall also not be entitled to a refund or decrease in the Entrance Fee or Lifecare Fee due to a Temporary Transfer or Permanent Transfer to an Enhanced Living Residence or Skilled Nursing Residence, during the Term; provided, however, that Resident retains the right to a refund of the applicable portion of the Entrance Fee and Lifecare Fee as specified in *Sections 9.4, 9.5, and 9.6*. In the event that Resident makes a Permanent Transfer to a different Independent Living Residence or notifies Provider that Resident desires to enter into a different form of residency agreement available to Resident at the Community, Resident shall (i) terminate this Agreement, (ii) execute a new residency agreement for the new Independent Living Residence, (iii) pay each of the applicable Entrance Fee and Lifecare Fee for the new Independent Living Residence, and (iv) receive a refund of the applicable portion of the Entrance Fee and Lifecare Fee in accordance with and subject to the terms of *Section 9.5.1*.

9.4. Refund Prior to Occupancy Date. Subject to the terms of this *Section 9.4* and *Section 9.6*, any portion of the Entrance Fee and Lifecare Fee paid prior to the Occupancy Date shall be refunded by Provider to Resident (or pursuant to the Refund Directive, as appropriate) if any of the following circumstances occur prior to the Occupancy Date:

9.4.1. Resident rescinds this Agreement in accordance with the terms of *Section 1*;

9.4.2. Resident dies, or as evidenced by the written opinion of Resident's physician, Resident is unable to commence Occupancy due to illness, injury, or incapacity; or

9.4.3. Provider terminates this Agreement because Provider determines that Resident has become ineligible for entrance into the Community.

If this Agreement is rescinded, then the applicable portion(s) of the Entrance Fee and Lifecare Fee paid by Resident shall be refunded within sixty (60) days following Provider's receipt of the rescission notice. If Resident dies prior to Occupancy, then the applicable portion(s) of the Entrance Fee and Lifecare Fee paid by Resident shall be refunded within sixty (60) days pursuant to an undisputed Refund Directive or within sixty (60) days of Provider's receipt of sufficient Refund Documentation. If Resident is unable to commence Occupancy due to illness, injury or incapacity, then the applicable portion(s) of the Entrance Fee and Lifecare Fee paid by Resident shall be refunded to Resident or his/her duly authorized legal representative within sixty (60) days after Provider's receipt of a Notice from Resident's physician. If Provider terminates this Agreement prior to Occupancy due to Resident's ineligibility, then Provider shall refund to Resident or his/her duly authorized legal representative the applicable portion of the Entrance Fee and Lifecare Fee paid by Resident within sixty (60) days of Provider's Notice of termination.

9.5. Refund after Occupancy Date. Subject to the terms of this *Section 9.5* and *Section 9.6* (including Provider's right to deduct costs and fees), Provider shall refund the applicable portion of the Entrance Fee and Lifecare Fee paid by Resident upon the occurrence of the following circumstances:

9.5.1. Termination by Resident During Term. If Resident terminates this Agreement after the Occupancy Date pursuant to the terms of *Section 14.2*:

9.5.1.1. Initial Refund. Within sixty (60) days of the last to occur of the following: (1) the Departure Date; and (2) Resident has paid to Provider all outstanding fees and charges, Provider shall refund an initial portion of the Entrance Fee, which initial portion shall be the Entrance Fee minus one percent (1%) of the Entrance Fee for each month of Resident's Occupancy. In the event that Resident has occupied the Residence for a period of 100 months or more, there will be no initial refund.

9.5.1.2. Refund of Lifecare Fee. Simultaneously with the payment of the initial refund referenced in *Section 9.5.1.1* above, Provider shall refund the Lifecare Fee minus one percent (1%) of the Lifecare Fee for each month of Resident's Occupancy. In the event that Resident has occupied the Residence for a period of 100 months or more, there will be no refund.

9.5.1.3. Second Refund of Entrance Fee. If Resident's term of Occupancy is for a period greater than ten (10) months, then, following the payment of the initial refund referenced in *Section 9.5.1.1* above, and within sixty (60) days after that date upon which a new resident has signed a new residency agreement for the Residence and has paid a new entrance fee, Provider shall make a second refund to Resident in an amount such that Resident shall have received ninety percent (90%) of the Entrance Fee.

9.5.2. Termination due to Resident's Death. If Resident dies after the Occupancy Date during the Term:

9.5.2.1. Initial Refund. Within sixty (60) days of the last to occur of the following: (1) the Departure Date; (2) Resident's personal representative or family has paid all outstanding fees and charges; and (3) in the absence of an undisputed Refund Directive, sufficient Refund Documentation has been delivered to Provider, Provider shall refund an initial portion of the Entrance Fee which initial portion shall be the Entrance Fee minus one percent (1%) of the Entrance Fee for each month of Resident's Occupancy. In the event that Resident has occupied the Residence for a period of 100 months or more, there will be no initial refund.

9.5.2.2. Refund of Lifecare Fee. Simultaneously with the payment of the initial refund referenced in *Section 9.5.2.1* above, Provider shall refund the Lifecare Fee minus one percent (1%) of the Lifecare Fee for each month of Resident's Occupancy. In the event that Resident has occupied the Residence for a period of 100 months or more, there will be no refund.

9.5.2.3. Second Refund of Entrance Fee. If Resident's term of Occupancy is for a period greater than ten (10) months, then, following the payment of the initial refund referenced in *Section 9.5.2.1* above, and within sixty (60) days after that date upon which a new resident has signed a new residency agreement for the Residence and has paid a new entrance fee, Provider shall make a second refund to Resident in an amount such that Resident shall have received ninety percent (90%) of the Entrance Fee.

9.5.3. Termination by Provider. If Provider terminates this Agreement for Good Cause, then Provider shall pay a refund of the applicable portion of the Entrance Fee and Lifecare Fee in accordance with *Section 9.5.1*.

9.6. Other Refund Terms.

9.6.1. Deductions. Unpaid Monthly Service Fees, Ancillary Fees, Refurbishing Fees, and other costs and fees actually incurred by Provider shall be automatically deducted from the refunds of the Entrance Fee. If applicable, in the event that there are any amounts outstanding under any other agreement between Resident and Provider, such amounts will not be included for purposes of the Entrance Fee refund, and therefore, such amounts shall be reduced from the total refundable portion of the Entrance Fee due to Resident.

9.6.2. Resident Transfer. Transfers within the Community or a transfer to a different level of care within the Community shall not trigger a refund of the applicable portion of the Entrance Fee or Lifecare Fee.

9.6.3. Payee Ambiguity. Provider shall be entitled to rely upon the Refund Directive and Refund Documentation regarding the payee(s) of the refundable portion of the Entrance Fee and Lifecare Fee. If, however, Provider has ambiguous or conflicting information as to the payee of refunds under this *Section 9*, then Provider may escrow the refundable portions of the Entrance Fee and Lifecare Fee or pay such portions into a court of law until such ambiguity or conflict is resolved or, if applicable, such court issues an order directing payment. So long as Provider complies with, as may be applicable, the

Refund Directive and Refund Documentation, and the terms of this Agreement, then Resident, on behalf of himself/herself and his/her estate and assigns and representatives, hereby releases Provider from any liability in connection with the payment of the refundable portions of the Entrance Fee and Lifecare Fee and indemnifies and holds Provider harmless from all claims and expenses that Provider may incur arising out of such payments.

First Resident's Initials: _____ Second Resident's Initials: _____

MONTHLY SERVICE FEES.

10.1. Monthly Service Fees. During the Term, Resident shall pay the applicable Monthly Service Fee for the Residence. As of the date of this Agreement, the applicable Monthly Service Fee for the Residence is shown in the *Closing Summary*. An invoice for the Monthly Service Fee shall be distributed to Resident on or near the fifth (5th) day of each month and payment is due and payable, pursuant to its terms, upon receipt; provided, however, that the Monthly Service Fee for the month during which Resident first takes Occupancy of the Residence shall be payable in arrears on a pro-rated basis along with payment of the Monthly Service Fee for the first full calendar month occurring during the Term of this Agreement. Although Resident shall have no right to delay payment without Provider's prior written consent, if Resident fails to pay Provider when payment is due, Provider shall have the right to charge a late fee of eighteen percent (18%) per annum and such fees and late fees may be charged against the Entrance Fee.

10.2 Adjustments to Monthly Service Fee. The Monthly Service Fee may be adjusted by Provider from time to time. Provider generally adjusts fees on an annual basis after having evaluated such factors that it perceives to be relevant to the costs associated with operating the Community and other financial requirements. Such changes shall be made to become effective thirty (30) days after Notice to residents in Independent Living Residences, Enhanced Living Residences and Memory Care Residences and Notice of sixty (60) days to residents in Skilled Nursing Residences. Provider reserves the right at any time, upon thirty (30) days' Notice to Resident in an Independent Living Residence, Enhanced Living Residence and Memory Care Residence and sixty (60) days' Notice to Resident in a Skilled Nursing Residence, to adjust the Monthly Service Fee 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 Resident in a Skilled Nursing Residence may be less than sixty (60) days only if the adjustment is due to a change in the level of care. A table showing the percentage amount of the Monthly Service Fee increases for the previous five (5) years is attached hereto as *Schedule 4*.

10.3 Monthly Service Fee in the Event of Temporary Transfer. In the event that Resident temporarily transfers to another Residence in the Community or to an Off-Site Facility, Resident shall pay the Monthly Service Fee for the current Residence in addition to the Monthly Service Fee for the temporary Residence and the applicable fee(s) for the Off-Site Facility, as the case may be. Payment of the Monthly Service Fee for the Residence assures that such Residence shall remain available to Resident during the time Resident is temporarily transferred. The Monthly Service Fee for a temporary Residence at the Community shall be pro-rated on a daily basis for the period Resident is temporarily transferred.

Upon Resident's return to the Residence, Resident shall continue to pay the current Monthly Service Fee associated with such Residence and shall discontinue payment of the additional Monthly Service Fee for the temporary Residence.

10.4 Monthly Service Fee in the Event of a Permanent Transfer. Resident shall be responsible for (i) payment of the Monthly Service Fee for the Residence for only that period prior to the Permanent Transfer, (if Resident has vacated Residence, storage, and parking area, if applicable) and (ii) for payment of the Monthly Service Fee for the new Residence for that

period after the Permanent Transfer. The month in which the Permanent Transfer occurs shall be pro-rated accordingly.

10.5 Monthly Service Fee in the Event of Termination of Agreement. If this Agreement shall terminate by reason of the death of Resident, Resident's estate shall be responsible for the payment of the Monthly Service Fee for that month in which Resident's death occurred and until the Residence is vacated. If Resident terminates this Agreement for any other reason, other than as stated in this *Section 10.5* or in *Section 10.4*, Resident shall be responsible for the Monthly Service Fee for the entire one hundred twenty (120) day notice period pursuant to *Section 14.2*. If Provider terminates this Agreement for Good Cause in accordance with *Section 14.3*, Resident shall be responsible for the payment of the Monthly Service Fee for the vacated Residence for a period not to exceed sixty (60) days.

11. OTHER FEES OR COSTS.

11.1. Ancillary Services Fees. During the term of this Agreement, if Resident makes use of Ancillary Services, Resident shall pay fees to Provider for the Ancillary Services (as described in *Subsection 7.2*) provided to Resident through Provider. The fees for Ancillary Services that are provided by Provider may be adjusted by Provider from time to time, and such change shall take effect upon the giving of thirty (30) days Notice of such increase to Resident. Fees which are based on published rates (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. Fees for all Ancillary Services provided by Provider shall be billed to Resident on Resident's monthly statement, and payment shall be due immediately upon the rendering of an invoice for such services.

11.2. Other Services. Fees for Ancillary Services or any other services not billed by Provider and any other services arranged by Resident will be billed directly to Resident, and Provider shall have no responsibility for payment of, or collecting payment for, such services.

11.3. Refurbishing Fee. When Resident permanently vacates an Independent Living Residence, Enhanced Living Residence or Memory Care Residence, irrespective of the length of time of Occupancy, Resident may pay a Refurbishing Fee to Provider.

11.4. Medical and Other Insurance. Resident shall procure and maintain, at Resident's own cost, adequate insurance coverage available to Resident. Provider may accept documented equivalent coverage if Resident is not eligible for Medicare or is insured under other adequate programs. If Resident does not have adequate coverage, at any time, Resident shall be personally responsible for medical charges, shall promptly notify Provider and shall be billed accordingly. Supplemental insurance is not provided by Provider. However, a supplemental ("Medigap" type) insurance must be purchased and maintained by Resident at Resident's expense. In the event that such supplemental insurance is not available or is not maintained by Resident, Resident shall be personally responsible for medical charges, shall promptly notify Provider and shall be billed accordingly. Resident shall procure and maintain, at Resident's own expense, sufficient renter's insurance coverage against damage of, loss to, or theft of Resident's personal property maintained at the Community and coverage for personal liability, medical payments, and property damage in the minimum amount of \$500,000.00, should a claim be made or suit be brought against a Resident for damages because of bodily injury or property damage caused. Evidence of such insurance shall be provided to Provider prior to occupancy. Provider

shall be responsible for insuring the Residence and fixtures in the Residence provided by Provider.

11.5. Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the sole responsibility of Resident and Resident's family or authorized personal representative.

11.6. Enhanced Living Monthly Care Fee. During the Term, if Resident resides in the Enhanced Living Residence, Resident shall pay to Provider the Enhanced Living Monthly Care Fee, which amount shall be determined by Provider based upon the Enhanced Living Assessment Tool and shall be subject to change from time to time, at Provider's sole discretion. Any such changes shall be subject to thirty (30) days' prior written notice to Resident. The Enhanced Living Monthly Care Fee shall be invoiced to Resident and is due and payable upon the same terms and conditions as Resident's Monthly Service Fee in accordance with *Section 10*.

11.7. Non-Solicitation of Employees. During the Term, Resident agrees not to employ any person currently employed by Provider, either directly or indirectly by hiring the services of any such person through a third party. Resident also agrees not to employ any person formerly employed by Provider, either directly or indirectly by hiring the services of any such person through a third party, until one year has elapsed from the employee's last date of employment with Provider. Resident further agrees not to solicit any person employed by Provider to terminate his/her employment in order to work for Resident directly or indirectly through a third party.

12. FINANCIAL INABILITY TO PAY.

Provider prefers to not terminate Resident's Occupancy for his/her financial inability to pay provided that Resident is otherwise in compliance with the terms of Resident's Residency Agreement. To the extent that it is financially feasible, and subject to *Section 16.5*, Provider shall assist Resident who is unable to pay full Monthly Service Fees by providing financial assistance as described in this *Section 12*. Provider requires that, if Resident claims to be unable to make full monthly payments due to Resident's financial inability, Resident shall take any or all of the following actions in this *Section 12*, as directed by the President/CEO (or its designee). Provider has the right, but not the obligation, to initiate financial assistance if Provider independently determines that Resident needs financial assistance.

12.1. Statement of Financial Inability to Pay. If Resident's sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for Resident to make the payments required under this Agreement, Resident shall file with the President/CEO (or its designee), on appropriate forms provided by the President/CEO (or its designee), a statement of financial inability to pay ("Statement of Financial Inability to Pay"). As part of the Statement of Financial Inability to Pay, Resident shall disclose his/her remaining available assets and income. The President/CEO (or its designee) shall review Resident's financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for Resident's care.

12.2. Resident's Spending Plan. If Resident has disclosed in Resident's Statement of Financial Inability to Pay Form that Resident has outside assets other than the Entrance Fee, the President/CEO (or designee) shall establish a Spending Plan for Resident to spend Resident's

outside assets and to obtain assistance from family or other available means. After Resident has completed the Spending Plan or if Resident has no outside assets other than the Entrance Fee, Provider, subject to the approval of the Board of Trustees of the Community, may spend-down the Entrance Fee to make the payments required under this Agreement. Such payments shall be made in the priority as determined by Provider, in Provider's sole discretion. After the spend-down process of the Entrance Fee has begun, if Resident can qualify, Resident shall take the necessary steps to obtain county, state, and federal aid or assistance including, but not limited to, Medicaid, public assistance and any other public benefit program, subject to *Section 12.4*. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights. If Resident fails to cooperate with the Spending Plan for the outside assets, Provider may terminate the Agreement for Good Cause in accordance with *Section 14.3*.

12.3. Transfer of Residents. If requested by Provider, Resident shall transfer to an alternate Residence at the Community if and when available.

12.4. Notification to Provider of Financial Condition. Resident shall provide statements of Resident's financial condition and copies of Resident's income tax returns as the same may be requested from time to time by Provider. Resident shall notify Provider of any and all assets acquired by Resident through any means whatsoever thereafter, and shall assign or pay such assets received to Provider, in an amount equivalent to the total outstanding charges and fees owed by Resident.

12.5. Replacement Guarantor. As applicable, in the event that Guarantor pre-deceases Resident, Resident shall cause a new Guaranty Agreement, in the form attached hereto, to be executed by a replacement Guarantor acceptable to Provider, in Provider's sole discretion.

13. TRANSFERS.

13.1. Temporary and Permanent Transfers. During a Temporary Transfer, the Residence shall remain available to Resident as long as Resident continues to pay the fees in accordance with *Section 10.3*. In the event of a Permanent Transfer, Resident shall be requested to vacate and release the Residence. In the event of a Permanent Transfer, if Resident is able to qualify to return to the Residence previously occupied at the Community or to a different, medically appropriate Residence at the Community, Resident shall have the right to occupy the Residence subject to availability of such Residence, and Resident shall be given priority status for re-entry to the Community over non-residents on the waiting list for the Community. Transfers within the Community shall not trigger a refund of the applicable portion of the Entrance Fee or Lifecare Fee.

13.2. Transfer at the Election of Resident. Resident may elect to transfer on a permanent basis to an alternate Independent Living Residence, Enhanced Living Residence, Memory Care Residence, Skilled Nursing Residence, or to an Off-Site Facility by giving Notice to Provider. Alternatively, Resident may elect to transfer on a temporary basis to a Skilled Nursing Residence, or to an Off-Site Facility by giving Notice to Provider. All transfers within the Community shall be subject to the availability of the elected alternate Residence, to the approval of Provider through the Care Coordination Committee, and to pay the Provider the difference between the Entrance Fee required for each Residence. A transfer to an Off-Site Facility shall not be deemed a termination of this Agreement unless Resident elects to terminate this Agreement pursuant to *Section 14.2*.

13.3. Transfer at Election of Provider: Non-Emergency. Any decisions regarding a transfer of Resident at the election of the Provider, except for emergency transfers, shall be made by the Care Coordination Committee. The Care Coordination Committee shall, in non-emergency cases, consult with Resident or his/her legal representative. If Resident has a Guarantor or ombudsman, such persons shall also be consulted if Resident requests. Provider shall attempt to interact with Resident or Resident's representative with the goal of achieving a consensus on the need for a transfer; however, Resident hereby acknowledges that consensus is not always achieved.

13.3.1. Resident shall not be transferred, temporarily or permanently, to a different Residence unless (1) in the opinion of the Care Coordination Committee, such transfer is deemed appropriate for the protection of the health or safety of Resident or the welfare of the Community, or (2) in the opinion of the Care Coordination Committee, the transfer is deemed necessary due to Resident's financial inability to pay, or (3) in the case of a Permanent Transfer to an Off-Site Facility that provides treatment for mental disorders and other services not provided in the Community, the need for such transfer is certified by the Medical Consultant.

13.3.2. The Care Coordination Committee shall give Resident thirty (30) days advance written Notice of the proposed transfer. Resident or his/her representative shall notify Provider of any objection to the proposed transfer within ten (10) days of receipt of the Notice. If Resident or his/her representative do not consent to the transfer, the Care Coordination Committee may, in its discretion and in lieu of a transfer, require Ancillary Services be provided to Resident, at Resident's cost, if a higher level of care is deemed appropriate in the opinion of the Care Coordination Committee for the protection of the health or safety of Resident or the Community. If Resident or his/her representative does not consent to either the transfer or the proposed Ancillary Services, Provider may consider such refusal to constitute Good Cause for Provider to terminate the Agreement in accordance with *Section 14.3*.

13.3.3. Although it is intended and expected that sufficient and appropriate facilities in the Skilled Nursing Residence shall be available to Resident, should Resident require service in the Skilled Nursing Residence and if space in the Skilled Nursing Residence is then unavailable to Resident when required for those services, Provider shall arrange for the nursing care to be provided to Resident in another appropriate facility. Such care will be at Provider's expense except for those items that would be at Resident's expense if Resident were in the Skilled Nursing Residence. Resident shall be transferred to the Skilled Nursing Residence if and when appropriate space becomes available. If the Skilled Nursing Residence at the Community is full, Provider will arrange for, and pay for, home health care services until space is available in the Skilled Nursing Residence. However, if the Skilled Nursing Residence continues to be unavailable, and it is deemed medically necessary for Resident to be in a Skilled Nursing Residence, an appropriate placement at an Off-Site Facility will be provided.

13.4. Transfer at Election of Provider: Emergency. If the health and safety of Resident or the welfare of the Community requires immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Consultant, may transfer Resident from the Residence to a different Residence or to an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances may arise when there is a danger of immediate, irreparable harm to the health and safety of Resident or to the health and safety of the Community. If Resident is required to be transferred to a Skilled Nursing Residence or an Off-

Site Facility when Resident is legally incompetent, Resident agrees to be bound by the terms of the applicable agreement in effect at the time of such transfer.

13.5. Use of Residence. In the event of a Temporary Transfer, whether due to the election of Resident or of Provider, the Residence shall remain available to Resident as long as Resident continues to pay the Monthly Service Fee for the Residence in accordance with *Section 10.3*. In the event of a Permanent Transfer, whether due to the election of Resident or of Provider, Resident or his/her representative shall sign a Residence Release Form. Resident or his/her representative shall then be responsible to vacate the Residence and to remove all personal possessions from the Residence, and if applicable, Resident's storage unit and parking area. Provider shall have the right to show the Residence to interested applicants as of the date indicated in the Residence Release Form.

14. TERMINATION.

14.1. Automatic Cancellation. In accordance with Massachusetts law, this Agreement shall be automatically canceled if the Residence 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. If the Agreement is automatically canceled, Provider shall, within sixty (60) days, return to Resident, any and all amounts paid by Resident.

14.2. Termination by Resident. Resident may terminate this Agreement at any time after Occupancy and for any reason by giving Notice to Provider of his/her intention to terminate. Resident shall give Provider at least one hundred twenty (120) days Notice of termination in order to permit a new occupancy of the Residence and the refund of the Entrance Fee and Lifecare Fee in accordance with *Section 9*. Resident shall be responsible for the Monthly Service Fee for such one hundred twenty (120) day period after receipt by Provider of such Notice.

14.3. Termination by Provider. A decision by Provider to terminate this Agreement shall be made by the Executive Director. Provider may not terminate this Agreement without Good Cause.

14.3.1. For Non-Payment. In the event of non-payment of fees, Provider shall give written Notice to Resident that Resident is in default under this Agreement for non-payment of fees. Provider may charge Resident interest on the overdue amount of one and one-half percent (1 ½%) per month. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the Notice, Provider may, at its election, either terminate this Agreement upon an additional thirty (30) days Notice or may require a spend-down of the Entrance Fee, in accordance with the Community's spend-down procedures as generally set forth in *Section 12*, to offset the overdue fees and charges. Acceptance by Provider of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless Provider agrees to a waiver in writing.

14.3.2. For other Grounds. Except for termination due to non-payment of fees, Provider shall give Resident thirty (30) days written Notice of the termination and the reason for termination.

14.4. Vacating the Residence. Upon termination of the Agreement, either by election of Resident, election of Provider, or due to the death of Resident, Resident or his/her

representative shall sign and give to Provider a Residence Release Form, advising Provider of the Departure Date. Provider shall have the right to show the Residence to interested applicants as of the date indicated in the Residence Release Form.

14.5. Failure to Vacate. If Resident fails to vacate the Residence by the date indicated in the Residence Release Form or, in the event of a Permanent Transfer by Provider, subject to Massachusetts law, in accordance with **Section 14.3**, Provider may terminate this Agreement and exercise its Storage Right. Provider assumes no responsibility for Resident's stored possessions. If, notwithstanding the termination of this Agreement under **Section 14**, the Residence is not vacated, Provider may, subject to Massachusetts law, exercise its Storage Right and other rights.

15. JOINT RESIDENTS.

15.1. Second Resident Fees. An individual seeking residency at the Community, at a time subsequent to the date hereof, shall be required to meet Provider's financial and health-related qualifications for entrance into the Community. In the event that such individual, who is not a party to this Agreement, is accepted for residency as a Second Resident in the Residence (said acceptance to be in accordance with admission policies governing all other admissions), such Second Resident shall sign a Second Resident Addendum to this Residency Agreement and pay the Second Resident Lifecare Fee and the Second Resident Monthly Service Fee for each month thereafter. Such Second Resident will then become a Joint Resident for purposes of this Agreement. In the case of Joint Residents, the Entrance Fee and Lifecare Fee 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. Joint Residents shall each be jointly and severally liable for all fees described in this Agreement.

If during the Term, Resident marries a person who is not a resident of the Community, Resident's spouse shall be subject to the same financial and health-related qualifications for entrance into the Community as any other Second Resident. Provider reserves 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 Resident's spouse is not accepted by Provider, Resident may terminate this Agreement in accordance with **Section 14.2**. If Resident's spouse is accepted into the Community and will share the Residence with Resident, Resident's spouse shall be a Joint Resident, subject to all provisions of this Agreement applicable to a Joint Resident. If Resident's spouse shall occupy a different Residence, each Resident shall pay the Entrance Fee, the Lifecare Fee and the Monthly Service Fee for their respective Residence. This fee structure applies to residents who move to the Community together and to a resident and a new spouse who are accepted to the Community on different dates.

15.2. Refund to Joint Residents.

15.2.1. Refund of Entrance Fee and Lifecare Fee after Occupancy.

15.2.1.1. If two residents sign this Agreement and become Joint Residents, and one Joint Resident subsequently terminates this Agreement, the Entrance Fee shall not be refunded until the Second Resident terminates this Agreement or upon the death of the Second Resident, unless otherwise specified in writing by each party to this Agreement.

15.2.1.2. If two residents of separate Residences decide to jointly reside in one of the previously occupied Residences, Provider shall refund the applicable portion of Entrance Fee for the Residence vacated, subject to *Section 9.5.1*. Provider shall make such refund upon Provider's receipt of the Entrance Fee from another resident for the vacating Residence upon the same conditions as outlined in *Section 9.5.1*.

15.2.1.3. If two residents of separate Residences decide to vacate their Residences and jointly reside in a new Residence, the residents shall execute one new Residency Agreement, pay the applicable entrance fee for the new Residence, and pay the applicable Monthly Service Fee. Provider shall refund the applicable portion of the Entrance Fee for both Residences vacated upon the conditions outlined in *Section 9.5.1*. Provider shall make such refund upon Provider's receipt of the Entrance Fee from another resident for the vacating the Residence upon the same conditions as outlined in *Section 9.5.1*.

15.2.2. Termination Due to Death of Resident.

15.2.2.1. If one Joint Resident dies prior to Occupancy, the surviving Resident may, but is not required to, rescind this Agreement. The surviving Resident may request a different Residence, and Provider shall refund or charge any difference in the Entrance Fee between the Residences, provided this election is made in writing at least thirty (30) days prior to Occupancy.

15.2.2.2. If, after Occupancy, one Joint Resident dies, there shall be no refund of the Entrance Fee or Lifecare Fee; instead, so long as a surviving Resident continues to reside at the Community, the Entrance Fee and Lifecare 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.

15.3. Transfers by Joint Residents. If the Residence is jointly occupied and one Resident transfers to a Skilled Nursing Residence, Enhanced Living Residence or Memory Care Residence and the other Resident continues to reside in the Residence, the Residence shall not be deemed vacated for purposes of this paragraph. If Resident is transferring due to one of the following: (1) in the opinion of the Care Coordination Committee, such transfer is deemed appropriate for the protection of the health, safety or welfare of Resident or the Community, or (2) in the case of a Permanent Transfer to an Off-Site Facility that provides treatment for mental disorders and other services not provided in the Skilled Nursing Residences, the need for such transfer is certified by a physician or a psychologist and Residence is occupied by Joint Residents, the remaining Joint Resident may continue to occupy Residence and continue to pay the Monthly Service Fee less the Second Resident Monthly Service Fee.

15.4. Termination by Joint Resident. In the event a second person is a party to this Agreement, Resident shall, in the event of the death or Permanent Transfer of the second person as provided above, have the option to leave this Agreement in force or to terminate this Agreement in accordance with *Section 14.2*. If, after becoming Residents, Joint Residents of a single Residence decide to live separately, the Joint Residents may request several alternative living arrangements. Those alternatives and the conditions associated with each are as follows:

15.4.1. Both Residents request continued residence at the Community. If one Resident elects to continue to reside in the Residence and the other Resident elects to move to another Residence, Resident residing in the new Residence shall sign a new Residency

Agreement. Resident residing in the new Residence shall pay the then applicable entrance fee for the new Residence selected. Both Residents shall pay the then applicable Monthly Service Fee for the Residences they reside in.

15.4.2. One Resident decides to leave the Community. In such case, the remaining Resident shall pay the then applicable First Resident Monthly Service Fee. The terminating Resident shall provide written notice of the termination to Provider in accordance with *Section 14.2*.

15.4.3. Both Residents decide to leave. In such case, the terminating Residents shall provide one hundred twenty (120) days written notice of the termination to Provider and shall pay the First Resident Monthly Service Fee and Second Resident Monthly Service Fee until the termination is effective. Termination shall be effective one hundred twenty (120) days after Provider receives such written notice of termination. Residents shall be entitled to a refund of the Entrance Fee and Lifecare Fee as provided in *Section 15.2*.

16. RIGHTS OF PROVIDER.

16.1. Community Rules and Regulations. Provider shall have the right to enact reasonable rules and regulations governing the conduct of residents of the Community. Resident agrees to abide by all such policies and procedures, and generally to conduct himself or herself in such a manner as to promote the welfare of the Community.

16.2. Access to Residences at the Community. Resident authorizes Provider to enter the Residence under the following circumstances: (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 Resident is reported missing or has not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's policies and procedures. Provider acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into Residence to the foregoing circumstances, or unless otherwise permitted under this Agreement.

16.3. Property Rights.

16.3.1. Rights to Services and Occupancy. Resident acknowledges that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement are limited to the rights provided in this Agreement for services and the occupancy of the Residence and do not include any right, title or interest in any part of the personal property or real property (including land, buildings, and improvements) owned, leased or administered by Provider.

16.3.2. Subordination. Except for Resident's right to occupy the Residence, 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 real and personal property of Provider, 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 promulgated by Provider. Resident hereby agrees, upon request of Provider, to execute and deliver any document that is reasonably required by Provider, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoints Provider as Resident's attorney-in-fact to accomplish that purpose.

16.4. Limitation of Liability. Provider shall not be responsible for the loss of any personal property belonging to Resident due to theft or any other cause. The liability of Provider for damage to or loss of Resident's personal property shall be limited to damage or loss caused by negligent acts or omissions of Provider or of its employees acting within the scope of their employment.

16.5. Resident's Agreement to Preserve Assets. The financial information submitted by or on behalf of Resident is a material aspect upon which Provider is reasonably relying in determining Resident's qualifications to reside in the Community. To protect Provider from divestiture of assets to qualify for assistance or reduction of Monthly Service Fees, Resident agrees not to divest him/herself of, sell, or transfer any assets or property interests (excluding expenditures for Resident's normal living expenses) that would result in a reduction in Resident's net worth (assets less liabilities) that is below the minimum criteria to become a Community resident, without having first obtained the written consent of Provider.

16.6. Religious Affiliation and Sponsorship. Provider has no religious affiliation.

16.7. Smoking Policy. The Community has a smoke-free policy in an effort to mitigate the adverse health effects of secondhand smoke and further enhance the health, welfare and safety of residents, staff and visitors. This policy will be effective for all Residents, staff and visitors. Resident will inform Resident's visitors of this smoking policy. Resident will be responsible for any violations of the smoking policy by Resident and Resident's visitors.

17. DISPUTE RESOLUTION.

17.1. Dispute Resolution.

17.1.1. If there is a dispute or claim arising out of this Agreement or related to Resident's residency at the Community, Resident and Provider agree to first use reasonable and good faith efforts to resolve the dispute or claim among themselves, without resort to third party process.

17.1.2. Resident and Provider may elect to sign a separate agreement to submit any dispute or claim that cannot be resolved among themselves to neutral, binding arbitration; provided that any claim or dispute involving eviction shall be subject to summary process in a Massachusetts Court unless, to the extent permitted by Massachusetts law, both parties agree to arbitrate such proceedings. If the parties enter into such pre-dispute arbitration agreement, both parties relinquish their constitutional right to have any such dispute decided in a court of law before a jury, and instead accept the use of arbitration.

17.1.3. If Resident and Provider do not enter into a separate arbitration agreement, or if they do but the dispute cannot be arbitrated under Massachusetts law, then any action arising out of or related to this Agreement that is brought by or against Provider shall be brought in the appropriate court.

17.2. Dispute Resolution with General Applicability.

17.2.1. If Resident has a grievance or a dispute having general application to other Residents of the Community, Resident has the right to present the grievance or dispute to a Residents' council ("Residents' Council"). If, in the judgment of Residents' Council, the

grievance or dispute has merit, the president of Residents' Council will discuss the matter with the appropriate manager within thirty (30) days. If the grievance or dispute is not resolved to the reasonable satisfaction of Residents' Council by management within thirty (30) days, the president of Residents' Council may appeal to the President/CEO of the Community. The President/CEO shall consider the disputed matter and undertake reasonable efforts to resolve it within thirty (30) days. If the grievance or dispute is not resolved to the reasonable satisfaction of Residents' Council by the President/CEO within thirty (30) days, the president of Residents' Council may appeal to the Board of Trustees of the Community. The Board of Trustees shall consider the disputed matter and undertake reasonable efforts to resolve it within thirty (30) days. The decision of the Board of Trustees shall be final. This process does not preclude Resident from availing himself or herself of any other legal, statutory, and/or regulatory remedies available to Resident, after completing the foregoing process.

17.2.2. If Resident has a grievance or a dispute that is personal and does not have general application to other Residents, or if Resident is dissatisfied with the resolution of Residents' Council, Resident has the right to present the grievance or dispute directly to the management. If the grievance or dispute is not resolved to the reasonable satisfaction of Resident within thirty (30) days, Resident may appeal to the President/CEO of the Community. If the grievance or dispute is not resolved within thirty (30) days, Resident may appeal to the Board of Trustees of the Community. The Board of Trustees shall consider Resident's appeal within thirty (30) days. The decision of the Board of Trustees shall be final. This process does not preclude Resident from availing himself or herself of any other legal, statutory and/or regulatory remedies available to Resident, subject to the terms of this Agreement.

17.2.3. If Resident moves to the Skilled Nursing Residence, Resident may be entitled under the Commonwealth of Massachusetts and/or federal laws and regulations to different/additional rights and remedies as well as procedures for bringing forward Resident grievances and complaints, subject to the terms of this Agreement, and additional terms of which shall be available to Resident upon request at the time of transfer or move to the Skilled Nursing Residence.

18. MISCELLANEOUS PROVISIONS.

18.1. Rules of Construction. In this Agreement, the masculine, feminine, and neuter genders shall be interchangeable. Similarly, the singular and plural shall be interchangeable.

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

18.3. Entire Agreement. This Agreement, the Closing Summary and the documents referenced in *Schedule 1* represent the entire agreement between Provider, Resident, 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.

18.4. Amendment. This Agreement shall be amended only in writing, signed by Provider and Resident.

18.5. 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, 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.

18.6. Paragraph Headings; References. 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. All references to Schedules and Sections shall mean Schedules attached to this Agreement and Sections within this Agreement, unless otherwise expressly provided.

18.7. 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 effect to the conflict of law provisions thereof. All parties to this Agreement, including Provider, 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 Norfolk County, Massachusetts, at Provider's election. All parties agree that the filing of any action may include a request for an expedited hearing.

18.8. Assignment. If Provider or any of Provider's successors or assigns shall give Resident Notice that any or all of the rights, duties and obligations of Provider have been assigned to a new person or entity registered as a continuing care provider or equivalent under the laws of the Commonwealth of Massachusetts to provide services at the Community, as may be applicable, Resident shall recognize such new person or entity as Provider under this Agreement, to the extent of such assignment.

18.9. Liability in General. Resident accepts full responsibility for any injury or damage caused to others, or suffered by Resident, as a result of Resident's own acts or omissions, and those of Resident's guests or invitees, and Resident hereby indemnifies and holds harmless Provider and its respective directors, agents, and employees from any and all liability for such injury or damage, including reasonable attorneys' fees. Resident agrees to maintain general liability insurance in an amount and form satisfactory to Provider to cover such liability.

18.10. Successors and Assigns. This Agreement and the schedules attached hereto shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

18.11. Pets. Resident acknowledges that the pet policy will be determined by Provider or as otherwise required by law.

[No further text on this page. Signature page follows.]

SIGNATURES

I have read and understand this Agreement (including the documents attached hereto and incorporated by reference herein) and have had an opportunity to review this Agreement with an attorney, financial advisor or other representative of my choice.

IN WITNESS WHEREOF the parties have executed this Agreement under seal on the date appearing next to their respective signatures.

PROVIDER:

NORTH HILL NEEDHAM, INC.:

_____ Witness Name:	By: _____ Name: _____ Title: _____	_____ Date
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RESIDENT:

_____ Witness Name:	_____ Resident	_____ Date
---------------------------	-------------------	---------------

_____ Witness Name:	_____ Resident	_____ Date
---------------------------	-------------------	---------------

Guaranty (if applicable): 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 1 TO RESIDENCY AGREEMENT

Documents attached hereto and incorporated by reference herein:

Annual Report
Arbitration Agreement
Audit Reports
Closing Summary
Customization Agreement
Disclosure Statement
Entrance Fee Summary
Guaranty Agreement
Parking Space Agreement
Refund Directive
Request for Advance Directives and Health Care Proxy
Reservation Deposit Agreement
Residence Release Form
Resident Information Form
Resident's medical records
Resident's medical insurance documentation
Resident Selection Agreement
Schedule of Basic Data and Financial Information
Skilled Nursing Admissions Agreement

SCHEDULE 2 TO RESIDENCY AGREEMENT

Covered Services

Independent Living Monthly Service Package:

- Events as scheduled and planned for those Residents interested in participating
- Scheduled transportation (within a 5 mile radius) to local shopping and recreational areas, medical appointments and places of worship as determined by Provider
- Safety personnel on campus 24 hours
- Personal Emergency Response System
- Smoke detection and sprinklers in all Residences
- One meal provided with the contract; Additional meals at additional cost to Resident
- Housekeeping services performed once per week
- Flat linen laundry service once per week
- Heavy cleaning performed once per year
- Maintenance of Community appliances, carpets and fixtures
- Buildings and grounds maintenance
- One storage unit per Residence for Resident's personal belongings
- Uncovered parking
- Use of all public rooms and common areas of the Community
- Wiring for telephone
- All utilities except personal telephone
- Basic digital TV services for one television and one remote control

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Enhanced Living Monthly Service Package:

- A dignified and respectful environment to promote quality of life while receiving appropriate support
- Support with daily living activities that may include as needed: bathing, bed making and personal care
- Nurse on-site 24 hours
- Personal Emergency Response System
- Individual plan of care
- Periodic evaluation for need of services
- Supervision, when necessary, of medication administration and medication monitoring
- Nursing monitoring when requested by Resident's physician
- Social Services consultation as appropriate to individual needs
- Programs scheduled and planned appropriate to individual abilities and interest
- Safety personnel on campus 24 hours
- Three meals, two of which are additional cost to Resident
- Housekeeping services provided once per week and as needed
- Flat linen laundry service and personal laundry service, as needed
- Wiring for telephone and internet access
- All utilities except personal telephone
- Basic digital TV services for one television and one remote control
- Coordination of additional health services provided by Provider, including coordination of transfer to a higher level of care

Memory Care Monthly Service Package:

Includes everything listed in the Enhanced Living Monthly Service Package plus the items listed below:

- A secure living environment specially designed to promote independence for those with memory loss
- Specialized memory support program designed to maximize individual abilities

Skilled Nursing Monthly Service Package:

- A dignified and respectful environment to promote quality of life while receiving appropriate support
- Support with daily living activities, including but not limited to, bathing, dressing, personal care and bed making
- 24 hour nursing care
- Nurse call system
- Physician guided individual plan of care
- Nursing assessment and evaluation
- Medication administration and medication monitoring
- Nursing monitoring directed by Resident's physician
- Social Services evaluation and monitoring
- Programs scheduled and planned appropriate to individual abilities and interest
- Safety personnel on campus 24 hours
- Three meals, two of which are additional cost to Resident
- Dietician evaluation and oversight
- Housekeeping services, as needed
- Flat linen laundry service and personal laundry service, as needed
- All utilities including internet and telephone
- Basic digital TV services for one television and one remote control

SCHEDULE 3 TO RESIDENCY AGREEMENT

List of Ancillary Services

Through Provider or its Subsidiaries:

- Guest meals
- Additional meals
- Meal delivery
- More frequent housekeeping services
- More frequent laundry services
- Transportation to and from trips outside of the scheduled trips (to be defined by Provider)
- Transportation to Medical Appointments beyond five (5) mile radius
- Covered parking
- Assistance with transportation within the Community
- Wheelchair assistance to meals and activities
- Memory Care day program
- Nursing supplies
- Medicare Certified Home Health
- Guest accommodations where visitors can stay when they visit the Community, subject to availability
- Personal fitness training
- IT Services
- Special events offered within the Community

Through Third Parties:

- Day Spa and Salon services
- Additional cable services
- Physical therapy
- Speech therapy
- Occupational therapy
- Privately contracted service providers (including without limitation, companions, aides, and private duty nurses)
- Home Support Services which include:
 - Nursing services:
 - Medication box weekly pre-fill
 - Medication reminders
 - Medication management
 - Personal Emergency Response
 - Health assessments
 - Wound care
 - Home Health Aide Services:
 - Assistance with bathing and dressing
 - Short term assistance with meal preparation
 - Tray delivery when ill
 - Social Work and Care Coordination Services
- Home Health Aide Services

- Nursing Services
- Other Home Health Agencies
- Other services approved in writing by Provider

SCHEDULE 4 TO RESIDENCY AGREEMENT

SCHEDULE OF MONTHLY FEE INCREASES

Frequency and Average Percentage
Increase in Monthly Fees for Previous Five Years

Independent Living	FY2011	FY2012	FY2013	FY2014	FY2015
Average Monthly First Person Resident Percentage Increase	4.52%	4.05%	3%	0%	3%
Average Monthly Second Resident Percentage Increase	3.70%	5%	3.74%	0%	3%
Skilled Nursing	FY2011	FY2012	FY2013	FY2014	FY2015
Semi-Private Average Percentage Increase	1.45%	5.71%	2.70%	2.63%	5.13%
Private Average Percentage Increase	2.60%	3.80%	2.44%	2.38%	1.16%



Disclosure Statement

Updated January 2016

Date Delivered to Prospective Resident: _____, 20__

Note: This Disclosure Statement is offered voluntarily by North Hill Needham, Inc., and is subject to change.

North Hill
865 Central Avenue
Needham, MA 02492
781-433-6524

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I. GENERAL INFORMATION:

This Disclosure Statement is being provided by North Hill-Needham, Inc. ("Provider") pursuant to Massachusetts General Law, Chapter 93, Section 76, to a prospective resident of a continuing care retirement community ("CCRC") commonly known as North Hill and located at 865 Central Avenue, Needham, MA 02492 (the "Community").

II. DESCRIPTION OF PROVIDER AND COMMUNITY:

A. Name and Type of Organization

Provider is a 501(c)(3) tax exempt non-profit corporation, organized under the laws of the Commonwealth of the Massachusetts.

B. Relationship with Other Organizations

Provider has no affiliations with any religious, charitable or other nonprofit organizations other than North Hill Communities, Inc. and North Hill Home Health Care, Inc., each of which is a 501(c)(3) tax exempt non-profit corporation, organized under the laws of the Commonwealth of the Massachusetts. Neither affiliate organization will be responsible for the financial and contract obligations of Provider.

C. Location and Description of the Community

The Community is located at 865 Central Avenue, Needham, Massachusetts (the "Property") on approximately 59 acres owned by Babson College and leased to Provider. The improvements on the Property are situated on top of a hill and surrounded largely by conservation land. The Community consists of up to 375 independent living residences and 72 Medicare and Medicaid certified skilled nursing accommodations. The Community also includes multiple dining venues, a private dining room for special events, fitness center, indoor pool, day spa and salon, business center, greenhouse, art studio, woodshop, tech lab, retail space, library, art galleries, multi-purpose room and many other indoor and outdoor amenities.

New construction at the Community entitled "Project True North" includes:

- Improvements to individual residences which are ongoing;
- Construction of 45 new independent living residences with an estimated completion date of August 2016.

The proposed financing for Project True North is attached hereto as Schedule II.

D. Management Team

Kevin L. Burke, President and CEO

Kevin Burke is president and CEO of North Hill, accountable for the overall performance of the Community and leader of the management team. Mr. Burke's primary role is the oversight of several corporate entities including the development of the strategic direction for the organization. With formal training in hospitality management and 20+ years of leading senior living organizations. Mr. Burke's focus has been on introducing innovative technologies that advance the aging services field. He has served as executive vice president for a national

management company as well as executive director for several senior living retirement communities.

Mr. Burke holds an MBA and a BS in hospitality management from Rochester Institute of Technology and is a licensed nursing home administrator. He is an active member of the Needham Exchange Club, a Director of the Wellesley Chamber of Commerce and Chair of the Patient Satisfaction Committee of the Beth Israel Deaconess Needham Hospital. Mr. Burke was the Chairman of the Board of LeadingAge of Massachusetts, is a member of the LeadingAge National Policy Congress, and is a frequent speaker at industry trade association meetings.

Darren Roy, Chief Financial Officer and Treasurer

As CFO, Mr. Roy is responsible for the financial strategy, investment, resource management and growth of NHC, Inc. He has a wealth of experience with various companies performing accounting and operational management, budgeting and planning, financing, cost accounting, contracting and risk management.

Mr. Roy began working at North Hill in January 2013 after serving as Chief Financial Officer at Dedham Country and Polo Club for 8 years and Director of Finance at Children's Hospital for 3 years. Mr. Roy holds a BBA in Accounting from the University of Massachusetts at Amherst and received his CPA certification in 1990.

Rebecca Donato, Chief Operating Officer

As COO, Rebecca provides leadership and operational oversight of North Hill Communities and its subsidiaries. Since joining North Hill in 2006, Ms. Donato has served in a variety of positions that have led North Hill to achieve its transformational and strategic goals. Most recently she was responsible for leadership of the Project True North, \$150M+ redevelopment project designed to reposition North Hill in the marketplace and resume its competitive position as the market leader. As the former VP Business Development, Ms. Donato was also responsible for oversight of product and services development, ensuring that North Hill's vision for innovation in aging services was effectively executed through the Project, organizational and cultural development efforts, and rebranding initiatives. Other projects for North Hill have included leadership of the True North marketing campaign, development of a corporate performance improvement program, corporate policy program, Commission on Accreditation of Retirement Facilities ("CARF") accreditation oversight, creation of a memory care social day program, and development of experiential marketing and multi-dimensional wellness programs. Ms. Donato started her career in senior living as an operations consultant with a national company. She holds an MBA from Georgetown University and Bachelor of Music from NYU.

David J. Maw, VP Operations/Executive Director

David Maw was a member of the original leadership team that opened North Hill in 1984 and now serves as Executive Director, responsible for oversight for North Hill operations. Mr. Maw has served in various roles including Dining Services Director and Associate Director. Mr. Maw has provided consulting services to Life Care Services (LCS) and other retirement communities in the Boston area and was instrumental in successfully developing the first networking coalition for department directors of area retirement communities.

Mr. Maw received a MS in Management from Bridgewater State College and a BS in Business Administration from Saint Joseph's College (ME). He served as adjunct faculty, teaching Business Management at Stonehill College and has presented at multiple conferences and seminars.

Anne Orens, Director Business Planning

Anne Orens has also held a variety of roles at North Hill. She is currently the Client Manager for the final phases of Project True North construction, and the final creation of new spaces and services designed to meet North Hill's strategic growth and expansion goals. As part of her organizational development responsibilities she is serving as the Client Liaison for the upcoming CARF accreditation. Ms. Orens works with the parent board, subsidiary boards and President to develop and facilitate governance-related issues as they relate to the strategic plan of the parent organization and subsidiary organizations.

Ms. Orens has significant experience in leadership, project management, and client development roles for companies in publishing, knowledge management and software development (including health care clients). She was Manager of Sales, Marketing & Circulation at Little, Brown and Company in Boston, and Business Development Director for several digital publishing firms.

Ms. Orens has served as a Board Member for International Society for Scholarly Publishing and the Arlington Center for the Arts.

Ms. Orens received her BA in History from Bryn Mawr College and her Masters in History from the University of Chicago. She also has a Project Management Certification from the PMI Institute. Ms. Orens has been at North Hill since 2012.

Paul Duffy, VP Marketing

Paul Duffy is the Vice President of Marketing for North Hill Communities. His portfolio includes coordination of all marketing efforts across the North Hill family: Project True North and North Hill; the rollout of Vista Terrace and the emergence of North Hill Home Health.

In the course of a 20 year educational marketing career, Mr. Duffy has lived and worked in six countries: the UK, Spain, Sri Lanka, Russia, New Zealand and Switzerland. He is the principal of Compass Eight - an experiential marketing consultancy. He attended the University of Chicago and is a certified Master Gardener.

Patricia A. Paulin, Director of Financial Planning and Corporate Administration

Patricia Paulin oversees and manages enterprise contracts, insurance administration, treasury and banking administration and serves as finance liaison to prospective and current residents and families. She works with the Trustee Finance, Resident Finance and Resident Employee Appreciation Committees. Ms. Paulin began working at North Hill over 25 years ago.

Ms. Paulin holds a MS in Accountancy from Bentley College and a BA in Special and Elementary Education from Boston College. She is a member of the Long Term Care Finance Association.

Steven Hall, Pines Edge (Skilled Nursing Facility) Administrator

A Licensed Nursing Home administrator, Mr. Hall joined the North Hill team in October of 2015. He is responsible for the daily operations and overall performance of the 72-bed "Small House" model skilled nursing facility. In his tenure as a licensed Nursing Home administrator, Mr. Hall has been instrumental in improving the lives of many residents in several nursing

facilities, including participating in the development and implementation of the “OASIS Project” – a resident centered approach to care that has since seen nationwide acceptance and success. Since 2006, he is credited with his nursing facilities receiving five deficiency-free DPH annual surveys. Mr. Hall holds a BS in Long-Term-Care Administration from Saint Joseph’s College of Maine.

Board of Trustees of the Community

The Board of Trustees of North Hill Needham, Inc. is charged with ensuring the ongoing viability of the Community. The board's principle responsibilities are making sure that a competent management team is in place and ensuring that the mission of the Community is properly executed by that team. The Board of Trustees for Fiscal Year 2015 – 2016 includes the following individuals:

MR. TED OWENS
Chairman
Needham, MA

MR. CHRISTOPH
HOFFMANN
Vice Chairman
Needham, MA

MS. SARAH WILCOX
Newton, MA

MR. MAURICE HANDEL
Needham, MA

Dr. PRATHER PALMER
Weston, MA

DAVID DINWOODEY
Wellesley, MA

MR. MICHAEL PRICE
Wellesley, MA

Ms. MAUREEN WALSH
West Roxbury, MA

MS. GAIL M. WALCOTT
Newton Lower Falls, MA

MR. EDWIN REILLY
Natick, MA

JOHN SCHWARTZ
Wellesley, MA

MR. CARL H. NOVOTNY
Wellesley, MA

MS. KATHERINE Babson, Jr.
Wellesley, MA

MS. ELIZABETH P.
POWELL
Wellesley, MA

Ms. PENNY GREENBERG
Westwood, MA

III. FINANCIALS:

All information in connection with the financials of Provider is attached hereto and listed below as Schedules I-II.

Schedule I: Consolidated Financial Statements.

Schedule II: Source and Application of Funds for proposed construction of True North.

Schedule I

Consolidated Financial Statements attached.

Schedule II

In 2010, North Hill embarked on campus repositioning known as Project True North. Project True North was divided into three phases. Construction for Phase One began in 2012 and finished in March 2012. Construction on Phase Two began April 2013 and completed November 2014. The first two phases of Project True North consisted of the renovation of independent living apartments and common areas, as well as the construction of new skilled nursing and enhanced independent living facilities and a new maintenance building. These activities were financed with tax exempt bonds totaling \$93.6 million. These bonds will be repaid over a 30 year period. North Hill also contributed \$28.7 million of its own equity to the project. A summary of the sources and uses of funds for Phase 1 and 2 of the project is included below.

Sources of Funds (Millions)

North Hill Equity	\$ 28.7
Bond Financing	<u>\$ 93.6</u>
Total Sources	\$122.3

Uses of Funds (Millions)

Project Budget	\$107.3
Financing Costs	<u>\$ 15.0</u>
Total Uses	\$122.3

The third phase of Project True North (construction which commenced March 2015 and is estimated to be completed in September 2016) includes the construction of 45 new independent living apartments. This activity will be financed through a construction loan totaling \$33.5 million. This loan will be paid with entrance fees from the sale of the 45 residences. A summary of the sources and uses of funds for the project is included below in thousands.

Sources of Funds (Millions)

Phase III Construction Loan	<u>\$33.5</u>
Total Sources	\$33.5

Uses of Funds (Millions)

Project Budget	\$32.1
Financing Costs & funded interest	<u>\$ 1.4</u>
Total Uses	\$33.5