

**DEVELOPMENT PLAN FOR  
RIVER'S EDGE**

**BRONX, NY**

**SEPTEMBER 2017**

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# I. EXECUTIVE SUMMARY

## A. BACKGROUND

RiverSpring Health Senior Living, Inc. d/b/a River's Edge (the "Sponsor"), an affiliate of The Hebrew Home for the Aged at Riverdale ("Hebrew Home"), is a not-for-profit corporation organized under the laws of the State of New York. The Sponsor is currently in the process of developing a Continuing Care Retirement Community ("River's Edge" or the "Community"), in the Bronx, New York (the "RiverSpring Campus") which includes the facilities of Hebrew Home and Hebrew Home Housing Development Fund Company, Inc.

The Sponsor's sole corporate member is RiverSpring Health Holding Corp. ("RHHC"), a New York not-for-profit corporation that is the sole corporate member of eight not-for-profit entities (including Hebrew Home). Hebrew Home was founded in 1917 as a result of a small Harlem, New York synagogue's mission to provide shelter to poor, homeless, elderly people. In 1948, Hebrew Home purchased 19 acres along the Hudson River in the Riverdale section of the Bronx. Today, Hebrew Home owns and operates a 845 bed Article 28 licensed nursing facility, a 35 bed Article 7 licensed adult care facility, and a 288 bed Article 28-A licensed nursing facility. On October 1, 2016, Palisade Nursing Home Company, Inc., a 288 bed Article 28-A licensed nursing facility merged into Hebrew Home, with Hebrew Home as the surviving entity. Through affiliated entities Hebrew Home Housing Development Fund Company, Inc. and Hudson House Housing Development, Inc., the RiverSpring facilities also offer an additional 137 private senior apartments ("RiverWalk") and a 59 unit HUD Section 202 senior housing community.

Hebrew Home recognizes the importance of expanding the organization's philosophy of service to the elderly through other non-reimbursement based means and have set forth objectives including diversifying the services to include more private pay, independent living that will serve a younger, more active customer.

## B. MARKET ANALYSIS

Greystone performed a comprehensive market analysis that evaluated the needs of the senior market and the market-place potential of River's Edge through demographics and real estate analyses and the current competitive environment. The market analysis results confirm the viability of an independent living market sufficient to support the Community.

The Community's Primary Market Area ("PMA") is defined as a twenty-five ZIP code area located within an approximate 10 mile radius around Hebrew Home, covering approximately 69 square miles of the Riverdale section of the Bronx and those communities in southwestern Westchester County along the Hudson River. For planning purposes, approximately 75% of the residents are expected to originate from the PMA. Approximately 7,758 senior households age 75 and older with annual incomes exceeding \$75,000 reside in the PMA. Median home sale values in the PMA have increased steadily since 2012, indicating a strengthening real estate market. Through June 2016, the median PMA home sales value was approximately \$751,800 and approximately 42% of PMA home sale prices were greater than \$650,000.

A penetration analysis was performed for the proposed 388 independent living apartments. The highest step penetration rates for the currently planned unit types yielded a 5.8% income penetration rate and a 2.9% home value penetration rate, indicating that sufficient market demand exists for the Community.

### **C. RECOMMENDED DEVELOPMENT STRATEGY**

Based upon the results of the Market Analysis, there is an opportunity for the development of new independent living apartments. A phased development strategy has been crafted for River’s Edge with a unit mix, pricing structure, and resident program offering that will resonate with the senior consumer and build upon the reputation of Hebrew Home. The Community will consist of 388 independent living apartments located in a north tower and two south towers. The first phase (North Tower) will include approximately 271 independent living apartments ranging in size from 750 square foot one bedroom apartments to 1,200 square foot two bedroom penthouse apartments. The building will be constructed on property owned by Hebrew Home and located on the RiverSpring Campus. The second phase (South Towers) of development will consist of 117 independent living apartments ranging in size from 750 square foot one bedroom apartments to 1,200 square foot two bedroom apartments. The second phase of development will be constructed on property currently owned by The Hebrew Home for the Aged at Riverdale Foundation, Inc. (the “Foundation”), adjacent to the property owned by Hebrew Home, on the RiverSpring Health Campus.

The North Tower will consist of 271 independent living apartments ranging in size from 750 square feet one bedroom apartments to 1,200 square feet two bedroom apartments. Upon opening in 2021, initial entrance fees will range from \$769,900 to \$1,319,900 with monthly service fees of \$5,095 to \$7,495. In the case of a couple occupying an independent living apartment, the second person will pay \$1,895 and there will be a second person entry fee of \$50,000. The second person entry fee will amortize 2% per month, over 50 months, until zero. The South Towers will consist of 117 independent living apartments ranging in size from 750 square feet one bedroom apartments to 1,200 square feet two bedroom apartments. Upon opening in 2024, initial entrance fees will range from \$850,000 to \$1,385,900 with monthly service fees of \$5,495 to \$8,095. In the case of a couple occupying an independent living apartment, the second person will pay \$2,030 and there will be a second person entry fee of \$55,436. The second person entry fee will amortize 2% per month, over 50 months, until zero. Entrance fees for both towers will be 80% refundable for initial residents. A limited number of alternative contracts with varying monthly service fees, entrance fees and refundability are anticipated to be offered to initial residents. The Community will be licensed under Article 46 of the New York Public Health Law and will offer a full Type A life care benefit.

### **D. PROJECT ECONOMICS AND FINANCING PLAN**

The preliminary financial analysis indicates that the Community is financially viable. Construction of the Community will be financed with two financings – one for the North Tower and one for the South Towers. It is important to note that the North Tower must stand-alone financially and meet all financing covenants. For the construction of the North Tower, it is anticipated that the tax-exempt bonds will total \$304,805,000 including \$89,805,000 in long

term bonds. For construction of the South Towers, it is anticipated that the tax-exempt bonds will total \$145,185,000 including \$45,185,000 in long term bonds.

### **Project Budget and Financing Plan**

The estimated project budget for the Community is \$353.3 million for the North Tower only and \$160.2 million for the South Towers, including working capital requirements.

<b>SOURCES OF FUNDS:</b>	<b>Phase I - North Tower</b>	<b>Phase II - South Towers</b>	<b>Total</b>
Permanent Debt	\$ 89,805	\$ 45,185	\$ 134,990
ITBs	215,000	100,000	315,000
Equity	8,500	-	8,500
Project Costs Funded by Entrance Fees	39,995	15,027	55,022
Total Sources of Funds	\$ 353,300	\$ 160,212	\$ 513,512
<hr/>			
<b>USES OF FUNDS:</b>			
Land and Related	\$ 25,367	\$ -	\$ 25,367
Construction and Related			
Design & Engineering	10,247	875	11,122
Construction and Development	174,846	95,716	270,562
Construction – Indirect	6,774	2,310	9,084
Subtotal - Construction and Related	191,867	98,901	290,768
Occupancy Development/Marketing	13,050	6,500	19,550
Other Costs	5,715	2,233	7,948
Project Contingency	7,044	3,193	10,237
Subtotal - Before Financing	243,043	110,827	353,870
Net Funded Interest Costs	42,779	19,571	62,350
Financing and Issuance Costs	9,061	5,088	14,149
Minimum Liquid Reserve	8,057	3,876	11,933
Debt Service Reserve	20,100	10,500	30,600
Subtotal - Financing and Related	79,997	39,035	119,032
Cash Requirements after Opening	24,208	8,280	32,488
Working Capital Cushion	6,052	2,070	8,122
Total Uses of Funds	\$ 353,300	\$ 160,212	\$ 513,512

Project costs for the North Tower exclusive of financing and related costs (\$51.8 million) and funding of reserves (\$28.2 million) are estimated at \$243.0 million. Project costs for the South Towers exclusive of financing and related costs (\$24.7 million) and funding of reserves (\$14.4 million) are estimated at \$110.8 million. Construction of the North Tower and South Towers are anticipated to be funded with tax-exempt fixed-rate temporary debt (“Temporary Debt”) and tax-exempt fixed-rate permanent debt (“Permanent Debt”) issued by Build NYC Resource Development Corporation, equity and entrance fees. The Temporary Debt funds total approximately \$315.0 million of total project costs. All Temporary Debt is planned to be retired with entrance fees from occupancies in the independent living apartments in 2021,

2022, 2023 and 2024 for the North Tower and 2024 and 2025 for the South Towers. Permanent Debt is assumed to have a 35-year term with scheduled amortization in Year 5. The currently assumed all-in interest rate for financing of the North Tower is 6.00% on the Temporary Debt and 7.00% on the Permanent Debt. The currently assumed all-in interest rate for financing of the South Towers is 6.50% on the Temporary Debt and 8.00% on the Permanent Debt. The final capital structure will be determined based on a collective review of the capital markets by the investment banker, Herbert J. Sims (“Sims”) and financing team as development progresses.

### **Projected Financial Performance**

The cash flow analysis demonstrates that the Community is financially viable after achieving stabilized occupancy. The North Tower is anticipated to reach stabilized occupancy in fiscal year 2024 after a 36 month fill-up period. At that time, the Community is anticipated to generate net cash flow, including net entrance fees from turnover, of approximately \$9.9 million in 2025, the first full year after stabilized occupancy. In 2025, the projected debt service coverage ratio from operations and entrance fees is 1.61X and the projected cash to debt ratio, including restricted cash reserves, is 66%.

The South Towers will open in January 2024 and will reach stabilization in 2026. Net cash flow generated including net entrance fees received will be approximately \$19.6 million in 2027, the first full stabilized year of the Community. Consolidated cash reserves after retirement of short term debt will be approximately \$122.6 million and the projected debt service coverage ratio is 1.89X including net turnover entrance fees. The projected cash to debt ratio, including restricted cash reserves, is 93%.

	2025 <sup>(1)</sup>		2027 <sup>(1)</sup>	
	North Tower		North and South Towers	
Funds Generated before Debt Service <sup>(2)</sup>	\$	6,738	\$	9,815
Debt Service	\$	(6,837)		(10,945)
Capital Expenditures		(725)		(1,275)
Net Cash Flow Before Entrance Fee	\$	(824)	\$	(2,405)
Net Resident Deposits Received <sup>(2)</sup>	\$	9,332	\$	19,607
Net Cash Generated	\$	8,508	\$	17,202
Debt Coverage Ratio From Operations and Turnover Resident Deposits		2.22X		2.45X
Debt Coverage Ratio From Operations Only		.93X		.82X
Cash Reserves	\$	61,825	\$	122,595
Total Debt Outstanding	\$	89,254	\$	132,304
Percentage of Cash Reserves to Debt Outstanding		69%		93%
Unrestricted Days Cash on Hand		783		971

(1) First full year of stabilized operations

(2) Financial projections reflect actuarial projection as provided by AV Powell

### **Pre-finance Capital Requirements**

To fund development costs prior to the start of construction, approximately \$40.2 million will be required for development capital for land costs, design and engineering, development, marketing and other project costs. Pre-finance development costs will be funded through the Hebrew Home

Foundation. At the time of permanent financing, the Foundation will be reimbursed for all but \$8.5 million of pre-finance costs pursuant to the contribution agreement between the Foundation and the Sponsor.

**E. REGULATORY REQUIREMENTS**

The Community will be governed under Article 46 of the New York Public Health Law. A Certificate of Authority is required prior to accepting 10% deposits.

**F. KEY CONSIDERATIONS**

The Development Plan (the “Plan”) is based upon a set of assumptions determined as of the date of the Plan, unless otherwise noted. With the development and operation of any business, assumptions change. Changes in assumptions may occur as a result of prudent and conscious business decisions or possibly uncontrollable factors or events. These changes may create reduced revenues, increased costs, or extended timelines. To the extent possible, the Plan will adjust to address changes.

Certain factors and events may unfavorably impact the Plan. These factors and events may include, but are not limited to, increased costs, lower than anticipated revenues, employee relations, taxes, governmental controls, changes in regulations, changes in demographic trends, changes in general and local real estate conditions, changes in the competitive environment, changes in retirement living and health care industries, and general and local economic conditions. The Plan is not intended to identify, quantify, address or represent an exhaustive list of factors, nor can it predict events outside the control of Hebrew Home or Greystone.

**G. PRELIMINARY DEVELOPMENT TIMELINE**

Once the Certificate of Authority is received, currently anticipated in August 2017, the Community will initiate pre sales-activity. At that time, the Community will begin accepting 10% deposits for the independent living apartments. Achievement of 75% pre-sales of the North Tower is expected to be achieved by March 2019. Completion of construction documents and receipt of a Guaranteed Maximum Price (“GMP”) contract is anticipated to occur in March 2019. Permanent financing and construction start for the North Tower is planned for June 2019. Construction of the North Tower is anticipated to take 26 months for full completion, with initial independent living occupancy anticipated after 27 months in September 2021. The North Tower independent living apartments are planned to fill to stabilized occupancy (95%) over a 36 month period. The first full year after reaching stabilized occupancy, or the Stable Year, is anticipated to be 2025.

Permanent financing and construction start for the South Towers is planned for October 2021, and expected to take 26 months for full completion, with initial independent living occupancy of the South Towers anticipated after 27 months in January 2024. The South Towers are planned to fill to stabilized occupancy (95%) over a 27 month period. The first full year after reaching stabilized occupancy, or the Stable Year, is anticipated to be 2027.



## II. MARKET ANALYSIS

### A. INTRODUCTION

The purpose of the market analysis is to define a market-driven project scope and size for a specific market by determining marketplace needs and potential. Local demographics are analyzed utilizing industry guidelines tailored to the local market to define the target population and primary market area. A review of existing and planned senior housing alternatives is conducted to understand how the needs of the marketplace have already been, or will be, met. Market penetration analyses are then completed to define: (i) the recommended number of residential apartments to be developed; (ii) the unit mix; and (iii) a market-based resident program and pricing structure.

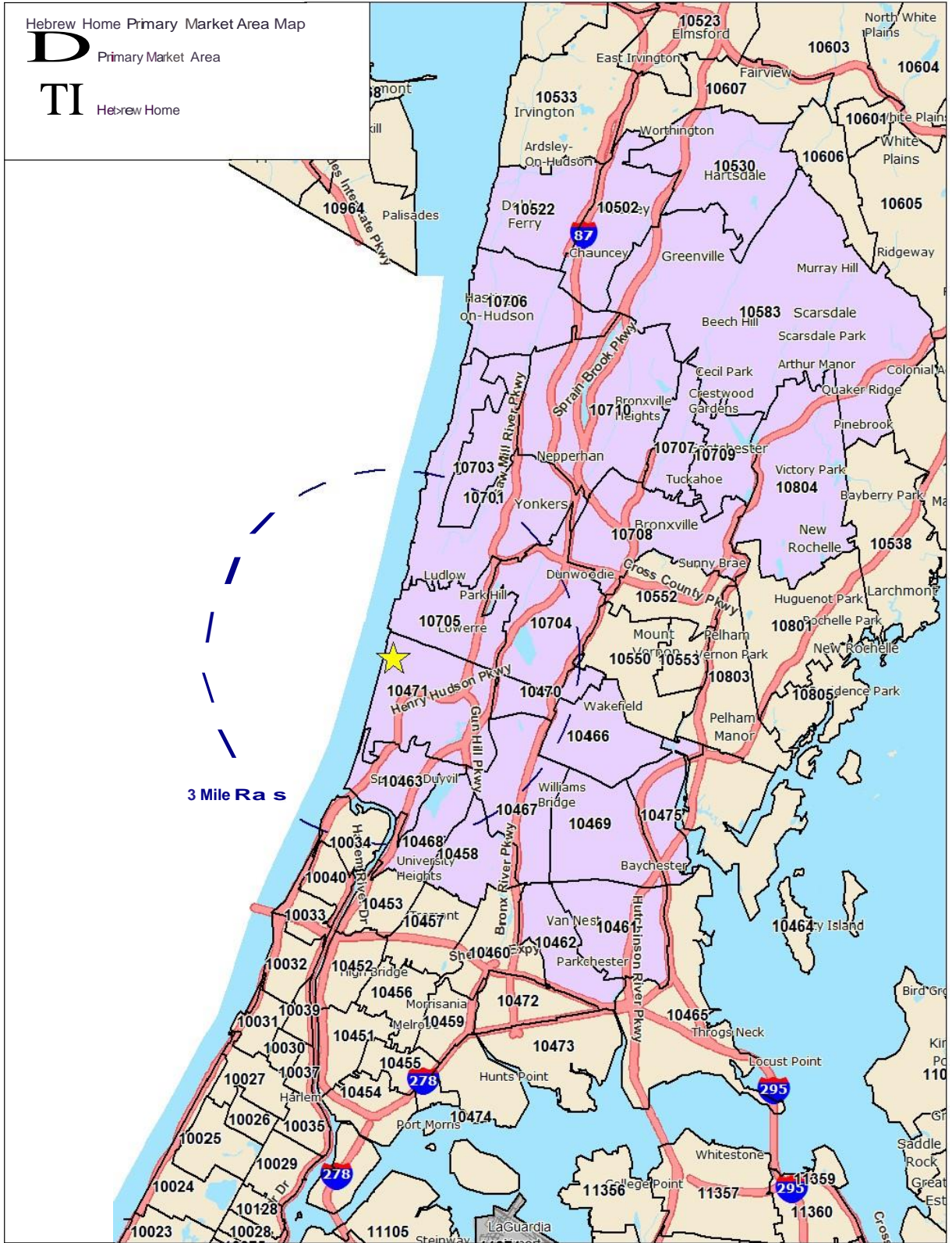
### B. PRIMARY MARKET AREA

The primary market area (“PMA”) is defined as the probable geographic area from which the community will draw a majority of its residents. The PMA definition considers the zip code origin of existing Hebrew Home residents, experience of other senior living providers in the market, as well as taking into account man-made, socio-economic, and natural barriers. The PMA was also confirmed based on site visits to the market.

Based on the factors described above, the PMA for the Community is defined as encompassing a twenty-five zip code area covering approximately 69 square miles of the Bronx area. The primary market area is bounded by Manhattan to the south, the Hudson River to the west and the Tappan Zee Bridge to the north. This PMA encompasses the Riverdale section of the Bronx and those communities in southern Westchester County along the Hudson River as well as Scarsdale and New Rochelle. The PMA consists of the following zip codes that are generally within a five mile radius of Hebrew Home: 10458, 10461, 10462, 10463, 10466, 10467, 10468, 10469, 10470, 10471, 10475, 10502, 10522, 10530, 10583, 10701, 10703, 10704, 10705, 10706, 10707, 10708, 10709, 10710, and 10804. For planning purposes, approximately 75% of the Community’s residents are expected to originate from the PMA. Although the location of the site is in close proximity to New Jersey, it is geographically separated by the Hudson River. Generally, crossing a geographic barrier such as a river or moving a greater distance is a greater barrier to entry to the Community. Although New Jersey is not included in the PMA, it is expected that 25% of the resident population will come from other areas of New York, including Manhattan, and out-of-state (including New Jersey).

Figure 1 presents a map of the area that shows the PMA.

**Figure 1**  
**Primary Market Area Map**

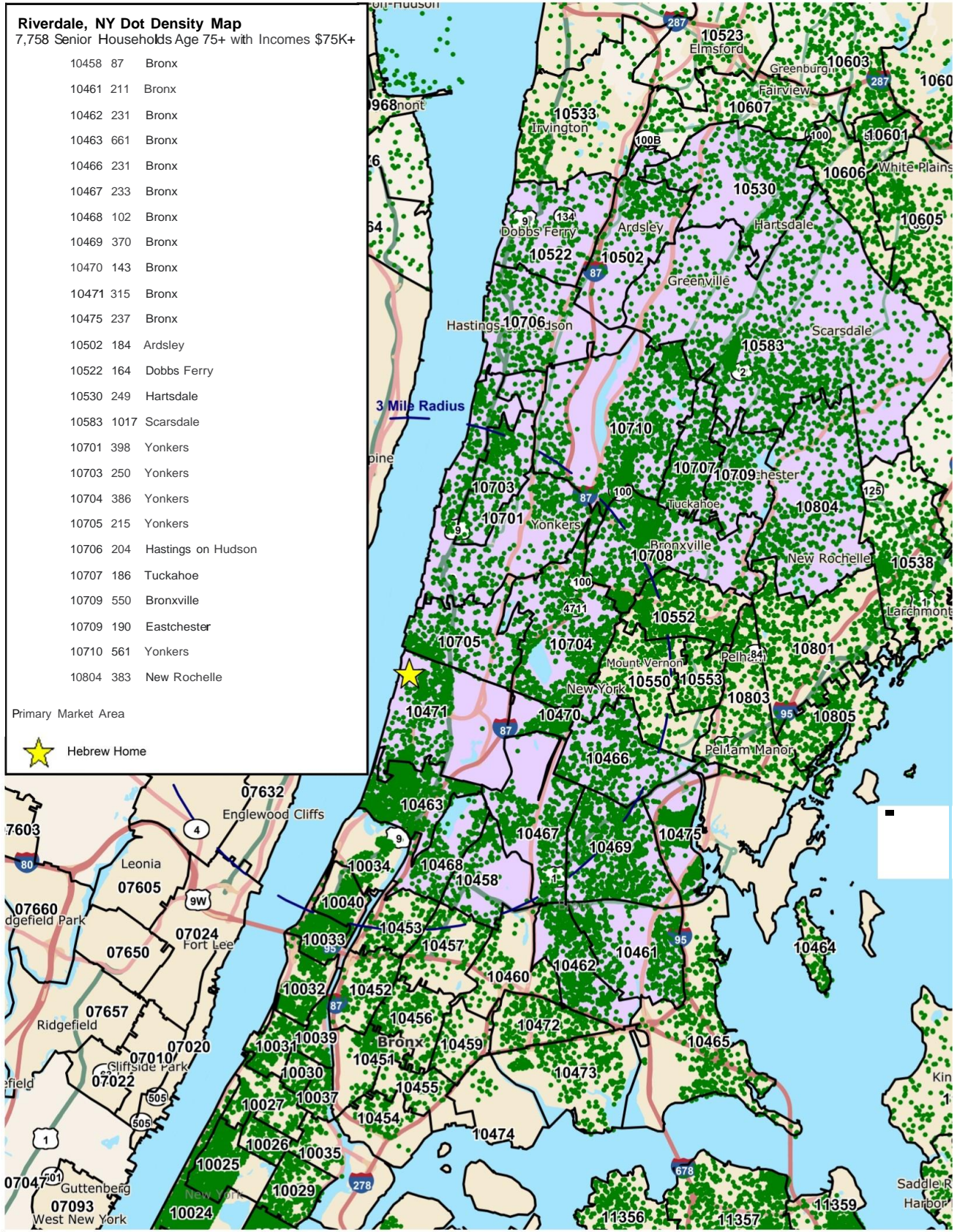


## C. **INDEPENDENT LIVING**

### **Target Population**

The target population for independent living is seniors age 75 years and older with incomes greater than \$75,000 residing within and around the PMA. Figure 2 reflects the distribution of approximately 7,760 senior households age 75 years and older with estimated annual income of at least \$75,000 in 2016. Approximately 75% of the residents for the Community are planned to originate from within the PMA. Although New Jersey is not included in the PMA, it is expected that 25% of the resident population will come from other areas of New York, including Manhattan, and out-of-state (including New Jersey). Seniors may also move from outside of the region to be near family or for other reasons.

**Figure 2**  
**PMA Dot Density Map**



**PMA Population and Growth**

Population estimates for 2016 indicate there are approximately 68,427 seniors (42,469 households) age 75 years and older in the PMA. This represents 6.8% of the overall population and 11.2% of all area households and is projected to grow 1.7% annually over the next five years. Table 1 indicates the estimated senior population and projected rate of growth for the 75 years and older age group in the PMA.

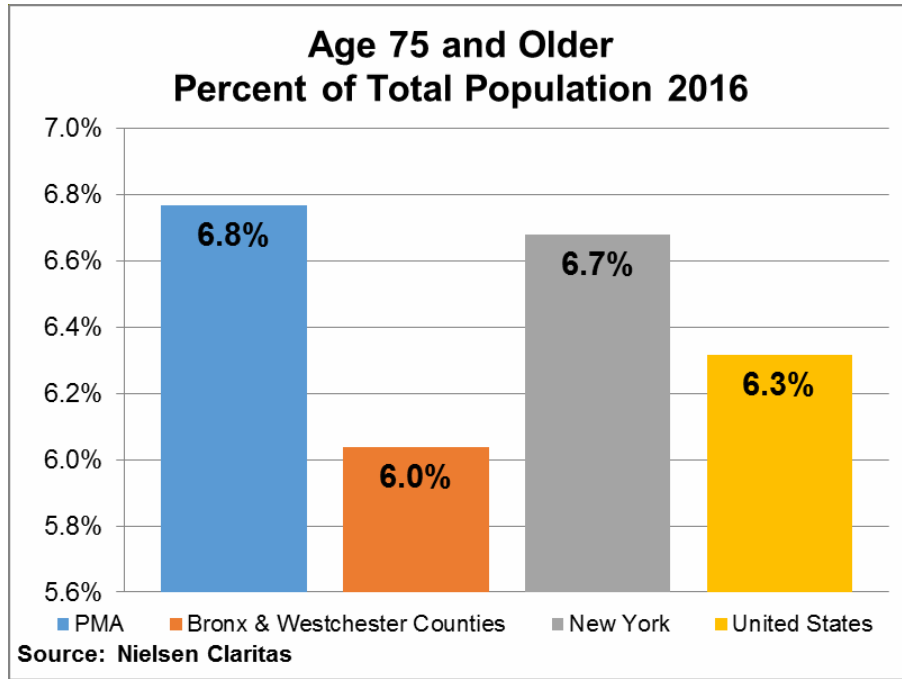
**Table 1  
Key Population and Growth Statistics  
Year 2016 Estimates**

2016 <sup>(1)</sup>	
<b><u>Population</u></b>	
Total Population	1,010,944
Seniors Age 75+	68,427
% of Total Population	6.8%
Projected Annual Growth Rate (75+)	1.7%
Seniors Age 85+	23,378
% of Total Population	2.3%
Projected Annual Growth Rate (85+)	0.8%
<b><u>Households</u></b>	
Total Households	378,347
Senior Households Age 75+	42,469
% of Total Households	11.2%
Projected Annual Growth Rate (Age 75+)	1.7%
Senior Households Age 85+	14,016
% of Total Households	3.7%
Projected Annual Growth Rate (Age 85+)	0.8%

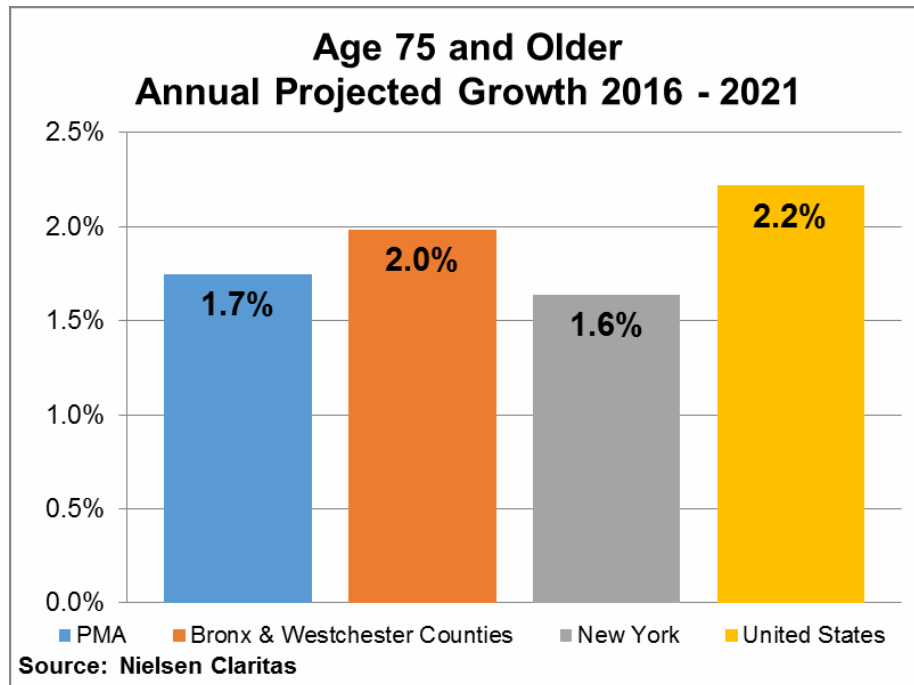
<sup>(1)</sup> Source: Nielsen Claritas

As Figure 3 below indicates, seniors age 75 years and older in the PMA as a percentage of the total population (6.8%) is more than Bronx and Westchester Counties (6.0%), the State of New York (6.7%) and the Nation (6.3%). The high concentration of seniors within the PMA indicates the area is a maturing market. Mature markets such as this are expected to have slower growth rates; therefore, it is not unusual that the projected growth rate for the PMA is 1.7%, which is lower than Bronx and Westchester counties (2.0%) and the Nation (2.2%), however, it is higher than the state of New York (1.6%). Appendix A-1 and Appendix A-2 present an overview of the demographic characteristics of the PMA.

**Figure 3**  
**Comparative Senior Demographics in the PMA**  
**Age 75 and Older**  
**Percent of Total Population in 2016**



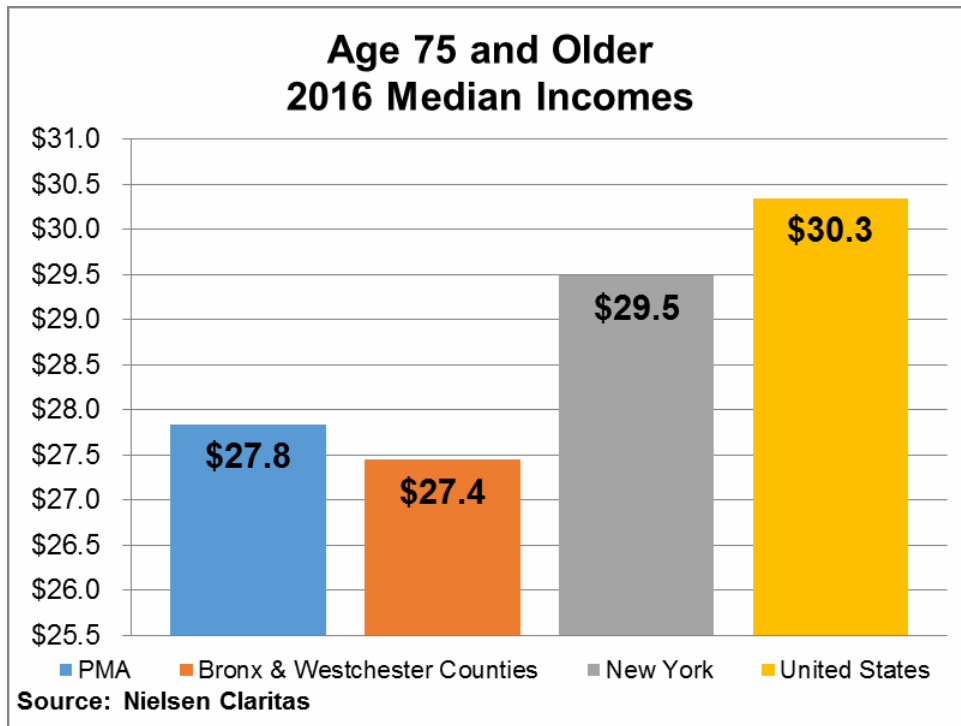
**Figure 4**  
**Comparative Senior Demographics in the PMA**  
**Age 75 and Older**  
**Annual Projected Growth 2016 – 2021**



**PMA Economic Characteristics**

Using estimated 2016 median incomes as a measure, seniors age 75 years and older in the PMA have a level of economic affluence (\$27,800) higher than Bronx and Westchester counties (\$27,400), but slightly below that of the State (\$29,500), and the Nation (\$30,300), as illustrated in Figure 5 below. Appendix A-3 presents an overview of the economic characteristics of the senior population in the PMA.

**Figure 5  
Comparative Senior Economics in the PMA  
2016 Median Income**



MLS data for PMA single-family homes sales for the calendar years 2014, 2015 and 2016, which is summarized in Table 2 below, was obtained from Redfin. The data indicates an improving real estate market since 2014, with an increasing average and median sales prices.

**Table 2**  
**PMA Real Estate Statistics**

Single Family Home Sales Data <sup>(1)</sup>							
ZIP Code	City	2014		2015		2016	
		No. of Home s Sold	Median Sale Price	No. of Home s Sold	Median Sale Price	No. of Home s Sold	Median Sale Price
10458	Bronx	7	236,338	9	\$ 336,611	2	\$ 1,262,500
10461	Bronx	68	409,900	72	\$ 407,101	24	\$ 402,792
10462	Bronx	13	328,600	10	\$ 340,352	11	\$ 385,204
10463	Bronx	18	621,720	20	\$ 488,797	2	\$ 412,500
10466	Bronx	58	326,443	62	\$ 313,220	18	\$ 347,822
10467	Bronx	16	319,931	21	\$ 334,665	4	\$ 344,150
10468	Bronx	6	429,000	10	\$ 360,220	0	\$ -
10469	Bronx	114	384,351	109	\$ 389,721	24	\$ 402,261
10470	Bronx	16	421,025	24	\$ 424,950	5	\$ 386,200
10471	Bronx	29	1,039,205	44	\$ 1,177,156	11	\$ 1,157,091
10475	Bronx	10	365,150	2	\$ 297,500	2	\$ 452,500
10502	Ardsley	56	760,409	59	\$ 773,245	17	\$ 686,324
10522	Dobbs Ferry	61	790,674	82	\$ 830,470	33	\$ 762,009
10530	Hartsdale	105	612,896	97	\$ 559,154	37	\$ 558,579
10583	Scarsdale	2	666,000	1	\$ 1,050,000	66	\$ 1,473,460
10701	Yonkers	78	460,915	67	\$ 396,242	35	\$ 420,102
10703	Yonkers	45	342,483	56	\$ 395,969	24	\$ 349,092
10704	Yonkers	83	372,373	81	\$ 393,062	37	\$ 396,825
10705	Yonkers	62	419,752	63	\$ 397,358	31	\$ 501,165
10706	Hastings on Hudson	72	728,853	82	\$ 842,856	25	\$ 775,220
10707	Tuckahoe	65	615,559	52	\$ 584,253	19	\$ 610,868
10708	Bronxville	164	1,372,549	135	\$ 1,522,781	59	\$ 1,491,309
10709	Eastchester	78	747,702	68	\$ 745,724	34	\$ 761,529
10710	Yonkers	142	428,534	131	\$ 444,633	54	\$ 468,907
10804	New Rochell	169	820,971	168	\$ 796,457	67	\$ 799,441
<b>Total / Wtd. Average</b>		<b>1,537</b>	<b>\$ 648,182</b>	<b>1,525</b>	<b>\$ 657,752</b>	<b>641</b>	<b>\$ 751,778</b>

Highlighted ZIP Code indicates the location of the Community

<sup>(1)</sup> Source: Redfin through June 9, 2016, unless otherwise noted.

As shown in Table 3, 42% of homes sold in the PMA through June 9, 2016 were sold for \$650,000 or greater (approximately the lowest proposed entrance fee) and 21% of homes were sold for \$900,000 or greater (approximately the average proposed entrance fee) in 2016.

**Table 3**  
**PMA Real Estate Statistics**  
**Depth of Home Value Market**

PMA Depth of Real Estate Market <sup>(1)</sup>							
2016 Calendar Year							
	Under \$300K	\$300K - \$650K	\$650K - \$900K	\$900K - \$1,000K	\$1,000K - \$1,250K	Over \$1,250K	Total
<b>Total PMA</b>	<b>33</b>	<b>348</b>	<b>130</b>	<b>24</b>	<b>32</b>	<b>75</b>	<b>618</b>
<b>% of Total PMA</b>	<b>5%</b>	<b>56%</b>	<b>21%</b>	<b>4%</b>	<b>5%</b>	<b>12%</b>	

<sup>(1)</sup> Source: Redfin through June 9, 2016, unless otherwise noted.



### **Competitive Environment**

Existing and planned communities are evaluated to understand which providers may compete with the Community. To determine how competitive each provider may be in attracting the target population, a number of quantitative and qualitative factors are considered including resident program and service package, type of living apartments, levels of care provided, pricing structure, location, facility age, and appearance. Competitive survey results indicate:

- No CCRCs exist within the PMA
- Four CCRCs exist near the PMA
  - All four offer a continuum of care
  - Two offer Life Care and are licensed under Article 46
- Four independent living communities in the PMA

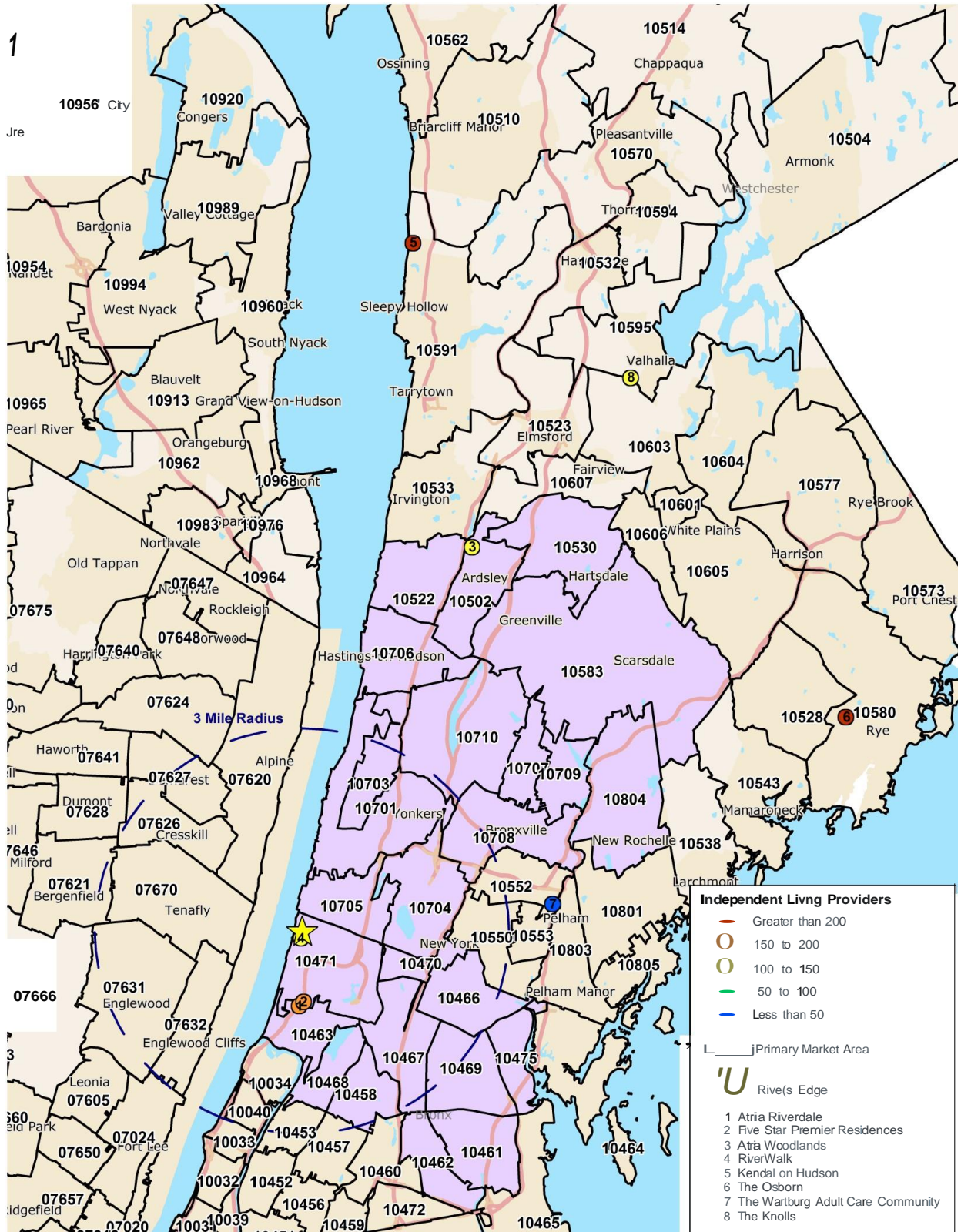
Table 4 summarizes key information for each independent living provider in and around the PMA. Figure 6 reflects the location of the providers in relation to Hebrew Home.

Table 4  
Overview of Independent Living Providers  
Within the PMA

	Type	Profit/ Non-Profit	Year Opened	Occupancy	IL Units
River's Edge	CCRC	Non-Profit	2021	0.0%	388
EXISTING WITHIN THE PMA:					
Atria Riverdale	IL, AL, ALZ	Profit	2002	95.0%	170
Five Star Premier Residences	IL, AL, ALZ	Profit	2000	85.0%	199
Atria Woodlands	IL, AL, ALZ	Profit	2004	93.0%	100
RiverWalk	IL	Non-Profit	2003	93.0%	140
<i>Subtotal Existing within the PMA</i>				90.9%	609
EXISTING OUTSIDE THE PMA:					
Kendal on Hudson	CCRC	Profit	2005	93.0%	222
The Osborn- Entrance Fee	CCRC	Non-Profit	1908/ 1994	95.0%	188
The Osborn- Rental	CCRC	Non-Profit	1908/ 1994	95.0%	37
The Wartburg Adult Care Community	IL, AL, ALZ	Non-Profit	1866/ 1995	90.0%	31
The Knolls	CCRC	Non-Profit	2002	70.0%	120
<i>Subtotal Existing outside the PMA</i>				89.0%	598
<b>TOTAL INDEPENDENT LIVING UNITS</b>				90.0%	1,207

Source: Interviews with community personnel, marketing brochures, and the Internet  
 NAV- Information not available or not provided  
 N/A- Not applicable

**Figure 6**  
**Location of Independent Living Providers within and Around the PMA**



Each CCRC and market-rate independent living provider within and near the PMA is described below. To determine how competitive each provider may be in attracting the target population, a number of quantitative and qualitative factors are considered including resident program and service package, type of living apartments, levels of care provided, pricing structure, location, facility age, and appearance. Competitor ratings range from 0% to 100% in 25% increments, with 100% as the most competitive rating. These competitor ratings are used to estimate the number of competitive apartments for the penetration analyses.

### **Independent Living Providers Inside the PMA**

**Atria Riverdale** (“Atria”) is a for-profit, Atria Senior Living Group community that opened in 2002 and offers independent living and memory support. The community consists of 170 independent living apartments and 38 memory support apartments. The community is currently 95% occupied in independent living. The community does not offer life care or a defined health care benefit, but does work with Sterling Glen home health care on-site for all assisted living needs.

Independent living apartment monthly rental fees range from \$4,570 for the smallest studio unit to \$5,230 for the largest two-bedroom unit. The rental fee includes 3 meals per day (with Kosher options available) and weekly housekeeping and linen service. Residents are also expected to pay a deposit equal to first month’s rent. Residents have access to concierge service, fitness center, active Jewish lifestyle and a fee membership to the local YMCA.

Although Atria does not offer life care and is not a CCRC, they are considered 50% competitive for planning purposes due to the active Jewish lifestyle and the proximity to the Community.

**Five Star Premier Residences** (“Premier”) is a for-profit community that opened in 2000 and offers independent living, assisted living, and memory support. Premier includes a total of 199 independent living apartments, 75 assisted living units, and 35 memory support units. Premier does not offer life care or a defined health care benefit and is 85% occupied in independent living.

Independent living apartment monthly rental fees range from \$4,007 for the smallest one-bedroom unit to \$6,200 for the largest two-bedroom unit. The rental fee includes 2 meals per day (breakfast plus choice of lunch or dinner) and weekly housekeeping and linen service. Residents are also expected to pay a one-time community fee of \$2,500 and one-time security deposit of one and a half times the monthly fee upon signing the resident agreement. Residents have access to concierge service, fitness center, art center, media room, card and billiard space, library and on site salon.

Although Premier does not offer life care, is not a CCRC, and does not offer nursing care, they are considered 100% competitive for planning purposes due to the continuum of care offered and the proximity to the Community.

**Atria Woodlands** (“Woodlands”) is a for-profit, Atria Senior Living Group community established in 2004 and offers independent living, assisted living, and memory support. The community consists of 100 independent living apartments, 50 assisted living apartments, and 25 memory support units. The community is currently 93% occupied in independent living.

Independent living apartment monthly rental fees range from approximately \$5,500 for the smallest studio unit to upwards of \$9,000 for the largest two-bedroom unit. The rental fee includes 3 meals per day and weekly housekeeping and linen service.

Although Atria does not offer life care and is not a CCRC, they are considered 50% competitive for planning purposes due to the distance from the community and the rental model of the community.

**RiverWalk** is the current independent living residences on the RiverSpring Campus. The rental community opened in 2003 and consists of 140 moderately priced, independent living apartments that are currently at 93% occupied.

Independent living apartment monthly rental fees range from \$1,113 for the smallest one-bedroom unit to \$7,115 for the largest penthouse unit. The rental fee includes 2 meals per day (breakfast and dinner) and weekly housekeeping and linen service. Community amenities include a movie theater, fitness center, expansive common areas and a new dining room. Finally, the community offers a very rich Jewish lifestyle and community.

Although RiverWalk does not offer life care and is not a CCRC, they are considered 50% competitive for planning purposes due to the fact that these apartments are located on the RiverSpring Campus.

### **Independent Living Providers Outside the PMA**

**Kendal on Hudson** (“Kendal”) is a non-profit entrance fee CCRC that opened in 2005. Kendal offers a full continuum of care and a Life Care benefit to residents under two contract options. The community includes 222 independent living apartments and is currently 93% occupied in independent living.

Independent living apartment monthly service fees range from \$3,800 for the smallest studio unit to \$7,200 for the largest two-bedroom unit. The residential component of the entrance fees for these same units range from approximately \$130,914 for the smallest one-bedroom unit to \$1,200,000 for the largest two-bedroom unit. In addition to the residential portion mentioned above, there is a \$85,000 per person Life Care component of the entrance fee. The monthly service fee includes a monthly meal plan and weekly laundry and linen service. Fees include all utilities except telephone. Residents have access to community center, indoor pool, library, on site bank, craft studio, and computer lab.

Most entrance fees are 50% refundable on the residential component of the fee. Residents also have an option for full Life Care or Modified Life Care. Under the modified contract, residents would receive a credit on the Life Care component of their entry fee and would be provided with 100 aggregate days of care in the nursing facility in their current monthly service fee. Residents are also given a 90% refundable option for either the Life Care or Modified contract, but pricing is determined based on the age of the resident at the time the contract is signed.

Although the Kendal is outside the PMA, it is considered 100% competitive for planning purposes due to the CCRC model and comparability with Community lifestyle and services.

**The Osborn** (“Osborn”) is a non-profit rental and entrance fee CCRC that opened in 1908, with the most recent renovation in 1994. The Osborn offers independent living, assisted living, memory support, and skilled nursing. The community includes 225 independent living apartments (188 entrance fee and 37 rental), 67 assisted living units, and 84 private skilled nursing rooms (memory support units are part of the skilled nursing center. The Osborn does not offer Life Care and is currently 95% occupied in independent living.

The entrance fee independent living apartment monthly service fees range from \$3,653 for the one-bedroom unit to \$5,379+ for the Garden Homes. The entrance fees for these same units range from \$455,550 for the one-bedroom unit to \$1,267,228+ for the largest Garden Home. The monthly service fee includes 15 to 30 meals per month and weekly housekeeping and linen service. The rental independent living apartment monthly rental fees range from \$4,786 for the smallest studio unit to \$14,671 for the three bedroom unit. The rental fee includes 1 meal per day and weekly housekeeping and linen service. Both fee types include all utilities except cable and telephone. Residents have access to the fitness center including an indoor pool, 24 hour media screening room, and game and billiard room.

Entrance fees are fully refundable and residents have access to the full continuum of care on the Osborn campus with a fee-for-service program. Rental residents are provided up to 10 hours of Personal Care per year by Osborn Home Care with their monthly rental fee.

Although the Osborn is outside the PMA, it is considered 100% competitive for planning purposes due to the CCRC model and comparability with Community lifestyle and services.

**Wartburg Adult Care Community** (“Wartburg”) is a not-for-profit community offering independent living, assisted living and memory support. Wartburg originally opened in 1866 and underwent renovation in 1995. The community consists of 31 independent living cottages, 88 assisted living units, and 15 memory support units. Wartburg does not offer life care or a defined health care benefit and is 90% occupied in independent living.

Independent living cottage monthly rental fees range from \$3,750 for the one-bedroom cottage to \$4,170 for the two-bedroom cottage. The rental fee includes 1 meal per day (lunch) and bi-weekly housekeeping. Residents are also expected to pay a one-time community fee of \$2,500. No utilities, cable or television is included in the monthly fee. Residents have access to all amenities available at Meadowview, the assisted living center.

Since Wartburg does not offer life care, is not a CCRC, and is located outside of the PMA, they are considered 25% competitive for planning purposes.

**The Knolls** is a non-profit entrance fee community that opened in 2002. Formerly known as Westchester Meadows, the Knolls was recently purchased by Bethel Communities. The Knolls offers independent living and enriched housing. The community includes 120 independent living apartments, 10 enriched housing units. Occupancy is currently 70% in independent living.

Independent living apartment monthly service fees range from \$4,415 for the smallest one-bedroom unit to \$7,110 for the largest two-bedroom unit. The entrance fees for these same units range from \$357,585 for the smallest one-bedroom unit to \$860,269 for the largest two-bedroom unit. The monthly service fee includes 1 meal per day and weekly housekeeping and linen service. Fees include all utilities except premium cable and telephone. Residents have access to wellness

center, indoor pool, library and communications center, card room, beauty salon and barber shop, and on-site convenience store.

Entrance fees are fully refundable for the first 90 days after the resident takes occupancy of their unit. A 4% processing fee is charge after 90 days and the entrance fee then begins to amortize 2% per month until it reaches 65%, after which it remains 65% refundable. Resident contracts provide for 60 cumulative lifetime days of enriched housing and 60 cumulative lifetime days of skilled nursing care services at the same monthly fee as independent living.

Although The Knolls is outside the PMA, it is considered 100% competitive for planning purposes due to the CCRC model, Life Care benefit, and comparability with Community lifestyle and services.

### **Market Penetration Analysis**

Market penetration analyses are performed to assess the senior market's ability to support additional independent living apartments based on the target population, PMA, senior demographics, economics, and competitive environment. The market penetration analyses measure the relative strength of the market by determining the percentage of financially-qualified senior households in the PMA that are required to fill the independent living and competing apartments within a reasonable time period. The analyses also help to define a unit mix and resident fee structure that can be supported by the market. In order to measure the markets ability to support the Community, the market penetration analysis includes all 388 planned independent living apartments.

Reasonable market penetration rates vary based on the characteristics of the local market analyzed. Based on the defined PMA demographics, senior economics, and competitive characteristics, a market penetration less than 10% is considered reasonable.

As outlined in Section III.C, the resident fee structure for the independent living apartments includes a monthly service fee plus a highly refundable entrance fee. As a result, two penetration analyses are necessary. The first correlates senior income with the proposed monthly service fee. The second correlates home value with the proposed entrance fee. Both penetration analyses are based on the projected number of financially qualified senior households in 2021 which is the first year that the independent living apartments are open.

The number of competitive apartments utilized in both penetration analyses is determined by:

- Estimating the number of available apartments in the PMA, based on current occupancy at each provider;
- Estimating the number of turnover apartments (resold and reoccupied units) each year (ranges from 12% for entrance fee-based CCRCs to 25% for rental providers); and
- Adjusting the total available and turnover apartments at each provider by applying a competitive factor ranging from 0% to 100%.

Based on the methodology described above, 203 competitive units are included in the penetration analyses.

### **Income-Qualified Market Penetration**

The approximate income needed to comfortably afford the smallest one bedroom independent living apartment is \$101,900 based on the recommended monthly service fee presented in Section III.C. Income qualification assumes seniors utilize 60% of their annual income to afford the monthly service fee. 2021 demographic and economic projections indicate that approximately 5,760 households in the PMA age 75 years and older have sufficient income to comfortably afford the smallest new one bedroom independent living apartment. The approximate annual income needed to afford the smallest new two bedroom independent living apartment is \$133,900. Approximately 3,754 households in the PMA age 75 years and older have sufficient annual income to comfortably afford the smallest two bedroom apartment.

### **Home Value-Qualified Market Penetration**

Seniors may use the proceeds from selling their primary residence to pay the entrance fee. Therefore, home values are used as a basis to calculate entrance fee penetration rates. The proposed entrance fee for the smallest new one bedroom independent living apartment is \$769,900 in 2021 (see Section III.C). Approximately 11,642 households in the PMA age 75 years and older are projected to have a home value of \$769,900 or higher in 2021. The proposed entrance fee for the smallest new two bedroom independent living apartment is \$1,039,900 in 2021. Approximately 6,852 households in the PMA age 75 years and older are projected to have a home value of \$1,039,900 or higher in 2015. Step penetration calculations based on income and home value for Independent Living are presented in Table 5 and Table 6, respectively, below.



**Table 5**  
**PMA Market Penetration Percentages: Income-Qualified**

UNIT STYLE	UNIT NAME	SQUARE FEET	2021 PROPOSED MONTHLY FEE	2021 REQUIRED ANNUAL INCOME	2021 INCOME-QUALIFIED HOUSEHOLDS	Independent Living Apartments									TOTAL
						One Bedroom One Bed Interior	One Bedroom One Bed Premium	One Bedroom One Bed Den Interior	One Bedroom One Bed Den Premium	One Bedroom One Bed Deluxe Interior	One Bedroom One Bed Deluxe Premium	Two Bedroom Two Bed Interior	Two Bedroom Two Bed Premium	Two Bedroom Two Bed Den Premium	
HOUSEHOLDS 75+						45	31	14	12	33	58	47	66	82	388
One Bedroom	One Bed Interior	750	\$5,095	\$101,900	5,760	5.8%									
One Bedroom Premium	One Bed Premium	750	5,095	101,900	5,760		5.2%								
One Bedroom Den	One Bed Den Interior	850	5,695	113,900	4,973			5.4%							
One Bedroom Den Premium	One Bed Den Premium	850	5,695	113,900	4,973				5.2%						
One Bedroom Deluxe	One Bed Deluxe Interior	950	6,195	123,900	4,318					5.7%					
One Bedroom Deluxe Premium	One Bed Deluxe Premium	950	6,195	123,900	4,318						1.1%				
Two Bedroom	Two Bed Interior	1,050	6,695	133,900	3,754							4.5%			
Two Bedroom Premium	Two Bed Premium	1,050	6,695	133,900	3,754								3.4%		
Two Bedroom Den	Two Bed Den Premium	1,200	7,495	149,900	2,871									2.5%	
TOTAL UNITS TO BE ABSORBED BY HOUSEHOLDS 75+						337	298	271	259	248	220	169	128	71	

NOTES:  
 Assumes 100.0% of Home Value Available for Entrance Fees  
 Assumes 203 units of competition to be filled based on current occupancy and estimated turnover  
 Assumes 75.0% of Residents Originating from within PMA  
 Assumes 80.0% of Residents Age 75 and Above  
 Assumes 95.0% Stabilized Occupancy

SOURCES:  
 U.S. Census Bureau  
 Nielsen Claritas, Inc.  
 Greystone Communities

**Table 6**  
**PMA Market Penetration Percentages: Home Value-Qualified**

		2021-2021													
		One Bedroom Interior		One Bedroom Premium		One Bedroom Den Interior		One Bedroom Den Premium		One Bedroom Deluxe Interior		One Bedroom Deluxe Premium			
		45	31	14	12	33	58	47	36	82					
<i>HOUSEHOLDS 75+</i>															
One Bedroom	One Bed Interior	750	\$769,900	11,642	2.9%										
One Bedroom Premium	One Bed Premium	750	\$799,900	11,110		2.7%									
One Bedroom Den	One Bed Den Interior	850	\$849,900	10,223			2.6%								
One Bedroom Den Premium	One Bed Den Premium	850	\$884,900	9,602				2.7%							
One Bedroom Deluxe	One Bed Deluxe Interior	950	\$939,900	8,627					2.9%						
One Bedroom Deluxe Premium	One Bed Deluxe Premium	950	\$979,900	7,917						2.8%					
Two Bedroom	Two Bed Interior	1,050	\$1,039,900	6,852						2.5%					
Two Bedroom Premium	Two Bed Premium	1,050	\$1,004,900	6,105							2.1%				
Two Bedroom Den	Two Bed Den Premium	1,200	\$1,249,900	4,906								1.4%			
<b>TOTAL UNITS TO BE ABSORBED BY HOUSEHOLDS 75+</b>		<b>337</b>		<b>298</b>		<b>271</b>		<b>259</b>		<b>248</b>		<b>220</b>	<b>169</b>	<b>128</b>	<b>71</b>

NOTES: Assumes 203 units to be filled based on current occupancy and estimated turnover  
 Assumes 100.0% of Home Value Available for Entrance Fees for Penetration Purposes  
 Assumes 75.0% of Residents Originating from within PMA  
 Assumes 80.0% of Residents Age 75 and Above  
 Assumes 95.0% Stabilized Occupancy

SOURCES: U.S. Census Bureau  
 Nielsen Clintas, Inc  
 Greystone

## D. MARKET CONCLUSIONS

Market conditions in the PMA are summarized below:

### **Independent Living Apartments**

- Market penetration rates and current occupancy at comparable providers support the addition of independent living units.
  - 5,760 age- and financially-qualified senior households can afford the lowest priced monthly service fee and 11,642 can afford the lowest priced entrance fee.
  - 42% of homes sold in 2016 were sold for \$650,000 or more.
  - No CCRCs are located within the PMA currently, however there are four CCRCs near the PMA.

Market conditions support a full build development of 388 independent living apartments.

### III. PROJECT SCOPE

Based on the market analysis, there is an opportunity in the PMA for development of new market-rate independent living.

#### A. RECOMMENDED PROJECT SCOPE

Hebrew Home has the ability to expand the organization's philosophy of service to the elderly through other non-reimbursement based means which includes diversifying services to include more private pay, independent living that will serve a younger more independent customer. Based on the results of the market analysis described in Section II, the recommended project scope consists of 388 independent living apartments, implemented in two phases consisting of a North Tower and two South Towers, ranging in size from 750 square feet one bedroom apartments to 1,200 square feet two bedroom apartments. The project will be constructed in two consecutive phases with a North Tower that includes 271 independent living apartments, and South Towers that includes 117 independent living apartments. By contract, assisted living, memory support and nursing services will be provided by an affiliate of Sponsor – Hebrew Home.

Residents of the Community will enjoy use of its various common areas. The common areas of the Community will include, but are not limited to the following:

- Main Dining Room and Private Dining Rooms;
- Bistro/Bar;
- Entry Way/Lobby with Mailroom;
- Beauty Salon and Day Spa;
- Theater;
- Library/Business Center;
- Game Room;
- Assembly/Multi-Purpose Room;
- Arts Studio; and
- Wellness Center and Health Spa with Swimming Pool and locker rooms.

The North Tower will be constructed on property owned by Hebrew Home and located on the RiverSpring Campus and the South Towers will be constructed on property currently owned by the Foundation, adjacent to the property owned by Hebrew Home, on the RiverSpring Health Campus. Both the North and South Towers will have covered parking in a parking garage underneath each respective tower.

## **B. RESIDENT SERVICE PACKAGE**

The package of services available to future residents is an essential component to the success of the Community. The proposed service package is intended to:

- Encourage lifelong independence;
- Provide a supportive environment for the current and future needs of the residents;
- Offer a life care benefit program to reduce potential future health care costs for residents;
- Create an attractive social setting and leisure lifestyle;
- Meet the quality standards and expectations of Hebrew Home; and
- Meet the regulatory requirements of the State of New York.

### **1. Independent Living**

The services to be offered by the Community to residents of the independent living apartments and included in the basic monthly service charge for independent living residents are outlined below:

**Life Care Benefit.** Each independent living resident will receive a life care benefit to reduce the costs associated with higher levels of care. The life care benefit is designed to provide residents with access to and care in the appropriate level of care at the same monthly fee. Basic assisted living, memory support or nursing services, as needed, will be provided at an adjacent, affiliated community, Hebrew Home, subject to applicable law. If it is determined that a resident requires assisted living services or skilled nursing care in the future, the resident will receive priority access to assisted living or skilled nursing services at Hebrew Home.

**Apartment Furnishings.** Independent living apartments will be furnished with floor coverings, window coverings, self-defrosting refrigerator and freezer with ice maker, range and oven, dishwasher, microwave oven, garbage disposal, washer/dryer, and an emergency call system, fire sprinkler system and telephone/data communications port. Apartment furnishings may change from time to time as determined by management of the Community.

**Food Service.** Residents will be entitled to one meal credit per resident for each day of the month (for example, 30 meal credits for June and 31 meal credits for July). Residents may purchase additional meals, guest meals, or use accumulated meal credits for additional meals or guests at any time during the month. Any unused meal credits for any month will be forfeited at the end of each month and may not be applied as a credit against meal charges for any other period. Residents absent from the campus for more than 14 consecutive days will receive a meal credit allowance in conformance with a meal credit policy, provided the Community is given written notice of the intended absence at least ten days in advance. For health-related absences, the prior notice requirement may be waived at the Community's sole discretion. Tray service will be provided when medically necessary.

**Housekeeping.** The Community will provide scheduled housekeeping of the apartments weekly, including vacuuming, light housekeeping, and changing of personal bed linens.

**Linen Service.** The Community will provide scheduled laundry service for personal flat linens weekly.

**Utilities.** The Community will provide sewer, water, waste disposal, electricity, heat and air-conditioning, and basic cable television service for each apartment. Apartments will be centrally wired for basic cable television and telephone service. Residents will pay for all telephone, premium cable television and internet service provider charges.

**Security.** Each apartment will be equipped with smoke detectors and a sprinkler system. A twenty-four (24) hour reception desk will be located at the first floor entrance as well as twenty-four (24) hour television monitoring and on-site security personnel.

**Maintenance.** The Community will maintain all buildings, grounds, and common areas and will be responsible for providing repair, maintenance, and replacement of furnishings provided in the apartments. This is provided such repairs, maintenance, and replacement are not required as a result of other than normal wear and tear.

**Mail.** A U.S. mailbox will be provided in a central location for each apartment.

**Transportation.** The Community will provide local transportation to designated shopping centers, local events, medical facilities, and other local destinations on a regularly scheduled basis, based on resident demand and within limits prescribed by the Community. Additional transportation may be provided on a fee-for-service basis.

**Social, Recreational, and Wellness Programs.** A Social Director will coordinate a variety of social, recreational, educational, and cultural programs for those residents wishing to participate. In addition, the staff of the Community will coordinate educational and screening programs promoting wellness and preventive health maintenance. Specific programs will be based on residents' interest. Participation in these activities is voluntary.

**Property Taxes and Insurance.** The Community will pay for real property taxes or payments in lieu of taxes for the Community, except for those assessed on personal property of residents. The Community will also obtain property and casualty insurance coverage on the buildings and grounds of the Community. Such coverage will not insure against loss or damage to personal property or damage or injury to others caused by residents.

**Access to Assisted Living, Memory Support, and Nursing Services.** Independent living residents will receive priority access to assisted living, memory support, or skilled nursing as needed at an adjacent, affiliated community, Hebrew Home, to the extent allowed by law.

**Additional Independent Living Services.** The following services will also be available on a fee-for-service basis:

- a. Guest meals;
- b. Catering for special occasions;
- c. Barber and beauty salon service;
- d. Tray service, if not medically necessary;
- e. Additional resident meals;
- f. Parking, subject to availability;
- g. Additional housekeeping services;
- h. Laundry services for personal items;
- i. Personalized transportation;
- j. Home health services; and
- k. Clinic/Physician services.

Charges for these additional services and others that may be offered will be made in accordance with the additional services fee schedule then in effect and will be billed monthly.

**Charter Resident Benefits.**

To encourage early commitments to residency at the Community, the Corporation offers Priority Members (Prospective residents who indicate an early interest in the Community during a Priority Program by signing a Reservation Agreement and paying a Reservation Deposit equal to 10% of the Entrance Fee) a package of benefits (“Charter Resident Benefits”). Charter Resident Benefits will include a 10% discount on the Entrance Fee (“Charter Entrance Fee”); guaranteed interest paid at such rate as is earned on the escrow account on the Entrance Fee deposit until the date the independent living residence is ready for occupancy; two (2) months of complimentary Monthly Fees from available occupancy date; Monthly Fees held constant for a particular period of time; and the opportunity to customize and/or personalize their independent living residence.

**2. Assisted Living, Memory Support Assisted Living and Nursing Services**

In addition to the services set forth above in Section III.B, assisted living residents will be provided, in a standard private assisted living unit, services designed to assist with the activities of daily living in accordance with New York regulations. Services may include assistance with dressing, eating, bathing, toileting and ambulation. In addition, residents will receive three meals per day and daily personal laundry service. Residents requiring memory support assisted living services will receive the same services as assisted living residents as well as specialized services and activities related to residents with Alzheimer’s disease or related disorders. Specialized services include programming specifically designed to enhance residents’ comfort by creating an environment promoting choice and evoking pleasant memories through familiar schedules and surroundings.

Residents requiring nursing services will be provided, in a standard private nursing room, the same basic services as assisted living, as well as 24-hour medical assistance and a full complement of physical, social and recreational services consistent with their needs.

In the event that one or both residents of an independent living residence have a temporary need for assisted living or skilled services, the resident(s) will continue to pay the current monthly service for their independent living residence. In the event, that one or both resident of an independent living residence has a permanent need for assisted living or skilled nursing services, the resident(s) will continue to pay the current monthly service for their independent living residence. In the event, that both residents of an independent living residence have a permanent need for assisted living or skilled nursing services, the resident(s) will be required to release the independent living residence and continue to pay the current monthly service for their independent living residence.

## **C. RESIDENT FEE STRUCTURE**

The resident fee structure is designed to be affordable to as many area seniors as possible, and to provide for a financially viable project. The recommended resident fee structure for the independent living apartments include a reasonable monthly service fee and entrance fee. The amount of the entrance fee and monthly service fee depends on the unit type selected and will be further refined as the project design progresses. All independent living fees are marketed in fiscal year 2021 dollars for the North Tower and 2024 for the South Towers (the year in which each phase is planned to open). The monthly service fees are planned to remain constant through September 2022 and December 2024 for the North Tower and the South Towers, respectively. Entrance fees will be increased at different times throughout the development process to create a sense of urgency in the market.

### **1. Independent Living Monthly Service Fees**

The monthly service fees for the North Tower independent living apartment will range from \$5,095 to \$7,495 in fiscal year 2021 dollars, depending on unit type selected. In the case of a couple occupying an independent living apartment, the second person will pay \$1,895. The marketing program and financial projections are designed for these fees to remain constant through September 2022. Thereafter, the financial projections assume that monthly service fees increase 3% annually. The monthly service fee for the South Towers independent living apartment will range from \$5,495 to \$8,095 in fiscal year 2024 dollars, depending on the unit type select. In the case of a couple occupying an independent living apartment, the second person will pay \$2,030. The marketing program and financial projections are designed for these fees to remain constant through December 2024. Thereafter, the financial projections assume that monthly service fees increase 3% annually.



## 2. Independent Living Entrance fees

Entrance fees will range from \$769,900 to \$1,319,900 in fiscal year 2021 dollars for the North Tower independent living apartment depending on the unit type selected. The entrance fee for initial residents will be 80% refundable to the resident or his/her estate. In the case of a couple occupying an independent living apartment, there will be a second person entry fee of \$50,000. The second person entry fee will amortize 2% per month, over 50 months, until zero. The North Tower will offer apartments located on Floors 11 and 12 with entrance fees ranging from approximately \$839,900 to \$1,319,900. These apartments will offer premium views and walk-out terraces. Entrance fees will range from \$850,900 to \$1,385,900 in fiscal year 2024 dollars for the South Towers independent living apartment depending on the unit type selected. The entrance fee for initial residents of the South Towers will also be 80% refundable to the resident or his/her estate.

Entrance fees will be increased approximately 3.5% annually for second and future generation residents beginning in January 2023 and January 2026 for the North Tower and the South Tower, respectively. Reservation depositors paying a 10% deposit for the entrance fee on their selected unit prior to construction will be part of the Charter Pricing program and will receive the lowest available entrance fee pricing for the Community (“Charter Residents”).

In order to broaden the appeal to the market, a limited number of 50% refundable contracts and traditional amortizing contracts are planned. The financial projections currently assume approximately 25% of the contracts will be 50% refundable or traditional amortizing contracts. The anticipated plan types are described in Table 7 below. Appendix B-6 presents detailed unit mix and fee structure tables for each plan type.

**Table 7  
Proposed Contract Types**

<b>Plan Type</b>	<b>EF Discount</b>	<b>MSF Discount</b>	<b>EF % Refundable <sup>(1)</sup></b>	<b>Life Care Benefit</b>
80% Plan	0%	0%	80%	Yes
50% Plan	0%	20%	50%	Yes
Traditional Plan	30%	0%	0%	Yes

<sup>(1)</sup> Entrance Fee will amortize at a rate of 2% per month.

Table 8 below shows the proposed unit mix and resident fee structure for the independent living apartments in the North and South Towers.

**Table 8**  
**Proposed Independent Living Unit Mix and Resident Fee Structure**  
**North Tower**

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>50% Refundable Contract</i>				
	Unit	Square	2021	2021
	<u>Mix</u>	Footage	Monthly	Entrance
			Fee (1)	Fee (2)
<b>Independent Living -Apartments</b>				
<b>Floors 1 -10</b>				
One Bedroom	19	750	\$5,095	\$769,900
One Bedroom Premium	27	750	\$5,095	\$799,900
One Bedroom Den	14	850	\$5,695	\$849,900
One Bedroom Den Premium	12	850	\$5,695	\$884,900
One Bedroom Deluxe	18	950	\$6,195	\$939,900
One Bedroom Deluxe Premium	54	950	\$6,195	\$979,900
Two Bedroom	7	1,050	\$6,695	\$1,039,900
Two Bedroom Premium	45	1,050	\$6,695	\$1,084,900
Two Bedroom Den	47	1,200	\$7,495	\$1,249,900
<b>Floors 11 &amp; 12</b>				
One Bedroom	2	750	\$5,095	\$839,900
One Bedroom Premium	4	750	\$5,095	\$874,900
One Bedroom Deluxe	2	950	\$6,195	\$1,009,900
One Bedroom Deluxe Premium	4	950	\$6,195	\$1,049,900
Two Bedroom Premium	4	1,050	\$6,695	\$1,154,900
Two Bedroom Den Premium	12	1,200	\$7,495	\$1,319,900
Total Wtd. Avg.	<u>271</u>	<u>977</u>	<u>\$ 6,322</u>	<u>\$ 1,015,786</u>
			\$1,895	\$50,000
<b>Second Person Fees</b>				

(1) Monthly fees are expected to be constant through September 2022 and are subject to change based on market conditions and other financial considerations.

(2) First person Entrance Fee as proposed is 80% refundable. Second person Entrance Fee as proposed is 0% refundable.

**Table 8**  
**Proposed Independent Living Unit Mix and Resident Fee Structure**  
**South Towers**

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>80% Refundable Contract</i>				
	Unit Mix	Square Footage	2024 Monthly Fee <sup>(1)</sup>	2024 Entrance Fee <sup>(2)</sup>
<b>Independent Living - Apartments</b>				
One Bedroom	24	750	\$5,495	\$850,900
One Bedroom Den	6	950	\$6,695	\$1,036,900
One Bedroom Den	6	950	\$6,695	\$1,080,900
Two Bedroom	41	1,050	\$7,295	\$1,154,900
Two Bedroom	17	1,100	\$7,295	\$1,205,500
Two Bedroom Den	23	1,200	\$8,095	\$1,385,900
Total/Wtd. Avg.	117	1,015	\$7,021	\$1,135,457
Second Person Fees			\$2,030	\$55,436

(1) Monthly fees are expected to be constant through December 2024 and are subject to change based on market conditions and other financial considerations.

(2) First person Entrance Fee as proposed is 80% refundable. Second person Entrance Fee as proposed is 0% refundable.

**D. COMMON AREA SPACES**

Residents of the community will enjoy use of its well-appointed common area spaces. The common spaces to be incorporated in the Community include the following spaces, which may be combined within the same space as other common areas:

- Various gathering spaces;
- Main dining room;
- Cafe casual dining area;
- Private dining room for special occasions;
- Wellness/fitness center and health spa;
- Beauty salon and day spa;
- Library/business center;
- Creative arts center (art studio, craft room);
- Game room;

- Theater;
- Residential storage;
- Mail alcove; and
- Administrative areas.

## **IV. PROJECT ECONOMICS AND FINANCING PLAN**

A financial analysis and economic review of a proposed senior living community development is essential to determine the Community's financial viability. This section analyzes the financial elements of the Community, including: project budget, debt and equity requirements, pre-finance cash requirements, projected cash flow and financial performance. Preliminary financing plans are also presented.

### **A. PROJECT SITE**

The North Tower of the Community is to be situated on an approximately 6 acre parcel of land on property owned by Hebrew Home and located on the RiverSpring Campus. Hebrew Home is an affiliate of Sponsor, whose sole corporate member is also RiverSpring Health Holding Corp. The South Towers will be constructed on property currently owned by the Foundation, adjacent to the property owned by Hebrew Home, on the RiverSpring Health Campus. Sponsor has entered into a 99 year ground lease for the use of the property on which the North Tower will be located. Sponsor has entered into a Contribution Agreement with the Foundation whereby the Foundation will transfer all of its rights, title and interest in the property on which the South Towers will be developed. Such transfer will occur when the financing for construction of the North Tower is secured, currently anticipated in June 2019.

### **B. ESTIMATED PROJECT COSTS**

The total budget for the construction of the North Tower and South Towers is estimated at approximately \$513.5 million and is anticipated to be financed with tax-exempt bonds. The total budget also includes approximately \$8.5 million in permanent equity. As construction of the Community will be in two consecutive phases – the North Tower followed by the South Towers, the project budget for the Community has been split out for each tower. The project budget for the North Tower totals approximately \$353.3 million and the project budget for the South Towers totals approximately \$160.2 million. Given the time between start of construction of the towers, each tower will be financed through its own tax-exempt bond issue. Project costs exclusive of financing and related costs (\$119.0 million) and funding of reserves (\$40.6 million) are \$353.9 million, of which \$243.0 million for the North Tower and \$110.8 million for the South Towers. A portion of project related costs and certain reserves are planned to be funded from entrance fees. The estimated project budget includes variable rate short-term debt, fixed rate long-term debt and equity. The entrance fees collected from the first generation of independent living residents are anticipated to be utilized to establish reserves, pay some project costs and retire the short term temporary debt.

Table 9 summarizes estimated project costs before financing costs and reserve funding for the Community.

**Table 9**  
**Estimated Project Costs – Before Financing (\$000)**

Project Costs - Before Financing	North Tower	South Towers	Total
Land and Related	25,367	-	25,367
Construction and Related			
Design & Engineering	10,247	875	11,122
Construction & Development	174,835	95,716	270,551
Construction - Indirect	6,774	2,310	9,084
Subtotal - Construction and Related	191,856	98,901	290,757
Occupancy Development/Marketing	13,050	6,500	19,550
Other Costs	5,714	2,233	7,947
Project Contingency	7,044	3,193	10,237
Subtotal - Before Financing	243,031	110,827	353,858

**C. ESTIMATED PROJECT COSTS ASSUMPTIONS**

Estimated project costs presented in Table 9 are based on the following key assumptions and rationale:

- (1) Land and Related. The budget includes costs related to the acquisition of the land, as well as survey, entitlement, and site due diligence related expenditures.
- (2) Design and Engineering. Includes fee estimates for the architect, interior designer, civil engineer, other related design professionals, and budgeted reimbursable expenses.
- (3) Construction & Development. Includes direct construction, site improvements, landscape and irrigation, contractor and owner-held contingencies, and development fees. Estimates are based on input from the Owner’s Representative, Capital Projects Consulting. Construction and Development costs also include a 3% owner controlled change order contingency.
- (4) Construction - Indirect Costs. This amount is an estimate to provide for common areas, office furniture and related decor, preconstruction services, owner testing, owner’s representative fees, and tap fees.
- (5) Occupancy Development/Marketing. The budget includes all costs of marketing including personnel, media and promotions, office operations, office set-up, and signage and collateral materials through achievement of stabilized occupancy.

- (6) Other Costs. Includes costs for legal fees, regulatory fees, pre-opening property taxes, insurance, travel and related reimbursables, pre-opening expenses, administrative fees and development planning fees.
- (7) Project Contingency. The contingency is included for unbudgeted project expenses and changes.

**D. ESTIMATED SOURCES AND USES**

Table 10 summarizes the estimated sources and uses of funds for the Community by phase.

**Table 10**  
**Estimated Sources and Uses of Funds**  
**(\$000)**

SOURCES OF FUNDS:	North Tower	South Towers	Total
Permanent Debt	\$ 89,805	\$ 45,185	\$ 134,990
ITBs	215,000	100,000	315,000
Equity	8,500	-	8,500
Project Costs Funded by Resident Deposits	39,995	15,027	55,022
Total Sources of Funds	353,300	160,212	513,512
Land and Related	\$ 25,367	\$ -	\$ 25,367
Construction and Related	185,564	95,401	280,965
Occupancy Development/Marketing	13,050	6,500	19,550
Development Services Fee	6,303	3,500	9,803
Other Costs	5,715	2,233	7,947
Project Contingency	7,044	3,193	10,237
Financing and Related	79,997	39,035	119,032
Cash Requirements after Opening	24,208	8,280	32,488
Working Capital Cushion	6,052	2,070	8,122
Total Uses of Funds	353,300	160,212	513,512

**E. ESTIMATED SOURCES AND USES ASSUMPTIONS**

Estimated costs presented in Table 10 are based on the following key assumptions and rationale:

- (1) Net Funded Interest Costs. Interest is funded in the Project budget for a period of 33 months, for each phase, including the construction period to first occupancy and first six months of operations. Net Funded Interest Costs are presented net of investment earnings on project funds held by trustee during the construction period.
- (2) Financing and Issuance Costs. These costs include fees to the underwriter Herbert J. Sims or bank and related issuance and financing costs.

- (3) Minimum Liquid Reserve. Under New York law, communities such as River’s Edge are required to maintain liquid assets supporting required reserves. Further, the regulations require maintenance of certain other reserves. Sponsor must demonstrate to the satisfaction of the Superintendent of Financial Services for the State of New York that it is maintaining all necessary reserves. An operating reserve fund greater than or equal to 35 percent of the sum of the following amounts: a) 12 months of operating expenses, b) 12 months of insurance and taxes, c) 12 months of capital expenditures until stabilization, and d) 12 months of entrance fee refunds.
- (4) Debt Service Reserve. A reserve equaling maximum annual debt service on permanent and temporary debt is funded in the project budget.
- (5) Cash Requirements after Opening and Working Capital Reserves. Prior to achieving break-even occupancy, initial entrance fees will be utilized to fund the start-up deficits of the project.

**F. PRE-FINANCE CAPITAL REQUIREMENTS**

To fund the project costs prior to the start of construction, approximately \$40.6 million will be required as development capital for site acquisition, design and engineering, indirect construction, development fees, marketing, and other costs. Pre-finance development costs will be funded through a loan from the Foundation.

Pre-finance expenditures outlined in Table 11 are included within total budgeted project costs in Table 10.

**Table 11**  
**Estimated Pre-Finance Capital Requirements**  
**(\$000)**

<b>SOURCES OF PRE-FINANCE CAPITAL:</b>	
Hebrew Home at Riverdale Foundation	\$40,646
<b>Total Sources of Funds</b>	<b>\$40,646</b>
<b>USES OF PRE-FINANCE CAPITAL:</b>	
Land and Related	23,045
Design and Engineering	8,162
Construction and Development	2,292
Occupancy Development/Marketing	6,000
Other	1,147
<b>Total Uses of Funds</b>	<b>\$40,646</b>

Pre-finance capital requirements may change based on delays in the timeline and other unexpected factors. Estimated pre-finance capital requirements presented in Table 11 are based on the following key assumptions and rationale:

- (1) Land and Related. These costs include the acquisition of the land as well as engineering, survey and entitlement related expenses anticipated prior to financing.
- (2) Design and Engineering. These are estimated costs to complete design, engineering, and permit activities required prior to closing on permanent financing.
- (3) Construction and Development. These are fees related to pre-construction estimating and fees for the Owner's Representative and Development Consultant incurred during the pre-finance period.
- (4) Occupancy Development/Marketing. These costs include personnel costs, media and promotions, office related costs, and collateral materials in order to achieve 75% presales of the Community.
- (5) Other Costs. These costs include owner legal fees, regulatory approval fees, feasibility study fees, and actuarial study fees.

#### **G. PLAN OF FINANCE – PERMANENT FINANCING**

The financial projections for the Community assume utilizing tax-exempt revenue bonds sold through a public offering and supported by approximately 75% pre-sales of the independent living apartments. Construction of the North Tower and South Towers will be financed with separate tax-exempt bond issues. Key parameters of the Community's plan of finance provided by Sponsor's underwriter, H.J. Sims, include:

##### **Debt Structure**

Funding:	Permanent debt includes tax-exempt, fixed-rate revenue bonds. Permanent debt will approximate \$89.8 million for the North Tower and \$45.2 million for the South Towers. Temporary debt will approximate \$215.0 million for the North Tower and \$100 million for the South Towers.
Issuer:	Build NYC Resource Development Corporation
Maturity/ Amortization:	The tax-exempt revenue bonds are assumed to have a 35 year term, of which, the first six years would be interest only. Scheduled amortization thereafter would be on an approximately level debt service basis.



Cost of Capital: The assumed all-in interest rate for North Tower is 7.00% on the Permanent Debt and 6.00% on the Temporary Debt. For the South Towers, the all-in interest rate is 8.00% on the Permanent Debt and 6.50% on the Temporary Debt.

Debt Retirement: All Permanent Debt is planned to be retired through ongoing operations over the 31-year amortization period. All Temporary Debt is planned to be retired with initial entrance fees in 2021 through 2024 for the North Tower and 2024 and 2025 for the South Towers, upon release of the entrance fees held in escrow in accordance with Article 46 of the NY Public Health Law.

The final mix of debt securities will be determined based on a collective review of the capital markets as the Community nears financing.

### **Debt Security Features**

Security/  
Collateral  
Features:

The security for the bonds are expected to include at least the following:

- Gross revenue pledge, including entrance fees as permitted by state statutes;
- First mortgage or deed of trust;
- Debt service reserve fund equal to one year's maximum annual debt service; and
- Monthly payments to the Trustee sufficient to pay interest and principal due on the next payment date.

Construction:

Construction costs and completion guarantees to be provided by contractor along with 100% payment and performance bonds.

### **Other Requirements and Covenants**

Presales:

It is assumed that approximately 75% of the independent living apartments will be required to be pre-sold prior to closing the permanent financing. A presale is defined as a resident executing a residency agreement or reservation agreement and paying a deposit equal to 10% of the entrance fee on the selected unit.

Rate Covenant: It is anticipated that the Community will be required to set its fee structure such that net income available before debt service will be at least 1.30x its maximum annual debt service requirement beginning the first year after stabilized occupancy and thereafter.

Cash Reserve Covenant: The facility is anticipated to be required to maintain a minimum cash-reserve-to-debt ratio of 30%.

### **Other Financing Assumptions**

Underwriter's Fee: 1.75% of the total issuance  
Funded Interest: 33 months (construction period to first Independent Living occupancy plus 6 months) for both the North Tower and South Towers.

While the recommended financing plan is anticipated to be achievable at the time of financing, it is always possible that changes in the capital markets or other influences may result in necessary changes to the financing plan.

## **H. PROJECTED FINANCIAL PERFORMANCE**

During the estimated 36-month fill-up period to 95% independent living occupancy for the North Tower, an initial entrance fee pool of approximately \$264.4 million will be generated. During the estimated 27-month fill-up period to 95% independent living occupancy for the South Towers, an initial entrance fee pool of approximately \$126.1 million generated. Approximately \$44.9 million will be used to fund reserves and other project related costs between the Towers. In addition, the finance plan assumes an additional \$315.0 million of initial entrance fees are used to retire the temporary debt incrementally for all Towers. See Table 12 below for the uses of the initial entrance fee pool.

**Table 12**  
**Uses of Initial Entrance fee Pool**

Sources of Funds:	North Tower	South Towers	Total
First Generation Entrance Fee Pool at 95% Occupancy	\$ 264,377	\$ 126,083	\$ 390,460
Release of Short-Term Debt Service Reserve	12,900	6,500	19,400
Total Sources of Funds	\$ 277,277	\$ 132,583	\$ 409,860
Fund Minimum Liquid Reserve	\$ 8,057	\$ 3,876	\$ 11,933
Fund Cash Requirements after Opening	24,208	8,280	32,488
Fund Working Capital Reserves	6,052	2,070	8,122
Fund Project Costs	1,678	800	2,478
Retire Temporary Debt	215,000	100,000	315,000
Net Entrance Fees into Reserves	22,283	17,556	39,839
Total Uses of Funds	\$ 277,277	\$ 132,583	\$ 409,860

The first full fiscal year after stabilized occupancy is 2025, for the North Tower, and 2027 for the South Towers. Net cash flow, including net entrance fees from turnover, is anticipated to approximate \$8.5 million in 2025 and \$17.2 million in aggregate in 2027. Cash flow projections indicate that upon stabilization, the North Tower will generate cash reserves of approximately \$61.8 million in 2025, and after stabilization of the South Towers it will increase to \$122.6 million in 2027 after retirement of all short term debt. The North Tower projected debt service coverage ratio from operations and entrance fees is 2.22X (based on maximum annual debt service) and 2.45X after stabilization of the South Towers. Projected cash to debt ratio is 69% in 2025 and 93% in 2027.

The cash flow projections for the Community are based on a set of prudent planning assumptions and represent likely financial results. However, the projections are based on assumptions that may not occur; therefore, actual financial results may vary. Tables 13 and 14 on the following pages present the detailed cash flows and cash reserves and ratios, respectively.

Table 13  
North Tower Projected Cash Flow  
for the Fiscal Years Ending December 31  
(\$000)

	Fill-Up Period				Stabilized Year
	4mos	12 mos	12 mos	8 mos	
	2021	2022	2023	2024	2025
<b>Revenue :</b>					
Independent Living- Monthly Service Fees	\$ 768	\$ 9,722	\$ 17,928	\$ 23,036	\$ 24,499
Additional Revenue	28	191	309	385	406
Charter Resident Benefits	(312)	(735)	(436)	(192)	
<b>Total Revenue</b>	<b>\$ 485</b>	<b>\$ 9,178</b>	<b>\$ 17,801</b>	<b>\$ 23,229</b>	<b>\$ 24,905</b>
<b>Expenses:</b>					
Administration	\$ (438)	\$ (1,929)	\$ (2,208)	\$ (2,384)	\$ (2,716)
Activities Services	(37)	(113)	(140)	(169)	(174)
Contracted Assisted Living Services	(6)	(83)	(348)	(908)	(1,744)
Contracted Memory Support Assisted Living Services					
Contracted Skilled Nursing Facility	(35)	(510)	(1,142)	(1,904)	(2,749)
Building and Maintenance	(206)	(637)	(656)	(676)	(824)
Emergency Systems	(125)	(385)	(397)	(409)	(421)
Dining Services	(215)	(2,098)	(3,018)	(3,529)	(3,734)
Grounds Maintenance	(48)	(148)	(152)	(157)	(161)
Housekeeping and Laundry	(73)	(560)	(689)	(769)	(792)
Transportation	(48)	(149)	(153)	(158)	(163)
Marketing				(152)	(882)
VVellness Program	(42)	(129)	(133)	(137)	(141)
Third Party Startup Management Advisory Services	(120)	(360)	(360)	(360)	
Utilities	(377)	(1,165)	(1,200)	(1,236)	(1,273)
Insurance	(58)	(180)	(185)	(191)	(197)
Property Taxes	(437)	(1,350)	(1,391)	(1,433)	(1,476)
Ground Lease	(344)	(1,032)	(1,032)	(1,135)	(1,135)
Administrative Services Fee	(378)	(545)	(561)	(578)	(595)
<b>Total Expenses</b>	<b>\$ (2,987)</b>	<b>\$ (11,373)</b>	<b>\$ (13,765)</b>	<b>\$ (16,285)</b>	<b>\$ (19,177)</b>
Operating Income	(2,502)	(2,195)	4,036	6,944	5,728
<i>Operating Margin</i>					23%
Investment Income	298	1,299	715	794	1,010
Funds Generated before Debt Service	\$ (2,204)	\$ (896)	\$ 4,751	\$ 7,728	\$ 6,738
<b>Debt Service</b>					
Interest Paid	(18,484)	(14,370)	(9,156)	(6,698)	(6,286)
Interest Funded from Bond Proceeds/Interest Earned	18,484				
Bond Principal Retired					551
<b>Total Debt Service</b>	<b>\$</b>	<b>\$ (14,370)</b>	<b>\$ (9,156)</b>	<b>\$ (6,698)</b>	<b>\$ (6,837)</b>
Capital Expenditures	(425)	(500)	(575)	(650)	(725)
<b>Net Cash Flow Before Resident Deposits</b>	<b>\$ 2,629</b>	<b>\$ 15,766</b>	<b>\$ 4,980</b>	<b>\$ 380</b>	<b>\$ 824</b>
Net Resident Deposits Received				35,175	9,332
<b>Net Cash Flow Including Resident Deposits</b>				<b>\$ 35,555</b>	<b>\$ 8,508</b>

**Table 13**  
**Consolidated Projected Cash Flow**  
**for the Fiscal Years Ending December 31**  
**(\$000)**

	Fill-Up Period- North Tower			Fill-Up Period -South Tower			Stabilized Year
	4mos	12 mos	12 mos	12 mos	12 mos	3 mos	
	2021	2022	2023	2024	2025	2026	2027
<b>Revenues:</b>							
Independent Living- Monthly Service Fees	\$ 769	\$ 9,702	\$ 17,928	\$ 26,272	\$ 32,966	\$ 36,978	\$ 38,541
Additional Revenue	28	191	309	486	578	628	645
Charter Resident Benefits	{312}	(135)	{436}	{610}	{339}	(43)	
<b>Total Revenue</b>	<b>\$ 485</b>	<b>\$ 9,178</b>	<b>\$ 17,801</b>	<b>\$ 26,148</b>	<b>\$ 33,205</b>	<b>\$ 37,563</b>	<b>\$ 39,186</b>
<b>Expenses:</b>							
Administration	\$ (438)	\$ (1,929)	\$ (2,208)	\$ (2,983)	\$ (3,577)	\$ (3,835)	\$ (3,950)
Activities Services	(37)	(113)	(140)	(208)	(239)	(246)	(264)
Contracted Assisted Living Services	(6)	(83)	(348)	(928)	(1,865)	(3,127)	(4,577)
Contracted Skilled Nursing Facility	(35)	(510)	(1,142)	(2,070)	(3,222)	(4,562)	(6,047)
Building and Maintenance	(206)	(637)	(656)	(917)	(1,072)	(1,104)	(1,138)
Emergency Systems	(125)	(385)	(397)	(642)	(559)	(576)	(593)
Dining Services	(215)	(2,098)	(3,018)	(4,123)	(5,124)	(5,592)	(5,677)
Grounds Maintenance	(48)	(148)	(152)	(269)	(276)	(284)	(293)
Housekeeping and Laundry	(73)	(560)	(689)	(959)	(1,107)	(1,192)	(1,228)
Transportation	(48)	(149)	(153)	(301)	(311)	(320)	(330)
Marketing				(152)	(882)	(1,132)	(1,257)
Wellness Program	(42)	(129)	(133)	(141)	(145)	(150)	(155)
Third Party Startup Management Advisory Services	(120)	(360)	(360)	(360)			
Utilities	(377)	(1,165)	(1,200)	(1,901)	(1,958)	(2,016)	(2,076)
Insurance	(58)	(180)	(185)	(271)	(279)	(288)	(296)
Property Taxes	(437)	(1,350)	(1,391)	(2,052)	(2,113)	(2,176)	(2,242)
Ground Lease	(344)	(1,032)	(1,032)	(1,135)	(1,135)	(1,135)	(1,135)
Administrative Services Fee	(378)	(545)	(561)	(750)	(772)	(795)	(819)
<b>Total Expenses</b>	<b>\$ (2,987)</b>	<b>\$ (11,373)</b>	<b>\$ (13,765)</b>	<b>\$ (20,062)</b>	<b>\$ (24,636)</b>	<b>\$ (28,530)</b>	<b>\$ (32,067)</b>
<b>Operating Income</b>	<b>(2,502)</b>	<b>(2,195)</b>	<b>4,036</b>	<b>6,086</b>	<b>8,569</b>	<b>9,033</b>	<b>7,119</b>
<i>Operating Margin</i>							<b>18%</b>
<b>Investment Income</b>	<b>298</b>	<b>1,299</b>	<b>715</b>	<b>1,391</b>	<b>1,401</b>	<b>1,631</b>	<b>2,696</b>
<b>Funds Generated before Debt Service</b>	<b>\$ (2,204)</b>	<b>\$ (896)</b>	<b>\$ 4,751</b>	<b>\$ 7,477</b>	<b>\$ 9,970</b>	<b>\$ 10,664</b>	<b>\$ 9,815</b>
<b>Debt Service</b>							
Interest Paid	(18,484)	(14,370)	(9,156)	(15,048)	(11,449)	(9,863)	(9,794)
Interest Funded from Bond Proceeds/Interest Earned	18,484						
Bond Principal Retired					551	983	1,151
<b>Total Debt Service</b>	<b>\$</b>	<b>\$ (14,370)</b>	<b>\$ (9,156)</b>	<b>\$ (15,048)</b>	<b>\$ (12,000)</b>	<b>\$ (10,846)</b>	<b>\$ (10,945)</b>
<b>Capital Expenditures</b>	<b>(4251)</b>	<b>(5001)</b>	<b>(5751)</b>	<b>(9001)</b>	<b>(1 0251)</b>	<b>(11501)</b>	<b>(1 2751)</b>
<b>Net Cash Flow Before Resident Deposits</b>	<b>\$ {2,629}</b>	<b>\$ {15,766}</b>	<b>\$ {4,980}</b>	<b>\$ {8,471}</b>	<b>\$ {3,055}</b>	<b>\$ {1,332}</b>	<b>\$ {2,405}</b>
<b>Net Resident Deposits Received</b>							<b>19,607</b>
<b>Net Cash Flow Including Resident Deposits</b>							<b>\$ 17,202</b>

**Table 14**  
**North Tower Projected Ratios and Cash Reserves**  
**for the Fiscal Years Ending December 31 (\$000)**

	Fill-Up Period				Stabilized
	4 mos	12 mos	12 mos	8 mos	Year
	2021	2022	2023	2024	2025
<b><u>Debt Coverage Ratios</u></b>					
Net Cash Flow					(824)
Plus debt service					6,837
Plus net resident deposits received					9,332
Plus capital expenditures					725
Income available for debt service					16,070
Debt service (Max Annual)					7,231
From Operations Only (Based on Max Annual Debt Service)					0.93
From Operations and Net Turnover Resident Deposits - (Based on Max Annual Debt Service)					2.22
<b><u>Resident Deposits</u></b>					
Refundable Resident Deposits Received	\$ 48,093	\$ 117,609	\$ 74,125	\$ 40,380	\$ 15,676
Non-Refundable Resident Deposits Received	-	-	-	-	-
Resident Deposits Refunded	(180)	(1,864)	(3,527)	(5,205)	(6,344)
Subtotal - Net Resident Deposits Received	\$ 47,913	\$ 115,745	\$ 70,598	\$ 35,175	\$ 9,332
Resident Deposits Used					
Operating Deficits	(2,630)	(15,766)	(4,979)	3,447	(824)
Project Budget	(65)	(622)	(535)	(446)	-
Early Debt Redemption	(23,380)	(113,020)	(78,600)	-	-
Fund Minimum Liquid Reserve	(1,137)	(3,310)	(1,446)	(1,458)	(1,438)
Fund/Release Working Capital Cushion	(4,982)	-	4,982	-	-
Release ST DSR	-	-	12,900	-	-
Subtotal - Resident Deposits Used	\$ (32,194)	\$ (132,718)	\$ (67,678)	\$ 1,543	\$ (2,262)
Net Resident Deposits into Reserves	15,719	(16,973)	2,920	36,718	7,070
Cash Reserves Summary					
Resident Deposits	15,719	(1,254)	1,666	38,384	45,454
Debt Service Reserve Fund	20,100	20,100	7,200	7,200	7,200
Minimum Liquid Reserve Requirement	1,137	4,447	5,893	7,351	8,789
Working Capital Cushion	4,982	4,982	-	-	-
Total Cash Reserves	\$ 41,938	\$ 28,275	\$ 14,759	\$ 53,317	\$ 61,825
Debt Outstanding	\$ 281,425	\$ 168,405	\$ 89,805	\$ 89,805	\$ 89,254
Percentage of Total Cash Reserves to Long-Term Debt Outstanding				59%	69%
Days Cash on Hand				732	783

**Table 14**  
**Consolidated Projected Ratios and Cash Reserves**  
**for the Fiscal Years Ending December 31**

(\$000)

	Fill-Up Period - North Tower			Fill-Up Period - South Tower			Stabilized
	4 mos	12 mos	12 mos	12 mos	12 mos	3 mos	Year
	2021	2022	2023	2024	2025	2026	2027
<b>Debt Coverage Ratios</b>							
Net Cash Flow							(2,405)
Plus debt service							10,945
Plus net resident deposits received							19,607
Plus capital expenditures							1,275
Income available for debt service							29,422
Debt service (Max Annual)							12,000
From Operations Only (Based on Max Annual Debt Service)							0.82
From Operations and Net Turnover Resident Deposits - (Based on Max Annual Debt Service)							2.45
<b>Resident Deposits</b>							
Refundable Resident Deposits Received	\$ 48,093	\$ 117,609	\$ 74,125	\$ 106,613	\$ 71,908	\$ 31,928	\$ 30,238
Non-Refundable Resident Deposits Received	-	-	-	-	-	-	-
Resident Deposits Refunded	(180)	(1,864)	(3,527)	(5,801)	(7,893)	(9,383)	(10,631)
Subtotal - Net Resident Deposits Received	\$ 47,913	\$ 115,745	\$ 70,598	\$ 100,812	\$ 64,015	\$ 22,545	\$ 19,607
Resident Deposits Used							
Operating Deficits	(2,629)	(15,766)	(4,980)	(8,471)	(3,055)	(1,332)	(2,405)
Project Budget	(65)	(622)	(535)	(550)	(490)	(204)	-
Early Debt Redemption	(23,380)	(113,020)	(78,600)	(53,960)	(46,040)	-	-
Fund Minimum Liquid Reserve	(1,137)	(3,310)	(1,446)	(3,076)	(2,377)	(1,928)	(1,718)
Fund/Release Working Capital Cushion	(4,982)	-	4,982	(1,917)	1,917	-	-
Release ST DSR	-	-	12,900	-	6,500	-	-
Subtotal - Resident Deposits Used	\$ (32,193)	\$ (132,718)	\$ (67,679)	\$ (67,974)	\$ (43,545)	\$ (3,464)	\$ (4,123)
Net Resident Deposits into Reserves	15,720	(16,973)	2,919	32,838	20,470	19,081	15,484
Cash Reserves Summary							
Resident Deposits	15,719	(1,254)	1,666	37,570	58,042	79,297	94,277
Debt Service Reserve Fund	20,100	20,100	7,200	17,700	11,200	11,200	11,200
Minimum Liquid Reserve Requirement	1,137	4,447	5,893	8,969	11,346	13,275	14,992
Working Capital Cushion	4,982	4,982	-	1,917	-	-	-
Total Cash Reserves	\$ 41,938	\$ 28,275	\$ 14,759	\$ 66,538	\$ 80,970	\$ 105,391	\$ 122,595
Debt Outstanding	\$ 281,425	\$ 168,405	\$ 89,805	\$ 181,030	\$ 134,439	\$ 133,456	\$ 132,304
Percentage of Total Cash Reserves to Long-Term Debt Outstanding							93%
Days Cash on Hand							971

## **I. OPERATING BUDGET ASSUMPTIONS**

The budget is based on the Corporation's current operating results and experience at similar communities. The following outlines the key operating budget assumptions. Refer to Appendix B-3 to see a detailed listing of operating assumptions for the Community. The expense budget is created based on the proposed resident service packages and 95% stabilized occupancy for the independent living apartments.

- Monthly service fees are assumed to escalate 3.0% annually beginning in September 2022 for North Tower residents and January 2025 for residents of the South Towers;
- Entrance fees are assumed to escalate 3.5% annually beginning in 2022 for North Tower apartments and 2025 for apartments in the South Towers;
- Operating expenses are assumed to escalate 3.0% annually during the entire projection period;
- Stabilized occupancy is assumed to be 95% for the independent living apartments;
- Wage rates are based on Hebrew Home wage rates;
- Employee fringe benefits and taxes are assumed to be 39.0% of salaries and wages, based on Hebrew Home experience;
- Utilities are estimated at approximately \$2.16 per square foot per year in 2017 dollars plus approximately \$77,000 per year for trash disposal;
- Average raw food costs are estimated to be \$6.70 per independent living resident meal in 2017 dollars based on comparable communities;
- The couples mix is estimated at 50% initially for the ILUs (declining 2% per year beginning 2021);
- Property tax payments are estimated at approximately \$1.3 million in 2021 for the North Tower and \$618,538 in 2024 for the South Towers;
- Investment earning rates are projected to be 3.0% for entrance fees collected and retained cash flow, 1.5% for project funds including construction and 3.0% for the debt service reserve funds; and
- Other income, consisting of income from guest meals and miscellaneous revenues, is estimated to be approximately 1.0% of independent living revenue.



## V. PROJECT TIMELINE

Upon approval of the priority reservation application, the Sponsor will begin accepting reservation deposits in May 2017. The Community currently anticipates receiving the Certificate of Authority by August 2017, allowing the Community to initiate the pre-sales process and begin accepting 10% deposits for the North Tower apartments in September 2017. Achievement of 75% pre-sales is expected to be achieved by March 2019. Completion of construction documents and receipt of a Guaranteed Maximum Price (“GMP”) contract is anticipated to occur in March 2019 related to the North Tower construction. The North Tower permanent financing and construction start are planned for June 2019. Construction is anticipated to take 27 months for full completion, with initial independent living occupancy anticipated after 27 months in September 2021. The North Tower independent living apartments are planned to fill to stabilized occupancy (95%) over a 36 month period, and the first full year after reaching stabilized occupancy, or the stable year, is anticipated to be 2025.

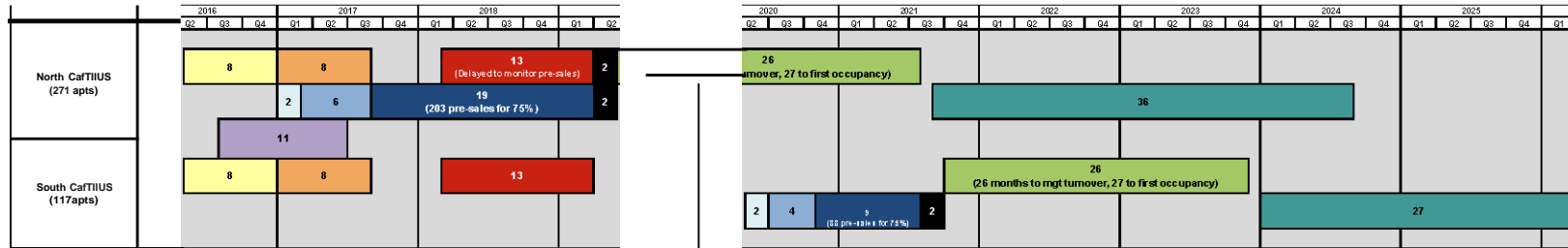
For the South Towers, the Community will initiate the pre-sales process and begin accepting 10% deposits for the independent living apartments with achievement of 75% pre-sales expected by July 2021. Permanent financing and construction start are planned for October 2021. Construction is anticipated to take 27 months for full completion, with initial independent living occupancy anticipated in January 2024. The South Towers independent living apartments are planned to fill to stabilized occupancy (95%) over a 27 month period. The first full year after reaching stabilized occupancy, or the stable year, is anticipated to be 2027.

Table 15 presents the detailed development milestones timeline. Figure 7 displays the detailed development timeline graphically.

**Table 15  
Preliminary Development Timeline**

Event	Date
Initiate pre-sales conversion process - North Tower	September 2017
Final GMP Bidding - North Tower	March 2019
Achieve 75% pre-sales - North Tower	March 2019
Begin construction - North Tower	June 2019
Initiate pre-sales conversion process - South Towers	November 2020
Achieve 75% pre-sales - South Towers	July 2021
First ILU occupancy - North Tower	September 2021
Begin construction - South Towers	October 2021
First ILU occupancy - South Towers	January 2024
Achieve IL stabilized occupancy - North Tower	August 2024
Achieve IL stabilized occupancy - South Towers	March 2026

**Table 15  
Preliminary Development Timeline**



## VI. REGULATORY REQUIREMENTS

### A. CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

Article 46 of the New York Public Health Law governs the development and financing of CCRCs in the State of New York. The regulatory powers of Article 46 are vested in the Continuing Care Retirement Community Council (the “Council”) which consists of the Attorney General of the State, the State Commissioner of Health (the “Commissioner”), the State Superintendent of Insurance, the State Director of the Office of the Aging, the State Commissioner of Social Services, or designees of any of them, and eight public members appointed by the Governor. No CCRC may be established unless the Commissioner, in consultation with the Council, issues a Certificate of Authority.

Regulation under Article 46 is limited to CCRCs. Article 46 defines CCRCs as facilities providing at a minimum:

- Independent living apartments and a meal plan;
- A range of health care and social services;
- Access to health services; and
- At least sixty days of prepaid nursing center services to all residents.

Prior to obtaining a Certificate of Authority, the operator of a proposed CCRC is permitted to enter into cancellable Priority Reservation Agreements (“Reservation Agreements”) and accept refundable Priority Reservation Fees (“Reservation Deposits”) up to \$2,000, contingent upon obtaining the written authorization of the Commissioner. To receive written authorization, application must be made in the proscribed form and include the proscribed information, primarily consisting of a description of the proposed project, its owners and the plan to solicit the Reservation Agreements (“Priority Program”). Any Reservation Deposits received during the Priority Program must be placed directly into escrow. In addition, a sales office, model apartments and other marketing materials may be constructed, created and utilized for the Priority Program, subject to certain restrictions.

As previously mentioned, in order to operate a CCRC under Article 46, an operator must obtain a Certificate of Authority (“Certificate”). The Certificate allows the operator to enter into life care contracts, in addition to collecting Reservation Deposits (subject to escrow requirements). The Commissioner, in consultation with the Council, can also authorize the operator to provide adult care and/or health care center services to direct entrants, for a limited period.

If the Council and the Commissioner approve an application, the Commissioner will issue a Certificate. After receiving a Certificate, CCRCs are subject to various escrow, financial disclosure and sophisticated actuarial and accounting requirements. The approval process for a Certificate requires approximately nine to twelve months.

Under Article 46, an operator seeking industrial development agency (“IDA”) financing for a proposed CCRC must also obtain the Council’s approval for the financing in the form of a Certificate of Authorization. Requirements for a Certificate of Authorization include:

- 70% pre-sales of independent living apartments secured by 10% deposits or 60% pre-sales secured by 25% deposits;
- Receipt of a contingent Certificate;
- The Community has a not-for-profit owner with either an equity position in the Community equal to 15% of the debt, or meets the following covenants:
  - Achieves a cash and investments to debt ratio of 25% at the end of the first quarter after twenty-four months from receipt of a certificate of occupancy;
  - Maintains the 25% cash and investments to debt ratio until debt reduction of 25% of total debt is accomplished; and
  - Reduces total debt by 25% within five years of receipt of a certificate of occupancy.
- A feasibility study prepared by a reputable accounting firm accustomed to preparing CCRC feasibility studies; and
- Establish a fully funded debt service reserve fund equal to the maximum annual debt service on all bonds authorized.

The proposed Community will be subject to regulation as a CCRC under Article 46. The regulatory environment will continue to be monitored as development progresses to determine if any changes to the proposed regulatory oversight are necessary.

## **B. FEE-FOR-SERVICE CCRC DEMONSTRATION PROGRAM**

In August 2004, legislation was passed establishing Article 46-A of the New York Public Health Law and allowing for the development of a limited number of Fee-for-Service CCRCs. Under the demonstration program, the Commissioner, in consultation with the Council, may approve up to eight Fee-for-Service CCRCs.

Regulation under Article 46-A is limited to Fee-for-Service CCRCs. Under Article 46-A a Fee-for-Service CCRCs is to provide access to the same services as those of a CCRC, but such services are on an as-needed basis, pursuant to the terms of the contractual fee-for-service schedule.

Article 46-A provides for the same basic regulatory requirements over Fee-for-Service CCRCs as Article 46 provides over CCRCs, including vesting regulatory authority with the Council. However, the State Superintendent of Insurance has no role in the review process of Certificates of Authority issued for Fee-for-Service CCRCs, as Fee-for-Service CCRCs are not required to provide prepaid care to residents. This creates difference in regulatory requirements between Article 46 and Article 46-A, with respect to reserve requirements.

Fee-for-Service CCRCs are only required to maintain reserves equal to fifteen percent (15%) of projected annual operating expenses, exclusive of depreciation. Note that Fee-for-Service CCRCs seeking IDA financing remain subject to the additional Certificate of Authorization requirements (including covenants and reserves) as CCRCs (see subsection B above).

**Appendix A**

**Primary Market Area Demographics**

**Appendix A- 1**  
**PMA Demographic Characteristics**

	CENSUS	ESTIMATED 2016	PROJECTED 2021	PROJECTED 2021	PROJECTED ANNUAL GROWTH 2016 - 2021
<i><u>POPULATION ESTIMATES</u></i>	<u>2010</u>				
Total Population	968,619	1,010,944	1,043,876	1,043,876	0.6%
Population Age 65 & Older	129,450	149,477	172,654	172,654	2.9%
Percent of Total Population	13.4%	14.8%	16.5%	16.5%	
Population Age 75 & Older	64,192	68,427	74,616	74,616	1.7%
Percent of Total Population	6.6%	6.8%	7.1%	7.1%	
Population Age 85 & Older	21,233	23,378	24,323	24,323	0.8%
Percent of Total Population	2.2%	2.3%	2.3%	2.3%	
<i><u>HOUSEHOLD ESTIMATES</u></i>	<u>2000</u>				
Total Households	356,042	378,347	391,755	391,755	0.7%
Head of Household Age 65 & Older	80,103	91,842	105,158	105,158	2.7%
Percent of Total Households	22.5%	24.3%	26.8%	26.8%	
Head of Household Age 75 & Older	40,045	42,469	46,099	46,099	1.7%
Percent of Total Households	11.2%	11.2%	11.8%	11.8%	
Head of Household Age 85 & Older	8,845	14,016	14,593	14,593	0.8%
Percent of Total Households	2.5%	3.7%	3.7%	3.7%	

SOURCES:

U.S. Census Bureau  
Nielsen Claritas, Inc.  
Greystone Communities

## Appendix A-2

### PMA Annual Growth and Percent of Total Population

AREA	ANNUAL GROWTH		SENIORS AS A PERCENT OF TOTAL POPULATION	
	2010 - 2016	2016 - 2021	2016	2021
	ESTIMATED	PROJECTED	ESTIMATED	PROJECTED
<u>PMA</u>				
<u>25 ZIP Codes</u>				
Age 65+	2.4%	2.9%	14.8%	16.5%
Age 75+	1.1%	1.7%	6.8%	7.1%
Age 85+	1.6%	0.8%	2.3%	2.3%
<u>Bronx &amp; Westchester Counties</u>				
Age 65+	2.5%	3.1%	13.6%	15.3%
Age 75+	1.3%	2.0%	6.0%	6.4%
Age 85+	2.1%	0.9%	2.0%	2.0%
<u>New York</u>				
Age 65+	2.5%	2.9%	15.3%	17.3%
Age 75+	0.9%	1.6%	6.7%	7.1%
Age 85+	1.7%	0.7%	2.2%	2.2%
<u>United States</u>				
Age 65+	3.2%	3.3%	15.1%	17.1%
Age 75+	1.6%	2.2%	6.3%	6.8%
Age 85+	2.1%	1.1%	1.9%	2.0%

**SOURCES:**

- U.S. Census Bureau
- Nielsen Claritas, Inc.
- Greystone Communities



**Appendix A-3**  
**PMA Median Income**

	Total Households	Households Age 65+	Households Age 75+	Households Age 85+	Percent of 75+ Households With Income \$50,000+	Percent of 85+ Households With Income \$50,000+	Home Values Total Homeowners
PM<\	\$51,298	\$39,680	\$27,839	\$22,892	29.1%	23.2%	\$433,411
Bronx & Westchester Counties	\$49,013	\$38,510	\$27,448	\$23,506	30.0%	25.4%	\$474,753
New York	\$60,445	\$41,416	\$29,486	\$24,167	28.7%	22.3%	\$296,329
United States	\$55,551	\$40,973	\$30,349	\$25,043	27.6%	21.5%	\$192,432

SOURCES:  
 U.S. Census Bureau  
 Nielsen Claritas, Inc.  
 Greystone Communities

**Appendix B**

**Detailed Operating Assumptions**

**Appendix B-1**  
**Consolidated Departmental Staffing - FTEs**

YEAR	2021	2022	2023	2024	2025	2026	2027
<b>Administration</b>							
ED	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Admin Asst	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Business Office Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Receptionist	2.10	2.10	2.10	4.20	4.20	4.20	4.20
EPC	0.36	0.36	0.36	0.76	0.76	0.76	0.76
Subtotal Total Staffing	4.96	5.46	5.46	7.96	7.96	7.96	7.96
<b>Activities Services</b>							
IL Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
IL Assistant	0.50	0.50	1.00	2.00	2.50	2.50	2.50
Subtotal Total Staffing	1.50	1.50	2.00	3.00	3.50	3.50	3.50
<b>Building and Maintenance</b>							
Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
IL Tech	3.00	3.00	3.00	4.00	6.00	6.00	6.00
Subtotal Total Staffing	4.00	4.00	4.00	5.00	7.00	7.00	7.00
<b>Emergency Systems</b>							
Security Officer	6.30	6.30	6.30	8.40	8.40	8.40	8.40
EPC	1.09	1.09	1.09	1.29	1.29	1.29	1.29
Subtotal Total Staffing	7.39	7.39	7.39	9.69	9.69	9.69	9.69
<b>Dining Services</b>							
Food Service Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Chef	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Sous Chef	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Satellite Kitchen Attendant	0.00	7.01	7.01	7.01	7.01	7.01	7.01
Cook	0.80	2.60	3.50	4.70	7.20	7.90	7.90
Prep Cook	0.00	0.50	1.60	1.60	2.10	2.10	2.10
Utility	0.00	1.10	2.20	3.00	4.20	4.50	4.50
Dining Room Manager	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Hostess (IL)	0.50	1.60	1.60	3.00	3.00	3.00	3.00
2nd Hostess (IL)	0.00	1.60	1.60	1.60	1.60	1.60	1.60
Server (IL)	0.50	5.60	10.00	14.70	20.90	23.80	23.80
EPC	0.14	3.46	4.76	5.73	6.74	7.04	7.04
Subtotal Total Staffing	4.94	27.48	36.27	46.35	57.76	61.96	61.96

Appendix B-1

Consolidated Departmental Staffing- FTEs (continued)

YEAR	2021	2022	2023	2024	2025
<b>Grounds Maintenance</b>					
Grounds	0.50	0.50	0.50	2.00	2.00
Subtotal Total Staffing	0.50	0.50	0.50	2.00	2.00
<b>Housekeeping and Laundry</b>					
Housekeeping Supervisor	0.50	1.40	1.40	1.40	1.40
Housekeepers	0.50	4.00	6.00	7.87	10.06
Janitor (Commons)	0.30	1.85	1.85	3.24	3.24
Laundry	0.10	0.17	0.30	0.45	0.56
New Position 2	0.00	0.00	0.00	0.00	0.00
New Position 3	0.00	0.00	0.00	0.00	0.00
EPC	0.00	1.04	1.41	1.80	2.00
Subtotal Total Staffing	1.40	8.46	10.96	14.76	17.26
<b>Transportation</b>					
IL/AL Driver	1.00	1.00	1.00	2.40	2.40
SN Driver	0.00	0.00	0.00	0.00	0.00
Valet	1.00	1.00	1.00	2.00	2.00
New Position 1	0.00	0.00	0.00	0.00	0.00
New Position 2	0.00	0.00	0.00	0.00	0.00
New Position 3	0.00	0.00	0.00	0.00	0.00
EPC	0.17	0.17	0.17	0.27	0.27
Subtotal Total Staffing	2.17	2.17	2.17	4.67	4.67
<b>Marketing</b>					
Marketing Director	0.00	0.00	0.00	0.00	1.00
Sales Counselor	0.00	0.00	0.00	0.00	1.00
Marketing Assistant	0.00	0.00	0.00	0.00	1.00
Community Relations Coordinator	0.00	0.00	0.00	0.00	0.00
Admissions Coordinator	0.00	0.00	0.00	0.00	0.00
Move-in Coordinator	0.00	0.00	0.00	0.00	1.00
EPC	0.00	0.00	0.00	0.00	0.00
Subtotal Total Staffing	0.00	0.00	0.00	0.00	4.00
<b>Wellness Program</b>					
Fitness Coordinator/Trainer	1.00	1.00	1.00	1.00	1.00
Lifeguard	0.25	0.25	0.25	0.25	0.25
Position 3	0.00	0.00	0.00	0.00	0.00
Position 4	0.00	0.00	0.00	0.00	0.00
Position 5	0.00	0.00	0.00	0.00	0.00
Position 6	0.00	0.00	0.00	0.00	0.00
EPC (for new positions)	0.00	0.00	0.00	0.00	0.00
Subtotal Total Staffing	1.25	1.25	1.25	1.25	1.25
<b>TOTAL STAFFING (FTEs)</b>	<b>28.12</b>	<b>58.22</b>	<b>70.01</b>	<b>94.68</b>	<b>115.09</b>

## Appendix B-2

### North Tower Departmental Wage Rates (\$/hour)

YEAR	2021	2022	2023	2024	2025
<b>Administration</b>					
ED	104.38	107.51	110.74	114.06	117.48
Admin Asst	24.79	25.53	26.30	27.09	27.90
Business Office Manager	30.01	30.91	31.84	32.79	33.78
Receptionist	23.49	24.19	24.92	25.66	26.43
EPC	23.49	24.19	24.92	25.66	26.43
Subtotal Average Rate	41.23	40.92	42.14	43.41	44.71
<b>Activities Services</b>					
IL Director	30.60	31.51	32.46	33.43	34.44
IL Assistant	21.60	22.25	22.92	23.61	24.31
Subtotal Average Rate	27.60	28.43	27.69	27.54	28.36
<b>Building and Maintenance</b>					
Supervisor	31.08	32.02	32.98	33.97	34.99
IL Tech	27.40	28.22	29.07	29.94	30.84
Director	0.00	0.00	0.00	0.00	0.00
Asst. Director/Lead Tech	0.00	0.00	0.00	0.00	0.00
New Position 1	0.00	0.00	0.00	0.00	0.00
New Position 2	0.00	0.00	0.00	0.00	0.00
New Position 3	0.00	0.00	0.00	0.00	0.00
EPC	0.00	0.00	0.00	0.00	0.00
Subtotal Average Rate	28.32	29.17	30.05	30.95	31.53
<b>Emergency Systems</b>					
Security Officer	20.88	21.50	22.15	22.81	23.50
EPC	20.88	21.50	22.15	22.81	23.50
Subtotal Average Rate	20.88	21.50	22.15	22.81	23.50
<b>Dining Services</b>					
Food Service Director	46.32	47.71	49.14	50.61	52.13
Chef	29.03	29.90	30.80	31.72	32.67
Sous Chef	24.92	25.67	26.44	27.23	28.05
Satellite Kitchen Attendant	20.86	21.48	22.13	22.79	23.47
Cook	27.97	28.81	29.67	30.56	31.48
Prep Cook	20.86	21.48	22.13	22.79	23.47
Utility	22.34	23.01	23.70	24.41	25.14
Dining Room Manager	24.05	24.78	25.52	26.29	27.07
Hostess (IL)	16.96	17.47	18.00	18.53	19.09
2nd Hostess (IL)	16.96	17.47	18.00	18.53	19.09
Server (IL)	20.60	21.22	21.85	22.51	23.18
EPC	21.59	22.24	22.91	23.60	24.30
Subtotal Average Rate	29.15	23.34	23.81	24.49	25.33

## Appendix B-2

### North Tower Departmental Wage Rates (\$/hour) (continued)

	2021	2022	2023	2024	2025
<b>Grounds Maintenance</b>					
Grounds	15.66	16.13	16.61	17.11	17.62
Subtotal Average Rate	15.66	16.13	16.61	17.11	17.62
<b>Housekeeping and Laundry</b>					
Housekeeping Supervisor	32.28	33.25	34.24	35.27	36.33
Housekeepers	20.56	21.18	21.82	22.47	23.14
Janitor (Commons)	20.56	21.18	21.82	22.47	23.14
Laundry	16.96	17.47	18.00	18.53	19.09
EPC	20.42	21.03	21.66	22.31	22.98
Subtotal Average Rate	24.49	23.08	23.28	23.78	24.50
<b>Transportation</b>					
IL/AL Driver	20.26	20.87	21.49	22.14	22.80
SN Driver	0.00	0.00	0.00	0.00	0.00
Valet	20.26	20.87	21.49	22.14	22.80
EPC	20.26	20.87	21.49	22.14	22.80
Subtotal Average Rate	20.26	20.87	21.49	22.14	22.80
<b>Marketing</b>					
Marketing Director	62.76	64.64	66.58	68.58	70.64
Sales Counselor	45.67	47.04	48.45	49.90	51.40
Marketing Assistant	30.01	30.91	31.84	32.79	33.78
Community Relations Coord.	0.00	0.00	0.00	0.00	0.00
Admissions Coordinator	0.00	0.00	0.00	0.00	0.00
Move-in Coordinator	37.51	38.64	39.80	40.99	42.22
EPC	0.00	0.00	0.00	0.00	0.00
Subtotal Average Rate	43.99	45.31	46.67	48.07	49.51
<b>Wellness Program</b>					
Fitness Coordinator/Trainer	50.65	52.17	53.73	55.34	57.00
Lifeguard	14.63	15.07	15.52	15.99	16.47
Position 3	0.00	0.00	0.00	0.00	0.00
Position 4	0.00	0.00	0.00	0.00	0.00
Position 5	0.00	0.00	0.00	0.00	0.00
Position 6	0.00	0.00	0.00	0.00	0.00
EPC (for new positions)	0.00	0.00	0.00	0.00	0.00
Subtotal Average Rate	43.44	44.75	46.09	47.47	48.90
<b>AVERAGE WAGE RATE</b>	<b>28.38</b>	<b>25.56</b>	<b>25.72</b>	<b>26.28</b>	<b>28.24</b>

**Appendix B-2**

**South Towers Departmental Wage Rates (\$/hour) (continued)**

YEAR	2024	2025	2026	2027
<b>Administration</b>				
ED	114.06	117.48	121.01	124.64
Admin Asst	27.09	27.90	28.74	29.60
Business Office Manager	32.79	33.78	34.79	35.83
Receptionist	25.66	26.43	27.23	28.04
EPC	25.66	26.43	27.23	28.04
Subtotal Average Rate	25.66	26.43	27.23	28.04
<b>Activities Services</b>				
IL Director	33.43	34.44	35.47	36.53
IL Assistant	23.61	24.31	25.04	25.79
Subtotal Average Rate	23.61	24.31	25.04	25.79
<b>Building and Maintenance</b>				
Supervisor	33.97	34.99	36.04	37.12
IL Tech	29.94	30.84	31.76	32.72
Subtotal Average Rate	29.94	30.84	31.76	32.72
<b>Emergency Systems</b>				
Security Officer	22.81	23.50	24.20	24.93
EPC	22.81	23.50	24.20	24.93
Subtotal Average Rate	22.81	23.50	24.20	24.93
<b>Dining Services</b>				
Food Service Director	50.61	52.13	53.70	55.31
Chef	31.72	32.67	33.65	34.66
Sous Chef	27.23	28.05	28.89	29.76
Satellite Kitchen Attendant	22.79	23.47	24.18	24.90
Cook	30.56	31.48	32.42	33.39
Prep Cook	22.79	23.47	24.18	24.90
Utility	24.41	25.14	25.89	26.67
Dining Room Manager	26.29	27.07	27.89	28.72
Hostess (IL)	18.53	19.09	19.66	20.25
2nd Hostess (IL)	18.53	19.09	19.66	20.25
Server (IL)	22.51	23.18	23.88	24.60
EPC	23.71	24.42	25.16	25.91
Subtotal Average Rate	24.05	24.83	25.57	26.33

## Appendix B-2

### South Towers Departmental Wage Rates (\$/hour) (continued)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Grounds Maintenance				
Grounds	17.11	17.62	18.15	18.70
Subtotal Average Rate	<u>17.11</u>	<u>17.62</u>	<u>18.15</u>	<u>18.70</u>
Housekeeping and Laundry				
Housekeeping Supervisor	35.27	36.33	37.42	38.54
Housekeepers	22.47	23.14	23.84	24.55
Janitor (Commons)	22.47	23.14	23.84	24.55
Laundry	18.53	19.09	19.66	20.25
EPC	22.32	22.99	23.68	24.39
Subtotal Average Rate	<u>22.38</u>	<u>23.00</u>	<u>23.68</u>	<u>24.39</u>
Transportation				
IL/AL Driver	22.14	22.80	23.49	24.19
SN Driver	0.00	0.00	0.00	0.00
Valet	22.14	22.80	23.49	24.19
EPC	22.14	22.80	23.49	24.19
Subtotal Average Rate	<u>22.14</u>	<u>22.80</u>	<u>23.49</u>	<u>24.19</u>
Marketing				
Marketing Director	68.58	70.64	72.76	74.94
Sales Counselor	49.90	51.40	52.94	54.53
Marketing Assistant	32.79	33.78	34.79	35.83
Community Relations Coordinator	0.00	0.00	0.00	0.00
Admissions Coordinator	0.00	0.00	0.00	0.00
Move-in Coordinator	40.99	42.22	43.49	44.79
EPC	0.00	0.00	0.00	0.00
Subtotal Average Rate	<u>48.07</u>	<u>49.51</u>	<u>50.99</u>	<u>52.52</u>
AVERAGE WAGE RATE	<u>23.39</u>	<u>24.24</u>	<u>25.73</u>	<u>26.51</u>



## Appendix B-3

### North Tower Departmental Operating Costs

	2021	2022	2023	2024	2025
Administration					
Employee Expenses					
Salaries	141,886	464,984	478,934	493,302	508,101
Benefits	56,116	183,901	189,418	195,101	200,954
Other					
Subtotal Employee Expenses	198,002	648,886	668,352	688,403	709,055
Other Expenses					
Annual Audit, Tax Return	21,113	65,239	67,196	69,212	71,288
Cable Television	25,621	79,169	81,544	83,991	86,510
Computer Maintenance/Supplies	6,720	20,764	21,386	22,028	22,689
Copier & Fax Lease/Supplies	2,688	8,305	8,555	8,811	9,076
Equipment purchases/rental	6,720	20,764	21,386	22,028	22,689
Express Mail & Courier	1,344	4,153	4,277	4,406	4,538
Legal & Professional Fees	4,480	13,842	14,258	14,685	15,126
Office Supplies	2,240	6,921	7,129	7,343	7,563
Postage	1,120	3,461	3,564	3,671	3,781
Telephone Service	3,360	10,382	10,693	11,014	11,344
Training and Recruitment	896	2,768	2,852	2,937	3,025
Other	1,344	4,153	4,277	4,406	4,538
Subtotal Other Expenses	77,644	239,920	247,117	254,531	262,167
Total Administration	275,646	888,805	915,470	942,934	971,222
Activities Services					
Employee Expenses					
Salaries	28,703	88,692	115,188	143,193	147,489
Benefits	11,352	35,078	45,557	56,633	58,332
Other					
Subtotal Employee Expenses	40,055	123,769	160,744	199,826	205,821
Other Expenses					
Contract Services	1,120	3,461	3,564	3,671	3,781
Decorations	672	2,076	2,139	2,203	2,269
Dues, Subscriptions, Fees & Publications	112	346	356	367	378
Entertainment	3,360	10,382	10,693	11,014	11,344
Equipment Rental	112	346	356	367	378
Newsletter	224	692	713	734	756
Office Supplies	224	692	713	734	756
Operating Supplies	672	2,076	2,139	2,203	2,269
Resident Relations	224	692	713	734	756
Special Events	1,120	3,461	3,564	3,671	3,781
Subtotal Other Expenses	7,840	24,224	24,951	25,699	26,470
Total Activities Services	47,894	147,993	185,695	225,526	232,291

Appendix B-3

North Tower Departmental Operating Costs (Continued)

	2021	2022	2023	2024	2025
Assisted Living Services					
AL Contract Services	6,229	82,762	348,249	907,971	1,744,230
Subtotal Other Expenses	6,229	82,762	348,249	907,971	1,744,230
Total Assisted Living Services	6,229	82,762	348,249	907,971	1,744,230
Skilled Nursing Facility					
SNF Contract Services	34,967	510,478	1,141,989	1,903,501	2,748,834
Subtotal Other Expenses	34,967	510,478	1,141,989	1,903,501	2,748,834
Total Skilled Nursing Facility	34,967	510,478	1,141,989	1,903,501	2,748,834
Building and Maintenance					
Employee Expenses					
Salaries	78,544	242,702	249,983	257,483	393,499
Benefits	31,064	95,989	98,868	101,835	155,629
Other					
Subtotal Employee Expenses	109,609	338,691	348,852	359,318	549,127
Other Expenses					
General maintenance	105,686	326,568	336,366	346,456	356,850
Window Washing	5,796	17,911	18,448	19,002	19,572
Elevator Service	16,132	49,849	51,344	52,885	54,471
Subtotal Other Expenses	127,614	394,328	406,158	418,343	430,893
Total Building and Maintenance	237,223	733,019	755,010	777,660	980,020
Emergency Systems					
Employee Expenses					
Salaries	106,971	330,539	340,455	350,669	361,189
Benefits	42,307	130,728	134,650	138,689	142,850
Subtotal Employee Expenses	149,277	461,267	475,105	489,358	504,039
Other Expenses					
AIann/Fire Safety R&M	11,013	34,030	35,051	36,103	37,186
Emergency Call System R&M	2,240	6,921	7,129	7,343	7,563
Fire Monitoring Services	2,240	6,921	7,129	7,343	7,563
Small Equipment Purchases	2,240	6,921	7,129	7,343	7,563
Subtotal Other Expenses	17,733	54,794	56,438	58,131	59,875
Total Emergency Systems	167,010	516,061	531,543	547,489	563,914

Appendix B-3

North Tower Departmental Operating Costs (Continued)

Dining Services	2021	2022	2023	2024	2025
<b>MEAL VOLUME CALCULATION</b>					
Average Residents					
Independent Living	15	169	298	364	358
Total Residents	15	169	298	364	358
Independent Living	5,293	61,668	108,944	132,817	130,651
Subtotal	5,293	61,668	108,944	132,817	130,651
Additional Meals					
Independent Living	529	6,167	10,894	13,282	13,065
Guest Meals	265	3,083	5,447	6,641	6,533
Subtotal	794	9,250	16,342	19,923	19,598
Total Meals Served	6,086	70,919	125,286	152,740	150,249
Raw Food Cost per Meal					
Independent Living & Guest Meals	7.54	7.77	8.00	8.24	8.49
<b>COST CALCULATIONS</b>					
Employee Expenses					
Salaries	99,849	1,334,089	1,796,344	2,044,787	2,226,131
Benefits	39,490	527,632	710,454	808,713	880,435
Subtotal Employee Expenses	139,339	1,861,721	2,506,798	2,853,500	3,106,566
Other Expenses					
Raw Food					
Independent Living	39,910	478,987	871,568	1,094,435	1,108,882
Guest/other	5,987	71,848	130,735	164,165	166,332
Subtotal Raw Food	45,897	550,835	1,002,303	1,258,600	1,275,214
Chemicals- Ware Washing	9,379	28,982	29,851	30,747	31,669
Cleaning Supplies and Equipment	5,628	17,389	17,911	18,448	19,002
Equipment Rental/Purchase/Repair	5,796	17,911	18,448	19,002	19,572
Linens and Laundry	30,014	92,742	95,524	98,390	101,342
Menus/Printing	966	2,985	3,075	3,167	3,262
Paper and Plastic Supplies	5,628	17,389	17,911	18,448	19,002
Tableware	938	2,898	2,985	3,075	3,167
other	6,753	20,867	21,493	22,138	22,802
Misc	0	0	0	0	0
Subtotal other Expenses	114,750	763,591	1,221,442	1,484,313	1,507,698
Total Dining Services	254,089	2,625,312	3,728,239	4,337,813	4,614,264

Appendix B-3

North Tower Departmental Operating Costs (Continued)

	2021	2022	2023	2024	2025
Grounds Maintenance					
Employee Expenses					
Salaries	5,428	16,772	17,275	17,793	18,327
Benefits	2,147	6,633	6,832	7,037	7,248
Subtotal Employee Expenses	7,575	23,405	24,108	24,831	25,576
Other Expenses					
Contract Services	28,982	89,554	92,241	95,008	97,858
Equipment Rental	5,410	16,717	17,218	17,735	18,267
Operating Supplies	2,241	6,926	7,133	7,347	7,568
Equipment Purchases	116	358	369	380	391
Snow Removal Services	4,483	13,851	14,267	14,695	15,135
Other	448	1,385	1,427	1,469	1,514
Irrigation System Repair	657	2,030	2,091	2,154	2,218
Subtotal Other Expenses	42,337	130,820	134,745	138,787	142,951
Total Grounds Maintenance	49,911	154,226	158,853	163,618	168,527
	2021	2022	2023	2024	2025
Housekeeping and Laundry					
Employee Expenses					
Salaries	23,771	406,295	530,607	606,051	624,030
Benefits	9,402	160,690	209,855	239,693	246,804
Other					
Subtotal Employee Expenses	33,173	566,984	740,462	845,744	870,834
Other Expenses					
Cleaning Supplies	6,720	20,764	21,386	22,028	22,689
Equipment	4,480	13,842	14,258	14,685	15,126
Paper and Plastic Supplies	6,903	21,331	21,970	22,630	23,308
Laundry Supplies	4,480	13,842	14,258	14,685	15,126
Laundry Contract	6,720	20,764	21,386	22,028	22,689
Linen Replacement	1,120	3,461	3,564	3,671	3,781
Subtotal Other Expenses	49,688	153,536	158,143	162,887	167,773
Total Housekeeping and Laundry	82,861	720,521	898,604	1,008,631	1,038,607
	2021	2022	2023	2024	2025
Transportation					
Other Expenses					
Gasoline and Oil	3,360	10,382	10,693	11,014	11,344
Lease Payments	10,751	33,222	34,218	35,245	36,302
Repairs and Maintenance	2,240	6,921	7,129	7,343	7,563
Licenses and Permits	750	2,319	2,388	2,460	2,534
Subtotal Other Expenses	17,664	54,582	56,219	57,906	59,643
Total Transportation	60,260	186,204	191,790	197,543	203,470

Appendix B-3

North Tower Departmental Operating Costs (Continued)

	2021	2022	2023	2024	2025
Marketing					
Employee Expenses					
Salaries	0	0	0	0	411,906
Benefits	0	0	0	0	162,909
Other					
Subtotal Employee Expenses	0	0	0	0	574,815
Other Expenses					
Contract Services	0	0	0	38,003	39,143
Promotions, Newsletter, Website	0	0	0	305,672	314,842
Advertising	0	0	0	21,535	22,181
Events	0	0	0	7,347	7,568
Printing	0	0	0	22,168	22,834
Postage	0	0	0	14,695	15,135
Other	0	0	0	7,347	7,568
Additional Line Item	0	0	0	39,270	40,448
PROJECT BUDGET PORTION	0	0	0	-304,025	0
Subtotal Other Expenses	0	0	0	152,012	469,718
Total Marketing	0	0	0	152,012	1,044,533
Wellness Program					
Employee Expenses					
Salaries	37,652	116,345	119,835	123,430	127,133
Benefits	14,891	46,014	47,395	48,817	50,281
Subtotal Employee Expenses	52,543	162,359	167,230	172,247	177,414
Other Expenses					
Supplies	4,333	13,000	13,390	13,792	14,205
Subtotal Other Expenses	4,333	13,000	13,390	13,792	14,205
Total Wellness Program	56,877	175,359	180,620	186,038	191,620
Third Party Startup Management Advisory Services					
Employee Expenses					
Management Advisory Services	120,000	360,000	360,000	360,000	0
Subtotal Other Expenses	120,000	360,000	360,000	360,000	0
Total Third Party Startup Management	120,000	360,000	360,000	360,000	0

## Appendix B-3

### North Tower Departmental Operating Costs (Continued)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Utilities					
<b>Weighted by number of months open</b>					
IL/Catered Occupied Square Footage	142,933	428,800	428,800	428,800	428,800
Total Occupied Square Footage	142,933	428,800	428,800	428,800	428,800
All Utilities	347,968	1,075,220	1,107,477	1,140,701	1,174,922
Trash removal	28,982	89,554	92,241	95,008	97,858
Total Utilities	376,950	1,164,774	1,199,717	1,235,709	1,272,780
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Insurance					
Insurance - Liability & Property	44,797	138,423	142,576	146,853	151,259
Insurance - Vehicle	4,480	13,842	14,258	14,685	15,126
Insurance - Dishonesty, Bond Liability	2,240	6,921	7,129	7,343	7,563
Insurance - Umbrella Liability	4,480	13,842	14,258	14,685	15,126
Other	2,240	6,921	7,129	7,343	7,563
Total Insurance	58,236	179,950	185,349	190,909	196,637
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Property Taxes					
Total Property Taxes	437,036	1,350,440	1,390,953	1,432,682	1,475,663
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Ground Lease					
Total Ground Lease	343,928	1,031,784	1,031,784	1,134,962	1,134,962
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Administrative Services Fee					
Management Fee	377,505	544,927	561,274	578,113	595,456
Total Administrative Services Fee	377,505	544,927	561,274	578,113	595,456
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Capital Expenditures					
Total Capital Expenditures	425,000	500,000	575,000	650,000	725,000

## Appendix B-3

### South Towers Departmental Operating Costs

	2024	2025	2026	2027
<b>Administration</b>				
<b>Employee Expenses</b>				
<b>Salaries</b>	133,451	137,455	141,578	145,826
<b>Benefits</b>	52,046	53,607	55,216	56,872
Other				
<b>Subtotal Employee Expenses</b>	185,497	191,062	196,794	202,698
<b>Other Expenses</b>				
<b>Annual Audit, Tax Return</b>	30,747	31,669	32,619	33,598
<b>Cable Television</b>	18,448	19,002	19,572	20,159
<b>Computer Maintenance/Supplies</b>	12,299	12,668	13,048	13,439
<b>Copier &amp; Fax Lease/Supplies</b>	3,693	3,804	3,918	4,036
<b>Equipment purchases/rental</b>	12,299	12,668	13,048	13,439
<b>Express Mail &amp; Courier</b>	3,075	3,167	3,262	3,360
<b>Legal &amp; Professional Fees</b>	6,155	6,340	6,530	6,726
Office Supplies	6,149	6,334	6,524	6,720
<b>Postage</b>	1,845	1,900	1,957	2,016
<b>Telephone Service</b>	6,149	6,334	6,524	6,720
<b>Training and Recruitment</b>	1,231	1,268	1,306	1,345
Other	2,460	2,534	2,610	2,688
<b>Subtotal Other Expenses</b>	104,550	107,687	110,917	114,245
<b>Total Administration</b>	290,048	298,749	307,711	316,943
	2024	2025	2026	2027
<b>Activities Services</b>				
<b>Employee Expenses</b>				
<b>Salaries</b>	24,550	50,573	52,090	53,653
<b>Benefits</b>	9,575	19,724	20,315	20,925
Other				
<b>Subtotal Employee Expenses</b>	34,125	70,297	72,406	74,578
<b>Other Expenses</b>				
<b>Contract Services</b>	1,230	1,267	1,305	1,344
<b>Decorations</b>	1,845	1,900	1,957	2,016
<b>Dues, Subscriptions, Fees &amp; Publications</b>	307	317	326	336
<b>Entertainment</b>	6,149	6,334	6,524	6,720
Equipment Rental	307	317	326	336
<b>Newsletter</b>	308	317	327	336
Office Supplies	308	317	327	336
Operating Supplies	1,230	1,267	1,305	1,344
<b>Resident Relations</b>	308	317	327	336
<b>Special Events</b>	2,460	2,534	2,610	2,688
<b>Subtotal Other Expenses</b>	14,452	14,885	15,332	15,792
<b>Total Activities Services</b>	48,577	85,182	87,738	90,370

### Appendix B-3

#### South Towers Departmental Operating Costs (Continued)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Assisted Living Services				
AL Contract Services	20,419	120,582	370,794	769,785
Subtotal Other Expenses	20,419	120,582	370,794	769,785
Total Assisted Living Services	20,419	120,582	370,794	769,785
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Skilled Nursing Facility				
SNF Contract Services	166,404	472,530	805,312	1,162,907
Subtotal Other Expenses	166,404	472,530	805,312	1,162,907
Total Skilled Nursing Facility	166,404	472,530	805,312	1,162,907
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Building and Maintenance				
Employee Expenses				
Salaries	62,277	64,146	66,070	68,052
Benefits	24,288	25,017	25,767	26,540
Other				
Subtotal Employee Expenses	86,565	89,162	91,837	94,592
Other Expenses				
Repairs and Maintenance	141,435	145,679	150,049	154,550
Window Washing	12,299	12,668	13,048	13,439
Elevator Service	24,597	25,335	26,095	26,878
Subtotal Other Expenses	178,332	183,682	189,192	194,868
Total Building and Maintenance	264,897	272,844	281,029	289,460



## Appendix B-3

### South Towers Departmental Operating Costs (Continued)

	2024	2025	2026	2027
Emergency Systems				
Employee Expenses				
Salaries	109,133	112,407	115,780	119,253
Benefits	42,562	43,839	45,154	46,509
Subtotal Employee Expenses	151,695	156,246	160,934	165,762
Other Expenses				
Alarm/Fire Safety R&M	15,133	15,587	16,054	16,536
Emergency Call System R&M	3,078	3,170	3,265	3,363
Fire Monitoring Services	3,078	3,170	3,265	3,363
Small Equipment Purchases	3,078	3,170	3,265	3,363
Subtotal Other Expenses	24,366	25,097	25,850	26,626
Total Emergency Systems	176,062	181,343	186,784	192,387
Dining Services	2024	2025	2026	2027
MEAL VOLUME CALCULATION				
Average Residents				
Independent Living	54	137	173	161
Total Residents	54	137	173	161
Independent Living	19,528	49,940	63,211	58,670
Subtotal	19,528	49,940	63,211	58,670
Additional Meals				
Independent Living	1,953	4,994	6,321	5,867
Guest Meals	976	2,497	3,161	2,934
Subtotal	2,929	7,491	9,482	8,801
Total Meals Served	22,457	57,431	72,693	67,471
Raw Food Cost per Meal				
Independent Living & Guest Meals	8.24	8.49	8.74	9.00

## Appendix B-3

### South Towers Departmental Operating Costs (Continued)

	2024	2025	2026	2027
<b>COST CALCULATIONS</b>				
<b>Employee Expenses</b>				
Salaries	310,094	800,524	1,047,640	1,079,070
Benefits	120,937	312,204	408,580	420,837
Subtotal Employee Expenses	431,031	1,112,728	1,456,220	1,499,907
<b>Other Expenses</b>				
<b>Raw Food</b>				
Independent Living	160,910	423,856	552,592	528,279
Guest/Other	24,136	63,578	82,889	79,242
Subtotal Raw Food	185,046	487,434	635,480	607,521
Chemicals -Ware Washing	12,299	12,668	13,048	13,439
Cleaning Supplies and Equipment	12,299	12,668	13,048	13,439
Equipment Rental/Purchase/Repair	9,224	9,501	9,786	10,079
Linens and Laundry	43,046	44,337	45,667	47,037
Menus/Printing	1,476	1,520	1,566	1,613
Paper and Plastic Supplies	12,299	12,668	13,048	13,439
Tableware	2,460	2,534	2,610	2,688
Subtotal Other Expenses	284,297	589,662	740,775	715,975
Total Dining Services	715,328	1,702,391	2,196,996	2,215,881
<b>2024                      2025                      2026                      2027</b>				
<b>Grounds Maintenance</b>				
<b>Employee Expenses</b>				
Salaries	53,380	54,982	56,631	58,330
Benefits	20,818	21,443	22,086	22,749
Subtotal Employee Expenses	74,199	76,425	78,718	81,079
<b>Other Expenses</b>				
Contract Services	39,823	41,018	42,249	43,516
Equipment Rental	7,434	7,657	7,886	8,123
Operating Supplies	3,080	3,172	3,267	3,365
Equipment Purchases	159	164	169	174
Snow Removal Services	6,159	6,344	6,534	6,730
Other	616	634	653	673
Irrigation System Repair	903	930	958	986
Subtotal Other Expenses	58,174	59,919	61,717	63,568
Total Grounds Maintenance	132,373	136,344	140,434	144,647

## Appendix B-3

### South Towers Departmental Operating Costs (Continued)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Housekeeping and Laundry				
Employee Expenses				
Salaries	116,841	239,640	298,819	307,784
Benefits	45,568	93,459	116,540	120,036
Other				
Subtotal Employee Expenses	162,409	333,099	415,359	427,820
Other Expenses				
Cleaning Supplies	12,299	12,668	13,048	13,439
Equipment	12,299	12,668	13,048	13,439
Paper and Plastic Supplies	9,485	9,770	10,063	10,365
Laundry Supplies	6,155	6,340	6,530	6,726
Laundry Contract	9,233	9,510	9,796	10,089
Linen Replacement	1,539	1,585	1,633	1,682
Other	0	0	0	0
Additional Line Item	0	0	0	0
Additional Line Item	0	0	0	0
Additional Line Item	0	0	0	0
Subtotal Other Expenses	73,148	75,343	77,603	79,931
Total Housekeeping and Laundry	235,557	408,442	492,962	507,751
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Transportation				
Other Expenses				
Gasoline and Oil	6,149	6,334	6,524	6,720
Lease Payments	14,773	15,216	15,673	16,143
Repairs and Maintenance	6,149	6,334	6,524	6,720
Licenses and Permits	1,230	1,267	1,305	1,344
Subtotal Other Expenses	28,302	29,151	30,025	30,926
Total Transportation	188,313	193,963	199,782	205,775

### Appendix B-3

#### South Towers Departmental Operating Costs (Continued)

	2024	2025	2026	2027
Marketing				
Employee Expenses				
Salaries	0	0	110,117	113,420
Benefits	0	0	42,945	44,234
Other				
Subtotal Employee Expenses	0	0	153,062	157,654
Other Expenses				
Contract Services	0	0	16,899	17,406
Promotions, Newsletter, Website	0	0	135,928	140,006
Advertising	0	0	9,576	9,864
Rentals	0	0	3,267	3,365
Printing	0	0	9,858	10,154
Postage	0	0	6,534	6,730
Other	0	0	3,267	3,365
Additional Line Item	0	0	17,463	17,987
PROJECT BUDGET PORTION	0	0	-88,964	0
Subtotal Other Expenses	0	0	113,830	208,877
Total Marketing	0	0	266,892	366,531
Wellness Program	2024	2025	2026	2027
Other Expenses				
Supplies	4,317	4,317	4,447	4,580
Subtotal Other Expenses	4,317	4,317	4,447	4,580
Total Wellness Program	4,317	4,317	4,447	4,580
Utilities	2024	2025	2026	2027
<b>Weighted by number of months open</b>				
IL/Catered Occupied Square Footage	219,280	219,280	219,280	219,280
Total Occupied Square Footage	219,280	219,280	219,280	219,280
All Utilities	566,342	583,332	600,832	618,857
Trash removal	98,390	101,342	104,382	107,513
Total Utilities	664,732	684,674	705,214	726,371

### Appendix B-3

#### South Towers Departmental Operating Costs (Continued)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Insurance				
Insurance - Liability & Property	61,555	63,402	65,304	67,263
Insurance - Vehicle	6,155	6,340	6,530	6,726
Insurance - Dishonesty, Bond Liability	3,078	3,170	3,265	3,363
Insurance - Umbrella Liability	6,155	6,340	6,530	6,726
Other	3,078	3,170	3,265	3,363
Total Insurance	80,021	82,422	84,895	87,442
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Property Taxes				
Total Property Taxes	618,538	637,094	656,207	675,893
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Administrative Services Fee				
Management Fee	171,539	176,685	181,986	187,445
Total Administrative Services Fee	171,539	176,685	181,986	187,445
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Capital Expenditures				
Total Capital Expenditures	250,000	300,000	350,000	400,000

**Appendix B-4**

**North Tower Fill Up Schedule by Month**

	<b>Net Move-Ins</b>	<b>Cumulative Move-Ins</b>	<b>Cumulative Percentage</b>
<b>Fill Month</b>	<b>Independent Living</b>	<b>Independent Living</b>	<b>Independent Living</b>
0			
1	1300	13	4.80%
2	1300	26	9.59%
3	12.00	38	14.02%
4	12.00	50	18.45%
5	12.00	62	22.88%
6	12.00	74	27.31%
7	1000	84	31.00%
8	1000	94	34.69%
9	1000	104	38.38%
10	1000	114	42.07%
11	1000	124	45.76%
12	1000	134	49.45%
13	8.00	142	52.40%
14	8.00	150	55.35%
15	8.00	158	58.30%
16	7.00	165	60.89%
17	7.00	172	63.47%
18	7.00	179	66.05%
19	6.00	185	68.27%
20	6.00	191	70.48%
21	6.00	197	72.69%
22	5.00	202	74.54%
23	5.00	207	76.38%
24	5.00	212	78.23%
25	5.00	217	80.07%
26	5.00	222	81.92%
27	5.00	227	83.76%
28	5.00	232	85.61%
29	4.00	236	87.08%
30	4.00	240	88.56%
31	3.00	243	89.67%
32	3.00	246	90.77%
33	3.00	249	91.88%
34	3.00	252	92.99%
35	3.00	255	94.10%
36	2.00	257	94.83%

## Appendix B-4

### South Towers Fill Up Schedule by Month

	<b>Net Move-Ins</b>	<b>Cumulative Move-Ins</b>	<b>Cumulative Percentage</b>
Fill Month	Independent Living	Independent Living	Independent Living
0			
1	7.00	7	5.98%
2	7.00	14	11.97%
3	6.00	20	17.09%
4	6.00	26	22.22%
5	5.00	31	26.50%
6	5.00	36	30.77%
7	4.00	40	34.19%
8	4.00	44	37.61%
9	4.00	48	41.03%
10	4.00	52	44.44%
11	3.00	55	47.01%
12	3.00	58	49.57%
13	4.00	62	52.99%
14	4.00	66	56.41%
15	5.00	71	60.68%
16	6.00	77	65.81%
17	5.00	82	70.09%
18	4.00	86	73.50%
19	4.00	90	76.92%
20	4.00	94	80.34%
21	3.00	97	82.91%
22	3.00	100	85.47%
23	3.00	103	88.03%
24	2.00	105	89.74%
25	2.00	107	91.45%
26	2.00	109	93.16%
27	2.00	111	94.87%

**Appendix B-5**

**North Tower Debt Amortization Schedule**

<b>Debt Amortization Schedule -Calendar/Fiscal Year</b>						
<b>Period</b>	<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Early Debt Retirement</b>	<b>Total Debt Ser\Ace</b>	<b>Ending Principal</b>
						304,805,000
1	2019	-	11,192,038	-	11,192,038	304,805,000
2	2020	-	19,186,350	-	19,186,350	304,805,000
3	2021	-	18,628,453	16,110,000	34,738,453	288,695,000
4	2022	-	14,788,386	111,300,000	126,088,386	177,395,000
5	2023	-	9,674,871	74,690,000	84,364,871	102,705,000
6	2024	-	6,907,980	12,900,000	19,807,980	89,805,000
7	2025	551,111	6,286,350	-	6,837,461	89,253,889
8	2026	983,339	6,247,772	-	7,231,111	88,270,550
9	2027	1,052,173	6,178,939	-	7,231,111	87,218,378
10	2028	1,125,825	6,105,286	-	7,231,111	86,092,553
11	2029	1,204,633	6,026,479	-	7,231,111	84,887,920
12	2030	1,288,957	5,942,154	-	7,231,111	83,598,963
13	2031	1,379,184	5,851,927	-	7,231,111	82,219,780
14	2032	1,475,727	5,755,385	-	7,231,111	80,744,053
15	2033	1,579,028	5,652,084	-	7,231,111	79,165,025
16	2034	1,689,559	5,541,552	-	7,231,111	77,475,466
17	2035	1,807,829	5,423,283	-	7,231,111	75,667,637
18	2036	1,934,377	5,296,735	-	7,231,111	73,733,261
19	2037	2,069,783	5,161,328	-	7,231,111	71,663,478
20	2038	2,214,668	5,016,443	-	7,231,111	69,448,810
21	2039	2,369,695	4,861,417	-	7,231,111	67,079,115
22	2040	2,535,573	4,695,538	-	7,231,111	64,543,542
23	2041	2,713,063	4,518,048	-	7,231,111	61,830,479
24	2042	2,902,978	4,328,134	-	7,231,111	58,927,501
25	2043	3,106,186	4,124,925	-	7,231,111	55,821,315
26	2044	3,323,619	3,907,492	-	7,231,111	52,497,696
27	2045	3,556,273	3,674,839	-	7,231,111	48,941,423
28	2046	3,805,212	3,425,900	-	7,231,111	45,136,212
29	2047	4,071,576	3,159,535	-	7,231,111	41,064,635
30	2048	4,356,587	2,874,524	-	7,231,111	36,708,049
31	2049	4,661,548	2,569,563	-	7,231,111	32,046,501
32	2050	4,987,856	2,243,255	-	7,231,111	27,058,645
33	2051	5,337,006	1,894,105	-	7,231,111	21,721,638
34	2052	5,710,597	1,520,515	-	7,231,111	16,011,042
35	2053	10,358,980	1,120,773	-	11,479,752	5,652,062
36	2054	5,652,062	395,644	-	6,047,707	0
		89,805,000	210,178,002	215,000,000	514,983,002	



**Appendix B-5**

**South Towers Debt Amortization Schedule**

<b>Debt Amortization Schedule- Calendar/Fiscal Year</b>						
<b>Period</b>	<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Early Debt Retirement</b>	<b>Total Debt Service</b>	<b>Ending Principal</b>
						145,185,000
1	2021	-	2,528,700	-	2,528,700	145,185,000
2	2022	-	10,114,800	-	10,114,800	145,185,000
3	2023	-	9,902,982	-	9,902,982	145,185,000
4	2024	-	8,379,109	53,290,000	61,669,109	91,895,000
5	2025	-	5,189,084	46,710,000	51,899,084	45,185,000
6	2026	-	3,614,800	-	3,614,800	45,185,000
7	2027	98,941	3,614,800	-	3,713,741	45,086,059
8	2028	403,681	3,606,885	-	4,010,566	44,682,378
9	2029	435,976	3,574,590	-	4,010,566	44,246,402
10	2030	470,854	3,539,712	-	4,010,566	43,775,549
11	2031	508,522	3,502,044	-	4,010,566	43,267,027
12	2032	549,204	3,461,362	-	4,010,566	42,717,823
13	2033	593,140	3,417,426	-	4,010,566	42,124,683
14	2034	640,591	3,369,975	-	4,010,566	41,484,092
15	2035	691,838	3,318,727	-	4,010,566	40,792,254
16	2036	747,185	3,263,380	-	4,010,566	40,045,068
17	2037	806,960	3,203,605	-	4,010,566	39,238,108
18	2038	871,517	3,139,049	-	4,010,566	38,366,591
19	2039	941,238	3,069,327	-	4,010,566	37,425,353
20	2040	1,016,537	2,994,028	-	4,010,566	36,408,815
21	2041	1,097,860	2,912,705	-	4,010,566	35,310,955
22	2042	1,185,689	2,824,876	-	4,010,566	34,125,266
23	2043	1,280,544	2,730,021	-	4,010,566	32,844,721
24	2044	1,382,988	2,627,578	-	4,010,566	31,461,733
25	2045	1,493,627	2,516,939	-	4,010,566	29,968,106
26	2046	1,613,117	2,397,448	-	4,010,566	28,354,989
27	2047	1,742,167	2,268,399	-	4,010,566	26,612,822
28	2048	1,881,540	2,129,026	-	4,010,566	24,731,282
29	2049	2,032,063	1,978,503	-	4,010,566	22,699,219
30	2050	2,194,628	1,815,938	-	4,010,566	20,504,591
31	2051	2,370,198	1,640,367	-	4,010,566	18,134,392
32	2052	2,559,814	1,450,751	-	4,010,566	15,574,578
33	2053	2,764,599	1,245,966	-	4,010,566	12,809,979
34	2054	2,985,767	1,024,798	-	4,010,566	9,824,211
35	2055	4,234,341	785,937	-	5,020,278	5,589,870
36	2056	5,589,870	447,190	-	6,037,060	
		45,185,000	117,600,828	100,000,000	262,785,828	

Appendix B-6  
North Tower Unit Mix and Pricing

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>50% Refundable Contract</i>				
	Unit	Square	2021 Monthly	2021 Entrance
	<u>Mix</u>	Footage	Fee (1)	Fee (2)
<b>Independent Living -Apartments</b>				
<b>Floors 1 - 10</b>				
One Bedroom	19	750	\$5,095	\$769,900
One Bedroom Premium	27	750	\$5,095	\$799,900
One Bedroom Den	14	850	\$5,695	\$849,900
One Bedroom Den Premium	12	850	\$5,695	\$884,900
One Bedroom Deluxe	18	950	\$6,195	\$939,900
One :Bedroom Deluxe Premium	54	950	\$6,195	\$979,900
Two :Bedroom	7	1,050	\$6,695	\$1,039,900
Two :Bedroom Premium	45	1,050	\$6,695	\$1,084,900
Two :Bedroom Den	47	1,200	\$7,495	\$1,249,900
<b>Floors 11 &amp; 12</b>				
One Bedroom	2	750	\$5,095	\$839,900
One Bedroom Premium	4	750	\$5,095	\$874,900
One Bedroom Deluxe	2	950	\$6,195	\$1,009,900
One Bedroom Deluxe Premium	4	950	\$6,195	\$1,049,900
Two Bedroom Premium	4	1,050	\$6,695	\$1,154,900
Two Bedroom Den Premium	12	1,200	\$7,495	\$1,319,900
<b>Total Wtd. Avg.</b>	<u>271</u>	<u>977</u>	<u>\$ 6,322</u>	<u>\$ 1,015,786</u>
<b>Second Person Fees</b>			<b>\$1,895</b>	<b>\$50,000</b>

(1) Monthly fees are expected to be constant through September 2022 and are subject to change based on market conditions and other financial considerations.

(2) First person Entrance Fee as proposed is 80% refundable. Second person Entrance Fee as proposed is 0% refundable.

Appendix B-6  
North Tower Unit Mix and Pricing (Continued)

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>50% Refundable Contract</i>				
	Unit	Square	2021	2021
	Mix	Feet	Monthly	Entrance
			Fees (1)	Fees (2)
<b>Independent Living - AJXtrtments</b>				
Floors 1 -10				
One Bedroom	19	750	\$4,076	\$769,900
One Bedroom Premium	27	750	\$4,076	\$799,900
One Bedroom Den	14	850	\$4,556	\$849,900
One Bedroom Den Premium	12	850	\$4,556	\$884,900
One Bedroom Deluxe	18	950	\$4,956	\$939,900
One Bedroom Deluxe Premium	54	950	\$4,956	\$979,900
Two Bedroom	7	1,050	\$5,356	\$1,039,900
Two Bedroom Premium	45	1,050	\$5,356	\$1,084,900
Two Bedroom Den	47	1,200	\$5,996	\$1,249,900
Floors 11 & 12				
One Bedroom	2	750	\$4,076	\$839,900
One Bedroom Premium	4	750	\$4,076	\$874,900
One Bedroom Deluxe	2	950	\$4,956	\$1,009,900
One Bedroom Deluxe Premium	4	950	\$4,956	\$1,049,900
Two Bedroom Premium	4	1,050	\$5,356	\$1,154,900
Two Bedroom Den Premium	12	1,200	\$5,996	\$1,319,900
Total Wtd. Avg.	271	977	\$ 5,058	\$ 1,015,786
Second Person Fees			\$1,516	\$50,000

- (1) Monthly fees are expected to be constant through September 2022 and are subject to change based on market conditions and other financial considerations.
- (2) First person Entrance Fee as proposed is 50% refundable. Second person Entrance Fee as proposed is 0% refundable.

## Appendix B-6

### North Tower Unit Mix and Pricing (Continued)

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>Traditional Amortizing Contract</i>				
	Unit	Square	2021	2021
	Mix	Footage	Monthly	Entrance
			Fee (1)	Fee (2)
<b>Independent Living - Apartments</b>				
<b><u>Floors 1 - 10</u></b>				
One Bedroom	19	750	\$5,095	\$538,930
One Bedroom Premium	27	750	\$5,095	\$559,930
One Bedroom Den	14	850	\$5,695	\$594,930
One Bedroom Den Premium	12	850	\$5,695	\$619,430
One Bedroom Deluxe	18	950	\$6,195	\$657,930
One Bedroom Deluxe Premium	54	950	\$6,195	\$685,930
Two Bedroom	7	1,050	\$6,695	\$727,930
Two Bedroom Premium	45	1,050	\$6,695	\$759,430
Two Bedroom Den	47	1,200	\$7,495	\$874,930
<b><u>Floors 11 &amp; 12</u></b>				
One Bedroom	2	750	\$5,095	\$587,930
One Bedroom Premium	4	750	\$5,095	\$612,430
One Bedroom Deluxe	2	950	\$6,195	\$706,930
One Bedroom Deluxe Premium	4	950	\$6,195	\$734,930
Two Bedroom Premium	4	1,050	\$6,695	\$808,430
Two Bedroom Den Premium	12	1,200	\$7,495	\$923,930
Total/Wtd. Avg.	271	977	\$ 6,322	\$ 711,050
Second Person Fees			\$1,895	\$50,000

- (1) Monthly fees are expected to be constant through September 2022 and are subject to change based on market conditions and other financial considerations.
- (2) First person Entrance Fee as proposed is 0% refundable. Second person Entrance Fee as proposed is 0% refundable.

**Appendix B-6**  
**South Towers Unit Mix and Pricing (Continued)**

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>80% Refundable Contract</i>				
	Unit	Square	2024	2024
	Mix	Footage	Monthly	Entrance
			Fee <sup>(1)</sup>	Fee <sup>(2)</sup>
<b>Independent Living - Apartments</b>				
One Bedroom	24	750	\$5,495	\$850,900
One Bedroom Den	6	950	\$6,695	\$1,036,900
One Bedroom Den	6	950	\$6,695	\$1,080,900
Two Bedroom	41	1,050	\$7,295	\$1,154,900
Two Bedroom	17	1,100	\$7,295	\$1,205,500
Two Bedroom Den	23	1,200	\$8,095	\$1,385,900
Total/Wtd. Avg.	117	1,015	\$7,021	\$1,135,457
Second Person Fees			\$2,030	\$55,436

- (1) Monthly fees are expected to be constant through December 2024 and are subject to change based on market conditions and other financial considerations.
- (2) First person Entrance Fee as proposed is 80% refundable. Second person Entrance Fee as proposed is 0% refundable.

**Appendix B-6**  
**South Towers Unit Mix and Pricing (Continued)**

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>50% Refundable Contract</i>				
	Unit	Square	2024	2024
	Mix	Footage	Monthly	Entrance
			Fee <sup>(1)</sup>	Fee <sup>(2)</sup>
<b>Independent Living - Apartments</b>				
One Bedroom	24	750	\$4,396	\$850,900
One Bedroom Den	6	950	\$5,356	\$1,036,900
One Bedroom Den	6	950	\$5,356	\$1,080,900
Two Bedroom	41	1,050	\$5,836	\$1,154,900
Two Bedroom	17	1,100	\$5,836	\$1,205,500
Two Bedroom Den	23	1,200	\$6,476	\$1,385,900
Total/Wtd. Avg.	117	1,015	\$5,617	\$1,135,457
Second Person Fees			\$1,624	\$55,436

- (1) Monthly fees are expected to be constant through December 2024 and are subject to change based on market conditions and other financial considerations.
- (2) First person Entrance Fee as proposed is 50% refundable. Second person Entrance Fee as proposed is 0% refundable.

Appendix B-6

South Towers Unit Mix and Pricing (Continued)

<b>River's Edge</b>				
<b>Proposed Unit Mix and Pricing</b>				
<i>Traditional AmortizinR Contract</i>				
			2024	2024
	Unit	Square	Monthly	Entrance
	Mix	<u>Footage</u>	Fee(!)	Fee (Z)
Independent Living -Apartments				
One Bedroom	24	750	\$5,495	\$595,630
One Bedroom Den	6	950	\$6,695	\$725,830
One Bedroom Den	6	950	\$6,695	\$756,630
Two Bedroom	41	1,050	\$7,295	\$808,430
Two Bedroom	17	1,100	\$7,295	\$843,850
Two Bedroom Den	23	1,200	\$8,095	\$970,130
	Total VWtd. Avg.	<u>117</u>	<u>\$7,021</u>	<u>\$794,820</u>
Second Person Fees			\$2,030	\$55,436

- (1) Monthly fees are expected to be constant through December 2024 and are subject to change based on market conditions and other financial considerations.
- (2) First person Entrance Fee as proposed is 0% refundable. Second person Entrance Fee as proposed is 0% refundable.