



Loomis Lakeside at Reeds Landing

RESIDENCY & CARE AGREEMENT

for

Loomis Senior Living, Inc.
d/b/a
Loomis Lakeside at Reeds Landing
807 Wilbraham Road
Springfield, MA 01109
(413) 782-1800

www.LoomisCommunities.org

Loomis Lakeside at Reeds Landing
SUMMARY SHEET
RESIDENCY & CARE AGREEMENT

Resident's Name: _____

Resident's Name: _____

Occupancy Date: _____

Loomis Lakeside at Reeds Landing Address: _____Reeds Landing
Springfield, MA 01109

Residence Description:

<input type="checkbox"/>	One Bedroom	_____
<input type="checkbox"/>	Two Bedroom	_____
<input type="checkbox"/>	Cottage	_____
<input type="checkbox"/>	Assisted Living	_____

Entrance Fee Type: _____

Entrance Fee Amount: _____ \$ _____

Loomis Lakeside at Reeds Landing
SECTION DIRECTORY
RESIDENCY & CARE AGREEMENT

<u>SECTION NUMBER</u>	<u>SECTION TITLE</u>	<u>PAGE NUMBER</u>
I.	General Provisions	1
II.	Accommodations and Services	2
III.	Financial Provisions	7
IV.	Health Care Provisions	10
V.	Other Provisions	12
VI.	Cancellations and Terminations	14
VII.	The Residents' Association	17

<u>EXHIBIT NUMBER</u>	<u>SECTION TITLE</u>	<u>PAGE NUMBER</u>
1	Personal Performance Criteria for Independent Living	19
2	Personal Performance Criteria for Assisted Living	21
3	Criteria for Nursing Facility Placement	23
4	Process for Placement in Assisted Living, Nursing Center or Other Facility and/or the Need for Additional Services	24
5	Grievance Process	26
6	Disclosure Statement	27
7	Current Board of Directors	30
8	Fee Schedule for Independent Living - Apartments	31
9	Fee Schedule for Independent Living – Cottages	32
10	Fee Schedule for Assisted Living	33
11	Fee Schedule for Nursing Center	34
12	Fees for Additional Services	35
13	Five-Year Rate History for Loomis Communities	39
14	Audited Financial Statements	A
15	Excerpts from Audited Financial Statements	B
16	Unaudited Financial Statements	C

Loomis Lakeside at Reeds Landing
RESIDENCY & CARE AGREEMENT

This Agreement is made this _____ day of _____, _____, by and between Loomis Senior Living, Inc., d/b/a Loomis Lakeside at Reeds Landing hereinafter referred to as “Loomis Lakeside at Reeds Landing”, and _____, hereinafter referred to individually or jointly as “Resident”.

This Agreement lasts for the lifetime of the Resident, unless terminated under the provisions of the Agreement.

If two persons sign this Agreement, the accommodations and services will be for both of them, and the sums stated under Financial Provisions cover both of them. Each will be individually responsible for payments due hereunder. Each must meet the admission requirements for residency at Loomis Lakeside at Reeds Landing.

Loomis Lakeside at Reeds Landing, a Continuing Care Retirement Community, is a not-for-profit 501(c)(3) Massachusetts corporation established exclusively for charitable purposes. It provides equal access and treatment without regard to race, color, sex, religion, sexual orientation, disability, familial status or national origin. Loomis Lakeside at Reeds Landing will make reasonable accommodations including unit adaptations to address Resident disability. Loomis Lakeside at Reeds Landing is sponsored by and affiliated with Loomis Communities, Inc., a not-for-profit corporation.

I. GENERAL PROVISIONS

A. Admission Requirements:

The following requirements for residency at Loomis Lakeside at Reeds Landing must be met satisfactorily:

1. Resident must be at least 62 years of age on Occupancy Date (as defined in Section I.B.).
2. Resident must provide a completed Application for Residence and a Physician's Statement, on forms provided by Loomis Lakeside at Reeds Landing, which establishes that Resident's health meets the Personal Performance Criteria in Exhibit 1 or Exhibit 2.
3. At least 30 days prior to the Occupancy Date, Resident must submit an updated Physician's Statement if original statement is more than six months old and must meet personally with the Loomis Lakeside at Reeds Landing Health Services staff to review current health status. If at this time, Resident's health does not meet the appropriate Personal Performance Criteria, Loomis Lakeside at Reeds Landing will assist in making alternate arrangements at an appropriate level of care. If Loomis

Lakeside at Reeds Landing is not able to provide the needed level of care, this Agreement may be terminated.

4. Resident must complete and submit a confidential Financial Disclosure Statement, on a form provided by Loomis Lakeside at Reeds Landing, which demonstrates the ability to pay all fees contemplated herein for the duration of this Agreement. A third-party financial guaranty for independent and assisted living may be requested if Resident's ability to meet financial obligations is uncertain.

Resident must submit an updated Financial Disclosure Statement within 30 days prior to the Occupancy Date, if the original Financial Disclosure is more than six months old.

- B. **Occupancy Date:** Occupancy Date means the date on which Resident is entitled to all services described herein and on which Resident is responsible for all fees. Prior to Occupancy Date, Resident must meet all admissions requirements, including updated health and financial information. Entrance Fee payment must be completed by this date.

II. **ACCOMMODATIONS AND SERVICES**

Subject to the terms and conditions of this Agreement, Resident will have a non-transferable right to reside in the unit selected. As used herein, these capitalized terms shall mean:

Independent Living Apartments: Studio, one-bedroom, and two-bedroom apartment units located in the main building on the Loomis Lakeside at Reeds Landing campus.

Cottages: Two-bedroom units with attached garages located on the Loomis Lakeside at Reeds Landing campus.

Assisted Living Apartments: Designated studio and one-bedroom units located in the main building on the Loomis Lakeside at Reeds Landing Campus.

Loomis Lakeside at Reeds Landing Nursing Center: A skilled nursing facility owned by Loomis Lakeside at Reeds Landing to provide nursing services.

Accommodations and services are as follows:

A. **Each apartment is equipped with:**

1. Independent Living (apartments and cottages): carpeting and vinyl flooring, mini-blinds, refrigerator/freezer, oven/range, washing machine and dryer, cable TV and phone outlets, emergency/safety response systems.

2. Assisted Living Apartments: carpeting and vinyl flooring, kitchenette, cable TV and phone outlets, emergency/safety response system.

B. Utilities Provided by Loomis Lakeside at Reeds Landing:

1. Apartments: electricity, heat, air conditioning, hot water, water and sewer use.
2. Cottages: water and sewer use

C. Utilities Not Provided by Loomis Lakeside at Reeds Landing:

1. Apartments: phone, basic and premium cable services, and Internet connection.
2. Cottages: electricity, heat, air conditioning, hot water, phone, basic and premium cable services, and Internet connection.

D. Changes to Apartments:

1. Loomis Lakeside at Reeds Landing reserves the right to build additional apartments and cottages and to alter, reconfigure and remove existing apartments and cottages, including the right to: 1) make changes to Resident's Apartment or cottage, and, 2) relocate Resident to another apartment or cottage, both temporarily and permanently in furtherance thereof. Loomis Lakeside at Reeds Landing shall use reasonable efforts to minimize disruption to Resident in the exercise of its rights.
2. Resident must receive written approval to make any desired changes to the structure, decorations, equipment, or furnishings owned or supplied by Loomis Lakeside at Reeds Landing. Changes must be made by installers or workers approved by Loomis Lakeside at Reeds Landing, and the cost of any changes is Resident's responsibility. No refunds for alterations will be made. Resident will be responsible for the cost of restoring the apartment or cottage to its original condition upon termination of the Agreement, unless otherwise agreed to in writing.

- E. Repair and Replacement:** Loomis Lakeside at Reeds Landing is responsible for replacement and repair of Loomis Lakeside at Reeds Landing furnishings and equipment, as deemed necessary by the Loomis Lakeside at Reeds Landing management except in the case of damage caused by Resident negligence. Residents who wish to repaint, recarpet or replace flooring in their living unit during occupancy, may do so at their own cost, upon approval by the Administrator.

- F. **Laundry Rooms:** Laundry rooms are provided in Assisted Living for the Residents' use. They contain washers, dryers, ironing boards, and storage cabinets for supplies.
- G. **Common Areas:** Loomis Lakeside at Reeds Landing reserves the right to change any/all common areas including the right to reconfigure, renovate, add to or reduce the size and purpose of all common areas. Resident may not alter any common areas or furnishings, as they are the sole responsibility of Loomis Lakeside at Reeds Landing. Subject to the Rules and Regulations of Loomis Lakeside at Reeds Landing, common areas in the independent and assisted living apartments will be provided as described in published literature, as updated from time to time.
- H. **Access to Nursing Care:** All Loomis Lakeside at Reeds Landing Residents have priority access to skilled nursing care at the Loomis Lakeside at Reeds Landing Nursing Center.
- I. **Health Services:** Loomis Lakeside at Reeds Landing has qualified health services personnel who direct the health and wellness services for Independent and Assisted Living Residents of Loomis Lakeside at Reeds Landing and oversee the provision of in-unit services in Independent and Assisted Living.

J. **General Services Provided to Residents:**

Independent Living Apartments:

1. 24-hour emergency response.
2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Lakeside at Reeds Landing.
3. Groundskeeping, including lawn and garden care, leaf and snow removal. Residents may plant flowers or vegetables in a plot set aside for that purpose.
4. Periodic exterior window washing.
5. Carpet cleaning as deemed necessary by Administration.
6. Rubbish removal.
7. Scheduled activity program.
8. Every-other-week housekeeping. Includes vacuuming, dusting, bathroom and kitchen cleaning, changing Resident's own bed linen. Loomis

Lakeside at Reeds Landing is not responsible for cleaning/dusting valuable personal items of Residents.

9. On-site staff 24 hours/day.
10. Van transportation to scheduled activities.
11. Assigned parking for one car.
12. The equivalent of one meal daily, within the monthly billing cycle.
13. Weekly health clinics and maintenance of health records.
14. Other services as described in Resident Handbook, distributed to each Resident.

Independent Living Cottages:

1. 24-hour emergency response.
2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Lakeside at Reeds Landing.
3. Groundskeeping, including lawn and garden care, leaf and snow removal. Residents may plant flowers or vegetables in a plot set aside for that purpose.
4. Periodic exterior window washing.
5. Carpet cleaning as deemed necessary by Administration.
6. Rubbish removal.
7. Scheduled activity program.
8. On-site staff 24 hours/day.
9. Van transportation to scheduled activities.
10. Six meals per month, within the monthly billing cycle; tray meals not available for cottages.
11. Weekly health clinics and maintenance of health records.
12. Other services as described in Resident Handbook, distributed to each Resident.

Assisted Living:

1. 24-hour emergency response.
2. Maintenance and repair of all buildings, equipment, and appliances owned by Loomis Lakeside at Reeds Landing.
3. Groundskeeping, including lawn and garden care, leaf and snow removal. Residents may plant flowers or vegetables in a plot set aside for that purpose.
4. Periodic exterior window washing.
5. Carpet cleaning as deemed necessary by Administration.
6. Rubbish removal.
7. Scheduled activity program.
8. Weekly housekeeping. Includes vacuuming, dusting, bathroom and kitchen cleaning, laundering and changing Resident's own bed linen. Loomis Lakeside at Reeds Landing is not responsible for cleaning/dusting valuable personal items of Residents.
9. On-site staff 24 hours/day.
10. Van transportation to scheduled medical appointments and scheduled activities.
11. Assigned parking for one car.
12. Three meals daily.
13. Personal care assistance up to one hour per day, including: bathing, dressing, grooming and other activities of daily living; and self-administered medication management.
14. Other services as described in Resident Handbook, distributed to each Resident.

K. Other:

1. Real Estate Tax payment.
2. General property and liability insurance for Loomis Lakeside at Reeds Landing-owned buildings and appliances.

L. Additional Services for Additional Fees:

1. Assisted Living: personal laundry services, companion services, direct personal care assistance in excess of one hour per day.
2. Independent Living: Additional meal services beyond the equivalent of one meal per day, additional linen, personal laundry service, personal care and assistance.
3. Independent and Assisted Living: Other additional services listed in Fees for Additional Services, Exhibit 12.

Services other than those described above are not provided by Loomis Lakeside at Reeds Landing. Loomis Lakeside at Reeds Landing reserves the right to modify the scope, means and delivery of services, as it may deem appropriate.

III. FINANCIAL PROVISIONS

A. Entrance Fees:

1. Entrance Fee Options:
 - a. Independent Living: Choice of Declining Refundable Entrance Fee or 90% Refundable Entrance Fee.
 - b. Assisted Living: 90% Refundable Entrance Fee.
2. The Resident will pay to Loomis Lakeside at Reeds Landing an entrance fee in the amount shown on the Summary Page of this Agreement (Entrance Fee) in accordance with the following schedule:
 - a. On executing the Residency Agreement, a Reservation Deposit of ten percent (10%) of the Entrance Fee, which will be subject to refund in accordance with the terms of this Agreement.
 - b. The balance of the Entrance Fee on or before the Occupancy Date.
3. Refundability of Entrance Fees:

Upon termination of this Agreement, per Section VI, Resident, Resident's Designatee as defined in VI.B.8., or Resident's estate shall be entitled to a refund of a portion of the Entrance Fee when the same becomes due, as follows:

- a. Declining Refundable Entrance Fee:
 - 1) Residents shall receive a refund equal to the full Entrance Fee less 1% of the Entrance Fee for each calendar month, or portion thereof, of occupancy in Independent Living at Loomis Lakeside

- at Reeds Landing. No refund shall be due if Resident's occupancy in Independent Living exceeds 100 months.
- 2) When two persons occupy a unit, and one ceases occupancy, there will be no Entrance Fee refund until the second person ceases occupancy.
 - 3) Prior to refunding any amounts, Loomis Lakeside at Reeds Landing will deduct any payments owed by Resident under the term of this Agreement.
- b. 90% Refundable Entrance Fee:
- 1) If occupancy terminates during the first ten months in Independent or Assisted Living, Resident shall receive a refund equal to the Entrance Fee paid less 1% for each calendar month, or portion thereof, of occupancy.
 - 2) If occupancy terminates after ten or more months in Independent or Assisted Living, Resident shall receive a refund equal to 90% of the Entrance Fee. Initial payment, upon vacating the unit, shall equal the Entrance Fee less 1% for each calendar month, or portion thereof, of occupancy. The balance due shall be paid when Loomis Lakeside at Reeds Landing enters into a Residency & Care Agreement with a new Resident occupying the same unit.
 - 3) When two persons occupy a unit, and one ceases occupancy, there will be no Entrance Fee refund until the second person ceases occupancy.
 - 4) Prior to refunding any amounts, Loomis Lakeside at Reeds Landing will deduct any payments owed by Resident under the terms of this Agreement.

B. Monthly Service Fees:

The initial monthly service fees will be in accordance with the rates in effect on the Occupancy Date.

1. The monthly service fee is billed on the first of each month and due in full by the 10th of that month. If payment is late, a late charge of one percent per month will also be assessed. The monthly fee includes the services for the current month, any applicable credits, prior month additional charges, and any other amounts due Loomis Lakeside at Reeds Landing. These fees appear on a detailed monthly statement.
2. Adjustments to the base monthly fees may be made no more than once per calendar year, except that they may be more frequent for a change of greater than 10% in any of the following:
 - a. water and sewer fees
 - b. rubbish removal
 - c. taxes, including real estate, income, and excise
 - d. property and liability insurance

3. A Resident who moves temporarily to Assisted Living, the Loomis Lakeside at Reeds Landing Nursing Center, or other medical or nursing facility will continue to pay the monthly fee on the unit, less meal credits, as well as the daily or monthly fees of the temporary assisted living apartment, Loomis Lakeside at Reeds Landing Nursing Center, or other facility.
4. A Resident of an Assisted Living Apartment who moves temporarily to the Loomis Lakeside at Reeds Landing Nursing Center will continue to pay the monthly assisted living unit fee, less meal credits, as well as all Loomis Lakeside at Reeds Landing Nursing Center charges.
5. If a Resident transfers to a different apartment or cottage, leaves Loomis Lakeside at Reeds Landing, moves to the Loomis Lakeside at Reeds Landing Nursing Center, or dies, the monthly fee on the vacated apartment shall continue to be paid by Resident until the Agreement is terminated in accordance with the provisions of Section VI., Cancellations and Terminations, Section B. In addition, monthly payment for a new apartment or the Loomis Lakeside at Reeds Landing Nursing Center shall commence on occupancy.
6. If one of two Residents sharing an apartment or cottage dies, moves permanently to another level of care, or leaves Loomis Lakeside at Reeds Landing, the monthly service fee shall change from a two-person to a one-person fee.
7. Each Resident must maintain insurance coverage for personal possessions and liability. Loomis Lakeside at Reeds Landing is not responsible for loss or damage to any personal possessions.

C. **Financial Hardship:** Loomis Lakeside at Reeds Landing admits only those persons who are expected to be able to pay all required fees. Without in any way limiting its right to terminate this Agreement, Loomis Lakeside at Reeds Landing will review the financial situation of Residents who are unable to meet financial obligations when the inability to do so is due to factors beyond their control. Loomis Lakeside at Reeds Landing may subsidize monthly fees for Residents who have had unanticipated changes in their finances, so long as such subsidy does not impair its ability to operate on a sound financial basis. Qualification for financial assistance must meet the requirements established by Loomis Lakeside at Reeds Landing, and Residents who receive such assistance must agree to the conditions determined by Loomis Lakeside at Reeds Landing. These conditions may include a move to a smaller unit. Any assistance granted is to be considered a valid claim against Resident or Resident's estate, whether or not (s)he is at Loomis Lakeside at Reeds Landing at the time of death.

- D. **Non-Payment:** Notwithstanding paragraph C above, non-payment of fees is an event of default for which Loomis Lakeside at Reeds Landing may terminate the Agreement. Resident agrees to pay all legal costs incurred by Loomis Lakeside at Reeds Landing to recover monies owed under this Agreement.
- E. **Transfer of Assets:** Resident agrees not to transfer or dispose of assets or income sources for less than full value at any time during residency if doing so would impair the ability to pay current or future fees.
- F. **Addition of Second Person:** It is acceptable for a Resident to add a second person to a unit through marriage or otherwise, provided that the second person meets all admission requirements, executes a Residency & Care Agreement, and pays all second person fees.

IV. HEALTH CARE PROVISIONS

- A. **Health Insurance:** Medicare and Other Required Insurance - The Resident will be required to enroll in the Medicare program, Parts A and B, any future program that may be offered by Medicare, and one supplemental health insurance program covering hospital and other related costs reasonably acceptable to Loomis Lakeside at Reeds Landing to assure the Resident's ability to cover costs of medical treatment, medicine, drugs, therapy and the like. A Resident not enrolled in Medicare must carry equivalent health insurance reasonably acceptable to Loomis Lakeside at Reeds Landing. The Resident agrees to provide evidence of such insurance upon admission and upon any change thereafter.
- B. **Insurance Claims:** The Resident hereby authorizes Loomis Lakeside at Reeds Landing or a nursing home to make all claims for insurance benefits for Covered Services and agrees to execute all documents necessary to enable Loomis Lakeside at Reeds Landing or a nursing home to enforce such claims. Any benefits received by the Resident from Medicare or the supplemental health insurance required herein, with respect to Covered Services, will be paid by the Resident to Loomis Lakeside at Reeds Landing or a nursing home as payment for the costs incurred by Loomis Lakeside at Reeds Landing providing Covered Services to the Resident.
- C. **Access to Care:** Residents have priority access to the levels of care they need as provided under this Agreement; Residents have priority access to assisted living and to skilled Nursing Care at Loomis Lakeside at Reeds Landing.
- D. **Health Services:** Loomis Lakeside at Reeds Landing has qualified Health Care personnel who direct the health and wellness services for Independent and Assisted Living Residents of Loomis Lakeside at Reeds Landing and oversee the provision of in-unit services for Independent and Assisted Living.

E. Best Setting for Care and Additional Services:

1. Loomis Lakeside at Reeds Landing reserves the right to determine the best setting for care and need for additional services on a temporary or permanent basis if Resident does not meet the Personal Performance Criteria, Exhibits 1, 2 and 3, in accordance with the Process for Placement in Assisted Living, Loomis Lakeside at Reeds Landing Nursing Center or Other Facility and/or the Need for Additional Services, Exhibit 4. Resident agrees to cooperate in performing any evaluation Loomis Lakeside at Reeds Landing shall reasonably request, at Resident's expense, including granting Loomis Lakeside at Reeds Landing permission to discuss health care issues with Resident's medical providers. Such evaluation may be requested at any time Loomis Lakeside at Reeds Landing reasonably suspects by observation or otherwise that Resident's physical, emotional or mental condition has changed such that Resident may require a change in services or setting for care.
2. If Resident's physical or mental condition precludes living independently, or poses a danger to Resident or others, in the opinion of Loomis Lakeside at Reeds Landing, Loomis Lakeside at Reeds Landing may transfer Resident to another level of care which best meets his or her needs.
3. If Loomis Lakeside at Reeds Landing determines that personal space, personal health, personal care or nutritional needs are not being met by Resident, in accordance with the Personal Performance Criteria, Resident agrees to accept and pay for such additional services as Loomis Lakeside at Reeds Landing determines are needed.

F. Nursing Center Care: In the event that no bed is available at Loomis Lakeside at Reeds Landing Nursing Center at the time of need, Loomis Lakeside at Reeds Landing will assist in the placement of a Resident at another nursing facility until a bed is available at Loomis Lakeside at Reeds Landing Nursing Center. Payment for the stay will be the responsibility of the Resident or other third party payment.

G. Emergency Response: Each apartment is equipped with an emergency response system which is monitored 24 hours/day.

H. Transfer to Hospital: Loomis Lakeside at Reeds Landing will assist Residents in need of transfer to an acute care hospital. All costs for such care, beyond Medicare and insurance coverage, including transportation in either direction, will be the responsibility of Resident.

- I. **Transfer within Loomis Lakeside at Reeds Landing or to the Loomis Lakeside at Reeds Landing Nursing Center:** Residents may transfer temporarily or permanently among Independent Living Apartments, Assisted Living Apartments, and the Loomis Lakeside at Reeds Landing Nursing Center, based on need and availability. Such changes must be authorized by Loomis Lakeside at Reeds Landing.
- J. **Provisions of Home Care:** Residents receiving home care as approved by Loomis Lakeside at Reeds Landing in accordance with Exhibits 1 and 2 may have that care provided either by an approved provider or by a licensed health care professional who meets applicable regulatory requirements. All outside providers of home care must meet the standards and requirements established by Loomis Lakeside at Reeds Landing.
- K. **Release of Medical Information:** Resident consents to the release of medical information to Loomis Lakeside at Reeds Landing by any physician, hospital, or other health care provider. Resident also agrees to the release of medical information by Loomis Lakeside at Reeds Landing to the providers listed above and Loomis Lakeside at Reeds Landing Nursing Center. Loomis Lakeside at Reeds Landing complies with all applicable requirements regarding maintaining protected health information.
- L. **Additional Health Care Services:** Any health care services not specifically identified in this Agreement as being the responsibility of Loomis Lakeside at Reeds Landing are Resident's responsibility. This includes, but is not limited to, medical and health practitioners, hospitalization, skilled nursing care, tests and x-rays, medications, home care, personal care assistance for other than assisted living Residents, and therapies.

V. **OTHER PROVISIONS**

- A. **Guests:** Guests are welcome subject to the terms and conditions established by Loomis Lakeside at Reeds Landing. Overnight guests may stay in a Resident's unit for periods not to exceed two weeks. Guests are expected to follow all rules, policies, and procedures. Loomis Lakeside at Reeds Landing has the authority to limit or terminate the stay of any guest for any reason at any time.
- B. **Privacy:** Loomis Lakeside at Reeds Landing respects the privacy of Residents, but reserves the right to enter a unit whenever deemed necessary to carry out the purposes and intent of this Agreement, including maintenance, routine housekeeping, and Resident evaluations, meetings, and/or medical emergencies.
- C. **Pets:** Pets are permitted at Loomis Lakeside at Reeds Landing in accordance with the established pet policy of the community. Loomis Lakeside at Reeds Landing may require the removal of a pet if the policy is violated.

- D. **Locks and Keys:** The Resident will receive keys for their apartment and for the mailbox. Resident may not change locks or add locks without written permission. Any added locks become Loomis Lakeside at Reeds Landing property.
- E. **Smoking:** There is no smoking allowed in any of the common areas or units within Loomis Lakeside at Reeds Landing.
- F. **Business Operations:** No Resident may operate a business from an apartment without written permission of Loomis Lakeside at Reeds Landing and in accordance with land use laws.
- G. **Power of Attorney and Health Care Directive:** Resident is requested to show evidence of any Power of Attorney or health care advance directive if such need should arise.
- H. **Subordination of Rights:** All rights, privileges, and benefits granted to Resident shall be subordinate to the debt financing of Loomis Lakeside at Reeds Landing, and to any real estate mortgage and assignment of this Agreement to secure debt financing or other indebtedness for Loomis Senior Living, Inc. Upon request, Resident agrees to execute and deliver a subordination agreement to establish the priority of such obligations as a lien against the property.
- I. **Resident's Relationship to Loomis Lakeside at Reeds Landing:** This Agreement is primarily for the provision of housing and services on a contractual basis, and it does not represent a landlord-tenant relationship. Resident does not have any ownership interest in Loomis Lakeside at Reeds Landing, its property, or the apartment occupied by Resident.
- J. **Nontransferability:** The rights and privileges of Resident under this Agreement are personal to Resident and are not transferrable.
- K. **Trustee, Individual, and Related Entity Liability:** Neither Loomis House, Inc., nor Loomis Communities, Inc., nor any trustee, director or employee of Loomis Lakeside at Reeds Landing, Loomis Communities, Inc. or Loomis House, Inc. shall be liable to Resident under this Agreement.
- L. **Observance of Policies, Rules, and Regulations:** Resident agrees to abide by all Policies, Rules, and Regulations established by Loomis Lakeside at Reeds Landing and amended from time to time, for the safety, comfort, and convenience of all Residents.
- M. **Grievances and Appeals:** If Resident wishes to present a grievance or to appeal any decision of Loomis Lakeside at Reeds Landing rendered according

to this Agreement, other than matters covered in Exhibit 4, he or she shall do so in accordance with the Grievance Process as set forth in Exhibit 5.

- N. **Right of Management:** Loomis Lakeside at Reeds Landing reserves the absolute right of management. Loomis Lakeside at Reeds Landing reserves the right to accept or reject any person for residency. Residents do not have the right to manage or to determine admissions, terms of admission, or transfer of any other Resident.
- O. **Right of Subrogation:** In case of injury to Resident by a third party, Loomis Lakeside at Reeds Landing shall have the right of subrogation, for all of its costs and expenses incurred, and shall have the right, in the name of Resident, to take all necessary steps to enforce payment of same by the person responsible for the injury. Resident agrees to cooperate and assist in recovering said costs.
- P. **Reserve Funds:** Loomis Lakeside at Reeds Landing does not currently maintain reserve funding or security for its performance hereunder. Loomis Lakeside at Reeds Landing shall have the right to establish such accounts in the future.
- Q. **Covenant of Compliance with Laws and Regulations:** Loomis Lakeside at Reeds Landing covenants that it complies with applicable Federal and State laws and regulations regarding consumer protection and protection from abuse, neglect, and financial exploitation of the elderly.

VI. CANCELLATIONS AND TERMINATIONS

- A. **Prior to Occupancy:**
 - 1. If Resident terminates the Agreement any time prior to the Occupancy Date, Resident will receive a refund within a reasonable length of time equal to the total amount paid to Loomis Lakeside at Reeds Landing, less an administrative fee equal to 1% of the Entrance Fee, and less any costs incurred at the request of Resident.
 - 2. Loomis Lakeside at Reeds Landing may terminate the Agreement if it is found that Resident has substantially misrepresented medical, financial, or other information given to Loomis Lakeside at Reeds Landing during the application process. In this event, Resident will receive a refund equal to the total amount paid to Loomis Lakeside at Reeds Landing, less an administrative fee equal to 1% of the Entrance Fee, and less any costs incurred at the request of Resident.
 - 3. If Resident does not meet the financial or medical criteria prior to occupancy, there will be a refund of the total amount paid to Loomis Lakeside at Reeds Landing, less any costs incurred at Resident's request.

4. If Resident dies before the Occupancy Date, the estate of Resident will be refunded the total amount paid to Loomis Lakeside at Reeds Landing, less any costs incurred at Resident's request.

B. After Occupancy:

1. The Agreement will be terminated after:
 - a. Resident dies and all belongs are removed from the living unit; or
 - b. Resident moves permanently to the Loomis Lakeside at Reeds Landing Nursing Center and all belongings are removed from the living unit; or
 - c. Resident moves permanently to another location outside of Loomis Lakeside at Reeds Landing, after giving 30 days' written notice and removing all belongings from the living unit.

The remaining Resident in the case of dual occupancy may request termination if one of the above situations occurs. However, the death or move of one Resident shall not necessarily affect the continuation of the Agreement for the other.

2. The Entrance Fee shall continue to amortize and the monthly service fees shall be payable until the later of the end of the thirty day period provided above in B.1 or B.2 or the removal of all personal property from the living unit. If the personal property is not removed within 30 days, Loomis Lakeside at Reeds Landing may store such property at the expense of the Resident or Resident's estate. If the property is stored longer than 90 days, Loomis Lakeside at Reeds Landing will sell the property upon 30 days' notice, and return the proceeds to Resident or the estate, less any costs for storage, sale or other amounts due Loomis Lakeside at Reeds Landing.
3. The vacated unit must be left in a condition satisfactory to Loomis Lakeside at Reeds Landing. Loomis Lakeside at Reeds Landing may charge the Resident or Resident's estate for any repair or cleaning, other than normal wear, needed to restore the unit to its former condition.
4. The Agreement may be terminated by Loomis Lakeside at Reeds Landing if Resident:
 - a. fails to make payment of fees promptly;
 - b. breaches this Agreement;
 - c. fails to follow policies and procedures;
 - d. engages in activities or conduct disruptive to the Loomis Lakeside at Reeds Landing community;

- e. has care needs which cannot be met by Loomis Lakeside at Reeds Landing staff and/or are not provided under this Agreement and the Resident refuses to accept and pay for appropriate supplemental care ;
or
- f. engages in conduct which is deemed by Loomis Lakeside at Reeds Landing to be a hazard to the safety of self, other Residents, or Loomis Lakeside at Reeds Landing staff; or
- g. engages in material misrepresentation of health or financial information which, if accurately provided, would have resulted in a failure of the Resident to qualify for residency, or a material increase in the cost of providing to the Resident the services under the Agreement.

Loomis Lakeside at Reeds Landing will give 30 days' written notice of its intention to terminate, except that it reserves the right to terminate in a shorter period of time in the case of serious threat to the health or safety of Resident or other Residents or employees of Loomis Lakeside at Reeds Landing.

5. Conditions for Entrance Fee Changes after Occupancy

- a. If at the time of initial occupancy, the Resident signs an intent to move to a more expensive living unit when one becomes available, Resident will receive a 100% refund of the original Entrance Fee at the time of occupancy of the more expensive living unit. He/she will then pay the then current Entrance Fee in the more expensive unit, which will begin a new amortization period.
- b. If Resident chooses to move to a more expensive living unit (not requested at the time of initial occupancy), Resident will pay the difference between the refundable balance of the Entrance Fee paid on admission to the less expensive living unit and the then current Entrance Fee on the more expensive unit. The original Entrance Fee will continue to be amortized according to the original schedule at the time of admission, and the additional Entrance Fee will begin a new amortization period.
- c. If Resident moves to a less expensive living unit or to an Assisted Living Apartment, and the then current Entrance Fee for the new living unit is less than the refundable balance of the original Entrance Fee, Resident will receive a refund equal to the difference between the new Entrance Fee and the refundable balance of the original Entrance Fee, if any. A new amortization period will begin, if applicable, and Resident will pay the monthly service fee associated with the new unit.
- d. If Resident moves to a less expensive living unit or to an Assisted Living Apartment, and the then current Entrance Fee for the new living unit is greater than the refundable balance of the original

Entrance Fee, no additional Entrance Fee will be charged. The amortization of the original Entrance Fee will continue.

6. The obligations created in this Agreement shall be binding on the estate of Resident after termination.
7. After the Agreement is terminated, Loomis Lakeside at Reeds Landing is released from any further obligations to Resident except for the payment of any refund due.
8. The refundable portion of any Entrance Fee shall be paid to the Resident, if living, when due. In the event of the death of a Resident, the refund shall be paid to his/her estate except, with the prior approval of Loomis Lakeside at Reeds Landing a Resident may, in writing signed, dated and delivered by Resident to Loomis Lakeside at Reeds Landing designate an individual, trust or other entity to receive the refund ("Resident's Designatee"), subject to the claims for unpaid amounts then due Loomis Lakeside at Reeds Landing. Resident and his/her estate indemnifies Loomis Lakeside at Reeds Landing for payment made in accordance with such designation.

VII. THE RESIDENTS' ASSOCIATION

- A. There is a Loomis Lakeside at Reeds Landing Residents' Association to which each Resident belongs. The Residents' Association elects officers and appoints committees as desired to develop and support its interests, which may consult with management.
- B. Loomis Lakeside at Reeds Landing will advise the Residents' Association with respect to such matters affecting the Residents as increases in the Monthly Service Fee, additional fees, guest and extra meals, transportation, recreational programs, and adoption or changes of general policies applying to all Residents.
- C. The Administrator will provide information necessary for the Residents' Association to carry out its responsibilities and will be available to consult with the Association.
- D. Loomis Lakeside at Reeds Landing reserves the right to take any action permitted under this Agreement that it deems appropriate to assist it in carrying out the goals of Loomis Lakeside at Reeds Landing.

Executed by Loomis Senior Living, Inc., by a duly authorized corporate representative, and by Resident(s) on the _____ day of _____, _____.

A photocopy or electronic copy of this Agreement shall be deemed an original for all purposes.

Resident warrants that all statements and documents submitted to Loomis Lakeside at Reeds Landing are true and complete. Any misrepresentation or willful omission may render this Agreement null and void.

The following documents are a part of this Agreement:

1. Application for Residence
2. Financial Disclosure Statement and updates
3. Personal Health History and Physician's Statement
4. Exhibits to this Agreement as attached, and as listed in the Section Directory
5. Certified Financial Statements
6. Amendments to this Agreement, as they occur.

For Resident(s):

By: _____

Name: _____

By: _____

Name: _____

For Loomis Senior Living, Inc.:

By: _____

Name: _____

Title: _____

EXHIBIT 1

Loomis Lakeside at Reeds Landing **PERSONAL PERFORMANCE CRITERIA FOR INDEPENDENT LIVING** January 1, 2012 (rev.)

Personal performance criteria are used to evaluate the Resident's level of personal independence and his/her level of physical and mental ability to safely provide self-care in a manner that does not present a hazard to self or others. These criteria are considered when making Resident placement decisions at the time of admission and throughout the period of residency. The existence of a disability or a sensory deficit is not a criterion in and of itself; the ability to perform certain activities is the determinant of the Resident's qualification for independent living and the need for additional services.

The following criteria are factors used to determine if a Resident is suited for independent living:

1. Able to bathe, groom, and dress self.
2. Able to ambulate or self-transport.
3. Able to feed self.
4. Requires no ongoing special diet which cannot be self-managed.
5. Able to administer own medications, with minimal assistance.
6. Requires no ongoing scheduled professional nursing care.
7. Continent of bowel and bladder or self-managed incontinence.
8. Mentally alert.
9. Oriented to person, place, and time.
10. Able to make personal care decisions.
11. Able to attend dinner in the Dining Room regularly.
12. Able to maintain an orderly personal living space and clean personal clothing.
13. Able to leave campus for personal needs or personal reasons.
14. Able to provide own breakfast and lunch.

The following notes concern the application of the personal performance criteria for independent living:

- A. Loomis Lakeside at Reeds Landing endeavors to maintain Residents at the most independent level of housing or care at which their needs can be met. Many times these needs may require support services (refer to B. below).
- B. The Criteria may be met by having assistance provided by Loomis Lakeside at Reeds Landing on a scheduled basis by a qualified nursing assistant or home health aide. This assistance is available when the Resident needs only one aide to provide care. Assistance must be approved by the Wellness Director. The Resident will be charged according to the current rate for home health care as listed in Fees for Additional Services provided by Loomis Lakeside at Reeds Landing. In the alternative and subject to the policies and procedures of Loomis Lakeside at Reeds Landing, Resident may contract for and receive assistance from outside sources.
- C. Residents may use assistive devices such as canes, crutches, walkers, wheelchairs (manual or electric) and small motorized carts to maintain their ability to self-transport.
- D. The permanent inability to meet any of the Criteria may mean that it may no longer appropriate for the Resident to remain in an independent living unit. In-residence

assistance, additional services, a move to an Assisted Living Apartment, the Loomis Lakeside at Reeds Landing Nursing Center or other facility will be determined as appropriate to meet the Resident's needs.

- E. Loomis Lakeside at Reeds Landing distinguishes short-term performance deficits from long-term performance deficits. Short-term deficits may be met through temporary home care or temporary Nursing Center placement. Long-term deficits will usually be met through transfer to assisted living, Loomis Lakeside at Reeds Landing Nursing Center, or other facility.
- F. Whenever a Resident is hospitalized or requires skilled nursing care, including Loomis Lakeside at Reeds Landing Nursing Center, outside of Loomis Lakeside at Reeds Landing, Loomis Lakeside at Reeds Landing reserves the right to reassess his/her ability to meet the criteria is reassessed prior to or after returning to Loomis Lakeside at Reeds Landing.. The resident is responsible for notifying Loomis Lakeside at Reeds Landing of hospitalization and return.

EXHIBIT 2

Loomis Lakeside at Reeds Landing
PERSONAL PERFORMANCE CRITERIA FOR ASSISTED LIVING
January 1, 2012 (rev.)

Personal performance criteria are guidelines used to evaluate the individual Resident's level of personal independence and his/her level of physical and mental ability to provide self-care. These criteria are considered when making Resident placement decisions at the time of admission and throughout the period of residency. The existence of a disability or a sensory deficit is not a criterion in and of itself; the ability to perform certain activities is the determinant of the Resident's qualification for assisted living and the need for additional services.

The following criteria are factors used to determine if a Resident is suited for assisted living:

1. Able to bathe, groom, and dress self with assistance of one aide.
2. Able to ambulate or self-transport within apartment; may require assistance in transport outside apartment.
3. Able to transfer from one location to another with the assistance of one aide.
4. Able to feed self.
5. Able to administer own medications or receive reminders to self-administer medications. Residents may not remain in Assisted Living if permanently on medication whose side effects pose a threat of complications or a need for ongoing skilled monitoring.
6. If a Resident requires ongoing scheduled professional nursing care it must be provided by a licensed home care agency or a private provider of their choice.
7. Continent of bowel and bladder or self-managed incontinence.
8. Mentally alert to a degree that does not compromise the health or safety of self or others.
9. Oriented to person, place, and time to a degree that does not compromise the health or safety of self or others.
10. Able to attend breakfast, lunch, and dinner in the Dining Room regularly.
11. Able to maintain an orderly personal living space and clean personal clothing with assistance.
12. Able to leave campus for personal needs or personal reasons with assistance.
13. Able to have personal care needs met, as described above, with no more than one hour of direct care per day.

Services not provided include but are not limited to:

1. Two person lift and transfer assistance
2. Assistance with feeding
3. Management of wandering behavior.
4. Skilled Nursing services such as sterile dressing, changes, injections, ear lavage
5. More than one hour of individual personal care per day.

The following notes concern the application of the personal performance criteria for assisted living:

- A. Loomis Lakeside at Reeds Landing endeavors to maintain Residents at the most independent level of housing or care at which their needs can be met. Many times these needs may require support services (refer to B. below).
- B. Loomis Lakeside at Reeds Landing provides Assisted Living Apartment Residents with resident assistants 24 hours daily. This assistance is available where the Resident needs

only one aide to provide care for up to one hour per twenty-four (24) hour period. Residents who desire or require more assistance than that regularly provided may have additional assistance provided on a scheduled basis by a qualified Nursing Assistant or home health aide. This assistance must be approved and coordinated by the Health Services Director. The Resident will be charged according to the current rate for home care as listed in Fees for Additional Services. In the alternative and subject to the policies and procedures of Loomis Lakeside at Reeds Landing, Resident may contract for and receive assistance from outside sources.

- C. Residents may use assistive devices such as canes, crutches, walkers, wheelchairs (manual or electric) and small motorized carts to maintain their ability to self-transport.
- D. The permanent inability to meet any of the Criteria with the assistance regularly provided by the resident assistants or by outside contracted care-providers, or, to meet other requirements established by applicable laws or regulations relating to care provided in assisted living facilities, means that it is no longer appropriate for the Resident to remain in Assisted Living. A move to Loomis Lakeside at Reeds Landing Nursing Center or other facility will be determined as appropriate to meet the Resident's needs.
- E. Loomis Lakeside at Reeds Landing distinguishes short-term performance deficits from long-term performance deficits. Short-term deficits may be met through temporary home care or temporary Loomis Lakeside at Reeds Landing Nursing Center placement. Long-term deficits will usually be met through transfer to Loomis Lakeside at Reeds Landing Nursing Center.
- F. Whenever a Resident is hospitalized or requires skilled nursing care outside of Loomis Lakeside at Reeds Landing, including Loomis Lakeside at Reeds Landing Nursing Center, Loomis Lakeside at Reeds Landing reserves the right to reassess his/her ability to meet the criteria prior to or after returning to Loomis Lakeside at Reeds Landing. The resident is responsible for notifying Reed Landing of hospitalization and return.

EXHIBIT 3

Loomis Lakeside at Reeds Landing
CRITERIA FOR NURSING FACILITY PLACEMENT
September 1, 2009 (rev.)

The Resident Care Committee as set forth in Exhibit 4 shall recommend placement of a Loomis Lakeside at Reeds Landing Resident in Loomis Lakeside at Reeds Landing Nursing Center or another skilled nursing facility when the following criteria are met:

1. A Resident requires the assistance of more than one person to transfer; or
2. A Resident presents an imminent hazard to other Residents or staff; or
3. A Resident's behavior constitutes a safety hazard to his or her own person; or
4. A Resident's behavior constitutes a safety hazard to other Residents or staff; or
5. A Resident is unable to manage incontinence; or
6. A Resident averages more than one fall per week; or
7. A Resident is unable to manage medications with appropriate assistance; or
8. A Resident's mental alertness compromises the health or safety of self or others; or
9. A Resident is unable to maintain an orderly and clean personal living space with appropriate assistance; or
10. A Resident is unable to attend to personal needs with appropriate assistance; or
11. A physician certifies that skilled nursing care is medically necessary.

In reviewing such a recommendation, the Health Services Director shall consider that:

- A. Loomis Lakeside at Reeds Landing endeavors to maintain Residents at the most independent level at which their needs can be met. This may sometimes require support services and other additional services.
- B. Residents may use such assistive devices as are necessary to maintain their independence.
- C. Loomis Lakeside at Reeds Landing distinguishes short-term and long-term performance deficits. Only the latter will result for a recommendation for permanent placement in a skilled nursing facility, although the former might result in temporary skilled nursing facility placement in some instances.

EXHIBIT 4

Loomis Lakeside at Reeds Landing

PROCESS FOR PLACEMENT IN ASSISTED LIVING, THE LOOMIS LAKESIDE AT REEDS LANDING NURSING CENTER OR OTHER FACILITY AND/OR THE NEED FOR ADDITIONAL SERVICES

March 1, 2007 (rev.)

1. The Administrator, Wellness Director, Assisted Living Program Director, and the Health Services Director, as the Resident Care Committee, shall initially determine the need for a Resident to be transferred based on Loomis Lakeside at Reeds Landing's "Personal Performance Criteria for Independent and Assisted Living," "Criteria for Nursing Facility Placement," and Resident assessment.
2. In making this determination, the Resident Care Committee will obtain the input of (a) the Resident's personal physician, and (b) such other resources as it may deem appropriate.
3. The Resident Care Committee will determine the availability of an apartment in assisted living, or a bed in the Loomis Lakeside at Reeds Landing Nursing Center or other skilled nursing facility; or in such other facility as may be appropriate based on the Resident's needs and expressed desires.
4. The Resident Care Committee will conduct a care conference with the Resident to discuss the need for transfer and the financial implications thereof. If the Resident so desires, a family member or another representative chosen by the Resident, may be present for this discussion. If the Resident is deemed to be unable to comprehend the decision being made, Loomis Lakeside at Reeds Landing will include Resident's health care proxy, if one has been designated.
5. The Resident Care Committee will schedule and implement the transfer as soon as is reasonably possible and will complete all relevant documentation.
6. If after the care conference the Resident or his/her representative does not agree to the transfer, or other compromise is not achieved between Loomis Lakeside at Reeds Landing and the Resident that will ensure the safety of the Resident and others in Loomis Lakeside at Reeds Landing, the Resident may request, at Resident's expense, an independent assessment by a qualified agency acceptable to the Resident Care Committee which shall perform an Assessment of the Resident's condition, need for additional services and best setting for care. All parties shall cooperate with the assessment process. Upon its completion, a copy of the Assessment report shall be given to both parties. Resident agrees to abide by the recommendations contained in the Assessment report and to accept such change in setting and additional services as recommended therein. Loomis Lakeside at Reeds Landing reserves the right to request reassessments as it may deem advisable to assure Resident's needs and Resident's and others' safety are met.
7. If the Resident does not agree to accept the recommendations of the Assessment, whether the decision is to transfer the Resident or to accept and be responsible for additional services at Resident's expense, then the Resident will be deemed to have voluntarily terminated this Agreement.
8. At all times during the assessment process the Resident must receive the standard of care initially recommended by the Resident Care Committee within Loomis Lakeside at Reeds

Landing continuum of care. Such services will be at the Resident's expense and can be provided by Loomis Lakeside at Reeds Landing or an outside caregiver approved by and subject to the policies and procedures of Loomis Lakeside at Reeds Landing. Resident may be required to sign a Negotiated Risk Agreement relieving Loomis Lakeside at Reeds Landing of liability for Resident's care rejected by Resident during the assessment process.

EXHIBIT 5

Loomis Lakeside at Reeds Landing **GRIEVANCE PROCESS** September 1, 2010 (rev.)

A Resident who wishes to address an issue or concern is encouraged to do so informally by making the issue known to the Health Services Director, Wellness Director, or Administrator. Loomis Lakeside at Reeds Landing wishes to assure that its Residents are satisfied with their lives in the community and will attempt to resolve the issue or concern in a mutually satisfactory manner. The mere filing of a grievance by Resident shall not be the basis for adverse action by Loomis Lakeside at Reeds Landing.

Should Resident wish to express a grievance, or to dispute an action taken directly related to him/her by Loomis Lakeside at Reeds Landing, Resident shall follow the formal procedure described below:

1. Contact the facility Administrator.
2. Complete a written statement which describes as fully as possible the nature of the issue and the outcome desired.
3. Administrator will work with Resident and other staff, Residents, family and professionals who are involved, as appropriate, to address the grievance consistent with Loomis Lakeside at Reeds Landing's mission and its responsibilities under this Agreement (the "Review Standard"). A written response to the grievance shall be delivered to Resident as soon as practicable (normally within 10 days).
4. If Resident is not satisfied with the response offered by the Administrator, Resident may submit the written grievance to the Chief Executive Officer.
5. The Chief Executive Officer will appoint a committee composed of: two staff members of Loomis Lakeside at Reeds Landing, one of whom is the Administrator; one member of the Board of Directors; and another Resident, chosen by Resident submitting the grievance. If Resident is not deemed competent to choose a representative, the Administrator will appoint a designated person.
6. The Committee will consider all relevant information regarding Resident's grievance and, applying the Review Standard, will reach a determination by majority ruling. The Chief Executive Officer will vote only in the case of a tie.
7. The decision of the Committee is final and binding upon Loomis Lakeside at Reeds Landing and the Resident.
8. Failure by the Resident to accept the decision of the Committee shall constitute a voluntary termination of the Residency and Care Agreement.
9. Matters relating to Resident transfers to Assisted Living, Loomis Lakeside at Reeds Landing Nursing Center or another facility and/or the need for additional services shall be addressed in accordance with Exhibit 4 and not by this Process.

EXHIBIT 6

Loomis Lakeside at Reeds Landing

DISCLOSURE STATEMENT

January 1, 2012 (rev.)

A. Residency & Care Agreement

This disclosure statement is prepared by Loomis Lakeside at Reeds Landing to accompany and complement the Residency & Care Agreement between the Resident and Loomis Lakeside at Reeds Landing.

B. Name and Business Address of Provider

Loomis Senior Living, Inc.
d/b/a Loomis Lakeside at Reeds Landing
807 Wilbraham Road
Springfield, MA 01109
(413) 782-1800

Loomis Senior Living, Inc., is a 501(c)(3) not-for-profit Massachusetts corporation established for the purpose of providing housing, general services, and health care services to older people and for other charitable purposes.

The sole members of Loomis Lakeside at Reeds Landing are Loomis Communities, Inc. ("Loomis Communities") and Loomis House, Inc. which are also its sponsors. Both Loomis Communities and Loomis House, Inc. are 501(c)(3) not-for-profit Massachusetts Corporations. Loomis Communities owns and operates retirement communities in Holyoke (Loomis House), South Hadley (Loomis Village) and Amherst, MA (Applewood).

C. Nursing Center Care

When nursing center care is provided to the Resident, it may be at the nursing center located at:

Loomis House Nursing Center
298 Jarvis Avenue
Holyoke, MA 01040
(413) 538-7551

Loomis Lakeside at Reeds Landing Nursing Center
807 Wilbraham Road
Springfield, MA 01109
(413) 782-1800

Loomis House Nursing Center is owned and operated by Loomis House, Inc. Loomis House, Inc. and Loomis Communities, Inc. are related by virtue of an agreement for Loomis House, Inc. to provide nursing services to Loomis Communities, Inc. Loomis Lakeside at Reeds Landing Nursing Center is owned by Loomis Senior Living, Inc.

D. Officers and Directors

The Officers and Directors of Loomis Senior Living are:

David W. Scruggs, President
Margaret R. Manton, Treasurer

Peter Connor, Clerk
David W. Scruggs, sole Director

A list of the current Officers and Directors of Loomis House, Inc. and Loomis Communities, Inc. is contained in the attached Exhibit 7. Loomis House, Inc. and Loomis Communities, Inc. are related by virtue of common officers, directors, and corporators. All Directors serve voluntarily and receive no compensation.

E. Business Experience of Management

Loomis House, Inc. was founded in 1902 and has continuously operated retirement housing facilities since 1911. Loomis Senior Living, Inc. owns and operates Loomis Lakeside at Reeds Landing, at 807 Wilbraham Road in Springfield, MA. Loomis Communities, Inc. owns and operates Loomis House Retirement Community, a retirement community at 298 Jarvis Avenue in Holyoke, MA; Loomis Village, a retirement community at 246 North Main Street in South Hadley, MA; and Applewood, a retirement community at One Spencer Drive in Amherst, MA. Loomis House Retirement Community has been in continuous operation since 1981; Applewood since 1991; Loomis Village since 1992; and Loomis Lakeside at Reeds Landing since 1995.

F. Tax Status

Tax Exemption: Loomis Senior Living, Inc. is a tax-exempt organization under 501(c)(3) of the Internal Revenue Code.

1. Loomis Lakeside at Reeds Landing does not pay income taxes or sales taxes.
2. Gifts and donations to Loomis Lakeside at Reeds Landing are tax deductible to the donor.
3. Loomis Lakeside at Reeds Landing pays real estate taxes to the City of Springfield.

G. Physical Facilities

1. Location
Loomis Lakeside at Reeds Landing is located on a 24-acre campus located at 807 Wilbraham Road in Springfield, MA.
2. Existing Structures
 - a. The main building of Loomis Lakeside at Reeds Landing houses 110 independent living apartments, 56 assisted living apartments, and 42 skilled nursing beds, as well as dining rooms, library, lounges, activity areas, offices, and other community areas.
 - b. There are 10 cottage units in duplex-style semi-detached buildings, with each unit having an attached one-car garage.
 - c. The Nursing Center houses a 42-bed Medicare-certified skilled nursing facility.
3. Loomis Lakeside at Reeds Landing reserves the right to modify, in size or scope, any existing or planned facilities and to change the timing of construction as conditions require.

H. **Financial Statements**

1. **Fiscal Year**
The fiscal year for Loomis Lakeside at Reeds Landing is the calendar year.
2. **Financial Statement (Annual)**
Audited financial statements from the most recent fiscal year is attached as Exhibit 14.
3. **Financial Statement (Current)**
An unaudited financial statement, current to within 90 days, is attached as Exhibit 15.
4. **Rate Histories for Loomis Lakeside at Reeds Landing, Loomis Village, Loomis House, and Applewood, and are attached as Exhibit 13.**

EXHIBIT 7

Loomis House, Inc.
Loomis Communities, Inc.

BOARD OF DIRECTORS AND OFFICERS 2015 - 2016

BOARD OF DIRECTORS

Venus Robinson, Chairperson
Tom Pratt, Vice Chairperson
Kathleen Bowler
Steve Corrigan
Fletcher Davis
Nancy Eddy
Norman Halpern
Sara Lawrence
Betsy Macmillan Stevens
Ann McIntosh
Anthony Pellegrino
Tom Senecal
Greg Sheehan
Kay Sordillo
Mary-Anne Stearns
Edward Steiger
Joan Steiger
Meghan Sullivan

OFFICERS

David W. Scruggs, President and Chief Executive Officer
Margaret R. Mantoni, Treasurer and Chief Financial Officer
Peter Connor, Clerk
Margaret R. Mantoni, Assistant Clerk

FeeSchedule

INDEPENDENT LIVING - APARTMENTS - 2016

Name	Style	Entrance Fee		Monthly Service Fees
		(Declining Refundable)	(90% Refundable)	(First Person)
Magnolia	1 Bedroom, 1 Bath	103,950	160,650	2,185
Maple	1 Bedroom, Balcony, 1 Bath	110,250	170,000	2,245
Oak	1 Bedroom, Den, 1 Bath	120,750	185,000	2,435
Birch	2 Bedroom, 2 Bath	126,000	194,250	2,605
Willow	1 Bedroom, Den, Sun Room, 1 Bath	136,500	210,000	2,750
Chestnut	2 Bedroom, Den, 2 Bath	157,500	242,550	3,090
Sycamore	2 Bedroom, 2 Bath	162,750	250,000	3,235
Evergreen	2 Bedroom, Den, Balcony, 2 Bath	183,750	282,975	3,350

NOTE: Second Person Monthly Service Fee - \$965 additional

Please refer to the Independent Living Amenities and Services page for a list of items included in the fees.

10/31/15



LoomisLakeside
at ReedsLanding
A member of The Loomis Communities

FeeSchedule

INDEPENDENT LIVING - COTTAGES - 2016

Name	Style	Entrance Fee		Monthly Service Fees
		(Declining Refundable)	(90% Refundable)	(First Person)
Walnut	2 Bedroom, Deck, 2 Bath, Attached Garage	168,000	258,000	1,930
Poplar	2 Bedroom, Den, Deck, 2 Bath, Attached Garage	183,750	283,000	1,930
Hickory ♦	2 Bedroom Deluxe, Deck, 2 Bath, Attached Garage	185,250	285,000	1,930

NOTE: Second Person Monthly Service Fee - \$270 additional

Please refer to the Independent Living Amenities and Services page for a list of items included in the fees.

♦- New Construction 2016

04/14/16



FeeSchedule

ASSISTED LIVING - 2016

Name	OPTION #1 (90% Refundable)		OPTION #2 (Rental Only)
	Entrance Fee	Basic Monthly Service Fee	Basic Monthly Service Fee
Studio	17,500	3,995	4,245
Deluxe Studio	19,500	4,300	4,450
One Bedroom	22,500	4,900	5,150
Deluxe One Bedroom	24,500	5,175	5,425

NOTE: Second Person Monthly Service Fee - \$1,420 additional

Please refer to the Assisted Living Amenities and Services page for a list of items included in the fees.

10/31/15



FeeSchedule

NURSING CENTER - 2016

Room Type	Room Rate
Semi-Private	\$385
Private	\$415
Daily User Fee	\$1.84

NOTE: Daily User Fee is imposed by the Commonwealth of Massachusetts

10/31/15





FEES for ADDITIONAL SERVICES

As of January 1, 2016

RESIDENT AND GUEST MEAL CHARGES	
Dinner	\$13.85
Brunch / Holiday	\$19.75
Twain's prices as posted	
Meals tax will be added to all guest meals per State and Local authorities.	

MEAL CREDITS	
Independent Living	\$6.60 per day
Assisted Living	\$11.80 per day
Meal credits take effect after ten consecutive days away from campus.	

MEALS - MONTHLY PLANS	
Life Care Residents in AL and NC (two meals per day)	\$270 per month
Dinner (15 additional per month)	\$195 per month
Dinner (six additional per month)	\$75 per month

20 MEALS PER MONTH OPTIONAL PLAN
\$75.00 credit per person per month

DELIVERY CHARGE
No charge with Wellness Coordinator's authorization. \$7.75 charge without authorization.

FUNCTION ROOM RESERVATION
\$32.25

CATERING / FUNCTION	
All Catering/Functions will be priced by the General Manager of Food Service.	
Meals tax will be added to all guest meals per State and Local authorities.	

GUEST ACCOMMODATIONS	
Guest Room	\$80.00
Cot Charge	\$9.25 for first night; \$5.00 each additional night
All guests checking out AFTER 11:00 a.m. will be charged an additional night.	

HEALTH SUPPORT SERVICES	
Registered Nurse	\$62.00 per hour
Resident Assistant	\$28.50 per hour
Companion	\$26.50 per hour
Dietitian	\$64.00 per hour
Services billed in 30-minute increments, with a 30-minute minimum.	

INDEPENDENT LIVING HOME CARE PROGRAM SERVICE PLANS	
Medication Management	\$7.80 per visit
Care Coordination	\$112 per month
Basic Support	\$290 per month
Basic Plus Support	\$410 per month
Personal Support (Level I)	\$820 per month
Enhanced Personal Support (Level II)	\$1,640 per month
Recuperative (Level III)	\$2,465 per month

HOUSEKEEPING SERVICES	
\$29.75 per hour	
Services billed in 30-minute increments, with a 30-minute minimum.	

ASSISTED LIVING ADDITIONAL SUPPORT SERVICE PLANS	
AL Level 1	\$312 per month
AL Level 2	\$899 per month
AL Level 3	\$1,799 per month
Care Coordination	\$116 per month

INTERNAL MOVE CHARGE
\$5,400.00

LAUNDRY SERVICES
\$14.75 per load

MAINTENANCES SERVICES	
Maintenance Services After Move-in	First two hours FREE OF CHARGE (to be used within first six months of residence)
Requested Maintenance	\$35.80 per hour plus materials (billed in 30-minute increments with a 30-minute minimum)

MISCELLANEOUS SERVICES	
Roam Alert Tag	\$135.00 each
Tamper-proof Bracelet	\$37.00 each
Cable TV	\$52.00 per month
Apartment Key Replacement	\$5.50 per key
Key Badge Replacement	\$27.00 each
Light Bulbs	Prices provided by Maintenance Department

SECRETARIAL SERVICES	
Typing	\$33.00 per hour (billed in 15-minute increments with a 15-minute minimum)
Fax Service (incoming)	85¢ per page
Fax Service (outgoing)	95¢ per page
Long Distance Fax (outgoing)	\$1.60 per page
International Fax	\$6.50 for first page \$2.30 for each additional page
Copy Service	10¢ per page

TRANSPORTATION AND COMPANION SERVICES	
Companion Services	\$26.50 per hour
Door to Door Service	\$18.50 per hour
Mileage charged at \$0.65 per mile for Loomis vehicle	
Services billed in 30-minute increments, after a two hour minimum	

TRANSPORTATION SERVICES	
Local Retail and Groceries	no charge
Medical appointments scheduled according to transportation guidelines	no charge
Springfield Area (Within 10 miles)	\$5.40
Event-Specific Trip (Within 20 miles)	\$9.95
Event-Specific Trip (Greater Pioneer Valley area)	\$18.70
Cancellation Fee (for trips canceled with less than 24 hours notice or no shows)	\$13.50

EXHIBIT 13

Loomis Lakeside at Reeds Landing
FIVE YEAR RATE HISTORY

INDEPENDENT LIVING - APARTMENTS (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Magnolia	153,000	153,000	150,000	150,000	147,690	2,085	2,005	1,930	1,880	1,840
Maple	162,000	155,000	153,000	153,000	150,465	2,140	2,050	1,970	1,920	1,880
Oak	177,000	165,000	162,500	162,500	159,695	2,320	2,230	2,145	2,095	2,055
Birch	185,000	175,000	173,000	173,000	170,500	2,480	2,385	2,295	2,245	2,200
Willow	200,000	200,000	197,500	197,500	193,850	2,620	2,515	2,415	2,365	2,315
Chestnut	231,000	214,000	211,000	211,000	207,695	2,945	2,830	2,720	2,670	2,615
Sycamore	238,500	217,000	214,000	214,000	210,465	3,080	2,960	2,845	2,795	2,740
Evergreen	269,500	240,000	235,000	235,000	230,770	3,190	3,065	2,950	2,900	2,840
Second Person						920	885	850	800	785

INDEPENDENT LIVING - APARTMENTS (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Magnolia	99,000	99,000	97,500	97,500	96,000	2,085	2,005	1,930	1,880	1,840
Maple	105,000	100,000	99,700	99,700	97,800	2,140	2,050	1,970	1,920	1,880
Oak	115,000	107,000	105,500	105,500	103,800	2,320	2,230	2,145	2,095	2,055
Birch	120,000	113,000	112,000	112,000	110,000	2,480	2,385	2,295	2,245	2,200
Willow	130,000	130,000	128,500	128,500	126,000	2,620	2,515	2,415	2,365	2,315
Chestnut	150,000	139,000	137,000	137,000	135,000	2,945	2,830	2,720	2,670	2,615
Sycamore	155,000	141,000	139,000	139,000	136,800	3,080	2,960	2,845	2,795	2,740
Evergreen	175,000	156,000	153,000	153,000	150,000	3,190	3,065	2,950	2,900	2,840
Second Person						920	885	850	800	785

Loomis Lakeside at Reeds Landing (continued)

INDEPENDENT LIVING - COTTAGES (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Walnut	246,000	245,000	243,000	243,000	240,000	1,835	1,775	1,710	1,660	2,840
Poplar	269,500	253,000	250,000	250,000	249,230	1,835	1,775	1,710	1,660	2,945
Second Person						255	245	235	225	725

INDEPENDENT LIVING - COTTAGES (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Walnut	160,000	159,250	159,000	159,000	156,000	1,835	1,775	1,710	1,660	2,840
Poplar	175,000	164,450	165,000	165,000	162,000	1,835	1,775	1,710	1,660	2,945
Second Person						255	245	235	225	725

ASSISTED LIVING (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Studio	17,500	15,000	15,000	15,000	15,000	3,915	3,800	3,655	3,605	3,530
Deluxe Studio	19,500	17,000	17,000	17,000	17,000	4,145	4,020	3,865	3,815	3,740
One Bedroom	22,500	20,000	20,000	20,000	20,000	4,790	4,650	4,470	4,420	4,330
Deluxe 1BR	24,500	22,000	22,000			5,015	4,865	4,680		
Second Person						1,365	1,325	1,275	1,225	1,200

ASSISTED LIVING (Rental)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Studio						4,205	4,080	3,925	3,875	3,795
Deluxe Studio						4,430	4,300	4,135	4,085	4,005
One Bedroom						4,975	4,830	4,645	4,595	4,505
Deluxe 1BR						5,170	5,020	4,855		
Second Person						1,365	1,325	1,275	1,225	1,200

Loomis Village
FIVE YEAR RATE HISTORY

INDEPENDENT LIVING - COTTAGES (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Hadley	331,000	327,000	325,000	325,000	323,000	3,825	3,685	3,575	3,500	3,480
Chester	334,000	330,000	327,000	327,000	325,000	3,850	3,710	3,600	3,530	3,510
Hardwick	337,000	333,000	329,000	329,000	327,000	3,870	3,730	3,620	3,550	3,530
Second Person						815	795	775	765	760

INDEPENDENT LIVING - APARTMENTS (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Stonington	149,000	145,000	141,000	139,000	137,000	2,160	2,080	1,995	1,960	1,910
Blandford	149,000	145,000	141,000	139,000	137,000	2,160	2,080	1,995	1,960	1,910
Whately	179,000	175,000	172,000	170,000	167,000	2,725	2,620	2,540	2,465	2,415
Shelburne	179,000	175,000	172,000	170,000	167,000	2,725	2,620	2,550	2,475	2,425
Deerfield	189,000	185,000	182,000	180,000	177,000	2,875	2,765	2,685	2,605	2,555
Lexington	189,000	185,000	182,000	180,000	177,000	2,875	2,765	2,685	2,605	2,555
Suffield	229,000	225,000	222,000	220,000	217,000	3,355	3,230	3,150	3,055	3,055
Wendell	179,000	175,000	172,000	170,000	167,000	2,830	2,720	2,640	2,590	2,540
New Salem	224,000	220,000	217,000	215,000	212,000	3,115	2,995	2,905	2,855	2,805
Dana	251,000	250,000	247,000	245,000	243,000	3,375	3,245	3,150	3,100	3,050
Enfield	264,000	260,000	257,000	255,000	251,000	3,375	3,245	3,150	3,100	3,050
Prescott	287,000	285,000	282,000	280,000	275,000	3,505	3,390	3,295	3,245	3,195
Greenwich	299,000	295,000	294,000	292,000	289,000	3,525	3,410	3,315	3,265	3,215
Second Person						815	795	775	765	760

Loomis Village (continued)

INDEPENDENT LIVING - COTTAGES (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Hadley	198,000	196,000				3,825	3,685			
Chester	200,000	198,000				3,850	3,710			
Hardwick	202,000	199,800				3,870	3,730			
Second Person						815	795			

INDEPENDENT LIVING - APARTMENTS (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Stonington	89,000	87,000				2,160	2,080			
Blandford	89,000	87,000				2,160	2,080			
Whately	107,000	105,000				2,725	2,620			
Shelburne	107,000	105,000				2,725	2,620			
Deerfield	113,000	111,000				2,875	2,765			
Lexington	113,000	111,000				2,875	2,765			
Suffield	137,000	135,000				3,355	3,230			
Wendell	107,000	105,000				2,830	2,720			
New Salem	134,000	132,000				3,115	2,995			
Dana	150,000	150,000				3,375	3,245			
Enfield	158,000	156,000				3,375	3,245			
Prescott	172,000	170,000				3,505	3,390			
Greenwich	179,000	177,000				3,525	3,410			
Second Person						815	795			

Loomis Village (continued)

INDEPENDENT LIVING - VILLAS (90% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
1 BR - Inside	210,000	210,000	207,000	205,000	201,000	1,600	1,540	1,485	1,445	1,410
1 BR - Outside	225,000	220,000	217,000	215,000	212,000	1,600	1,540	1,485	1,445	1,410
2 BR - Inside	299,000	295,000	293,000	291,000	287,000	1,835	1,765	1,710	1,660	1,625
2 BR - Outside	319,000	315,000	310,000	308,000	304,000	1,835	1,765	1,710	1,660	1,625
Second Person						255	245	235	225	220

INDEPENDENT LIVING - VILLAS (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
1 BR - Inside	126,000	126,000				1,600	1,540			
1 BR - Outside	135,000	132,000				1,600	1,540			
2 BR - Inside	179,000	177,000				1,835	1,765			
2 BR - Outside	191,000	189,000				1,835	1,765			
Second Person						255	245			

ASSISTED LIVING (80% Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Sturbridge	27,000	27,000	27,000	27,000	27,000	5,220	5,200	5,200	5,100	5,100
Bennington	27,000	27,000	27,000	27,000	27,000	5,220	5,200	5,200	5,100	5,100
Hanover	17,800	17,800	17,800	17,800	17,800	4,930	4,920	4,920	4,900	4,900
Second Person						1,425	1,330	1,400	1,300	1,300

ASSISTED LIVING (Rental)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Sturbridge										
Bennington						5,455	5,450	5,450	5,350	5,350
Hanover						5,260	5,250	5,250	4,150	5,150
Second Person						1,425	1,400	1,330	1,300	1,300

Loomis House
FIVE YEAR RATE HISTORY

INDEPENDENT LIVING - OPTION 1 (Declining Refundable)

APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
A	7,520	7,240	7,080	6,900	6,900	1,880	1,810	1,770	1,720	1,675
B	8,200	7,900	7,700	7,500	7,500	2,050	1,975	1,925	1,875	1,825
D	8,500	8,180	7,940	7,750	7,750	2,125	2,045	1,985	1,935	1,885
E	8,660	8,340	8,100	7,900	7,900	2,165	2,085	2,025	1,975	1,925
C	9,600	9,240	9,000	8,800	8,800	2,400	2,310	2,250	2,200	2,145
AA	10,400	10,000	9,740	9,550	9,550	2,600	2,500	2,435	2,385	2,325
G	10,700	10,300	10,000	9,800	9,800	2,675	2,575	2,500	2,450	2,390
H	10,700	10,300	10,000	9,800	9,800	2,675	2,575	2,500	2,450	2,390
AB	10,960	10,540	10,240	10,050	10,050	2,740	2,635	2,560	2,510	2,445
J	11,460	11,020	10,700	10,500	10,500	2,865	2,755	2,675	2,625	2,560
AC	12,100	11,640	11,300	11,100	11,100	3,025	2,910	2,825	2,775	2,705
BC	12,980	12,480	12,160	12,000	12,000	3,245	3,120	3,040	2,990	2,930
EE	10,960	10,540	12,000	11,800	11,800	2,740	2,635	3,000	2,950	2,875
Second Person						810	785	775	765	750

ASSISTED LIVING (90% Refundable)

APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
F	15,000	15,000	15,000	15,000	15,000	4,070	3,955	3,840	3,775	3,755
F-1	15,500	15,500	15,500	15,500	15,500	4,180	4,058	3,940	3,875	3,855
F-2	15,500	15,500	15,500	15,500	15,500	4,195	4,074	3,955	3,890	3,880
F-3	17,000	17,000	17,000	17,000	17,000	4,595	4,465	4,335	4,270	4,255
Second Person						1,400	1,370	1,330	1,300	1,300

Loomis House (continued)

INDEPENDENT LIVING - OPTION 2 (Declining Refundable)										
APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
A	7,520	7,240	7,080	6,900	6,900	1,295	1,245	1,215	1,215	1,190
B	8,200	7,900	7,700	7,500	7,500	1,415	1,360	1,325	1,325	1,300
D	8,500	8,180	7,940	7,750	7,750	1,495	1,465	1,425	1,425	1,400
E	8,660	8,340	8,100	7,900	7,900	1,705	1,640	1,595	1,595	1,565
C	9,600	9,240	9,000	8,800	8,800	1,830	1,760	1,710	1,710	1,680
AA	10,400	10,000	9,740	9,550	9,550	1,915	1,845	1,790	1,790	1,755
G	10,700	10,300	10,000	9,800	9,800	1,945	1,870	1,815	1,815	1,780
H	10,700	10,300	10,000	9,800	9,800	2,060	1,980	1,925	1,925	1,890
AB	10,960	10,540	10,240	10,050	10,050	2,165	2,085	2,025	2,025	1,985
J	11,460	11,020	10,700	10,500	10,500	2,290	2,205	2,140	2,140	2,100
AC	12,100	11,640	11,300	11,100	11,100	2,150	2,070	2,010	2,010	1,970
BC	12,980	12,480	12,160	12,000	12,000	2,280	2,195	2,130	2,130	2,090
EE	10,960	10,540	12,000	11,800	11,800	2,165	2,085	2,245	2,245	2,200
Second Person						375	360	345	345	340

Applewood
FIVE YEAR RATE HISTORY

INDEPENDENT LIVING - APARTMENTS (80% Refundable)

APARTMENT TYPE	ENTRANCE FEE					MONTHLY SERVICE FEE				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
Pippin	161,000	160,000	155,000	152,500	150,000	2,050	1,970	1,910	1,835	1,795
Baldwin	211,000	210,000	205,000	202,500	200,000	2,515	2,420	2,350	2,260	2,215
Belmac	221,000	220,000	215,000	213,000	210,500	2,525	2,430	2,360	2,265	2,220
Cortland	281,000	280,000	275,000	265,200	263,000	2,950	2,835	2,755	2,650	2,595
Macoun	301,000	300,000	295,000	290,500	288,000	3,155	3,035	2,945	2,840	2,780
McIntosh	311,000	310,000	305,000	300,000	298,000	3,175	3,055	2,970	2,865	2,805
Russet	321,000	320,000	315,000	312,500	310,000	3,490	3,355	3,260	3,155	3,090
Spencer	331,000	330,000	325,000	320,000	317,000	3,715	3,575	3,475	3,375	3,305
Empire	341,000	340,000	335,000	332,500	330,000	4,135	3,975	3,860	3,755	3,680
Quinte	346,000	345,000	340,000	337,500	335,000	4,175	4,015	3,975	3,895	3,820
Second Person						910	875	860	855	850

EXHIBIT 14

AUDITED FINANCIAL STATEMENTS

Fiscal Year 2014

Consolidated Financial Statements

**Loomis House, Inc.,
Loomis Communities, Inc.,
and Loomis Senior Living, Inc.**

December 31, 2014



Mayer Hoffman McCann P.C.
Tofias New England Division
An Independent CPA Firm

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Consolidated Financial Statements

Table of Contents

Consolidated Financial Statements:

Independent Auditors' Report	1-2
Consolidated Balance Sheet	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Assets	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-26



Mayer Hoffman McCann P.C.
Tofias New England Division
An Independent CPA Firm

500 Boylston Street ■ Boston, MA 02116
Tel: 617.761.0600 ■ Fax: 617.761.0601 ■ www.cbiztofias.com

Independent Auditors' Report

Board of Directors
Loomis House, Inc., Loomis Communities, Inc., and
Loomis Senior Living, Inc.
South Hadley, Massachusetts

We have audited the accompanying consolidated financial statements of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. (collectively referred to as “the Communities”), which comprise the consolidated balance sheet as of December 31, 2014 and the related consolidated statement of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Communities' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Communities' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mayer Heffernan McCann P.C.

April 15, 2015
Boston, Massachusetts

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Consolidated Balance Sheet

December 31, 2014

Assets

Current assets:

Cash and cash equivalents	\$	3,515,561
Accounts receivable - residents, net		1,836,839
Accounts receivable - other		407,025
Prepaid expenses		<u>533,742</u>

Total current assets **6,293,167**

Assets limited as to use		6,504,564
Investments		20,754,074
Deferred expenses, net of accumulated amortization		1,501,593
Property and equipment, net		57,126,341
Beneficial interest in perpetual trusts		<u>1,147,561</u>

Total assets **\$ 93,327,300**

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	891,811
Accrued expenses and other current liabilities		2,220,371
Current maturities of mortgage notes payable		209,958
Current maturities of bonds payable		770,000
Current portion of refundable entrance fees		<u>9,293,000</u>

Total current liabilities **13,385,140**

Long-term liabilities:

Mortgage notes payable, net of current maturities		3,712,473
Bonds payable, net of current maturities		22,308,191
Deferred entrance fees, net		5,159,673
Refundable deposits		612,349
Refundable entrance fees		56,475,874
Liability under charitable gift annuities		<u>135,422</u>

Total long-term liabilities **88,403,982**

Total liabilities **101,789,122**

Net assets:

Unrestricted		(13,007,391)
Temporarily restricted		1,670,635
Permanently restricted		<u>2,874,934</u>

Total net deficit **(8,461,822)**

Total liabilities and net assets **\$ 93,327,300**

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Consolidated Statement of Operations

Year Ended December 31, 2014

Unrestricted revenues:	
Resident services	\$ 17,135,776
Health care services	438,006
Net patient service revenue - private	4,307,659
Net patient service revenue - publicly aided	7,887,003
Amortization of entrance fees	1,637,540
Other	1,058,324
	<hr/>
Total unrestricted revenues	32,464,308
Expenses:	
Nursing services	7,302,962
General and administrative	4,697,084
Dietary	5,514,745
Depreciation and amortization	3,812,424
Environmental services and plant operations	5,722,741
Interest expense	1,435,830
Assisted living	1,051,438
Resident and social services	1,023,810
Health and wellness	1,443,056
Marketing	1,208,981
Real estate taxes	669,267
	<hr/>
Total expenses	33,882,338
Operating loss	(1,418,030)
Unrestricted nonoperating gains (losses) and other support:	
Interest income	322,756
Investment fees	(76,032)
Net realized gains on investments	960,614
Contributions	255,136
Income from beneficial interests in trusts	86,447
Philanthropy expenses	(113,433)
Scholarship expenses	(5,000)
Change in value of split-interest agreements	(17,332)
Gain on disposal of fixed assets	9,413
Net assets released from restrictions	38,233
	<hr/>
Total unrestricted nonoperating gains and other support	1,460,802
Excess of unrestricted revenues over expenses and unrestricted nonoperating gains and other support	42,772
	<hr/>
Other changes in unrestricted net assets:	
Unrealized loss on investments	(479,104)
Net asset reclassification based on clarification of donor intent	(57,180)
	<hr/>
Total other changes in unrestricted net assets	(536,284)
Change in unrestricted net assets	\$ (493,512)

See accompanying notes to the consolidated financial statements.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2014

Unrestricted net assets:

Operating loss	\$ (1,418,030)
Total unrestricted nonoperating gains and other support	1,460,802
Other changes in unrestricted net assets	<u>(536,284)</u>

Change in unrestricted net assets **(493,512)**

Temporarily restricted net assets:

Net unrealized loss on permanently restricted investments	(255,943)
Net unrealized loss on temporarily restricted investments	(5,632)
Net realized gains on sale of permanently restricted investments	256,588
Contributions	74,070
Change in value of split-interest agreements	2,295
Interest and dividends on permanently restricted net assets	45,858
Interest and dividends on temporarily restricted net assets	6,140
Net assets released from restrictions	<u>(38,233)</u>

Change in temporarily restricted net assets **85,143**

Permanently restricted net assets:

Change in value in beneficial interest in perpetual trusts	(71,439)
Net asset reclassification based on clarification of donor intent	<u>57,180</u>

Change in permanently restricted net assets **(14,259)**

Change in net assets **(422,628)**

Net deficit at beginning of year (8,039,194)

Net deficit at end of year **\$ (8,461,822)**

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Consolidated Statement of Cash Flows

Year Ended December 31, 2014

Cash flows from operating activities and nonoperating gains:	
Change in net assets	\$ <u>(422,628)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating gains:	
Depreciation and amortization	3,812,424
Amortization of entrance fees	(1,637,540)
Gain on disposal of fixed assets	(9,413)
Net realized gains on investments	(1,217,202)
Net unrealized loss on investments	740,679
Loss on beneficial interest in perpetual trusts	71,439
Changes in assets and liabilities:	
(Increase) decrease in:	
Assets limited as to use	(420,789)
Accounts receivable - residents	130,631
Accounts receivable - other	(380,344)
Prepaid expenses	(81,715)
Increase (decrease) in:	
Accounts payable	(52,803)
Accrued expenses and other current liabilities	(162,858)
Refundable deposits	<u>122,609</u>
Total adjustments	915,118
Net cash provided by operating activities	492,490
Cash flows from investing activities:	
Purchase of property and equipment	(2,339,372)
Purchase of investments	(12,257,171)
Proceeds from sale of investments	11,568,837
Change in gift annuity liability	<u>26,805</u>
Net cash used in investing activities	<u>(3,000,901)</u>
Cash flows from financing activities:	
Repayments on bonds payable	(320,000)
Repayment of mortgage notes payable	(152,533)
Proceeds from entrance fees	13,954,546
Refunds of entrance fees	<u>(9,784,758)</u>
Net cash provided by financing activities	<u>3,697,255</u>
Net increase in cash and cash equivalents	1,188,844
Cash and cash equivalents, beginning of year	<u>2,326,717</u>
Cash and cash equivalents, end of year	\$ <u>3,515,561</u>
<u>Supplemental disclosure of cash flow information</u>	
Cash paid for interest	\$ <u>1,137,600</u>

See accompanying notes to the consolidated financial statements.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Activities

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. d/b/a Loomis Lakeside at Reeds Landing (collectively referred to as “the Communities”) are not-for-profit organizations with common directors. The Communities and cost centers are as follows:

- Loomis House, Inc. is a 92-bed nursing facility located in Holyoke, Massachusetts.
- Loomis Communities, Inc.:
 - Loomis House Retirement Community is a retirement community located in Holyoke, Massachusetts. The community consists of 68 independent living apartments and 13 assisted living studios.
 - Loomis Corporate Management provides managerial and administrative services to Loomis House, Inc., Loomis House Retirement Community, Loomis Village, Applewood and Loomis Senior Living, Inc. (d/b/a Loomis Lakeside at Reeds Landing).
 - Loomis Village is a retirement community located in South Hadley, Massachusetts. The village consists of 38 cottage-style villa homes, 96 independent living apartments and 25 assisted living apartments.
 - Applewood is a retirement community located in Amherst, Massachusetts. The retirement community consists of 103 independent living apartments.
- Loomis Senior Living, Inc. (d/b/a Loomis Lakeside at Reeds Landing) is a 42-bed nursing facility and a retirement community located in Springfield, Massachusetts. The retirement community consists of 120 independent living apartments and 36 assisted living apartments.

Principles of Consolidation

The consolidated financial statements include the accounts of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. All significant intercompany account balances and transactions have been eliminated in consolidation.

Financial Statement Presentation

The Communities’ financial statements have been prepared on the accrual basis of accounting.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Classification and Reporting of Net Assets

Net assets and revenue, expenses, gains and losses are classified based on the existence or the absence of donor imposed restrictions. Accordingly, net assets are classified and reported as follows:

Unrestricted net assets - Net assets of the Communities that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Communities, as well as funds invested in plant, including buildings and equipment.

Temporarily restricted net assets - Net assets represent contributions and other inflows of assets whose use by the Communities is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Communities pursuant to those stipulations. Temporarily restricted net assets also include, pursuant to Massachusetts law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

Permanently restricted net assets - Net assets represent contributions and other inflows of assets whose use by the Communities is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Communities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change are the reserve for doubtful accounts receivable, valuation of investments, decisions over what to capitalize and useful lives of property and equipment, estimated amortization periods for entrance fees, liability under charitable gift annuities and the obligation to provide future services.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and approximates fair value. The investments are carried at fair value based upon quoted market prices. Other long-term assets approximate fair value based on cost and the expected useful lives of the assets. The fair value of the Communities' long-term debt is estimated based on the quoted market prices for the same issue if available, or similar issues, or based on the current rates offered to the Communities for debt of the same remaining maturities with similar collateral requirements.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Communities define cash equivalents to include investments in liquid securities with an initial maturity of ninety days or less. For purposes of presenting the statement of cash flows, cash and cash equivalents includes only operating cash and cash equivalents. Investment cash balances held by investment managers are considered part of investments given the expectation of near term reinvestment.

The Communities maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Communities monitor their exposure associated with cash and cash equivalents and have not experienced any losses in such accounts. The Communities believe they are not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable - Residents

Accounts receivable - residents, where a third party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third party payors.

Accounts receivable - residents due directly from the residents are carried at the original charge for the service provided less amounts covered by third party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. Accounts are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Assets Limited as to Use

Assets limited as to use include escrow accounts required for the Communities' bonds held by trustees, a reserve account for the Communities' mortgage note, and donor restricted cash.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

Land improvements	10 years
Buildings	40 years
Building improvements	10-20 years
Furniture and equipment	3-10 years
Motor vehicles	5 years

Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Property and Equipment (Continued)

The Communities are required to record a liability for the fair value of an asset retirement obligation specific to certain legal environmental obligations such as asbestos, medical waste removal, and lead paint removal. The recording of a liability is required if such conditions exist and the obligation can be reasonably estimated. As of December 31, 2014, the Communities were unaware of any such obligations. The Communities will recognize a liability in the period in which they become aware of such liability and sufficient information is available to reasonably estimate the fair value.

Deferred Expenses

Deferred expenses represent financing costs related to bond issuances and sales and promotional costs incurred to market the facilities to initial residents. The financing costs are being amortized over the life of the bonds. The deferred sales and promotional costs are being amortized over the estimated lives of the initial residents when the units are placed in service.

Beneficial Interests in Perpetual Trusts

Loomis Communities, Inc. has a beneficial interest in two perpetual trusts held by a third party trustee which are recorded at fair value on its financial statements. The principal as well as the annual gains or losses on the trust investments are restricted in perpetuity. The interest and dividend income generated by the trust investments is distributed each year to Loomis Communities, Inc.

Deferred Entrance Fees

Fees paid by residents upon entering into a continuing care contract at Loomis House Retirement Community, Loomis Village, Applewood and Loomis Lakeside at Reeds Landing, net of the portion thereof that is refundable to the resident, are recorded as deferred entrance fees and are amortized to income over the estimated remaining life expectancy of the resident. Estimated refundable entrance fees are reported as current or non-current liabilities based on anticipated future payments. The entrance fee contracts that were acquired in the purchase of Loomis Lakeside at Reeds Landing are recorded as a liability and not amortized for the 85% refundable contracts. Declining balance contracts are amortized over the resident's life expectancy. Any new agreements entered into after August 19, 2009 are either a 90% refundable contract or a declining balance contract amortized over the resident's life expectancy.

Obligation to Provide Future Services

On an annual basis, the Communities calculate the present value of the net cost of future services and use of facilities to be provided to current residents, using discount rates of 4.0 to 4.5% at December 31, 2014, and comparing that amount to the balance of deferred revenue from deferred entrance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from deferred entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Obligation to Provide Future Services (Continued)

At December 31, 2014, the comparison between the estimated net future costs to serve residents and the revenues from those residents that were parties to a resident agreement resulted in a substantial surplus. Therefore, no obligation to provide future services to residents was required to be accrued at December 31, 2014.

Operating Activities

The statement of operations reflects a subtotal for operating income (loss). This subtotal reflects revenues that the Communities received for operating purposes. Non-operating activity reflects all other activity, including but not limited to interest income, investment fees, gain (loss) on disposal of assets, realized gain (loss) on investments, change in the value of split-interest agreements, contributions, income from beneficial interests in trusts, and philanthropy and scholarship expenses.

Excess of Revenues over Expenses

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains or losses on investments and net asset reclassification due to clarification of donor intent.

Revenue Recognition

Patient and resident service revenue are reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Approximately twenty-two percent of operating revenues is received from Medicaid and Medicare funding sources as third-party reimbursement of costs. Residential fees are recorded as revenue in the period earned based on established rates pursuant to agreements with residents.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Contributions

Contributions, including unconditional promises to give, are recognized at fair value as revenue in the period when the donor makes the promise to give. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of the fundraising activity.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Contributions (Continued)

Contributions received with donor-imposed restrictions are reported at fair value as revenues of the temporarily restricted net asset class when they are received. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported at fair value as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported at fair value as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributions of services are reported as revenues and expenses of the unrestricted net asset class at the fair value of the services received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Communities if they had not been provided by individuals with those skills.

Investments and Investment Income

Investments are recorded at fair value. Investment income, including realized gains and losses on investments, dividends and interest on unrestricted investments are reported as nonoperating gains. Gains and losses, dividends and interest on permanently restricted investments are reported as increases or decreases to temporarily restricted net assets. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations and changes in net assets.

Fair Value Measurements

The Communities report certain assets at fair value on a recurring and non-recurring basis depending on the underlying accounting policy for the particular item. Recurring fair value measures include the Communities' investment account. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the Communities report certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the Communities to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes investments reported at net asset value per share with lock up periods of 90 days or less.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes investments reported at net asset value per share with lock up periods in excess of 90 days.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Communities' financial instruments, see Note 5 - Fair Values of Financial Instruments.

While the Communities believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the year ended December 31, 2014, there were no changes to the Communities' valuation techniques that had, or are expected to have, a material impact on its balance sheets or results of operations.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Endowment Assets

The Board has interpreted Massachusetts General Law as requiring realized and unrealized gains and interest and dividend income of permanently restricted net assets to be retained in a restricted net asset classification until appropriated by the Board and expended. Massachusetts General Law allows the Board to appropriate for expenditure or accumulate so much of an endowment fund as the Communities determine is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. In making a determination to appropriate or accumulate, the Communities shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration and preservation of the endowment fund; the purposes of the Communities and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Communities; and the investment policy of the Communities.

The Communities' spending policy is to appropriate on an annual basis four percent of the average market value of the Loomis Communities Endowment Funds, which will be used to support the charitable mission of Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. For spending purposes, the average market value shall be established on the three most recent years ended June 30th. In establishing this policy, the Communities considered the long term expected return on its endowment. Accordingly, over the long term, the Communities expect the current spending policy to allow its endowment to grow by more than four percent annually. This is consistent with Loomis' objective to preserve the capital assets of the Communities in perpetuity as well as provide real growth through new gifts and investment return. During the year ended December 31, 2014, the Communities have decided to appropriate only investment income on donor restricted endowment funds. The Communities expect this to be the case in 2015 as well. The Board of Directors also has discretion to spend amounts over the four percent spending policy from the board-designated endowment. During the year ended December 31, 2014, the Communities made appropriations of investment income of \$23,701.

The Communities have adopted investment and spending policies for endowment assets that attempt to provide a stream of funding to support operations and capital needs of the organization by its endowment while seeking to preserve the endowment assets in perpetuity. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds.

To satisfy the long-term return objectives, the Communities rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Communities target a 30%-60% equity allocation and a 40%-70% debt, cash and cash equivalent allocation.

Charitable Gift Annuities

Loomis Communities, Inc. is the beneficiary of a number of charitable gift annuities whereby it receives an immediate contribution as well as a remainder interest in the underlying investment from which a specified dollar amount of the fair value of the assets each year is currently being paid to the donors. Actuarial methods are used to calculate that portion of the investment representing the present value of the liability to the donor and that portion representing the contribution using discount rates ranging from four percent to six percent.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Charitable Gift Annuities (Continued)

Loomis Communities, Inc. is the trustee of certain assets held in trust, which are recorded as investments at fair value. The liabilities to the donors are recorded at the present value of the estimated future payments to be distributed over the life of the donors and/or donors' beneficiaries. Upon receipt of the assets, the amount of the contribution is the difference between these amounts. Adjustments to the asset and liability accounts are reflected as changes in the value of split-interest agreements in the statements of operations.

The contributions related to these agreements are recorded as temporarily restricted contributions and are released from restriction upon the death of the donor, unless the contributions carry a purpose restriction imposed by the donor.

Advertising

The Communities expense advertising costs as incurred. Advertising expense was \$189,300 for the year ended December 31, 2014.

Income Tax Status

Loomis House, Inc., Loomis Communities, Inc., and Loomis Senior Living, Inc. d/b/a Loomis Lakeside at Reeds Landing qualify under Section 501(c)(3) of the Internal Revenue Code and are exempt from Federal and state income taxes.

Uncertain Tax Positions

The Communities account for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Communities have identified their tax status as tax-exempt entities and their determination as to their income being related or unrelated as their only significant tax positions; however, the Communities have determined that such tax positions do not result in an uncertainty requiring recognition. The Communities are not currently under examination by any taxing jurisdictions. The Communities' Federal and state tax returns are generally open for examination for three years following the date filed.

Subsequent Events

The Communities have evaluated subsequent events through April 15, 2015, the date the financial statements were issued.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 2 - Related Party Transactions

The Communities receive landscaping, insurance and legal expenses in the normal course of operations, from a landscaping company, insurance agency and a law firm, respectively, which employ members of the governing Board of Directors or Committees of the Board of Directors. Amounts expended for landscaping services during the year ended December 31, 2014 totaled \$389,953. Amounts expended for legal services during the year ended December 31, 2014 totaled \$36,440. Amounts expended for insurance during the year ended December 31, 2014 totaled \$483,686. An amount of \$1,624 to the related party landscaping company was outstanding in accounts payable and an amount of \$9,451 was incurred but unbilled by the law firm as of December 31, 2014.

The Communities incurred construction expenses with a company owned by the son of one of the members of the governing Board of Directors. Total amounts expended for construction during the year ended December 31, 2014 was \$57,922. No amounts were outstanding in accounts payable with this company as of December 31, 2014.

In addition, certain members of management and the Board of Directors are holders of the Communities' bonds. Furthermore, certain members of the Board of Directors are employed by a bank with which the Communities hold funds and have an outstanding loan, as more fully described in Note 11.

Note 3 - Assets Limited as to Use

Assets limited as to use consist of cash and cash equivalents and a certificate of deposit. Assets limited as to use were for the following purposes at December 31, 2014:

Debt service funds, 2013 Series Bonds	\$ 3,358,003
Project fund, 2013 Series Bonds	2,502,454
Reserve account, mortgage note	621,884
Restricted cash, scholarship fund	18,956
Other	<u>3,267</u>
	<u><u>\$ 6,504,564</u></u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 4 - Investment Return

Investment return consisted of the following at December 31, 2014:

Interest and dividend income	\$	374,754
Net realized gains on investments		1,217,202
Net unrealized loss on investments		(740,679)
Less investment fees		<u>(76,032)</u>
Net investment return	\$	<u><u>775,245</u></u>

Note 5 - Fair Values of Financial Instruments

The following tables are a summary of assets that the Communities measure at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2014:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments				
Cash and cash equivalents	\$ 2,046,468	\$ -	\$ -	\$ 2,046,468
Domestic equities	183,522	-	-	183,522
U.S. bonds	-	174,077	-	174,077
Corporate bonds	-	27,348	-	27,348
Mortgage backed securities	-	199	-	199
Fixed income mutual funds	3,627,588	-	-	3,627,588
Equity mutual funds	6,938,813	-	-	6,938,813
Balanced mutual funds	2,707,098	-	-	2,707,098
Real estate mutual funds	28,303	-	-	28,303
Commodities mutual funds	28,093	-	-	28,093
Exchange traded funds	<u>4,992,565</u>	<u>-</u>	<u>-</u>	<u>4,992,565</u>
Total investments	<u>20,552,450</u>	<u>201,624</u>	<u>-</u>	<u>20,754,074</u>
Assets limited as to use				
Cash equivalents	<u>6,504,564</u>	<u>-</u>	<u>-</u>	<u>6,504,564</u>
Beneficial interest in perpetual trusts				
	<u>-</u>	<u>-</u>	<u>1,147,561</u>	<u>1,147,561</u>
Total	<u><u>\$ 27,057,014</u></u>	<u><u>\$ 201,624</u></u>	<u><u>\$ 1,147,561</u></u>	<u><u>\$ 28,406,199</u></u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 5 - Fair Values of Financial Instruments (Continued)

The changes in investments measured at fair value for which the Communities have used Level 3 inputs to determine fair value are as follows:

		<i>Beneficial Interest in Perpetual Trusts</i>
Balance at January 1, 2014	\$	1,219,000
Interest and dividends		24,964
Fees		(9,482)
Transfers		(86,447)
Realized gains		10,357
Unrealized loss on assets still held at December 31, 2014		(10,831)
		<hr/>
Balance at December 31, 2014	\$	<u>1,147,561</u>

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements at December 31, 2014:

		<i>2014 Fair Value</i>	<i>Valuation Technique</i>	<i>Unobservable Input</i>	<i>Range (Weighted Average)</i>
Beneficial interest in perpetual trusts	\$	1,147,561	Market approach based on underlying securities	None	N/A

The assets held in trust are managed by an independent third party trustee, and the Communities have no authority over investment decisions. Thus, they are classified as Level 3 within the fair value hierarchy levels.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 6 - Concentration of Credit Risk

Loomis House, Inc. and Loomis Lakeside at Reeds Landing grant credit without collateral to its residents, most of whom are insured under third-party payor agreements. Loomis Communities, Inc.'s residents are privately funded.

The mix of receivables from residents and third-party payors for 2014 is as follows:

Private	\$	719,026
Medicaid		407,715
Medicare		396,155
Other third-party payors		528,638
		2,051,534
Allowance		(214,695)
Accounts receivable - residents, net	\$	<u>1,836,839</u>

Note 7 - Property and Equipment

The following is a summary at December 31, 2014:

Land	\$	2,531,584
Land improvements		1,595,813
Buildings		67,356,624
Building improvements		20,371,240
Furniture and equipment		7,318,489
Motor vehicles		407,498
Construction in process		239,211
		99,820,459
Less: accumulated depreciation and amortization		(42,694,118)
	\$	<u>57,126,341</u>

Construction in process is for various apartment renovations, building expansion and improvement at Loomis House Nursing Center, and other miscellaneous renewals and improvements across the communities.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 8 - Deferred Expenses

Deferred expenses, net of accumulated amortization, at December 31, 2014 of \$1,501,593, represent financing costs related to obtaining bond financing, as well as sales and promotional costs associated with the development of Loomis Communities, Inc. Deferred expenses also include various legal and accounting costs associated with the acquisition of Applewood and architectural costs for the potential expansion of the Loomis Communities, Inc. properties as well as expenses incurred towards the purchase of nursing facility bed licenses.

The promotional deferred expenses are being amortized over the estimated lives of the initial residents when the units were placed in service. The deferred financing costs are being amortized over the term of the bond agreements.

Note 9 - Entrance Fees

The retirement communities have various residency plans. The majority of entrance fees for independent living units are refundable at a minimum of 80%. The remaining entrance fees are amortized over the resident's life expectancy. Entrance fees for assisted living apartments are 80% refundable, and the remaining 20% is amortized over the resident's life expectancy. In addition, certain entrance fees are refundable on a declining basis. Entrance fee contracts acquired in the purchase of Loomis Lakeside at Reed's Landing include both 85% refundable and declining balance contracts amortized over the resident's life expectancy. Any new agreements for Loomis Lakeside entered into after August 19, 2009 is either a 90% refundable contract or a declining balance contract and amortized over the resident's life expectancy.

The following is a summary of total refundable entrance fees at December 31, 2014:

Refundable entrance fees	\$ 65,768,874
Less: current portion	<u>(9,293,000)</u>
Non-current refundable entrance fees	<u>\$ 56,475,874</u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 10 - Bonds Payable

Bonds payable consist of the following at December 31, 2014:

Series 2013A Bonds	\$ 21,215,000
Series 2013B Bonds	2,180,000
Total bonds payable	23,395,000
Unamortized discount	(316,809)
Carrying value of bonds	23,078,191
Less: current maturities	(770,000)
Bonds payable, net of current maturities	<u>\$ 22,308,191</u>

In September 2013, Loomis House, Inc. and Loomis Communities, Inc. (the “Obligated Group”) refinanced two bond series and a mortgage held by the Obligated Group into the Series 2013 Revenue Bonds from the Massachusetts Development Finance Agency (“MDFA”). The 2013 bonds consist of Series A bonds, which require annual sinking fund installments of amounts ranging from \$245,000 to \$8,500,000 beginning in 2017 through 2033 and carry interest rates ranging from 3.00% to 6.00% and Series B bonds, which require annual sinking fund installments of amounts ranging from \$320,000 to \$785,000 beginning in 2014 through 2017 and carry interest rates ranging from 2.50% to 4.25%.

The Series 2013A bonds are subject to optional redemption prior to maturity after January 1, 2023, as a whole or in part at a redemption price equal to the principal amount being redeemed, plus accrued interest, without premium. The Series 2013B bonds are not subject to optional redemption prior to maturity.

The Obligated Group makes twelve monthly debt service payments into a debt services reserve fund each year in order to satisfy the interest and principal payments on the bonds. Interest payments are due each July 1 and January 1.

The bonds are secured by a mortgage on the land and buildings owned by the Obligated Group and a security interest in all of the personal property of the Obligated Group including equipment, furnishings, accounts receivable and monies received from operations.

The Series 2013 bonds are reported net of a discount of \$316,809 at December 31, 2014. The discount is amortized over the life of the bonds.

Total interest expense related to the 2013 bonds was \$1,197,864 for the year ended December 31, 2014.

The Obligated Group is required to satisfy certain bond covenant requirements in connection with the bonds payable, including maintaining certain financial ratios. Under the terms of the bond agreements, the Obligated Group is required to maintain a debt service fund, a debt service reserve fund, and a renewal and replacement fund. In addition, a project fund is maintained from bond proceeds to be used for the renovation project at Applewood and other capital projects. As of December 31, 2014, the Obligated Group was in compliance with all covenant requirements.

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 10 - Bonds Payable (Continued)

Maturities of the bonds payable over the next five years and in the aggregate are as follows for the years ending December 31:

2015	\$	770,000
2016		785,000
2017		870,000
2018		915,000
2019		950,000
Thereafter		19,105,000
	\$	23,395,000

Note 11 - Mortgage Notes Payable

Following is a summary of mortgage notes payable as of December 31, 2014:

When Loomis Lakeside at Reeds Landing purchased certain assets and liabilities of Western Massachusetts Lifecare Corporation on August 18, 2009, it entered into a mortgage agreement with a bank that requires Loomis Senior Living, Inc. to pay monthly installments of \$25,769, including principal and interest at a rate of 6.25% through August 18, 2029. The interest rate is subject to review on August 19, 2015. The mortgage is secured by a first priority leasehold mortgage, security interest in the ground lease, assets acquired in the purchase transaction, all resident contracts existing and executed for the retirement community, and licenses on the retirement community. Loomis Lakeside at Reeds Landing is also required to maintain a reserve fund equal to the principal and interest amounts due for the next five years, which will be reduced annually (see Note 3). Interest expense for the year ended December 31, 2014 totaled \$239,917.

\$ 2,946,929

Loomis Lakeside at Reeds Landing also entered into a bridge loan agreement with two private institutions relative to the purchase transaction. No cash payments on the loan were required until August 1, 2011. Commencing on August 1, 2011, Loomis Lakeside at Reeds Landing began paying interest only on the loan at a rate of 5% per annum until July 1, 2014. Commencing on July 1, 2014, Loomis Lakeside at Reeds Landing began paying monthly installments of \$10,694 including principal and interest at a rate of 5% through August 1, 2024. The mortgage is secured by an interest in the mortgage and gross revenues.

975,502

Total mortgage notes payable
Less: current maturities

3,922,431
209,958

Mortgage notes payable, net of current maturities

\$ 3,712,473

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 11 - Mortgage Notes Payable (Continued)

Maturities of the mortgage notes payable in the aggregate and for the next five years are as follows for the years ending December 31:

2015	\$	209,958
2016		219,298
2017		232,953
2018		246,885
2019		271,024
Thereafter		<u>2,742,313</u>
	\$	<u><u>3,922,431</u></u>

Note 12 - Net Assets

A summary of unrestricted net assets by designation as of December 31, 2014 is as follows:

Undesignated	\$	(21,182,672)
Designated by the Board:		
Endowment		7,899,034
Reeds Landing Philanthropic Fund		<u>276,247</u>
	\$	<u><u>(13,007,391)</u></u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 12 - Net Assets (Continued)

Temporarily restricted net assets include realized and unrealized appreciation on permanently restricted net assets, unexpended restricted investment income and temporarily restricted contributions. Temporarily restricted net assets consisted of the following at December 31, 2014:

Endowment appreciation:	
Barbara G. Sheldon Memorial Fund	\$ 821,576
Other funds	<u>373,687</u>
Total endowment appreciation	1,195,263
Friendship Fund	210,742
Loomis Village Landscaping	86,143
Other purposes	78,932
Applewood Reserve Fund	41,567
Applewood General Fund	40,109
Scholarship Fund	<u>17,879</u>
	<u><u>\$ 1,670,635</u></u>

During the year ended December 31, 2014, net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

The following is a summary of net assets released from restrictions during the year ended December 31, 2014:

Friendship Fund	\$ 25,000
Scholarship Fund	3,000
Other purposes	<u>10,233</u>
	<u><u>\$ 38,233</u></u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 12 - Net Assets (Continued)

Permanently restricted net assets are investments to be held in perpetuity, the income from which is expendable for operations of Loomis Communities, Inc. Permanently restricted net assets consisted of the following at December 31, 2014:

Barbara G. Sheldon Memorial Fund	\$	524,993
Arthur Rankin Trust		100,000
Horace and Eloise Fuller Trust		1,045,200
Loomis Village Endowment		<u>57,180</u>
Total endowment		1,727,373
Beneficial interest in perpetual trusts		<u>1,147,561</u>
	\$	<u><u>2,874,934</u></u>

Note 13 - Endowment Net Assets

The following is a summary of endowment net asset composition by type of fund at December 31, 2014:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor restricted endowment funds	\$ -	\$ 1,195,263	\$ 1,727,373	\$ 2,922,636
Board designated funds	<u>7,899,034</u>	<u>-</u>	<u>-</u>	<u>7,899,034</u>
Total funds	<u><u>\$ 7,899,034</u></u>	<u><u>\$ 1,195,263</u></u>	<u><u>\$ 1,727,373</u></u>	<u><u>\$ 10,821,670</u></u>
Net assets, beginning of year	<u>\$ 7,616,857</u>	<u>\$ 1,150,470</u>	<u>\$ 1,670,193</u>	\$ 10,437,520
Investment return:				
Investment income	134,496	44,950	-	179,446
Net appreciation (realized and unrealized)	<u>147,681</u>	<u>902</u>	<u>-</u>	<u>148,583</u>
Total investment return	<u>282,177</u>	<u>45,852</u>	<u>-</u>	<u>328,029</u>
Appropriation of endowment assets for expenditure	-	(1,059)	-	(1,059)
Net asset reclassification	<u>-</u>	<u>-</u>	<u>57,180</u>	<u>57,180</u>
Net assets, end of year	<u><u>\$ 7,899,034</u></u>	<u><u>\$ 1,195,263</u></u>	<u><u>\$ 1,727,373</u></u>	<u><u>\$ 10,821,670</u></u>

**LOOMIS HOUSE, INC., LOOMIS COMMUNITIES, INC., AND
LOOMIS SENIOR LIVING, INC.**

Notes Consolidated Financial Statements

Note 14 - Operating Leases

The Communities lease medical and office equipment under various operating leases expiring through February 2017. Rent expense for the equipment was \$33,729 for the year ended December 31, 2014.

On August 18, 2009, the Communities entered into a ground lease expiring through August 2084. Rent expense for the ground lease was \$40,133 for the year ended December 31, 2014.

The following is a summary of future minimum lease commitments existing under these leases for the years ending December 31:

2015	\$ 78,700
2016	60,500
2017	54,200
2018	50,600
2019	43,300
Thereafter	<u>2,612,000</u>
	<u>\$ 2,899,300</u>

Note 15 - Medical Malpractice Claims

The Communities purchase professional and general liability insurance to cover medical malpractice claims on an occurrence basis. There are no known claims or incidents that may result in the assertion of additional claims. In addition, management believes that claims for unknown incidents that may be asserted arising from services provided to residents are covered by insurance.

Note 16 - Retirement Plan

The Communities have a 403(b) retirement plan for all employees. Employer matching contributions are determined at the discretion of the Communities and are based on the employees' elected deferrals. Employer contributions for the year ended December 31, 2014 were \$186,475.

EXHIBIT 15

EXCERPTS FROM AUDITED FINANCIAL STATEMENTS

2013 and 2012

Loomis Senior Living, Inc.

Statements of Operations

Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted revenues:		
Resident services	\$ 4,501,083	\$ 4,572,295
Net patient service revenue - private	1,521,489	2,327,349
Net patient service revenue - publicly aided	2,139,417	1,497,222
Amortization of entrance fees	664,925	572,014
Other	332,599	417,664
Total unrestricted revenues	<u>9,159,513</u>	<u>9,386,544</u>
Expenses:		
Nursing services	2,642,398	2,360,301
General and administrative	1,249,771	1,166,094
Food services	1,660,761	1,574,298
Depreciation and amortization	768,868	684,561
Plant operations	1,296,323	1,208,917
Interest expense	249,129	255,907
Housekeeping	329,848	305,038
Assisted living	451,144	427,539
Recreation and restorative therapy	277,512	283,613
Security	129,253	107,554
Laundry	109,920	108,807
Transportation	59,081	68,055
Nursing center care	1,600	
Home care	87,217	108,284
Wellness	157,355	154,643
Management fees	1,141,911	745,676
Total expenses	<u>10,612,091</u>	<u>9,559,287</u>
Operating loss	<u>(1,452,578)</u>	<u>(172,743)</u>
Unrestricted nonoperating gains (losses) and other support:		
Interest income	21,246	23,270
Income on investments	37,115	47,918
Net realized gains on investments	192,735	92,448
Contributions	35,279	12,869
Grant income	400	
Philanthropy expenses	(15,442)	(18,494)
Change in value of split interest agreements	2,067	(1,150)
Gain on disposal of fixed assets	9,260	
Net assets released from restrictions	76,637	71,320
Total unrestricted nonoperating gains and other support	<u>359,297</u>	<u>228,181</u>
Excess (deficit) of revenues over expenses and unrestricted:		
Nonoperating gains	(1,093,281)	55,438
Other changes in unrestricted net assets:		
Unrealized gain on investments	56,127	69,071
Transfers from affiliates		<u>162,272</u>
Change in unrestricted net assets (deficit)	\$ (1,037,154)	\$ 286,781

See accompanying notes and independent accountant's compilation report.

EXHIBIT 16

UNAUDITED FINANCIAL STATEMENTS

Quarter Ended 09/30/15

Loomis Lakeside at Reeds Landing Statement of
Revenue & Expenses
For the Period Ending September 30, 2015

	Actual Month	Budget Month	Variance	Actual To Date Year	Budget Year To Date	Variance
Operating Revenue						
Private Income	216,790	222,807	(6,017)	2,101,850	2,027,544	74,306
Lifecare Contractual Allowance SNF	(88,536)	(90,556)	2,020	(966,750)	(824,060)	(142,690)
Free Day Income	5,550	1,216	4,334	8,140	11,070	(2,930)
Managed Care	0	15,717	(15,717)	58,989	143,025	(84,036)
Medicare A Income	99,282	137,319	(38,037)	769,529	1,249,603	(480,074)
Medicare B Income	6,985	11,807	(4,822)	145,224	107,446	37,778
Medicaid Income	71,450	49,118	22,332	571,819	446,969	124,850
Hospice Income	5,495	1,004	4,490	97,079	9,140	87,939
Laundry Income	1,304	1,540	(236)	14,786	13,860	926
Nursing Supplies Income	4,442	4,290	152	38,057	38,610	(553)
User Fee Expense	(1,917)	(1,593)	(324)	(17,215)	(14,498)	(2,717)
Behold Lost Revenue	(3,308)	0	(3,308)	(5,027)	0	(5,027)
Resident Service Fees	439,394	441,383	(1,989)	4,010,971	3,972,880	38,091
Life Care Contractual Allowance AL	(2,130)	(3,599)	1,469	(24,507)	(32,389)	7,882
Entrance Fee Amortization	69,939	40,417	29,522	460,121	363,750	96,371
Private Duty Home Care Income	6,234	5,582	652	61,499	50,238	11,261
Transportation Income	88	149	(60)	856	1,338	(483)
Wellness Supplies Income	102	406	(305)	3,426	3,656	(230)
Guest Meals Income	4,680	5,230	(550)	48,866	47,070	1,796
Employee Meals	1,448	1,822	(373)	14,939	16,395	(1,456)
Guest Room Income	154	415	(261)	5,246	3,731	1,515
Cable & Communications Revenue	7,077	6,855	222	64,731	61,698	3,034
General Store Income	290	360	(71)	3,811	3,244	568
Other Resident Services Income	474	1,736	(1,262)	6,330	15,624	(9,294)
Rental Income	0	83	(83)	1,000	750	250
Wait List Income	0	0	0	400	0	400
Grant Income	0	0	0	1,652	0	1,652
Total Operating Revenue	845,286	853,509	(8,222)	7,475,824	7,716,693	(240,870)
Operating Expense						
Administrative	192,267	177,134	(15,132)	1,547,069	1,632,193	85,124
Property & Related	90,655	93,125	2,470	874,646	841,477	(33,169)
Depreciation & Amortization	73,234	76,312	3,078	651,240	686,810	35,570
Security	10,711	10,873	162	98,570	97,854	(716)
Maintenance	53,701	59,997	6,296	505,233	542,746	37,513
Housekeeping	27,053	27,130	78	232,542	247,417	14,875
Laundry	6,803	10,162	3,359	81,105	92,750	11,645
Food Service	150,735	154,812	4,077	1,284,936	1,299,205	14,269
Nursing	177,865	200,669	22,804	1,686,916	1,822,797	135,881
Assisted Living	38,767	37,329	(1,439)	338,805	340,917	2,112
Home Care	5,718	5,227	(491)	50,311	47,653	(2,658)
Nursing Center Care	0	0	0	1,980	0	(1,980)
Professional Services	2,067	2,173	106	17,936	19,560	1,624
Recreational Services NC	8,733	7,903	(830)	77,661	71,966	(5,695)
Recreational Services RC IL	7,014	7,813	799	62,617	70,821	8,204
Recreation Therapy RC AL	4,677	4,647	(30)	40,968	42,239	1,271
Wellness	11,362	11,624	262	103,633	106,162	2,529
Social Services	5,722	5,728	6	51,839	52,330	491
Admissions	3,732	7,775	4,043	36,999	73,437	36,438
General Store	532	415	(117)	4,020	3,240	(780)
Transportation	3,860	5,270	1,410	45,016	47,804	2,787
Total Operating Expense	875,208	906,120	30,912	7,794,043	8,139,378	345,334
Net Excess operating Revenue (Expense)	(29,922)	(52,612)	22,690	(318,219)	(422,684)	104,465
Non-Operating Revenue & Expense						
Dividend Income	3,886	2,375	1,511	31,243	21,375	9,868
Interest and Dividend Income	775	1,232	(457)	12,371	11,088	1,283
Donation Income - Unrestricted	1,950	0	1,950	7,410	0	7,410
Donation Income - Restricted	1,255	0	1,255	4,821	0	4,821
Allocated Donations	1,250	2,753	(1,503)	28,743	24,777	3,966

Loomis Lakeside at Reeds Landing Statement of
Revenue & Expenses
For the Period Ending September 30, 2015

	Actual Month	Budget Month	Variance	Actual To Date Year	Budget Year To Date	Variance
Gain or Loss on Gift Annuity	0	0	0	0	0	0
Gain(Loss) on Investments	3,714	0	3,714	12,076	0	12,076
Gain(Loss) Equipment Disposal	0	0	0	11,519	0	11,519
Unrealized Gain (Loss) Investments	(71,327)	0	(71,327)	(171,148)	0	(171,148)
Investment Fees	(7)	(676)	669	(8,436)	(6,083)	(2,352)
Total Non-Operating Revenue & Expense	(58,505)	5,684	(64,189)	(71,401)	51,157	(122,557)
Net Revenue (Expense)		(46,928)	(41,499)	(389,620)	(88,426)	(18,092)