The Mather
Disclosure Statement

7929 Westpark Dr.
Tysons, VA 22102

This Disclosure Statement, including the cover page and exhibits, is provided to furnish information about The Mather, a Continuing Care Retirement Community (CCRC) in Fairfax County, Virginia. The Mather will be referred to as a Life Plan Community throughout this document, which is the new nomenclature for a CCRC that has been adopted by the senior living industry.

This Disclosure Statement has been filed with the State Corporation Commission of the Commonwealth of Virginia, pursuant to the Continuing Care Provider Registration and Disclosure Act, Virginia Code § 38.2 – 4900 – 4917 (2004). The filing of this Disclosure Statement with the State Corporation Commission does not constitute approval, recommendation or endorsement of the Community by the State Corporation Commission.

FILED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
August 1, 2018
Commissioner of Insurance
BY: Nataliya I. Kaplun

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1. *Continuing Care Providers.* *Give the name and business address of the provider and a statement of whether the provider is a partnership, foundation, association, corporation or other type of business or legal entity. Such statement shall also set forth the jurisdiction in which the provider is organized, if applicable. If the provider is composed of multiple legal entities, give the required information for all such entities and provide a specific description of their relationship to each other*.

Continuing Care Provider

Tysons LPC, LLC (formerly named McLean Mather, LLC) /dba The Mather

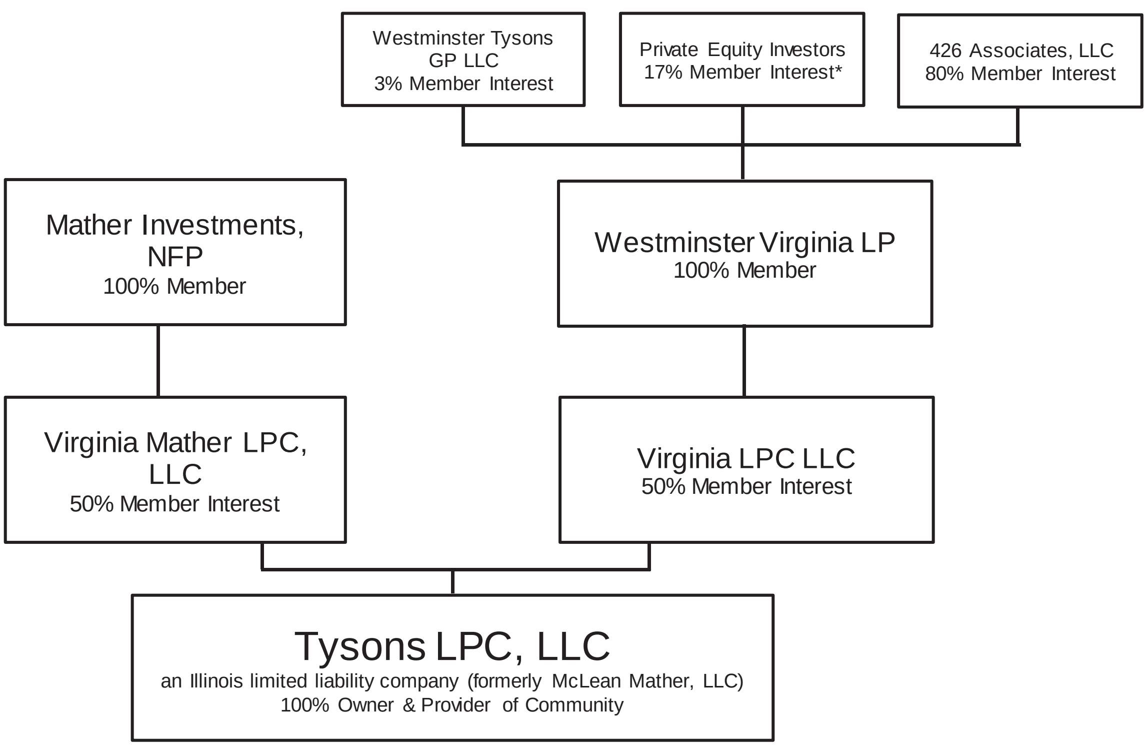
Corporate Address:
1603 Orrington Ave. Suite 1800
Evanston, IL 60201

Community Address:
7929 Westpark Dr.
Tysons, VA 22102

Statement Describing Business Organization/Legal Entity

Tysons LPC, LLC is the Provider for the proposed Life Plan Community. Organized under the laws of the State of Illinois as an LLC, the Provider is qualified to do business in the Commonwealth of Virginia.

Tysons LPC, LLC will be the owner of all of The Mather's facilities and buildings, in addition to the land on which it is situated. Tysons LPC, LLC will be owned by an equity partnership consisting of Virginia Mather LPC, LLC and Virginia LPC LLC (referred to as the "Owners") as further described below.



*No one Private Equity Investor has ten (10) percent or greater equity or beneficial interest in the Provider.

Additionally, the Provider will enter into a Management Agreement with Virginia Mather Management, LLC, an entity that will be newly created to provide operational oversight of The Mather, and a Development Agreement with Virginia Mather Development, LLC, an entity that will be newly created to develop The Mather.

Residents will enter into a Residency Agreement (Exhibit 1) with the Provider. The Provider will provide services to residents and receive the Entrance Fees and Monthly Service Fees. The Owners will not be responsible for providing services to residents.

2. ***Officers, Directors, Trustees, Managing and General Partners, and Certain Persons who Hold Equity or Beneficial Interests****. Give the names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a ten percent or greater equity or beneficial interest in the provider, and a description of such person's interest in or occupation with the provider. In the case of a nonstock corporation also provide the information for members of the nonstock corporation. "Beneficial interest" means any current interest in a provider that is directly related to the financial performance of that provider. Beneficial interest includes: 1. All forms of direct or indirect ownership of a provider, including ownership through another legal entity; 2. Ownership or control of any voting class of securities issued by the provider; and 3. Any contract, including a lease or management contract, with a provider where the amount of consideration under the contract is tied to the financial performance of the provider. This section shall be divided into appropriately labeled subsections for each group or persons listed.*

Directors or Managers

Mather Investments, NFP

Victoria J. Herget, Director
Mary G. Leary, Director and Officer
Roger E. Lumpp II, Director
Julie Riggs, Officer
Terence Toth, Director
Carol Sussenbach, Officer

Virginia Mather LPC, LLC

Mary G. Leary, Manager
Carol Sussenbach, Manager
Joseph Zajdel, Manager

Tysons LPC, LLC

Mary G. Leary, Manager
Carol Sussenbach, Manager

The business address for all above Directors and Managers is:
1603 Orrington Ave., Suite 1800
Evanston, IL 60201

Westminster Tysons GP LLC
Patrick R. Hunt, Manager
Charles E. King, Manager
Robert T.E. Lansing, Manager
Stuart D. Lansing, Manager
Mark T. Mazur, Manager
Michael M. Mazur, Manager
Kristi L. Sherin, Manager
Darren R. Strotman, Manager
Matthew R. Van Wie, Manager

The business address for all above Directors and Managers is:
270 E. Westminster, Suite 300
Lake Forest, IL 60045

426 Associates, LLC
Sidney G. Simmonds, Manager

The business address for the above Manager is:
1000 Wilson Blvd., Suite 2702
Arlington, VA 22209

Westminster Virginia LP
Managed by Westminster Tysons GP (the General Partner). The General Partner holds a 3% equity interest in Westminster Virginia LP. No officers, directors, or trustees.

Virginia LPC LLC
Sole member is Westminster Virginia LP. No officers, directors, trustees, managing or general partners.

Directors and Managers; Holders of 10% or Greater Equity or Beneficial Interests
None of the Directors and Managers listed above have an equity or beneficial interest in the Provider of greater than 10 percent.

3. ***Business Experience of, Acquisition of Goods and Services from, and Criminal, Civil, or Regulatory Proceedings against Providers, its Officers, Directors, Trustees, Managing and General Partners, Certain Persons who Hold Equity or Beneficial Interests, and the Management.*** *For (i) the provider, (ii) any person named in the previous section or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed by the provider: a. Give a description of any specific business experience in the operation or management of similar facilities. b. Give the name and address of any professional service, firm, association, foundation, trust, partnership or corporation or* *any other business or legal entity in which such person has, or which has in such person, a ten percent or greater direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of $500 or more, within any year, including: (1) A description of the goods, leases or services and the probable or anticipated cost thereof to the provider; (2) The process by which the contract was awarded; (3) Any additional offers that were received; and (4) Any additional information requested by the Commission detailing how and why a contract was awarded. c. Give a description of any matter in which such person: (1) Has been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgement, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property or moral turpitude; or (2) Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or (3) Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property. This section shall be divided into appropriately labeled subsections for parts a, b, and c. A response for each part is required.*

3.a. *Business Experience in the Operation or Management of Similar Facilities*. Tysons LPC, LLC, Virginia Mather LPC, LLC, and Virginia LPC LLC are entities formed for the purpose of owning and operating a Life Plan Community in the Commonwealth of Virginia. Therefore, they have no prior experience in the operation or management of other Life Plan Communities.

Directors, Officers, or Managers of Tysons LPC, LLC have experience with similar communities throughout the United States. Additionally, Directors, Officers, or Managers of Virginia Mather Management, LLC are also Directors, Officers, or Managers of affiliates of the Provider that have owned and operated continuing care retirement communities for more than 50 years, including The Mather in Evanston, Illinois, Mather Place in Wilmette, Illinois and Splendido at Rancho Vistoso, in Tucson Arizona. Both The Mather in Evanston and Splendido are Life Plan Communities.

3.b. *Business Experience of Directors, Officers or Managers*.

Victoria J. Herget (Mather Investments, NFP) earned her bachelor's degree in economics from Wellesley College in Massachusetts, and a master of business administration degree in accounting and finance from the University of Chicago's Booth School of Business. She also earned the professional designations of chartered financial analyst (CFA) and chartered investment counselor (CIC), and held various executive positions with Zurich Scudder

Investments (and predecessor firms) from 1973 to 2001, including managing director from 1993 to 2001. She is a past chair of the Wellesley board of trustees and a former chair of the Investment Committee, current chair of the board of The Newberry Library, director and past chair of United Educators Insurance Company, and a director of the Oppenheimer Funds.

Patrick R. Hunt (Westminster Tysons GP LLC) is the President and Chief Operating Officer of Westminster Capital. Mr. Hunt joined Westminster Capital as Chief Financial Officer in January 2012 and was promoted to his current position in January 2013. Prior to joining the Firm, he was Managing Principal of Newport Advisors, a real estate advisory services firm that he founded. Mr. Hunt has over 10 years of REIT experience including serving for seven years as President, Chief Operating Officer and a Trustee of Great Lakes REIT, a publicly traded (NYSE) company that was sold in 2004 to a private equity firm. He subsequently was Executive Director-Joint Venture Management at First Industrial Realty Trust. Prior to Great Lakes REIT, Mr. Hunt had a 14-year career at LaSalle Investment Management, one of the world's leading managers of private and public property equity investments, where he served as a Managing Director in a variety of development, asset management, and portfolio management positions. He began his business career as a loan officer at BMO Harris Bank in the commercial lending department. Mr. Hunt is a Director of Life Care Companies LLC. He has a BS from Northwestern University and a MBA from the University of Chicago Booth School of Business.

Charles E. King (Westminster Tysons GP LLC) is a Managing Principal at Westminster Capital. Mr. King has worked at the firm since 2004, and leads the firm’s Asset Management Group. He worked 12 years for Northwestern Mutual Life as the Director of Real Estate Asset Management throughout the Midwest with responsibility for managing a $400 million portfolio of property assets largely containing apartment and industrial properties. In Lake Forest, Illinois, he serves on the board of the Housing Trust Fund, and was a past Chairman of the Building Review Board. He has a BBA-Finance and a Masters of Real Estate and Urban Economics from the University of Wisconsin at Madison.

Robert T.E. Lansing (Westminster Tysons GP LLC) is the Chairman of Westminster Capital. Prior to founding the forerunner firm to Westminster Capital in 1988, Mr. Lansing spent nine years with LaSalle Partners, becoming Senior Vice President and Founder of the Strategy Group. Clients included private family clients and companies such as Tribune Company, Hewlett-Packard, Ford Motor, 3M, Bristol-Myers, and Clorox. This work involved evaluation of real estate portfolios, formulation of corporate real estate strategy, formation of joint ventures, and overseeing acquisition/disposition activity. Several of these client assignments dealt with multi-billion dollar real estate portfolios. Before joining LaSalle Partners, he worked for The Fox Companies, a regional real estate development company in Philadelphia, and FMC Corporation in Chicago. Mr. Lansing is the Mayor of Lake Forest, Illinois, and served on the Zoning Board of Appeals, Chaired a City Planning Committee, and served as an Alderman on the Lake Forest City Council. Mr. Lansing is a Director Emeritus of Lake Forest Bank & Trust Company, having served on the Bank's Credit and Risk Management Committees. He has a BA from Wesleyan University and an MBA from The Wharton School.

Stuart D. Lansing (Westminster Tysons GP LLC) is a Managing Principal at Westminster Capital. Mr. Lansing joined the Firm in 2010 to support the asset management and investor relations activities of the Firm. Since 2014, he has led the Firm's client capital activities. Previously, in the institutional equities and executive search businesses, he worked with many well-known hedge fund and private equity Firms. Mr. Lansing serves on the Board of the Lurie Children's Hospital Annual Pro-Am and on the Board of The A.K. Taylor Fund supporting conservation efforts in the Maasai Mara of Kenya, East Africa. He has an undergraduate business degree from the University of Denver.

Mary G. Leary (Mather Investments, NFP and Tysons LPC, LLC, Virginia Mather LPC, LLC) earned her bachelor's degree in business/health services administration from Cornell University and master's degree in health policy and management from Harvard University. Ms. Leary previously served as chief operating officer of Classic Residence by Hyatt and has held other executive leadership positions in senior living, health care, and long-term care, including president of StratMark, Inc. and vice president of product development and marketing with Oxford Development Corporation. Ms. Leary joined Mather LifeWays in 2002 as its chief executive officer & president and director. Currently, she is a member of the executive board of the American Seniors Housing Association, the operator advisory board of the National Investment Center, and serves on the board of Caring Communities Insurance Company, a Reciprocal Risk Retention Group. She also chairs Caring Communities Insurance Company's risk management committee and is a member of the personnel and compensation committee. Additionally, she chairs Novare, a national consortium of single site and small system life plan community providers.

Roger E. Lumpp II (Mather Investments, NFP) earned his bachelor's degree from Wabash College in Indiana and a master's degree in business administration from the University of Michigan. A certified public accountant, Mr. Lumpp retired from KPMG in 2012. He spent twenty plus years in the financial services industry in executive positions with two publicly held insurance-centered corporations. Previously, Mr. Lumpp was managing director at BearingPoint and a partner with Arthur Andersen's business consulting group. Mr. Lumpp currently chairs the board of directors of Mather LifeWays and serves on the boards of North Shore Senior Center, Symbria, and Lismore International.

Mark T. Mazur (Westminster Tysons GP LLC) is a Managing Principal at Westminster Capital. Mr. Mazur has worked at the firm since 2000, focused on investment strategy and execution. Before joining Westminster Capital, Mr. Mazur was Chief Investment Officer for a real estate investment fund. His responsibilities included all aspects of the acquisition process from identification of opportunities to negotiation, financial analysis, due diligence, financing, and asset management. Prior to that, Mr. Mazur worked for 10 years at Jones Lang LaSalle in various capacities including investment sales, asset management, development, property management, and leasing. In his last assignment, he oversaw the Healthcare Investment Services Group. Before joining LaSalle, he was a district sales manager for Chrysler Corporation. He holds a BA in Economics from the University of Michigan at Ann Arbor.

Michael M. Mazur (Westminster Tysons GP LLC) is the Vice President of Acquisitions at Westminster Capital. Mr. Mazur joined the Firm during 2012 in support of the company's acquisitions and asset management efforts. His previous real estate experience includes working for Miller Capital Advisory in its Acquisitions, Analysis, and Strategic Planning group. Prior to that, Mr. Mazur worked in the securities trading industry and focused on macroeconomic analysis and event trading. He holds a BBA in both Finance and Real Estate from University of Wisconsin at Madison and an MBA from the University of Chicago Booth School of Business.

Julie Riggs (Mather Investments, NFP) earned her bachelor's degree from Illinois Wesleyan University and a master's degree in music from Northwestern University. She serves as Secretary of Mather Investments, NFP and assists the CEO and President of Mather LifeWays. Prior to joining the Mather organization, she worked for GVW Group, LLC and Baker Knapp & Tubbs, a division of Kohler Co.

Sidney G. Simmonds (426 Associates, LLC) is a Certified Public Accountant and President of Simmonds & Klima, Ltd. in Arlington, Virginia, where he specializes in tax and accounting services to trusts, estates, family offices and individuals. He currently serves as Vice Chairman of the Board of Directors of the Virginia Hospital Center Arlington Health Care System and chairs its Compliance and Audit Oversight Committees. He also serves as a Director of FVC Bancorp of Fairfax Virginia. He holds MS and BS degrees in Accounting from the University of Virginia.

Kristi L. Sherin (Westminster Tysons GP LLC) is a Managing Principal and Chief Administrative Officer of Westminster Capital. Ms. Sherin oversees Investor Reporting, Human Resources, and Administration at Westminster Capital. Prior to joining the Firm in 1995, she was an Administrative Assistant for the Retirement Planning Group at PaineWebber. She has a BA degree in Economics/Business with Honors from Lake Forest College.

Darren R. Strotman (Westminster Tysons GP LLC) is a Managing Principal and Chief Financial Officer of Westminster Capital. Before joining the Firm in 2002, Mr. Strotman spent five years at Arthur Andersen in the Commercial Audit Division, the last three as a Senior Auditor. He is a Certified Public Accountant and a member of the AICPA and the Illinois Society of CPAs. He holds a BBA in Accounting from the University of Notre Dame.

Carol Sussenbach (Virginia Mather LPC, LLC) earned her bachelor's degree from the University of Illinois and a master's degree in business administration from the University of Chicago. She is responsible for accounting, finance, information technology, and risk management efforts for the Mather organization, and over sees investments as part of Mather Foundation Investment Committee. Prior to joining the Mather organization, Carol worked with several Fortune 100 companies. Ms. Sussenbach began her career in public accounting with Ernst & Young and has served on the boards of Caring Communities Insurance Company and Symbria. Carol is a CPA and a CFA charter holder.

Terence J. Toth (Mather Investments, NFP) earned his bachelor's degree from University of Illinois, an executive master of business administration degree from New York University, and completed the CEO perspectives program at Northwestern University. Mr. Toth is an independent director on the Nuveen Mutual Fund Board since 2008 and a co-founding Partner of Promus Capital. He has spent over 35 years in the financial services industry. Mr. Toth spent 17 years at Northern Trust, leaving in 2007, where his last role was chief executive officer and president of Northern Trust Global Investments. Prior to this, he spent 9 years at Bankers Trust Company in New York City as a managing director of securities lending. Mr. Toth is on the boards of Fulcrum IT LLC, Quality Control Corporation, and is the past chair, and serves on the board of Catalyst Schools of Chicago.

Matthew R. Van Wie (Westminster Tysons GP LLC) is the Vice President of Asset Management at Westminster Capital. Mr. Van Wie joined the Firm in 2007 as a Financial Analyst supporting the Firm's asset management, acquisition, and disposition activities. Previously he worked for PSK Properties, Inc. as Director of Finance and Administration. He earned a BS degree in Business Administration from Marian College, and an MBA from Marquette University.

Joseph Zajdel (Virginia Mather LPC, LLC) is responsible for overseeing senior living development efforts, including site acquisition, entitlements and regulatory approvals, and design and construction management, as well as providing ongoing support to existing communities for the Mather organization. He is also responsible for market research, investment modeling, project/business planning, and obtaining equity and construction financing. Mr. Zajdel has played a major role in more than $300 million of development for the Mather organization. Prior to joining Mather LifeWays, Mr. Zajdel was Assistant Vice

President of Development at Classic Residence by Hyatt, was Senior Project Manager at Mesirow Stein Real Estate, Project Manager at Schal Bovis Construction and Structural Engineer at Skidmore Owings and Merrill. In 2010, he was appointed to the National Investment Center's Future Leaders Council and serves as Liaison for its Leadership Development group. In addition to earning his bachelor of science degree in civil engineering from the University of Illinois at Urbana-Champaign, Mr. Zajdel earned his MBA from the University of Chicago with a specialization in finance and a concentration in economics.

3.c. ***Entity in which Officers, Directors, or Managers Hold Ten Percent, or Greater Interest and Provides or will Provide Goods, Leases or Services to Provider, of a Value of $500 or More Within Any Year.***

No Director, Officer, or Manager listed above has any interest in any other professional service firm, association, foundation, trust, partnership, or corporation or any business or legal entity which presently intends or may provide goods or services to The Mather at a value of $500 or more within any year.

3.d. ***Acquisition of Goods and Services From Entities Related to Tysons LPC, LLC.***

As indicated in Section 1 of this Disclosure Statement, the Provider will enter into a Management Agreement with Virginia Mather Management, LLC to provide operational oversight of The Mather. The Mather will pay a management fee to Virginia Mather Management, LLC, calculated at 6% of gross operating revenues.

The Provider will also enter into a Development Agreement with Virginia Mather Development, LLC to develop The Mather. The Mather will pay development fees to Virginia Mather Development, LLC, currently calculated at 4.43% of Development Costs found in the Anticipated Source & Application of Construction Funds (Exhibit 10) excluding land acquisition costs, financing costs, start-up operating costs, development fees, sales and marketing fees, and owners' contingency.

3.e. ***Criminal, Civil, or Regulatory Proceedings Against.*** The Provider, and its Owners, Directors, Officers, Managers and any persons holding equity or beneficial interests in Tysons LPC, LLC:

i. have not been convicted of a felony or pleaded nolo contendere to a criminal charge or been held liable or enjoined in a civil action by final judgment, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, misappropriation of property, or moral turpitude;

ii. are not subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under this chapter or similar laws in another state; or

iii. are not currently the subject of any state or federal prosecution or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

4. ***Ownership of Real Property.*** *Give full and detailed information regarding direct and indirect ownership of the property on which the facility is or will be operated and of the buildings in which it is or will be operated.*

The property on which The Mather is to be located is currently owned by Essex 7929 Westpark, LLC. The property will be purchased by Tysons LPC, LLC upon receipt of entitlements approvals from Fairfax County. Essex 7929 Westpark, LLC will have no ownership or other interest in the Provider, its Owners, or any of its affiliates.

5. ***Location and Description of Real Property.*** *Give the location and description of the real property of the facility, existing or proposed, and to the extend proposed, the estimated completion date or dates of improvements, whether or not construction has begun and the contingencies under which construction may be deferred.*

Location:

The Mather is located at 7929 Westpark Dr. Tysons, VA 22102.

Description of the Real Property:

The site is on approximately 4.035 acres in Tysons, Virginia, north of Tysons Boulevard and south of Westpark Drive, east of its intersection with Westbranch Drive. Construction of the community is estimated to begin in late 2019, with plans to open in late 2022.

The Mather is designed to be a state-of-the-art Life Plan Community, and is proposed to include an 18 and a 27-story tower which will be connected by a central “Commons” on Level 3 and a health care center (“Life Centre”) on Levels 4 and 5 (Levels 1 and 2 will include parking and retail). Upper levels will include independent living apartment homes. The Mather will include balconies and curved façade elements that enhance views and provide an attractive, varied architecture that compliments surrounding buildings. Outdoor terraces, streetscape plazas, and a large private “activity event lawn,” will be features of The Mather, with smaller lawns and private gardens adjoining a public urban park.

The independent living component of The Mather is planned to include 300 independent living apartment homes with a variety of floor plans. Amenity spaces are proposed to include multiple restaurants, an indoor swimming pool, fitness studio, resource library, creative arts studio, theater, multi-use spaces and outdoor social spaces.

The Mather will include assisted living, memory support, and skilled nursing services in the health care center of the community. The Mather will include approximately 16 assisted living apartment homes with services and programming for residents who need assistance with activities of daily living, plus 20 memory support suites. The Mather will also include 42 skilled nursing suites, all of which will be private rooms. These suites will be built based on a model that combines individual and group living elements. This design includes multiple “neighborhoods” including 10 – 16 private bedrooms and baths, connected to a communal open kitchen, living room, dining room, and access to a secure, private outdoor space.

The preliminary construction schedule for The Mather is attached to this Disclosure Statement as Exhibit 4. The construction schedule may change due to a variety of factors including but not limited to finalization of plan approvals and permits, lender pre-sales requirements, and/or unforeseen weather-related delays.

6. ***Affiliation with Religious, Charitable, or other Nonprofit Organization, Tax Status of Provider.*** *Give a statement as to: a. Whether the provider is or ever has been affiliated with a religious, charitable or other nonprofit organization, the nature of any such affiliation, and the extent to which the affiliate organization is or will be responsible for the financial and contractual obligations of the provider; b. Any provision of the federal Internal Revenue Code under which the provider is exempt from the payment of income tax. This section shall be divided into appropriately labeled subsections for parts a and b. A response for each part is required.*

6.a. ***Affiliation with Religious, Charitable, or other Nonprofit Organization****.* The Provider is a limited liability company with a 50% member, Virginia Mather, LPC LLC, that is 100% owned by Mather Investments, NFP. Mather Investments NFP is a 501(c)(3) charitable organization which, in turn, is affiliated with Mather LifeWays, another 501(c)(3) organization with significant experience in owning and operating senior living communities. All claims, obligations, or liabilities shall be the sole responsibility of the Provider.

6.b. ***Tax Status of Provider****.* The Provider is a limited liability company and is taxed under the partnership provisions of the Internal Revenue Code (IRC). Under these provisions of the IRC the partners are responsible for reporting their share of the Provider’s federal taxable income or loss on their income tax returns. Accordingly, the Provider is not subject to income taxes for federal and most state jurisdictions.

7. ***Services provided under Continuing Care Contracts.*** *Describe the services provided or proposed to be provided under continuing care contracts, including the extent to which medical care is furnished or is available pursuant to any arrangement. The disclosure statement shall clearly state which services are included in basic continuing care contracts and which services are made available by the provider at extra charge.*

The Residency Agreement, attached as Exhibit 1 to this Disclosure Statement, provides detail on the proposed services to be included as part of the continuing care contract between the Provider and the resident(s). The following sections are brief descriptions of the services included as part of the Monthly Service Fees for each level of living/care in the community, as well as a brief description of the ancillary services which will be available for an additional fee. Exhibit 5 shows the current proposed fee schedule. Pricing and services are subject to change and will be further refined as development progresses.

7.a. ***Independent Living***. In addition to use of the designated apartment home, residents in Independent Living will receive the following services: resident selected meal plan; 24-hour concierge; light housekeeping; maintenance; local transportation; lifestyle programs; utilities; Wi-Fi; access to life centre; emergency notification system; wellness services; property taxes; professional management of the community. [See Section III of Residency Agreement (Exhibit 1)].

7.b. ***Assisted Living and Memory Support***. In addition to use of the designated apartment home or suite, residents in Assisted Living and Memory Support will receive the following services: assisted living services; 24-hour CNA oversight of, or assistance with activities of daily living; three meals per day; weekly housekeeping; maintenance; local transportation; lifestyle programs; utilities; Wi-Fi; access to life centre; emergency notification system; wellness services; property taxes; professional management of the community. (See Section III.H.1.a & III.H.1.b of Residency Agreement [Exhibit 1]).

7.c. ***Skilled Nursing***. In addition to use of the designated skilled nursing suite, residents in skilled nursing will receive the following services: 24-hour RN, LPN, and CNA provided care; rehabilitation and therapy coordination; three meals per day; weekly housekeeping; maintenance; local transportation; lifestyle programs; utilities; Wi-Fi; emergency notification system; wellness services; property taxes; professional management of the community. (See Section III.H.1.c of Residency Agreement [Exhibit 1]).

7.d. ***Ancillary Services***. The Provider anticipates providing certain services for an additional fee, e.g., additional meals, guest meals, additional housekeeping, laundry, and linen service, special programs and events, wellness spa services, personal fitness trainer, and any services provided to non-residents and guests.

Since The Mather is currently in development, both the offered additional services, and additional service pricing are to be confirmed.

8. ***Fees Required of Residents.*** *Give a description of all fees required of residents, including any entrance fee and periodic charges. The description shall include (i) a description of all proposed uses of any funds or property required to be transferred to the provider or any other person prior to resident's occupancy of the facility and of any entrance fee, (ii) a description of provisions for the escrowing and return of any such funds, assets or entrance fee, the manner and conditions of return and to whom earnings on escrowed funds are payable as discussed in Code Section 38.2-4904.1 and (iii) a description of the manner by which the provider may adjust periodic charges or other recurring fees and any limitations on such adjustments. If the facility is already in operation, or if the provider operates one or more similar facilities within this Commonwealth, there shall be included tables showing the frequency and average dollar amount of each increase in periodic rates at each facility for the previous five years or such shorter period that the facility has been operated by the provider.*

The following fees will be required for prospective residents or residents of the Community.

8.a. ***Processing Fee***. Prospective residents will pay a $250 processing fee to the Provider upon submitting an application. This fee will be used to offset the costs of performing financial and health screenings and other paperwork requirements for prospective residents. Processing fees are one-time payments, that will not be escrowed, and are not refundable.

8.b. ***Independent Living Apartment Home Upgrade Charge***. Prospective residents who select their apartment homes during an "apartment home upgrade period" during construction and desire to make customized improvements to their apartment homes prior to moving in will pay a charge to the Provider for those customized upgrades. The cost of customized improvements to an apartment home will depend upon the improvements desired, including labor charges, and will be payable at the time of signing a Home Upgrades Agreement to install such improvements in their apartment home. Fees paid for improvements to an apartment home are made as a lump sum, one-time payment. Home Upgrades Charges will be used to cover the costs to construct such upgrades, and will not be escrowed. Home Upgrades Charges shall not be increased or changed after payment to the Provider, however, select improvements will be 90% refundable (See Home Upgrades Agreement Exhibit 11).

8.c. ***Entrance Fee***. Prospective residents will pay a one-time Entrance Fee to the Provider. In the case of joint occupancy of an apartment home, a prospective second resident will pay a one-time Second Person Entrance Fee to the Provider. After release from escrow, Entrance Fees and Second Person

Entrance Fees (collectively “Entrance Fees”) will be used by the Provider to pay Entrance Fee refunds, repay the construction-related financing, pay development and sales and marketing fees, and provide a financial return to the Owners. Ten percent (10%) of the Entrance Fee will be designated as non-refundable.

The Entrance Fee to be paid by residents depends upon the size, location and features of the apartment home. A list of proposed Entrance Fees for Independent Living is attached to this Disclosure Statement as Exhibit 5. Prospective residents will pay the Entrance Fees in a series of deposits as follows: i) A $1000 Priority Reservation Deposit will be due when the prospective resident first submits an application (see Priority Reservation Agreement Exhibit 2); ii) 10% of the total Entrance Fee will be due when the prospective resident reserves a specific apartment home (see Depositor Agreement Exhibit 3); and iii) a final payment, which is the remainder of the Entrance Fee after the prior deposits are paid, will be due when the resident signs the Residency Agreement (the “Commencement Date”).

Prior to the Commencement Date, all Entrance Fees, in excess of the $1000 Priority Reservation Deposit, paid by a prospective resident to the Provider will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to the Provider. Any interest earned on funds in the escrow account prior to resident Commencement Date will be for the benefit of the resident. Entrance Fees will be released from escrow once the Provider presents evidence to the escrow agent that the Commencement Date has occurred, or that the apartment home reserved by the resident is available for immediate occupancy by the resident.

Prior to the Commencement Date, fees in escrow and the $1000 Priority Reservation Fee, will be returned to the prospective resident in the following circumstances: the later of i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started (but in any event, within six years after placement in escrow unless specifically approved by the Commission) or within such longer period as determined as being appropriate by the State Corporation Commission in writing; ii) if the prospective resident dies before the Commencement Date; iii) if the construction of The Mather, not yet operating, is stopped indefinitely before the community is completed; or iv) upon rescission of the Residency Agreement (Exhibit 1) pursuant to the terms of the Agreement. Fees held in escrow will be returned by the escrow agent. Other fees will be returned by the Provider as applicable.

If the resident rescinds the Residency Agreement within seven (7) calendar days of execution (the Rescission Period), the Provider will refund all of the money paid by the resident under the Residency Agreement, with the exception of the $250 processing fee. If the resident or the Provider terminates the Residency Agreement after the Rescission Period and prior to the Commencement Date, the resident will receive a full refund of the Entrance Fee paid with the exception of the $250 processing fee. After the expiration of the Rescission Period and the Commencement Date, the resident will receive a refund that is the greater of: (i) ninety-eight (98) percent of the Entrance Fee less one (1) percent for each full or partial month of occupancy after the Commencement Date, less any "Adjustments" (described in Section IV. B.2 of the Residency Agreement (Exhibit 1); or (ii) ninety (90) percent of the Entrance Fee, less any "Adjustments." If there is a second person, there will be no Entrance Fee or Second Person Entrance Fee refund until this Agreement terminates, as provided in Section IV.A and IV. B of the Residency Agreement (Exhibit 1). The Entrance Fee for a resident will not be increased during the term of the Agreement, except upon the transfer to a more expensive apartment home or upon joint occupancy of an apartment home with either a current resident or non-resident. If a resident relocates to an apartment home that has a higher Entrance Fee, the resident will pay an additional Entrance Fee equal to the difference between the then-current Entrance Fee for the new apartment home and the Entrance Fee the resident paid for the existing apartment home. See Section IV.A of the Residency Agreement (Exhibit 1) for discussion of any additional deposit in the event of joint occupancy of an apartment home after moving into The Mather.

8.d. ***Monthly Service Fees***. Beginning on the Commencement Date, Residents pay a Monthly Service Fee during the term of their residency. Monthly Service Fees are used by the Provider to cover operating expenses of The Mather. The amount of the Monthly Service Fee depends upon the size of the apartment home, the life centre plan chosen by the prospective resident, and service package selected. If two or more residents occupy an apartment home together, the residents will pay only one (1) Monthly Service Fee and one (1) Second Person Monthly Service Fee. The second resident may include a resident who moves to The Mather with the first person, as well as residents who move in together after moving into The Mather. If a resident transfers to a different apartment home within The Mather, the resident will pay the then current Monthly Service Fee for the new apartment home as described in Sections IV.C of the Residency Agreement (Exhibit 1). If a resident leaves The Mather (due to voluntary withdrawal or death), the resident will pay the Monthly Service Fee as described in Sections VII.A.2-3 and VII.B.2 of the Residency Agreement.

A schedule of proposed Monthly Service Fees and Second Person Monthly Service Fees is attached to this Disclosure Statement as Exhibit 5. Residents will receive an invoice each month which will show the Monthly Service Fee (billed in advance), and will detail charges for any ancillary services provided during the prior month, to the resident(s), but not included in the Monthly Service Fee. Payment of the Monthly Service Fee, plus any ancillary charges, is due by the 5th business day of the month.

Monthly Service Fees may be adjusted by the Provider at its sole discretion upon 30 days' written notice to residents. Monthly Service Fees are not escrowed by the Provider and are not refundable.

The Mather is currently under development, so no schedule of the changes in Monthly Service Fees is available.

8.e. ***Temporary Operations Surcharge***. If the Provider determines that increases in operating expenses create a financial risk for the ongoing operation of The Mather, there may be a "Temporary Operations Surcharge". Temporary Operations Surcharge will be used to offset operating expenses which include, but are not limited to, significant unforeseen increases in the cost of a utility or significant additional operating expenses due to new or revised legal or regulatory requirements. Temporary Operations Surcharges may be terminated or made permanent at the Provider's sole discretion.

Temporary Operations Surcharges may be implemented by the Provider at its sole discretion upon 30 days' notice to residents. Temporary Operations Surcharges are not escrowed by the Provider and are not refundable.

8.f. ***Transfer Fee***. After the Commencement Date, Residents who elect to move to an apartment home that has a lower Entrance Fee than their existing apartment home will pay a Transfer Fee equal to fifteen (15) percent of the Entrance Fee paid for their existing apartment home, which shall not be increased or changed after payment to the Provider. This fee helps defray the Provider's costs related to the transfer and refurbishing of the apartment home vacated. The Transfer Fee will not apply if a resident(s) move to a smaller home within eighteen (18) months of the death or move-out of a second resident.

Transfer Fee payments are lump sum, one-time payments, and must be made prior to transferring to the new apartment home. Transfer Fees are not escrowed by the Provider and are not refundable.

8.g. ***Refurbishment Fee***. After the Commencement Date, Residents who elect to move to an apartment home that has a higher Entrance Fee than their existing apartment home will pay a Refurbishment Fee equal to two (2) percent of the Entrance Fee paid for their existing apartment home, which shall not be increased or changed after payment to the Provider. This fee helps defray the Provider's costs related to the transfer and refurbishing of the apartment home vacated.

Refurbishment Fee payments are lump sum, one-time payments, and must be made prior to transferring to the new apartment home. Refurbishment Fees are not escrowed by the Provider and are not refundable.

9. ***Reserve Funding.*** *Describe any provisions that have been made or will be made to provide reserve funding or security to enable the provider to fully perform its obligations under continuing care contracts, including the establishment of escrow accounts, trusts or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons who will make the investment decisions. The disclosure statement shall clearly state whether or not reserve funds are maintained. This description shall include a specific explanation of how the value of any such reserve funding was established and, if available, it shall include the opinion of a qualified actuary.*

It is anticipated that operating income from the Monthly Service Fees will be sufficient to enable the Provider to meet its continuing care obligations. Accordingly, no reserve or security funds will be established.

An Entrance Fee Escrow Account will be established in accordance with the Code of Virginia §38.2-4904.1. No long-term debt is currently anticipated, and construction-related financing will be retired using funds from Entrance Fees as they are released from the Entrance Fee Escrow Account.

All Entrance Fees, in excess of the $1000 Priority Reservation Deposit, paid by a prospective resident to the Provider will be placed in an escrow account with a bank or other escrow agent. Funds held in escrow are the property of prospective residents until released to the Provider. Any interest earned on funds in the escrow account prior to resident Commencement Date will be for the benefit of the resident and will be applied toward the final Entrance Fee payment, or paid to the resident upon return of the Deposit.

10. ***Certified Financial Statements.*** *Give certified financial statements of the provider, including (i) a balance sheet as of the end of the two most recent fiscal years and (ii) income statements of the provider for the two most recent fiscal years or such shorter period that the provider has been in existence. Such statements shall conform to generally accepted accounting principles and shall be certified by an independent, certified public accountant. The opinion of the independent, certified public accountant shall be included in this section.*

The most recent audited financial statements for McLean Mather, LLC (renamed Tysons LPC, LLC), and Mather LifeWays (affiliate of Mather Investments, NFP) with supplementary information are included in Exhibit 6 of this Disclosure Statement.

11. ***Pro Forma Income Statement****. Give a pro forma income statement for the current fiscal year. This statement shall conform to generally accepted accounting principles and shall include a specific description of the major assumptions used in developing the pro forma statement.*

The Mather is currently under development, so a pro forma projected operating statement for the community is included in the Anticipated Source and Application of Purchase or Construction Funds found in Exhibit 10.

12. ***Admission of New Residents.*** *Give a description of the provider's criteria for admission of new residents.*

    To become a resident of The Mather, applicants must: (i) be age 62 or older, or if more than one resident applies for admission for a specific apartment home, at least one applicant must be age 62 or older; (ii) take part in health screening interviews, and submit health information (including a physician's report identifying any relevant health conditions, and attesting to the applicant(s) ability to live independently for a minimum of two (2) years); (iii) show proof of sufficient assets and income to pay the Entrance Fee, Monthly Service Fee, Life Centre Fees and other routine expenses for items and services not provided by The Mather. The Mather is an equal housing opportunity provider.

13. ***Access to Community by Non-Residents.*** *Give a description of the provider's policies regarding access to the facility and its services for nonresidents.*

    Residents are welcome to have family and friends visit their apartment home. Guests are welcome to enjoy amenities and restaurants at The Mather, provided they are accompanied by a resident. Additional charges may apply for guest meals and services. Visitors are subject to The Mather's rules and regulations for use of the community. Residents may not assign the right to occupy their apartment home to any other person, and may not have other persons live in their apartment home for more than fourteen (14) consecutive days. From time to time, The Mather may make certain meeting rooms and amenity spaces available for public meetings.

14. ***Anticipated Source and Application of Purchase or Construction Funds.*** *If operation of the facility has not yet commenced, give a statement of the anticipated source and application of the funds used or to be used in the purchase or construction of the facility, including: a. An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs that the provider expects to incur or become obligated for prior to the commencement of operations; b. A description of any mortgage loan or other long-term financing intended to be used for any purpose in the financing of the facility and of the anticipated terms and costs of such financing, including without limitation, all payments of the proceeds of such financing to the provider, management or any related person; c. An estimate of the percentage of entrance fees that will be used or pledged for the construction or purchase of the facility, as security for long-term financing or for any other use in connection with the commencement of operation of the facility; d. An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility; e. An estimate*

of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performances of the obligations of the provider under continuing care contracts; f. A projection of the estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of any government subsidies for health care services to be provided pursuant to the continuing care contracts; g. A projection of estimated operating expenses of the facility, including (i) a description of the assumptions used in calculating any expenses and separate allowances for the replacement of equipment and furnishings and anticipated major structural repairs or additions and (ii) an estimate of the percentage of occupancy required for continued operation of the facility; h. Identification of any assets pledged as collateral for any purpose; i. An estimate of annual payments of principal and interest required by any mortgage loan or other long-term financing.

Detailed information regarding the Anticipated Source and Application of Purchase or Construction Funds can be found in Exhibit 10.

15. ***Procedure for Residents to File a Complaint or Disclose a Concern.*** *Give a description of the procedure by which a resident may file a complaint or disclose any concern.*

To file a complaint or disclose a concern regarding The Mather, residents may share verbally or in writing, with the Executive (Experience) Director. If a resident and/or his/her responsible agent is unable to complete a written report, assistance may be provided by any employee. Residents may also, at any time, file a grievance with the Fairfax County Ombudsman Office. Each grievance submitted will be reviewed by the Experience Director or designee(s). Any person reviewing the grievance will not have had any involvement with the issues leading to the grievance. The reviewer will provide the resident or their designated representatives, information regarding the findings, and any action taken.

EXHIBIT 1

RESIDENCY AGREEMENT

Summary:

Exhibit 1, the Residency Agreement, details the services residents will receive, the amenities and additional services residents will have access to, the rights and responsibilities of residents, and the costs associated with living at The Mather. In addition to the Residency Agreement, sample forms are included for the Designation of Beneficiaries, Arbitration and Limitation of Liability, along with a HIPAA Notice of Privacy Practices for Protected Health Information. Please note, the Residency Agreement and the sample forms are drafts and subject to change as planning and development progress. Not all forms may apply to all residents.

The Mather Residency Agreement

The Mather
Residency Agreement

ATTACHMENTS

- Exhibit A. Disclosure Statement
- Exhibit B. Designation of Beneficiary Form
- Exhibit C. Arbitration and Limitation of Liability Rider
- Exhibit D. HIPAA Notice of Privacy Practices for Protected Health Information

The Mather
Residency Agreement Summary

Commencement Date:	______________
First Resident (i.e., First Person):	______________
Second Resident (i.e., Second Person), if applicable:	______________
Residents' Current Address:	______________
	______________
Apartment (Home):	______________
Scheduled Occupancy Date:	______________

Dining Service Option:	First Resident	Second Resident:
Monthly meal option	________	________
21 meals per month	________	________
À la Carte	________	________

Life Centre Benefits:	First Resident	Second Resident:
90-Day Benefit Plan	________	________
Life Care Benefit Plan	________	________

Entrance Fee:	First Resident	Second Resident:
Entrance Fee	________	________
Minus 10% Deposit:	________	________
Minus Earnings on 10% Deposit[1]:	________	________
Net Entrance Fee due by Commencement Date:	________	________

[1] May appear as a credit on first full monthly billing

Monthly Service Fee:	First Resident	Second Resident:
Monthly Service Fee[2]	________	________
Minus Meal Credit, if elected 21 Meal Plan[2]:	________	________
Minus Meal Credit, if elected À la Carte Meal Plan[2]:	________	________
Plus Life Care Benefit, if elected[2]:	________	________
Total Resident Monthly Service Fee[1]:	________	________
Monthly parking fee, if applicable[2]:	________	________

[2] Subject to change

Net Prorated Monthly Fee Due at Commencement	________	________

NOTE: In the event this Summary is inconsistent with the Residency Agreement in any way, the Residency Agreement will govern.

RESIDENT(S):

Tysons LPC, LLC,
an Illinois limited liability company

____
(Signature)

____
(Print Name)

____
(By)

____
(Title)

____
(Signature)

____
(Print Name)

____

____
(Current Address)

I understand and agree to all terms contained in this Summary.

Guarantor (if applicable):

____
(Signature)

____
(Print Name)

THE MATHER
RESIDENCY AGREEMENT

THIS RESIDENCY AGREEMENT (the "Agreement") is entered into between ________________________________ ("you") and Tysons LPC, LLC, an Illinois limited liability company ("we" or "us"). No other entity assumes any obligations to you under this Agreement. If more than one resident enters into this Agreement, the term "you" refers to each of you individually and to both of you collectively.

FOREWORD

We operate a Life Plan Community, registered as a continuing care provider under the laws of Virginia, and located at 7929 Westpark Drive, Tysons, VA (the "Community"), doing business as The Mather. We provide housing, care and services to residents age 62 or older, or if more than one resident enters into this Agreement, where at least one resident is age 62 or older. We operate the Community on a nondiscriminatory basis and afford equal access and treatment to all eligible people. We own the Community and the land on which it was built.

You have applied and we have accepted you for residency at the Community. The purpose of this Agreement is to provide a statement of the services we will provide to you at the Community and the legal obligations that we will assume. This Agreement also sets forth your obligations to us, both financial and non-financial.

I. COMMENCEMENT DATE

The Commencement Date is the date you sign this Agreement and pay your full Entrance Fee. This date will occur no later than thirty (30) days after we notify you that your Home is available for occupancy. Your Monthly Service Fee identified in the Residency Agreement Summary will start on the Commencement Date. You are eligible for all services and benefits under this Agreement as of the Commencement Date.

II. ACCOMMODATIONS

In consideration of the fees payable by you under this Agreement, we will provide you with residency and services at the Community for the rest of your life, subject to the terms and conditions of this Agreement.

A. Your Home

You have chosen to live in the home (your Home) identified on the Residency Agreement Summary (the Summary). Your Home will be furnished with floor coverings, window treatments, individually controlled thermostat(s), a refrigerator, range, microwave, garbage disposal, dishwasher, smoke detectors, emergency notification system, and washer and dryer (together, the Furnished Property). All Furnished Property is and will remain our property.

B. Parking and Storage

If you maintain a legally licensed and registered automobile and have automobile liability insurance, you will be able to valet park one vehicle. You agree to sign a Valet Parking Agreement and pay the applicable monthly parking fee.

We may make a second parking space available to you, space permitting. You agree to sign a second Valet Parking Agreement and pay the applicable monthly parking fee.

You will have access to one storage space in the Community, separate from your Home. You will bear the risk of damage or loss to all stored property.

C. Community Amenities

You may use the amenity areas of the Community. Amenities may change over time, with updated information available at the Community.

III. STANDARD SERVICES

Your Monthly Service Fee will include the standard services listed below including Get Fit membership and Wi-Fi. Services continue for the duration of this Agreement.

A. Dining Services

Dining services will be available in multiple locations. We offer three (3) meals a day.

1. Options. You have selected one of three (3) dining options, described in the Summary: 1. monthly meal option (28 – 31 meals per month, equivalent to one meal per day, to be used at your discretion); 2. twenty-one (21) meals per month; or 3. à la carte meals. Your dining option includes a choice of breakfast, lunch or dinner, except on Sunday, when only brunch and takeout are offered. Under the à la carte or twenty-one (21) meal option, you will receive a credit for the cost of food against your Monthly Service Fee equal to the difference in the number of meals between your chosen meal option and the monthly meal option (28 – 31 meals per month). You may purchase additional food and alcoholic beverages on an à la carte basis.

2. Changes. You may change your dining option two (2) times per calendar year by providing advance written notice to us of at least thirty (30) days, which will become effective at the beginning of the next calendar month.

3. Food Credit. We will give you a credit for raw food costs (Raw Food Credit) against your Monthly Service Fee if you are away from the Community for more than fifteen (15) consecutive days and you provide advance written notice to us. The Raw Food Credit amount will begin on the first (1st) day of your absence and is limited by your dining option plan. The Raw Food Credit amount will be determined in our sole discretion. Most other expenses of operating the Community are fixed and do not vary with individual absences from the Community.

4. No Carryover. Unused meals will not be carried over into the subsequent month and may be used during the month for guests (but not other residents).

B. Concierge

We will provide a 24-hour concierge.

C. Housekeeping and Linen Service

We will provide light housekeeping service every other week, including laundering your bed linens and re-making the bed(s).

D. Maintenance

We will provide ongoing maintenance, repair, and replacements of the buildings, grounds, furniture, fixtures, and equipment at the Community, including routine maintenance of mechanical systems we furnish in your Home.

E. Transportation

We will provide scheduled, local, group transportation to certain area conveniences, activities, events, and outings, as space is available. Personal transportation may be reserved based on availability. Charges may apply.

F. Programs

We will provide social, recreational, educational, and cultural programs and events. Some programs may be offered at an additional charge. Programs and events will change from time to time.

G. Utilities

We will provide water, electricity, heat, air conditioning, garbage and trash disposal, recycling, and Wi-Fi in your Home.

H. Life Centre

1. Access. When ordered by a licensed physician, we will provide priority access to Assisted Living, Memory Support, or Skilled Nursing care in the Life Centre, as appropriate. These levels of care are as defined below:

a. Assisted Living: In Assisted Living, residential living is combined with assisted living services, encouraging residents to remain as independent as possible. Certified nursing assistants (CNAs) provide 24-hour assistance with daily tasks such as bathing, dressing, grooming and personal care.

b. Memory Support: In Memory Support, support is provided to residents with mild to moderate Alzheimer's disease or similar cognitive conditions. CNAs provide 24-hour oversight.

c. Skilled Nursing: In Skilled Nursing, registered nurses (RNs), licensed practical nurses (LPNs) and CNAs provide 24-hour nursing care for residents requiring (a) recovery support due to illness or surgery, (b) ongoing medical and non-medical care if residents are unable to care for themselves, and/or (c) coordination of rehabilitation and/or therapy services.

2. Life Centre Benefits. You have selected one of two benefit plans at the Life Centre (Life Centre Benefits):

a. 90-Day Benefit Plan. Under the 90-Day Benefit plan, you will receive ninety (90) total days of services in Assisted Living, Memory Support, or Skilled Nursing upon permanent transfer to the Life Centre, at virtually the same Monthly Service Fee you would have paid if you had remained in your Home. This plan requires that the ninety (90) days be used in whole-day increments and that additional days of care be provided at then-current daily rates. Provisions for temporary stays, including stays that involve Medicare reimbursement, are described in Section IV.C.7. of this Agreement. You may elect to reserve all or part of the 90-Day benefit for use in Skilled Nursing. This election must be made in writing at the time you require services in Assisted Living, Memory Support, or Skilled Nursing. You may change your election at any time with respect to the remaining days of the 90-Day Benefit.

b. Life Care Benefit Plan. Under the Life Care Benefit plan, you will receive unlimited days of services in Assisted Living, Memory Support, or Skilled Nursing, as needed, upon permanent transfer to the Life Centre at virtually the same Monthly Service Fee you would have paid if you had remained in your Home. Provisions for temporary stays, including stays that involve Medicare reimbursement, are described in Section IV.C.7. of this Agreement. Please refer to Section VI.C. for more information regarding short-term stays and permanent transfers to the Life Centre.

c. Additional Costs. Under the Life Care Benefit Plan and the 90-Day Benefit Plan, you will be responsible for all costs associated with ancillary services and supplies provided to you. Additionally, your Monthly Service Fee and fees for additional services will continue to be subject to increases.

d. No Change in Plan. The selection of a Life Centre Benefit plan is final and cannot be changed after the Commencement Date.

e. No Cash Value. Life Centre Benefits have no cash value and are not eligible for a refund.

I. Emergency Notification System

Your Home and designated amenity spaces at the Community are equipped with an emergency notification system.

J. Wellness Services

Through our Wellness Center, we will provide wellness consultations and services, information, education, and resources to assist you in making health-related decisions and arrangements.

K. Property Taxes

Your Monthly Service Fee includes a pro-rata share of property taxes assessed to the Community. We will provide an annual statement indicating your share or the Community's property taxes. **We make no representation as to your tax liability or the availability of any tax deduction. You should consult your own advisors regarding your tax situation.**

L. Professional Management

Your Monthly Service Fee includes professional management of the Community. Residents do not manage the Community or make operating decisions for the Community. Residents are welcome to participate in a variety of resident committees and provide suggestions to management on matters of interest.

IV. FEES

In consideration for the residency and services described in this Agreement, you agree to pay us an Entrance Fee, Monthly Service Fee, and, as applicable, Optional Fees, Additional Charges, and a Temporary Operations Surcharge, as described below.

A. Entrance Fee

On the Commencement Date, you will pay us the "Entrance Fee" and, if applicable, the "Second Resident Entrance Fee," both identified in the Summary. Together, these fees are referred to as the Entrance Fee. The 10% Deposit you have already paid to us will be credited against the Entrance Fee. Any interest or dividends earned on your 10% Deposit will be credited to the Entrance Fee or your first full Monthly Service Fee or paid directly to you by the bank. Your Entrance Fee will be held in escrow until the end of the "Rescission Period" described in Section VII.A.1., subject to VA Code § 38.2-4904.1 (2001 through Reg Session).

1. Escrow and Release from Escrow. Deposits made by you towards the total Entrance Fee, in excess of $1000, will be held in escrow in a banking institution, acting as an escrow agent, until you either occupy your Home or your Home is available for immediate occupancy. When either of those conditions has been fulfilled, and when your right of rescission (refer to Section VII.A.1) has expired, Entrance Fees will be released from escrow in full. All Entrance Fees become our property upon release from escrow, and will be used at our sole discretion until the termination of this Agreement (please refer to Section VII, Termination of This Agreement). You will retain the right to a Refund of Entrance Fee, as discussed in this Section IV.B.

Prior to the Commencement Date, deposits in escrow and your $1000 Priority Reservation Fee, will be returned to you only in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started, whichever is later (but in any event within six years after placement in escrow unless specifically approved by the Commission) or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if you die before occupying your unit; iii) if the construction of the Community, not yet operating, is stopped indefinitely before the Community is completed; or iv) upon rescission of the Residency Agreement pursuant to the terms of this Agreement.

2. Increase in Entrance Fee. Your Entrance Fee will not be increased during the term of this Agreement, except upon your transfer to a more expensive Home or upon the move into your Home of a spouse or other person not currently a resident.

a. Transfer to More Expensive Home. If you relocate to a Home that has a higher Entrance Fee, you will pay an additional Entrance Fee equal to the difference between the then-current Entrance Fee for the new Home and the Entrance Fee you paid for your existing Home. You will also owe us a one-time Refurbishment Fee equal to two (2) percent of the Entrance Fee you paid for your existing Home, to help defray our costs related to the transfer and refurbishing of the home you vacate. Payment of the Refurbishment Fee must be made prior to transferring to your new Home and shall not be increased or changed during the duration of this Agreement.

b. Joint Occupancy with Current Non-Resident. If you wish to live in your Home with a non-resident, he or she must apply for residency at the Community and meet our requirements for a new resident. The decision whether to accept the non-resident will be made in our sole discretion. If we accept the non-resident for residency and this Residency Agreement is amended to include him or her, he or she will become the Second Resident under this Agreement and pay the then-current Second Resident Entrance Fee and Second Resident Monthly Service Fee as of his or her occupancy date.

If the non-resident is not accepted for residency, we may, in our sole discretion, grant him or her the right to occupy your Home for the length of your residency. If this occurs, he or she will be required to sign an agreement or addendum documenting this arrangement. You will pay the Second Person Monthly Service Fee on the date the non-resident begins occupancy of your Home, but no additional Entrance Fee will be due. The second person will be eligible to receive the services specified in this Agreement, except Life Centre Benefits; however, if the Second Person is a Personal Services Provider ("PSP"), he or she may be ineligible for certain services and the Second Person Monthly Service Fee may be adjusted. In our discretion, nonresident rights may cease with the termination of your Residency Agreement, as described in Section VII.E.

c. Joint Occupancy with Current Resident. If you wish to live in your Home with a current resident, you agree to sign an amendment to this Agreement. We will retain the other resident's Entrance Fee until this Agreement is terminated by both of you. As of the date the other resident occupies your Home, he or she will pay the Second Person Monthly Service Fee for your Home.

d. Joint Occupancy with PSP. Your PSP may live with you in your Home. If he or she works for you at the Community for more than ten (10) hours per day, you agree to pay an additional fee as determined by us on the date his or her employment commences (to offset additional costs, such as utilities and trash removal, generated by your PSP). No additional Entrance Fee will be due, but an adjusted Second Person Monthly Fee will be due.

3. Decrease in Entrance Fee. If you move to a Home that has a lower Entrance Fee than your existing Home, you will owe us a one-time Transfer Fee equal to fifteen (15) percent of the Entrance Fee you paid for your existing Home, to help defray our costs related to the transfer and refurbishing of the home you vacate. The Transfer Fee will not apply if you move to a smaller home within eighteen (18) months of the death or move-out of a second resident occupying your Home. We will retain the Entrance Fee you paid for your existing Home until this Agreement is terminated, in accordance with Section IV B. Payment of the Transfer Fee must be made prior to transfer to your new Home and shall not be increased or changed during the duration of this Agreement.

B. Refund of Entrance Fee

1. Prior to the Commencement Date. If you or we terminate this Agreement before the Commencement Date, you will receive a full refund of the Entrance Fee paid and any second resident will receive a full refund of the Second Person Entrance Fee paid, both with interest or dividends. We will pay such refund(s) within thirty (30) days after we receive written notice of your intent to terminate this Agreement or after we give you written notice of our intent to terminate this

Agreement. Entrance Fee refunds will be paid to you or your estate or beneficiary(ies), as the case may be.

2. After the Commencement Date.

a. Calculation of Refund. If you or we terminate this Agreement at any time after the Commencement Date, you will receive a refund that is the greater of: (i) ninety-eight (98) percent of your Entrance Fee less one (1) percent for each full or partial month of occupancy after the Commencement Date, less any "Adjustments"; or (ii) ninety (90) percent of your Entrance Fee, less any "Adjustments." Adjustments will include all outstanding charges, including but not limited to, Monthly Service Fees, Optional Fees, Additional Charges, Deferred Fees, and Miscellaneous Expenses. Your refund(s) will be paid on the earlier of: (i) thirty (30) days from the occupancy date of your Home by a new resident; or (ii) one hundred eighty (180) days from the date this Agreement is terminated, as described in Section VII.A.

b. Two Residents. If there are two of you, there will be no Entrance Fee or Second Person Entrance Fee refund until this Agreement terminates with respect to both of you. Both refunds will be calculated as set forth in Section IV.B.2.a., and will be paid after the remaining Resident has died or moved out, upon the earlier of: (i) thirty (30) days from the occupancy date of your Home by a new resident; or (ii) one hundred eighty (180) days from the date this Agreement is terminated, as described in Section VII.A.

c. Termination after Permanent Transfer to Life Centre. If you or we terminate this Agreement at any time after the Commencement Date, and after permanent transfer to the Life Centre, your Entrance Fee refund(s) will be paid sixty (60) days from the date this Agreement is terminated if your Home has been occupied by a new resident. If there are two of you, there will be no Entrance Fee or Second Person Entrance Fee refund until this Agreement terminates with respect to both of you. Both refunds will be calculated as set forth in the Section IV.B.2.a., and will be paid after the surviving Resident has died or moved out upon the earlier of: (i) sixty (60) days from the date this Agreement is terminated if your Home has been occupied by a new resident; or (ii) one hundred eighty (180) days from the date this Agreement is terminated if your Home has not been occupied by a new resident. Entrance Fee refunds will be paid to you or your estate or beneficiary(ies), as appropriate.

3. Beneficiary Designation Form. In the event of your death, the refund(s) due under this Section IV.B. will be paid to your named beneficiary(ies) if you completed and signed the Designation of Beneficiary Form attached hereto as Exhibit B. If no named beneficiary survives you or if no named beneficiary can be located within thirty (30) days after your refund becomes due, the refund will be paid to your estate.

If spouses are parties to this Agreement, each spouse may designate separate beneficiaries by completing and signing separate Designation of Beneficiary Forms. Notwithstanding the preceding sentence, if spouses are parties to this Agreement, (1) upon the death of the first spouse, all interests held under this Agreement by the deceased spouse shall automatically transfer to the surviving spouse without the execution of any document and (2) upon the death of the surviving spouse, any refund shall be paid pursuant to the preceding paragraph.

You should consult with an attorney when completing the Designation of Beneficiary Form and should review the Designation of Beneficiary Form at least annually. If any legal issue or dispute arises regarding payment to your designated beneficiary(ies), we reserve the right to pay the refund(s) to your estate. If we incur any legal fees or expenses because of such legal issue or dispute, we reserve the right to deduct such fees and expenses from the refund or recover them from your estate.

C. Monthly Service Fee

1. Fee. Beginning on the Commencement Date, you will pay us the Monthly Service Fee and any Second Resident Monthly Service Fee identified in the Summary. Your initial Monthly Service Fee will be prorated if the Commencement Date is not the first (1st) day of the month. Thereafter, your Monthly Service Fee will be billed in advance by the second (2nd) business day of each month.

2. Automated Payment. We use an Automated Clearing House ("ACH") withdrawal system to transfer funds electronically to pay your bill. Monthly Service Fees and other charges are payable only by ACH withdrawal, and you agree to provide any information and authorization necessary to establish ACH payments. We will withdraw funds from the account you provide on the fifth (5) business day of the month.

3. Insufficient Funds; Late Fees. If you do not have sufficient funds to pay your Monthly Service Fee and all other charges and fees shown on your bill when we withdraw funds from the account you provide on the fifth (5) business day of the month, you will pay the bank's service charge and pay us late payment charges and interest. Late payment and service charges and interest on late payments will be deemed "Optional Fees" and subject to change on thirty (30) days' notice. If you fail to pay your fees on time and in full as described in this Section, we may initiate termination as described in Section VII.B.1. below.

4. Increase in Monthly Service Fees. We may adjust the Monthly Service Fee upon thirty (30) days' written notice to you. It is reasonable to anticipate that our operating costs will rise over time and that your Monthly Service Fee and other fees will also increase. Factors that might affect the Monthly Service Fee calculation are described in Subsection 5. below.

5. Factors Affecting Monthly Service Fee and Optional Fee Calculation. The Monthly Service Fee, Additional Fees, and Optional Fees (collectively "Gross Operating Revenues") will be adjusted, as necessary, to cover all costs of the Community, including, but not limited to: the cost to provide services and amenities under this and all other resident agreements; the cost to provide services and amenities to all residents of the Life Centre; the amount paid by us to care centers other than the Life Centre with which we have a referral agreement, as appropriate (Alternate Health Centers); employee expenses (including salaries, benefits, and taxes); all maintenance costs; acquisition, repair and/or replacement of all capital items (including acquisition, repair and/or replacement costs for building and grounds, furniture, fixtures and equipment, whether purchased or leased); marketing and sales costs; general and administrative cost (such as insurance costs, including but not limited to property, casualty, and liability insurance policies; legal fees; audit fees; and computer software and processing costs); food and supplies; utilities; real estate taxes, special taxes or assessments, and any other taxes that may be levied against the Community; a management fee of 6%

of Gross Operating Revenues to us or our successor; and distributions to investors. Decisions regarding the use of Monthly Fees and other operating cash is at our sole discretion.

6. Relocation to Another Home. If you relocate to a Home that has a different Monthly Service Fee than your existing Home, your Monthly Service Fee will be adjusted to the then-current Monthly Service Fee for your new Home.

If you permanently transfer to the Life Centre within twelve (12) months of relocating to a Home that has a different Monthly Service Fee than your existing Home, your Monthly Service Fee will be the higher of the Monthly Service Fee for your current Home or previous Home.

7. Monthly Service Fee During Temporary Stays in the Life Centre. We accept Medicare and supplemental insurance as sources of payment for qualified temporary stays in the Life Centre. You will be responsible for any deductible, co-payment, or other expenses not covered by Medicare or your supplemental insurance plan during temporary stays, whether they qualify for Medicare reimbursement or not.

During a Medicare-qualified temporary stay in the Life Centre, you will continue to pay the Monthly Service Fee for your Home, plus applicable ancillary charges and fees. During a non-Medicare-qualified temporary stay in the Life Centre, if you elected the Life Care benefit plan, you will continue to pay the Monthly Service Fee for your Home, plus applicable ancillary charges and fees. If you elected the 90-Day Benefit plan, you will pay the Monthly Service Fee for your Home, plus the then current rates at the Life Centre, plus applicable ancillary charges and fees.

8. Monthly Service Fee Upon Permanent Transfer to the Life Centre.

a. Vacating Unit. If you permanently transfer to the Life Centre, you must permanently vacate your Home within thirty (30) days unless this Agreement covers two of you, one of whom continues to reside in your Home.

b. If You Elected 90-Day Benefit. If you elected the 90-Day benefit plan and you permanently transfer to the Life Centre, you will pay a Monthly Service Fee that will be virtually the same as it would be if you had remained in your Home, plus applicable ancillary charges and fees, until you have resided in the Life Centre for a total of ninety (90) days. After ninety (90) days of residency in the Life Centre, you will pay the then current rates in the Life Centre, plus applicable ancillary charges and fees.

If you elected the 90-Day benefit plan and one of you remains in your Home while the other permanently moves to the Life Centre, you will continue to pay the First Resident and Second Resident Monthly Service Fees for your Home until the person permanently transferred to the Life Centre has resided in the Life Centre for a total of ninety (90) days. Thereafter, you will pay the First Resident Monthly Service Fee for your Home plus the then current daily rates in the Life Centre, plus applicable ancillary charges and fees.

If you elected the 90-Day benefit plan and both of you permanently move to the Life Centre, each of your Monthly Service Fees will be virtually the same as it would be if each person had remained in your most recently occupied Home, until each of you has resided in the Life Centre for an aggregate of ninety (90) days. Thereafter, you will each pay the then current daily rates in the Life Centre, plus applicable ancillary charges and fees.

In cases where one of you selected the 90-Day benefit plan and the other selected the Life Care benefit plan, you will each receive the benefits of the plan you originally selected.

c. If You Elected Life Care Benefit. If you elected the Life Care benefit plan and one of you remains in your Home while the other permanently moves to the Life Centre, or you both permanently move to the Life Centre, you will continue to pay the First and Second Person Monthly Service Fees for your Home, plus applicable ancillary charges and fees.

d. Whether you elected the 90-Day or Life Care Benefit plan, if two of you sign this Agreement and one of you dies or moves out of the Community, the Monthly Service Fee will be the First Resident Monthly Service Fee. If one of you transfers to an Alternate Health Center, the Monthly Service Fee will be the same as it would be if you or the Second Resident had transferred to the Life Centre. Additional provisions for transfer to an Alternate Health Center are described in Section V.B. of this Agreement.

D. Optional Fees

You will pay separately for any service not expressly included in your Monthly Service Fee, including, but not limited to:

Additional meals
Guest meals
Catering service
In-Home dining service
Additional housekeeping, laundry, and linen service
Special programs and events
Additional transportation services
Valet parking services
Wellness spa services
Personal fitness trainer
In-home services provided by non-residents and third parties
Any services provided to non-residents and guests

Fees for Optional Services (Optional Fees) may change in our sole discretion upon thirty (30) days' notice to you. Optional Fees will be billed in arrears and included in each month's invoice. They will be subject to the same payment rules as the Monthly Service Fee. See Section IV.C.

E. Additional Charges

Additional Charges (Additional Charges) will include expenses that are not expressly included in your Monthly Service Fee and are required for your care, such as meals provided to you in the Life Centre beyond your selected dining option, physician care, hospital care, home health aide services, physical therapy, occupational therapy, speech therapy, hospice service, medications, and medical supplies.

F. Temporary Operations Surcharge

If we determine that an operating expense creates a financial risk for the ongoing operation of the Community, we may charge you a "Temporary Operations Surcharge" on thirty (30) days' notice to you. Such operating expenses include, but are not limited to, significant unforeseen increases in the cost of utility or significant additional operating expenses due to new or revised legal or regulatory requirements. Temporary Operations Surcharges may be terminated or made permanent at our sole discretion.

G. Inability to Pay After Commencement Date

Without affecting our right to terminate this Agreement, if you are unable to meet your financial obligations to us after Commencement Date, for reasons beyond your control, we will review the matter with you. If you present us with facts, which in our opinion justify special financial consideration, we may approve partial or complete financial assistance with your Monthly Service Fee (Assistance), provided that the Assistance does not impair our ability to operate on a sound financial basis. Our decision concerning Assistance will be final and binding and will be treated as confidential unless we are required by law, a financial institution, or a governmental agency to disclose the decision.

You will not qualify for Assistance if you: (1) have impaired your ability to meet your financial obligations under this Agreement by transferring your assets for less than their fair market value (e.g., by making gifts, bargain sales, bequests, donations, or other similar transfers); (2) encumber your assets or otherwise dilute their value; or (3) inappropriately spend your assets (e.g., by spending down, making irresponsible expenditures, or waste) before or after you are accepted for residency at the Community, which, in our reasonable judgment, impairs your ability to pay all charges you may foreseeably incur while residing at the Community. Without limiting the foregoing, you will not be considered for Assistance if you have depleted your assets as a result of paying for companion, caregiver, and/or in-home PSP without our prior written approval.

If you receive Assistance: (1) you may not make any gifts of your assets without our written consent; (2) you must supply us with financial statements and copies of your tax returns at our request from time to time; (3) we reserve the right to eliminate or reduce the amount of Assistance if your financial situation improves; and (4) any Assistance you receive will be considered a Deferred Fee and will be payable to us (plus annual interest at the Prime interest rate, not to exceed ten percent) from your Entrance Fee refund upon termination of this Agreement.

If the Assistance you require exceeds your Entrance Fee refund, we will review the matter with you, and may, to the extent that it does not impair our ability to operate on a sound financial basis, offer you additional Assistance.

V. LIFE CENTRE

A. Life Centre Admission Contracts

The Life Centre includes Assisted Living apartments, Memory Support suites, and private Skilled Nursing suites. Upon each transfer to the Life Centre, you must sign a separate admission contract for your level of care which describes the services you will receive and your rights and obligations. Current copies of such contracts are available upon request. The terms of this Agreement will continue to apply and will prevail if there is a conflict between this Agreement and the contract.

B. Care at Alternate Health Center

If you require care that we offer but cannot provide, due to unavailability of space in the Life Centre, you will receive care in a private suite at an Alternate Health Center with which we have a referral relationship. You will pay the same Monthly Service Fee or Daily Suite Fee, as applicable, that you would have otherwise paid in the Life Centre. If the Monthly Service Fee or Daily Suite Fee at the Alternate Health Center exceeds the fee at the Life Centre, we will pay the difference. To continue to receive your Life Centre benefit, you agree to return to the Life Centre when space becomes available and as soon as your medical circumstances allow. We will discontinue payment to the Alternate Health Center three (3) days after the date you are obligated to return to the Community.

C. Personal Physicians and Medical Director

You agree to arrange for your physician to attend you if you reside in the Life Centre or Alternate Health Center. The cost of your personal physician will be your responsibility. We have appointed a physician licensed to practice medicine in the Commonwealth of Virginia to serve as the Medical Director of the Community. If the Medical Director is your personal physician, you understand that we have no responsibility for the care he or she provides as your personal physician. The Medical Director is an independent contractor and not our employee.

D. Life Centre Team

We have a Life Centre interdisciplinary team (Life Centre Team) that will make decisions regarding your care (including temporary and permanent transfers) in consultation with you, your personal physician, and a designated representative, as appropriate.

E. Rehabilitation Services

Rehabilitation services are performed by third parties who are not our employees. We will assist you with obtaining rehabilitation services, if needed, including physical, occupational and speech therapies. These services are not included in your Monthly Service Fee and will be at your own expense.

F. Hospitalization

If the Medical Director determines that you need hospital care or a level of care we are unable to provide (e.g., acute medical or psychiatric care), the Medical Director will have the authority to arrange such care and your transfer, at your expense.

G. Other Medical Practitioners and Facilities

You may engage the services of other medical practitioners or facilities at your own expense. If you have an illness or accident while you are away from the Community, we will not be liable to provide or pay for your care until you return to the Community.

H. Emergency Medical Attention

If we are aware that you require emergency medical attention, we will summon medical services personnel via 911 and attempt to notify your family or other contact person whom you have identified. You are responsible for all costs of emergency medical services.

I. Indemnification

By signing this Agreement, you agree that we bear no responsibility or liability for any damage or injury you sustain as a result of any care you receive (i) from the Medical Director or your attending physician, or (ii) outside of the Community, including, without limitation, care provided at an hospital, Alternate Health Center, by outside medical practitioners, medical service personnel, emergency medical technicians, rehabilitation service providers, Personal Service Providers, and other independent contractors. You further agree to hold us harmless for any damage or injury you sustain as result of any of the foregoing. In addition, you agree to defend, indemnify, and hold us harmless for any injuries or damages caused by you or for which you are legally liable, and to hold us harmless for any injuries or damage you sustain resulting from care provided to you by the Life Centre Team, except for injuries resulting from our gross negligence and/or recklessness or intentional acts by any members of the Life Centre Team.

J. Cost Exclusions

Whether you reside in the Life Centre or at an Alternate Health Center, you will be responsible for the cost of all items, services, and care not expressly covered by this Agreement, including but not limited to: medication (with or without a prescription); dental care; medical specialist care; meals beyond the number provided by your meal plan; emergency or personal transportation; assistive devices, such as, eyeglasses, hearing aids, wheelchairs, walkers or orthopedic devices; companion or personal services; rehabilitation services; general and incontinence supplies; diagnosis of and treatment for substance abuse or psychiatric disorders; Wi-Fi cable television service; and the cost of local and long-distance telephone service.

K. Medical Insurance

You agree to enroll in and maintain, as of the Commencement Date, at your expense, Medicare Parts A (hospital care coverage), B (physician cost coverage), and D, (prescription drug coverage), or a Medicare equivalent program that is acceptable to us; and a Medicare supplemental insurance policy ("Medigap" policy) or other private insurance policy that provides coverage of deductibles and co-payments. If you are enrolled in a Medicare HMO, that HMO must be willing to pay for services at the Community at rates acceptable to us, or you may be required to receive care at another location that has a contract with that HMO. Your Medicare and Medigap policies will be deemed primary insurance. Any benefits we provide will be secondary to such coverage.

L. Medical Insurance Benefits

You authorize us to make any and all claims for insurance benefits to which we are entitled under this Agreement, including insurance benefits payable to you for care received at an Alternate Health Center. You agree promptly to execute all documents necessary to enable us to collect or enforce such claims. You will be responsible for the payment of all expenses not covered by insurance.

VI. TRANSFERS

A. Oversight and Monitoring

You acknowledge and agree that one of the reasons that you have selected the Community for your home is that the Community is a Life Plan Community that offers a variety of services and health care support including, but not limited to the services available at the Life Centre. You further acknowledge our expertise in the evaluation and delivery of those services and health care support, and agree to abide by the determination of our Life Centre Team, if after consultation with you, our Medical Director, your personal physician and a designated representative, as appropriate, to transfer to a higher level of care that we offer within the Community.

B. Reasons for Transfers to Life Centre

We, in consultation with the Life Centre Team, and you, our Medical Director, your personal physician and a designated representative, as appropriate, may transfer you to a higher level of care that we offer within the Community, or an Alternate Health Center, if: (i) you require services or care that can be provided more safely, effectively or efficiently at a location other than your current location at the Community; (ii) you require services that we do not provide or that cannot be lawfully provided in your current location; (iii) you engage in conduct that is disruptive to the peace, quiet enjoyment, health, or well-being of other residents or detrimental to the efficient operation of the Community; or (iv) you have a condition or exhibit behavior that constitutes a direct threat to you or others. If you are transferred to an Alternate Health Center because you require care that we do not provide, you will be responsible for the cost of such care.

C. Short Term Stay and Permanent Transfer to Life Centre

Before or upon your transfer to the Life Centre, we, in consultation with the Life Centre Team, and you, our Medical Director, your personal physician and a designated representative, as appropriate, will determine whether your transfer to the Life Centre will be for a short term stay or permanent transfer.

D. Vacating Home

Upon your permanent transfer to the Life Centre, you will vacate your Home and remove your personal possessions within thirty (30) days of transfer. You will pay the Monthly Service Fee for your Home until it is vacated.

E. Return Home After Permanent Transfer

If we determine, in consultation with the Life Centre Team, and you, our Medical Director, your personal physician and your designated representative, as appropriate, that you are able to return home after a permanent transfer and your Home has been reoccupied, we will offer you a reasonably comparable home as soon as one becomes available. You will pay the then-current Monthly Service Fee for a First Resident for the home you occupy. If your original Home is still available, you may return to it and pay the then-current Monthly Service Fee for a First Resident.

F. Transfer at Our Request

You agree that we may relocate you to another Home if we determine that such a move is necessary for your benefit or the efficient operation of the Community. Before making such determination, our Life Centre team will perform an evaluation, and will, to the extent possible, consult with you, your personal physician and a designated representative.

VII. TERMINATION OF THIS AGREEMENT

A. By You

1. Within the Rescission Period or Prior to Commencement. Under Virginia law, you have the right to terminate this Agreement until midnight of the seventh (7^{th}) calendar day following the execution of this Agreement. If you terminate this Agreement within this period, you will receive a complete refund of all money you paid to us, with the exception of any Home Upgrades, within forty-five (45) days after receipt of the notice of cancellation. You may notify us of your intent to terminate this Agreement either via certified United States mail, return receipt requested, or by hand-delivering a copy to us. Notice sent by certified mail will be effective on the date postmarked.

If you terminate the Residency Agreement after the Rescission Period and prior to the Commencement Date, you will receive a complete refund of all money you paid to us, with the exception of any Home Upgrades, within forty-five (45) days after receipt of the notice of cancellation. You may notify us of your intent to terminate this Agreement either via certified United States mail, return receipt requested, or by hand-delivering a copy to us. Notice sent by certified mail will be effective on the date postmarked.

2. After the Rescission Period. You may terminate this Agreement after the Commencement Date upon sixty (60) days written notice to us. The notice of termination must be sent by certified mail, returned receipt requested, or by nationally recognized overnight delivery service. You will remain responsible for the Monthly Service Fee through the later of (i) the end of the sixty (60) day notice period; or (ii) the date you vacate your Home, remove all of your property from it, and return the key to us. You will receive an Entrance Fee refund as described in Section IV.B. of this Agreement.

3. In Case of Death. If you die, this Agreement will terminate on the later of: (i) the end of that month; or (ii) when your property has been removed from your Home and your key has been returned to us. Your Monthly Service Fee will continue until this Agreement is terminated. Your beneficiary(ies) or estate will receive any eligible refund amounts upon termination of your Agreement as described in Section IV.B. of this Agreement.

B. By Us

1. Grounds. We reserve the right to terminate this Agreement for just cause, including but not limited to: (i) conduct that becomes a threat to your or others' life, health, or safety; or your need for care that we cannot provide; (ii) failure to pay your Monthly Service Fee or other charges in full and on time, or the transfer of a material portion of your assets or income that impairs your ability to meet your obligation to pay your fees to us; (iii) conduct that is disruptive to others' peace, or quiet enjoyment at the Community; (iv) your failure to abide by the rules of the Community; (v) any material misrepresentation or omission by you in your application for residency; (vi) your breach of any terms and conditions of this Agreement..

2. Notice. If we terminate this Agreement, we will give you thirty (30) days' written notice of termination. If the Medical Director determines that thirty (30) days' notice may be detrimental to you or other residents or persons, we may immediately terminate this Agreement. Your

Monthly Service Fee will continue until you vacate your Home, remove all of your property from it, and return the key to us. You will receive a refund as described in Section IV.B. of this Agreement.

In the event that the basis for termination is conduct that is capable of cure, we will provide you an opportunity to cure such conduct within a reasonable period.

C. Removal of Property After Termination

If this Agreement terminates, you permanently transfer to the Life Centre, or you fail to vacate your Home after receiving notice to do so, we will have the right promptly to remove your property from your Home and store it in a commercial storage facility, at your expense. To the extent allowed by State law, we will dispose of any personal property that remains unclaimed after the payment of any refunds under Section IV.B. of this Agreement.

D. Release Upon Termination

Upon termination of this Agreement, we are released from any further obligations to you or your beneficiary(ies) or estate except for the return of personal property and the payment of any Entrance Fee refund(s) that may be due. Upon termination of this Agreement, you or your beneficiary(ies) or estate is released from any further obligations to us, except those noted in this Agreement.

E. Effect of Termination Upon Survivor

If there are two of you, this Agreement will not terminate upon the move-out or death of one of you. The remaining resident will have the option of: (i) retaining your Home and paying the First Resident Monthly Service Fee; or (ii) moving to a smaller Home within 18 months of the death or move-out of the first resident and paying the then-current First Resident Monthly Service Fee for the new home. In this event, there will be no Transfer Fee. In either case, there will be no change in the Entrance Fee. In our discretion, we may discontinue the occupancy of a nonresident who was living with a resident who has moved out or died.

VIII. CONDITIONS OF RESIDENCY

A. Updating Information

We accepted you for residency at the Community based on information you provided to us and representations you made to us. See Section XI.B. If your circumstances change before you move in, you agree to notify us immediately of those circumstances. You also agree to provide us with updated information as we may reasonably request from time to time.

B. Life Centre Acceptance

If your health declines between your acceptance for residency and the "Commencement Date", and we determine that you should begin your residency in the Life Centre or an Alternate Health Center, you may elect to keep this Agreement in effect or terminate it under Section VII.A. above. All terms and conditions of this Agreement will apply to your residency in the Life Centre.

IX. RIGHTS AND OBLIGATIONS

A. General Rights

This Agreement does not give you any right, title, or interest in any part of the Furnished Property, personal property, land, buildings, or improvements owned, leased, or administered by us. Any rights, privileges, or benefits under this Agreement will be subordinate to any mortgage on any of the premises or interests in our real property. Your rights under this Agreement are limited to those expressly granted in it.

B. Use of Your Home

Your Home will be used only for your residency. You will not conduct or permit any activity that results in commercial traffic to your Home or the Community. You will not conduct or permit any illegal activity in your Home or the Community.

C. Right of Entry

You recognize and accept our right and responsibility to enter your Home to carry out the purpose and intent of this Agreement. You will not change the locks to your Home without our express consent and you may not add locks. We may enter your Home for any reasonable purpose, including, without limitation, to (i) perform scheduled housekeeping, maintenance, and laundry duties; (ii) respond to an emergency notification; (iii) respond to a fire alarm; (iv) perform periodic safety inspections; and (v) show your Home to prospective residents after sending or receiving a notice of termination of this Agreement. We recognize your right to privacy and our responsibility to limit entry to your Home.

D. Responsibility for Damage

We are not responsible for any loss or damage caused directly or indirectly by residents or their pets, guests, invitees, or employees. We require you to obtain liability insurance against these risks. You hereby release and discharge us from all liability and responsibility for injury or damage caused directly or indirectly (i) by you or your pets, guests, invitees, or employees; or (ii) by other residents or their pets, guests, invitees, or employees.

E. Responsibility for Personal Property

We will not be responsible for the loss of any property belonging to you, your guests, invitees, or employees, due to theft, fire, or any other cause. We require that you obtain renter's insurance to protect against such loss. We maintain insurance coverage for the Community in amounts that we deem appropriate in our sole discretion.

F. Guests

Guests may stay in your Home for up to fourteen (14) consecutive days. All guests must comply with our rules at the Community. We reserve the right to bar any guest, invitee or employee who: 1) fails to follow our rules at the Community; 2) interferes with any resident's care; or 3) significantly infringes on others' rights; or 4) engages in conduct that is a direct threat to the health, safety, or welfare of residents, guests or staff.

G. Interruption in Services

An interruption in services will not be deemed a breach of this Agreement if it is caused by factors beyond our reasonable control, including, but not limited to: strikes or other forms of labor disturbances, government orders or regulations, shortages of labor or materials, inclement weather, power outages, fire, flood, earthquake or other casualties, acts of terrorism, or the acts of other residents. In such instances, you will not be entitled to any refund of Monthly Service Fee. If there is an interruption in services, we will use our reasonable best efforts to restore services or to provide reasonable substitute services.

If your Home is damaged or destroyed by fire or other casualty and if, in our reasonable estimation, it will take more than thirty (30) days to repair or rebuild your Home, we are not obligated to repair or rebuild your Home and we may terminate this Agreement upon written notice to you specifying the termination date. We will use our reasonable best efforts to assist in arranging other housing options if another suitable Home at the Community is not available. Your Monthly Service Fee will continue through the later of final day of your occupancy or removal of your possessions. You will receive a refund(s) as described in Section IV.B. of this Agreement.

H. Alterations

We may make alterations or improvements to your Home or the Community (Alterations) as required by law or as we deem appropriate. You agree to relocate on a temporary basis if necessary to complete the Alteration. You agree to pay your Monthly Service Fee and all other charges and fees shown on your bill during any temporary relocation.

You may make Alterations to your Home only after your Commencement Date, and with our prior written approval. You agree that approved alterations will become the property of the Community upon termination of this Agreement for any reason, and will be, at the Community's sole discretion, either be a.) left in place, at no charge to you, or b.) removed by the Community and the Home restored to its original condition, with the Community deducting the actual and reasonable costs of doing so from your Entrance Fee refund.

Unauthorized alterations shall be deemed "damage" under this Agreement, and will be repaired by us at your expense.

I. Housekeeping, Maintenance, and Repairs

You will maintain your Home in a clean, orderly, and sanitary condition. If you do not maintain your Home in such manner, we have the right, after notice to you, to maintain your Home and charge the cost of such maintenance to you. If we must repair your Home to restore it to good condition, ordinary wear and tear excepted, you will be responsible for all costs of doing so.

J. Motorized Assistive Devices

Electric wheelchairs, motorized carts, and similar devices (Motorized Assistive Devices) are permitted at the Community. You agree to follow the rules governing Motorized Assistive Devices available at the Community, which are designed to protect residents, employees, and guests.

K. Other Rules and Regulations

We reserve the right to adopt and amend our policies, procedures and rules on thirty (30) days' notice to you. You agree to abide by such policies, procedures, and rules.

L. Personal Service Providers

You may employ or engage individuals to provide personal services to you, including but not limited to companion, health care and hospice services. You agree to abide by our policies and guidelines for such individuals.

M. Agreements with Other Residents

We reserve the right to revise our standard Residency Agreement at any time. As such, Residency Agreements with other residents may contain different terms and conditions from those contained in this Agreement. Despite any such differences, this Agreement establishes your rights and obligations and our rights and obligations to you.

N. Resident's Association

You will have the right to be a member of a Resident's Association and to participate in the election of resident officers of that Association. The role of the Association is only advisory, to provide feedback to us regarding the Community. The Association does not establish policies and is not responsible for the operation of the Community. We regularly meet with residents as a group to discuss the services, programs, and financial status of the Community.

O. Spa and Fitness Center

You are welcome to use the Spa and Fitness Center, including the facilities, programs and services offered at the Fitness Center (Spa and Fitness Center Services).

You understand that each person has a different capacity for participating in Spa and Fitness Center Services. You agree that participation in Spa and Fitness Center Services is strictly voluntary. You further agree that participation in any Spa and Fitness Center Services is at your own risk and you assume the risk of injury, illness, damage, or loss that might result. You also agree to assume the risk of damage, loss, or theft to or of any of your personal property at the Spa and Fitness Center.

By participating in Spa and Fitness Center Services, you acknowledge that you have either been given a physician's permission to participate in the Fitness Center Services, or that you have decided to participate in Spa and Fitness Center Services without your physician's permission. You assume all responsibility for your participation in Spa and Fitness Center Services and for your use of the equipment in the Spa and Fitness Center.

You understand that Spa and Fitness Center Services may sometimes be conducted by people who may not be licensed, certified or registered instructors or professionals. You accept the fact that the skills and competencies of Spa and Fitness Center employees, agents, representatives, or volunteers will vary according to their training and experience and that no claim is made to offer assessment or treatment of any mental or physical condition by people who are not duly licensed, certified or registered and employed to provide such professional services.

X. GUARANTY

You are responsible for the payment of all fees and other charges you incur. Your Monthly Service Fee and other charges at the Community may be guaranteed by a guarantor (your "Guarantor"), who will be required to sign pages 6, 30 and Exhibit C of this Agreement. You agree immediately to give us written notice of any significant change in your Guarantor's financial condition, address, or telephone number. By signing below, your Guarantor agrees promptly to pay any fees or charges that are not paid by you under this Agreement in a timely manner. Your Guarantor is:

______________________________ ______________________________

Name Relationship to You

XI. MISCELLANEOUS

A. Possible Medical Deduction for Income Taxes

Your payment of the Entrance Fee may make you eligible for a one-time medical deduction and payment of your Monthly Service Fee may make you eligible for an annual medical deduction for income tax purposes. **We make no representation as to your tax liability or the availability of any tax deduction. You should consult your own advisors regarding your tax situation.**

B. Resident's Representations

By signing this Agreement, you represent that: (i) you meet all the criteria for residency at the Community and performance of your obligations under this Agreement; (ii) you have sufficient assets and income to cover your Monthly Service Fee and other living expenses after you move in; (iii) your personal physician certifies that you do not have a health condition that would likely cause you to transfer permanently to the Life Centre within two (2) years of your Commencement Date; and (iv) all representations made by you or on your behalf, with respect to your acceptance to the Community, are true and correct. **We may terminate this Agreement if any material misrepresentation or omission (whether written or verbal) is made by you or on your behalf in your application for admission to the Community.**

C. Waiver of Liability

You agree that we, our affiliates, directors, officers, agents, and employees will not be liable to you or your employees, guests, or invitees claiming under you for any injury or damage to the person or property of you or your employees, guests, or invitees, except as provided by applicable law.

D. Subordination

This Agreement is subordinate to any present or future lease, mortgage, lien, or land use restriction affecting the Community. You agree to sign any document confirming this provision that any lender may reasonably require. We may, in our sole discretion, subordinate any present or future lease, mortgage, lien, or land use restriction to this Agreement.

E. Assignment & Successors

With prior approval from the Commonwealth of Virginia, we may assign our interest in this Agreement, which will relieve us of responsibility and liability, provided the assignee expressly assumes our obligations to you.

All covenants contained in this Agreement will be binding and inure to the benefit of us, our successors and assigns and you and your heirs, executors, administrators, successors, and assigns. This Section will not be construed to permit any assignment or sublease otherwise prohibited by this Agreement.

F. Notices

Any notices required under this Agreement will be delivered to us at:

Experience Director
The Mather
7929 Westpark Drive
Tysons, VA 22102

with a copy to:

Senior Vice President, Senior Living
Mather LifeWays
1603 Orrington Avenue, Suite 1800
Evanston, IL 60201

and to you at the address provided in this Agreement until you move to the Community, and thereafter at your Home. All notices will be effective when personally delivered, sent by certified mail, return receipt requested, or sent by nationally recognized overnight delivery service.

G. Entire Agreement

All exhibits to this Agreement are made an express part of this Agreement. This Agreement represents the entire understanding between us with respect to your residency, services and care at the Community. This Agreement may be amended or modified only by an amendment signed by both parties.

H. Enforcement

We will have the right at all times to enforce this Agreement in strict accordance with its terms. Our failure to enforce any term of this Agreement or that of any other resident will not be deemed a waiver of our right to insist upon your strict compliance with all terms of this Agreement.

I. Our Right to Contract for Services

To perform our duties under this Agreement, we reserve the right to contract for services, enter into leases, and delegate certain responsibilities. Notwithstanding this right, we will retain ultimate responsibility to carry out this Agreement for the benefit of the Community and our residents.

J. Remedies Cumulative

Our rights and remedies under this Agreement are cumulative. Our exercise of any one right of remedy will not preclude us from exercising any other right or remedy available under applicable law. Any delay in enforcing this Agreement will not preclude us from later exercising any right or remedy.

K. Severability

If a court determines that any term of this Agreement is invalid, the remainder of this Agreement will remain in full force and effect.

L. Attorney's Fees

You are responsible for paying our expenses incurred enforcing your obligations under this Agreement, including, but not limited to, attorney's fees. This Section will survive the termination of this Agreement.

M. Attachments

You acknowledge that you have received the following exhibits, which are incorporated into and made part of this Agreement:

Exhibit A. Disclosure Statement
Exhibit B. Designation of Beneficiary Form
Exhibit C. Arbitration and Limitation of Liability Rider
Exhibit D. HIPAA Notice of Privacy Practices for Protected Health Information

N. Choice of Law

This Agreement will be governed by and construed under Virginia law.

O. Acknowledgment

By signing below, you acknowledge that you have read and understand this Agreement, including all Exhibits, and you agree to abide by their terms. You also acknowledge that you have been given the opportunity to consult with legal counsel or any other advisors of your choosing prior to signing this Agreement.

This Agreement is executed on ________________________, 20___.

RESIDENT(S):

____
(Signature)

____
(Print Name)

____
(Signature)

____
(Print Name)

____

____
(Current Address)

I understand and agree to all the terms contained in this Agreement:

Guarantor (if applicable):

____
(Signature)

____
(Print Name)

Tysons LPC, LLC,
an Illinois limited liability company

By: ______________________________

Title: ____________________________

Exhibit A

The Mather

Residency Agreement

A copy of the current Disclosure Statement on file with the Virginia Bureau of Insurance will be provided to prospective residents not later than three (3) days prior to the execution of this agreement.

Exhibit B

The Mather
Residency Agreement

Designation of Beneficiary Form

You may designate a beneficiary of your Entrance Fee refund and any other applicable refunds, as described in Section IV.B. of the Residency Agreement, by completing the following:

Primary Beneficiary(ies):

Name (first, m.i., last)	Contact information	Percentage
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________

(Use top of signature page if you wish to name more than three persons; the total among all Primary Beneficiaries must equal one hundred (100) percent). If one or more of your Primary Beneficiaries dies before you, the remaining Primary Beneficiary(ies) who survive you shall receive, on a pro rata basis, the Entrance Fee refund and any other refunds that would have been payable to the deceased Primary Beneficiary(ies).

Secondary Beneficiary(ies). Applies only if all Primary Beneficiaries are deceased:

Name (first, m.i., last)	Contact information	Percentage
____________________	____________________	____________________
____________________	____________________	____________________
____________________	____________________	____________________

(Use top of signature page if you wish to name more than three persons; the total among all Secondary Beneficiaries must equal one hundred (100) percent). If one or more of your Secondary Beneficiaries dies before you, the remaining Secondary Beneficiary(ies) who survive you shall receive, on a pro rata basis, the Entrance Fee refund and any other refunds that would have been payable to the deceased Secondary Beneficiary(ies).

Designation of Beneficiary Form continues on next page

Additional Beneficiary(ies).

Name (first, m.i., last)	Contact information	Percentage

NOTE: IF YOU NAME A TRUST AS A BENEFICIARY, PLEASE GIVE THE NAME OF THE TRUST, THE DATE OF THE TRUST, AND CONTACT INFORMATION FOR THE TRUSTEE. WE REQUIRE A COPY OF THE GOVERNING TRUST INSTRUMENT AND EVIDENCE OF THE ACTING TRUSTEE'S AUTHORITY TO ACCEPT PAYMENT PRIOR TO PAYING THE ENTRANCE FEE REFUND AND ANY APPLICABLE HOME UPGRADE REFUND.

THE LATEST BENEFICIARY FORM RECEIVED BY US PRIOR TO YOUR DEATH SHALL GOVERN.

RESIDENT(S):

(Signature)	(Signature)
(Print Name)	(Print Name)
(Date)	(Date)

Received by Tysons LPC, LLC, an Illinois limited liability company:

(By)

(Title)

(Date)

Exhibit C

The Mather
Residency Agreement

Arbitration and Limitation of Liability Waiver

This Arbitration and Limitation of Liability Rider to Residency Agreement (the "Rider") is made as of _______, 20__ (the "Effective Date") by and among Tysons LPC, LLC, an Illinois limited liability company ("we" or "us"), __________________ ("you"), and, if applicable, ___________________ ("Guarantor") (together, the "parties"). In consideration of the mutual covenants contained in this Rider, the parties agree as follows:

Arbitration Provision

1) The parties agree that any and all legal claims between: a) you or your spouse, heirs or assigns; and b) us or our affiliates, officers, directors, agents, license holders, managers, or employees, except an action for eviction, shall be decided by arbitration in accordance with this Rider. Therefore, all claims arising out of or in any way relating to The Mather Residency Agreement (the "Agreement") or your stay at the Community, excluding any action for eviction, and including disputes regarding interpretation of this Rider, whether arising under state or federal law, whether present or future, whether for statutory, compensatory, or punitive damages, and whether for breach of contract, tort or breach of statutory duties, regardless of the basis for the duty or the legal theories upon which the claim is asserted, shall be submitted to binding arbitration, as provided below, and shall not be filed in a court of law. **THE PARTIES FURTHER UNDERSTAND THAT CLAIMS, INCLUDING MALPRACTICE CLAIMS, CANNOT BE BROUGHT IN A COURT BEFORE A JUDGE OR JURY AND A JURY WILL NOT DECIDE SUCH CASE.**

2) This Rider shall be governed by and interpreted under the Federal Arbitration Act ("FAA"), 9 U.S.C. 1-16. If is determined that the FAA is inapplicable, the parties desire that this Rider be interpreted under applicable Virginia law to give effect to the parties' intent. Nothing in this Rider shall be construed to contradict applicable Illinois statutory grievance or mediation procedure. Any party who demands arbitration must do so for all claims or controversies that are known, or reasonably should have been known, by the date of the Demand for Arbitration, and shall amend the Demand to include any new claims or controversies that arise. All current and reasonably foreseeable damages arising out of such claims or controversies shall also be incorporated into the initial or amended demand.

3) You understand that nothing in this Rider prevents you from contacting regulatory or administrative agencies in relation to services provided by us.

4) Any Demand for Arbitration made by you, a person or organization acting on your behalf with your consent or the consent of your Attorney-in-Fact, or the personal representative of your estate (collectively, "Resident Party") shall be made in writing and given to the Experience Director of the Community, by certified mail, return receipt requested, or by nationally recognized overnight delivery service. Any Demand for Arbitration by us shall be made in writing and given to you or your agents, representatives, heirs, successors, or assigns by certified mail, return receipt requested, or by nationally recognized overnight delivery service.

5) Unless the parties agree otherwise, the arbitration shall take place in the county in which the Community is located.

6) The arbitration shall proceed under the rules and procedures outlined in the Forum's Code of Procedure.

7) The arbitrator's decision shall be final and binding without rights of appeal.

8) The arbitrator's fees and all arbitration costs shall be divided equally between the parties. The parties shall bear their own attorneys' fees and costs and expressly waive any right to recover attorneys' fees or costs, actual or statutory.

9) The arbitration proceeding shall remain confidential in all respects, including the Demand for Arbitration, all arbitration filings, deposition transcripts, documents produced or obtained in discovery, other materials provided by or exchanged between the parties, and the arbitrator's findings of fact and conclusions of law. After receipt of the arbitrator's decision, each party agrees to return to the producing party, within thirty (30) days, the original and all copies of documents exchanged in discovery and at the arbitration hearing, except documents required to be retained by counsel under law. The parties to the arbitration also agree not to discuss the amount of the arbitration award or any settlement, the names of the parties, the name/location of the Community, or other identifying information, except as required by law.

10) This Rider shall survive your death.

11) This Rider shall remain in effect after the expiration of the Agreement and shall apply to all renewal Agreements.

12) If any action is brought by any party to this Agreement for which arbitration is not allowed by law, it shall be brought in the appropriate court before a judge. **THE PARTIES EXPRESSLY WAIVE THEIR CONSTITUTIONAL RIGHT TO BRING THE MATTER BEFORE A JURY**.

13) The parties acknowledge that this Rider shall not apply to any claim arising out of your stay or care in the Skilled Nursing area of the Life Centre at The Mather.

Limitation of Liability Provision [*Read Carefully Before Signing]*

1) The parties understand that the purpose of this Limitation of Liability Provision is to limit, in advance, each party's liability in relation to the Agreement.

2) The parties acknowledge and agree that any claim brought by a party against another party shall be limited to actual out-of-pocket costs actually incurred, PLUS an amount not to exceed $250,000 for any and all other damages. **Punitive damages shall not be awarded.** Such claims include but are not limited to a claim by us for unpaid fees or charges, or a claim by or on behalf of any Resident Party, or your Estate, Agent or Legal Representative, arising out of the care or treatment you receive, or your occupancy or presence at the Community, including, without limitation, claims for medical negligence.

3) Interest and/or late fees on unpaid charges shall not be awarded.

Severability

If a court having jurisdiction finds any portion of this Rider unenforceable, the remainder of this Rider shall remain effective.

The parties agree that the reasons stated above are proper consideration for the acceptance of the terms of this Rider. **You acknowledge that you have been encouraged to discuss this Agreement with an attorney.**

[Remainder of page deliberately left blank]

By signing below, you acknowledge that you have reviewed this Rider, that you understand it, and that you have been given the opportunity to consult with legal counsel or any other advisors of your choice before signing this Rider.

The Parties have signed this Rider as of the date and year first mentioned above.

RESIDENT(S):

____
(Signature)

____
(Print Name)

____
(Date)

____
(Signature)

____
(Print Name)

____
(Date)

Tysons LPC, LLC,
an Illinois limited liability company

____
By:

____
Title:

____
(Date)

I understand and agree to all the terms contained in this Rider:

Guarantor
(on behalf of resident(s) and on his/her own behalf)

____
(Signature)

____
(Print Name)

____
(Date)

Exhibit D

The Mather
Residency Agreement

HIPAA NOTICE OF PRIVACY PRACTICES FOR PROTECTED HEALTH INFORMATION

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

INTRODUCTION

During the course of providing services and care to you, we gather, create, and retain certain personal information about you that identifies who you are and relates to your past, present, or future physical or mental condition, the provision of health care to you, and payment for your health care services. This personal information is characterized as your "protected health information." This Notice of Privacy Practices describes how we maintain the confidentiality of your protected health information, and informs you about the possible uses and disclosures of such information. It also informs you about your rights with respect to your protected health information.

OUR RESPONSIBILITIES

We are required by federal and state law to maintain the privacy of your protected health information. We are also required by law to provide you with this Notice of Privacy Practices that describes our legal duties and privacy practices with respect to your protected health information. We will abide by the terms of this Notice of Privacy Practices. We reserve the right to change this or any future Notice of Privacy Practices and to make the new notice provisions effective for all protected health information that we maintain, including protected health information already in our possession. If we change our Notice of Privacy Practices, we will personally deliver or mail a revised notice to you at your current address. In addition, the notice will be posted in a clear and prominent place in the facility and on our website (www.themathertysons.com).

USE AND DISCLOSURE WITH YOUR AUTHORIZATION

We will require a written authorization from you before we use or disclose your protected health information, **unless a particular use or disclosure is expressly permitted or required by law without your authorization**. An authorization is generally required for the following uses or disclosures, except in very limited circumstances: (1) uses or disclosures of psychotherapy notes; (2) uses or disclosures of protected health information for marketing purposes; and (3) disclosures of protected health information that constitute its sale. We have prepared an authorization form for you to use that authorizes us to use or disclose your protected health information for the purposes set forth in the form. The form is titled: Authorization for Use and Disclosure of Protected Health Information. You are not required to sign the form as a condition to obtaining treatment or having your care paid for. If you sign an authorization, you may revoke it at any time by written notice. We then will not use or disclose your protected health information, except where we have already relied on your authorization.

HOW WE MAY USE AND DISCLOSE YOUR PROTECTED HEALTH INFORMATION WITHOUT YOUR AUTHORIZATION

We will use or disclose your protected health without your written authorization in the following circumstances:

Your Care and Treatment

We may use or disclose your protected health information to provide you with or assist in your treatment, care and services. For example, we may disclose your health information to health care providers who are involved in your care to assist them in your diagnosis and treatment, as necessary. We may also disclose your protected health information to individuals who will be involved in your care if you leave The Mather.

Billing and Payment

Medicare, Medicaid and Other Public or Private Health Insurers – We may use or disclose your protected health information to public or private health insurers (including medical insurance carriers, HMOs, Medicare, and Medicaid) in order to bill and receive payment for your treatment and services that you receive at The Mather. The information on or accompanying a bill may include information that identifies you, as well as your diagnosis, procedures, and supplies used.

Health Care Providers – We may also disclose your protected health information to health care providers in order to allow them to determine if they are owed any reimbursement for care that they have furnished to you and, if so, how much is owed.

Provision of Basic Information About Residents

We allow staff to provide certain basic information about a resident to persons who ask for the resident by name and to members of the clergy. Unless you notify us that you object, we will disclose your name, your location at The Mather, and your general condition to anyone who asks for you by name. We will disclose your name, your location at The Mather, your general condition, and your religious affiliation to members of the clergy.

Family Members and Close Personal Friends

Unless you specifically object, we may disclose to a family member, other relative, a close personal friend, or to any other person identified by you, all protected health information directly relevant to such person's involvement with your care or directly relevant to payment related to your care. We may also disclose your protected health information to a family member, personal representative, or other person responsible for your care to assist in notifying them of your location, general condition, or death.

Disclosures Within The Mather/Directory

Unless you specifically object, we may disclose certain general information about you (*e.g.*, past activities, present interests, birthday, and location if hospitalized) to persons within The Mather, including other residents and staff, by means such as newsletter or bulletin board. We may create a resident directory to be shared with staff and other residents.

Health Care Operations

We may use or disclose your protected health information for our health care operations at The Mather. These uses and disclosures are necessary to manage The Mather and to monitor our quality of services and care. For example, we may use your protected health information to review our services and to evaluate the performance of our staff in caring for you.

Workforce Members

It is our policy to allow members of our workforce to share residents' protected health information with one another to the extent necessary to permit them to perform their legitimate functions on our behalf. At the same time, we will work with and train our workforce members to prevent unnecessary or extraneous communications that violate the rights of our residents to have the confidentiality of their protected health information maintained.

Business Associates

We may contract with certain individuals or entities to provide services on our behalf. Examples include data processing, quality assurance, legal, or accounting services. We may disclose your protected health information to a business associate, as necessary, to allow the business associate to perform its functions on our behalf. We will have a contract with our business associates that obligate the business associates to maintain the confidentiality of your protected health information.

Licensing, Certification, Accreditation, and Health Oversight

We may disclose your protected health information to any government or private agency, such as to the state licensing agency, federal Centers for Medicare and Medicaid Services (CMS), and CMS administrative contractors, responsible for licensing, certifying, or accrediting The Mather so that the agency can carry out its oversight activities. These oversight activities include audits; civil, administrative, or criminal investigations; inspections; licensure or disciplinary actions; civil, administrative, or criminal proceedings or actions; or other activities necessary for appropriate oversight. If we elect to pursue accreditation, we will enter into an agreement with the private agency that accredits health care providers requiring the agency to protect the confidentiality of your protected health information.

Abuse Reporting

We will disclose protected health information about a resident who is suspected to be the victim of elder abuse, neglect or domestic violence to the extent necessary to complete any oral or written report mandated by law. Under certain circumstances, we may disclose further protected health information about the resident to aid the investigating agency in performing its duties. We will promptly inform the resident about any disclosure unless we believe that informing the resident would place the resident in danger of serious harm, or would be informing the resident's personal representative, whom we believe to be responsible for the abuse, and believes that informing such person would not be in the resident's best interest.

Legal Process

We will disclose protected health information in accordance with an order of a court or of an administrative tribunal of a government agency. We will only disclose protected health information in accordance with a valid subpoena issued by a party to adjudication before a court, a grand jury, an administrative tribunal, or a private arbitrator. Reasonable efforts will be made by the party issuing the subpoena to notify you of the subpoena, or of efforts to obtain an order or agreement protecting your protected health information.

Law Enforcement Agencies and Officials

We will disclose protected health information to law enforcement agencies in accordance with a search warrant, a court order or court-ordered subpoena, or an investigative subpoena or summons. In addition, we may disclose such information as necessary to assist law enforcement officials investigating crimes involving residents.

National Security and Intelligence Activities

We will disclose protected health information about a resident to authorized federal officials conducting national security and intelligence activities or as needed to protect federal and foreign officials.

Public Health Activities

We may disclose your protected health information to any public health authority that is authorized by law to collect it for purposes of preventing or controlling disease, injury, or disability.

Marketing

We may use your protected health information or disclose it to business associates in order to inform you about treatment alternatives or health-related benefits and services that may be of interest to you, to make face-to-face communications with you about a service or product, or to provide you with a promotional gift of nominal value. Otherwise, we will obtain a specific written authorization from you or your personal representative before using or disclosing protected health information for marketing purposes.

Fundraising

We may use certain protected health information to contact you in an effort to raise money for The Mather and its operations. We may disclose the protected health information to business associates or to related foundations that we use to raise funds for our own benefit. The information to be used or disclosed for these purposes will be limited to certain demographic information, the dates of treatment, the department where services were provided, the treating physician, outcome information, and health insurance status. Each fundraising communication will provide a means by which you can opt out of receiving further such communications.

Sale of Protected Health Information

We may disclose your protected health information for remuneration in certain very narrow circumstances such as where a governmental agency reimburses us for our expenses in providing information for public health purposes. Otherwise, we will obtain a specific written authorization from you or your personal representative before receiving reimbursement for using or disclosing protected health information.

Coroner, Medical Examiner, or Funeral Director

We may disclose protected health information to a coroner, medical examiner, or funeral director to allow them to carry out their duties.

Organ Procurement

If you are an organ donor, we may disclose your protected health information following your death to an organ procurement agency or tissue bank in order to aid in using your organs or tissues in transplantation.

Workers' Compensation

We may disclose your protected health information in order to comply with workers' compensation laws.

Preventing Danger to Identified Persons

We may disclose your protected health information to prevent an immediate, serious threat to the safety of an identified person.

Disaster Relief

We may disclose your protected health information to a public or private entity authorized to assist in disaster relief efforts.

Research

We may disclose your protected health information for research purposes, provided that an outside Institutional Review Board overseeing the research approves the disclosure of the information without a written authorization.

Peer Review, Utilization Review, and Quality Assurance

We may disclose your protected health information to health care providers for the purpose of conducting utilization review, peer review and quality assurance activities.

Other Disclosures Required or Permitted by Law

We will disclose protected health information about a resident when otherwise required or permitted by law.

YOUR RIGHTS REGARDING PROTECTED HEALTH INFORMATION

You have the following rights with respect to your protected health information. To exercise these rights, contact us at the following address: The Mather, 7929 Westpark Dr., Tysons, VA 22102; Attn: Experience Director.

Right To Request Access

You have the right to inspect and copy your health records maintained by us. This includes the right to have electronic records made available in electronic format to you or to someone whom you designate. In certain limited circumstances, we may deny your request as permitted by law. However, you may be given an opportunity to have such denial reviewed by an independent licensed health care professional.

Right To Request Amendment

You have the right to request an amendment to your health records maintained by us. If your request for an amendment is denied, you will receive a written denial, including the reasons for such denial, and an opportunity to submit a written statement disagreeing with the denial.

Right To Request Special Privacy Protections

You have the right to request restrictions on the use and disclosure of your protected health information for treatment, payment or health care operations, or providing notifications regarding your identity and status to persons inquiring about or involved in your care. You also have the right to request that we communicate protected health information to the recipient by alternative means or at alternative locations. And, at your request, we will not disclose your protected health information to a health plan or other insurer for payment or our health care operations where your information relates to a health care item or service for which you have paid us out of pocket in full. We are not required to agree to every request made by you for special privacy protections, but if we do, we will comply with your request, except in an emergency situation or until the restriction is terminated by you or us.

Right to an Accounting

You have the right to receive an accounting of disclosures of your protected health information created and maintained by us over the six years prior to the date of your request or for a lesser period. We are not required to provide an accounting of certain routine disclosures or of disclosures of which you are already aware. You also have the right to receive an accounting of electronic disclosures made up to three years from the date of your request where such disclosures were made for purposes of treatment, payment, or health care operations.

Right To Receive a Copy of the Notice of Privacy Practices

You have the right to request and receive a copy of our Notice of Privacy Practices for Protected Health Information in written or electronic form. If you have received this Notice of Privacy Practices in electronic form, you also have a right to receive a copy in written form upon request.

NOTICE OF SECURITY BREACHES

We will provide you with written notification (either by mail or email) in the event of a security breach involving your protected health information. The notification will describe what happened, the types of information involved, the steps that we are taking to deal with the situation, what you should do to protect yourself against any harmful consequences, and contacts for obtaining further information.

COMPLAINTS

If you believe that your privacy rights have been violated, you may file a complaint with us at the following address: Attn.: Privacy Official. Telephone: 1-847-492-4646 or Privacy Officer, Mather LifeWays, 1603 Orrington Avenue, Suite 1800, Evanston, IL 60201. You also have the right to submit a complaint to the Office for Civil Rights, on behalf of the Secretary of the U.S. Department of Health and Human Services, 150 S. Independence Mall West, Suite 372, Public Ledger Building, Philadelphia, PA 19106-9111, Attention: OCR Regional Manager, Telephone: (800) 368-1019, Fax: (202) 619-3818, TDD: (800) 537-7697, Email: ocrmail@hhs.gov. **We will not retaliate against you if you file a complaint.**

FURTHER INFORMATION

If you have questions about this Notice of Privacy Practices or would like further information about your privacy rights, contact us at the following address: The Mather, 7929 Westpark Dr. Tysons, VA 22102; Attn.: Experience Director.

The effective date of this HIPAA Notice of Privacy Practices is October 2015.

ACKNOWLEDGMENT OF RECEIPT OF HIPAA NOTICE OF PRIVACY PRACTICES

I hereby acknowledge receipt from The Mather of a copy of its HIPAA Notice of Privacy Practices for Protected Health Information (effective **October 2015**).

RESIDENT:	**RESIDENT'S PERSONAL REPRESENTATIVE:** (if signed on resident's behalf)
______________________ (printed or typed name)	______________________ (Printed or typed name)
______________________ (Signature)	______________________ (Signature)
Date: ______________________	Date: ______________________
	Relationship to Resident: ______________________

I agree that The Mather may send me notices or otherwise communicate with me electronically at the email address listed below. I understand that email communications with The Mather are not encrypted and do not have special security protections and that information contained in these emails is subject to malfeasance.

____

[print email address here if you agree]

CONFIRMATION OF RECEIPT OF NOTICE OF PRIVACY PRACTICES FOR PROTECTED HEALTH INFORMATION

Resident's Name: ______________________________

Tysons LPC, LLC hereby certifies that it provided:

☐ the above-named resident; or

☐ ______________________________________, the personal representative of the above-named resident with a copy of its Notice of Privacy Practices for Protected Health Information on _, 20 ______________________________________, and at the same time made a good faith effort to obtain a written acknowledgment of his/her receipt of such Notice of Privacy Practices.

The Company did not receive a written acknowledgment of receipt because:

____

____

____

____

____

____

Tysons LPC, LLC:

Signature: ______________________________________

Printed Name: ______________________________________

Title: ______________________________________

Date: ______________________________________

EXHIBIT 2

PRIORITY RESERVATION AGREEMENT

Summary:

Exhibit 2 presents the current Priority Reservation Agreement (PRA) for The Mather. This Agreement provides information regarding the $1,000 Priority Reservation Deposit due when the prospective resident first submits an application. We reserve the right to change this Agreement, prior to the prospective resident’s execution of such Agreement.

The Mather

Priority Reservation Agreement

This PRIORITY RESERVATION AGREEMENT (the "Agreement") is between ______________________ ("Priority Member") and Tysons LPC, LLC (the "Provider"). This Agreement relates to the Life Plan Community (the "Community") the Provider is developing in Tysons, Virginia.

Upon Receipt of the Reservation Deposit (The "Deposit") of $1,000 payable to Tysons LPC, LLC and execution of this Agreement, the Priority Member will receive the following benefits:

- Community updates, news and information
- Invitations to special events and activities
- The future opportunity to select an apartment home in advance of non-Priority Members, with best choice of floor plans and views
- Special Introductory Priority Member Entrance Fee pricing
- Ability to upgrade/customize finishes

The Deposit will be held in an account at a financial institution and will be fully refundable to the Priority Member upon cancellation of this Agreement.

Upon notification of the ability to reserve a residence at the Community, the Priority Member will have the option to select a residence and apply for residency. 10 percent of the Entrance Fee for the selected residence will be required at that time. Priority Members will be entitled to apply the Reservation Deposit toward the 10 percent deposit.

The Priority Member may cancel this Agreement at any time upon written notice to the Provider. Likewise, the Provider may cancel this Agreement at any time upon written notice to the Priority Member. If this Agreement is cancelled by either party, the full Deposit shall be returned to the Priority Member within sixty (60) days.

The Community is currently in the planning stage. As such, the Priority Member acknowledges certain services, amenities, design features, and pricing may change without notice prior to opening.

THIS PRIORITY RESERVATION AGREEMENT IS SOLELY A RECEIPT FOR FUNDS AND DOES NOT CONSTITUTE A RESIDENCY AGREEMENT FOR CONTIUNING CARE SERVICES. IN NO EVENT SHALL YOU HAVE ANY LIEN OR ANY OTHER INTEREST IN THE COMMUNITY.

Accepted this _______day of __________, ______.

Priority Member(s): (Please print)

First Name	Last Name
First Name	Last Name

Address

City State Zip

Phone	Email
Tysons LPC, LLC (Authorized Agent)	Check Number

TMT_PRA061218

EXHIBIT 3

DEPOSITOR AGREEMENT

Summary:

Exhibit 3 presents the current Depositor Agreement for The Mather. This Agreement provides information regarding the 10% of the total Entrance Fee that is due when the prospective resident reserves a specific apartment home. We reserve the right to change this Agreement, prior to the prospective resident's execution of such Agreement.

The Mather

The Mather Depositor Reservation Agreement

This DEPOSITOR RESERVATION AGREEMENT (the "Agreement") is entered into between ____________________ (hereafter called "you", "your," or "Depositor") and Tysons LPC, LLC, an Illinois limited liability company ("we", "us" or "our"). If more than one Depositor enters into this Agreement, "you," "your," and "Depositor" shall refer to each individual and to both collectively.

We operate a Life Plan Community doing business as The Mather (the "Community"), that has received approval from the Virginia Bureau of Insurance to operate and provide services, located at 7929 Westpark Dr. Tysons, VA 22102. We have applied for Certificate of Public Need approval from the Virginia Department of Health for the Skilled Nursing component of the Community.

At your request, we agree to reserve home # ______ (your "Home") in the Community from the Effective Date (as defined below) until the date designated below. The Entrance Fee for your Home is $_______________ (Base Entrance Fee of $____________ plus, if applicable, a Second Person Entrance Fee, collectively called the "Entrance Fee" of $______________), to be paid under The Mather Residency Agreement (the "Residency Agreement") with respect to your Home. A draft copy of the Residency Agreement is attached as Exhibit A. We reserve the right to change the Residency Agreement prior to your execution of such Agreement.

We acknowledge receipt from you of a deposit in the total amount of $______________ (the "Deposit"), representing ten (10) percent of the Entrance Fee. The Deposit was paid as follows, you delivered to us funds in the amount of $____________________.

The Deposit shall earn interest and shall be held in an escrow account at a financial institution in the name of Tysons LPC, LLC or an affiliate. Your Entrance Fee balance of $_____________ shall be paid upon execution of your Residency Agreement on or before _________________ (month/day/year). Interest earned shall be credited to the final amount owed.

The following outlines your Deposit benefits:

- Selection of a specific Home at the Community
- Guaranteed Residency Agreement approval once approved for residency
- Refundable, interest-bearing Deposit
- Community updates, news, and information
- Invitations to special events and activities

You may cancel this Agreement for any reason upon written notice to us and receive a prompt return of your Deposit and interest. We will return such Deposits within sixty (60) days of receiving written notice of your intent to terminate this Agreement or after we give you written notice of our intent to terminate this Agreement.

Upon receipt of the Medical and Financial Applications from you, we shall evaluate this information to determine if you qualify to live at the Community. If approved medically and financially, you shall be guaranteed Residency Agreement acceptance regardless of a change in your health status. We reserve the right to require you to provide updated information, prior to occupancy, to determine the appropriate living accommodations at the time of move-in and to determine if your financial status has adversely changed. The Medical and Financial Applications shall be provided to us no later than 14 days from the Effective Date of this Agreement.

You agree to take possession of your Home within thirty (30) days from the date we provide written notice your Home is or will be ready for occupancy, if your Home is not currently available. Within this thirty (30) day period, you agree to execute the Residency Agreement; pay the balance of your Entrance Fee and begin paying the appropriate Monthly Fee for your Home.

This Agreement shall first be executed by you and presented to us for consideration. The "Effective Date" of this Agreement shall be the date when this Agreement is executed by us.

This Agreement shall be of no further force and effect and, in all respects, shall be superseded by the Residency Agreement at the time you and we execute the Residency Agreement.

THIS DEPOSITOR RESERVATION AGREEMENT IS SOLELY A RECEIPT FOR FUNDS AND DOES NOT CONSTITUTE A RESIDENCY AGREEMENT FOR CONTIUNING CARE SERVICES. IN NO EVENT SHALL YOU HAVE ANY LIEN OR ANY OTHER INTEREST IN THE COMMUNITY.

Neither this Agreement nor the Deposit may be assigned by the Depositor.

Depositor:

By: ________________________ Date: _________ Witness: ________________

By: ________________________ Date: _________ Witness: ________________

Provider:

By: Tysons LPC, LLC

By: ________________________ Date: ________ Witness _________________

EXHIBIT 4

ANTICIPATED PROJECT SCHEDULE

Summary:

Exhibit 4 presents the anticipated project schedule of developing The Mather, reflecting start and completion dates for all phases of construction and opening dates of the community.

ANTICIPATED PROJECT SCHEDULE

The Mather will be built in phases as pre-sales demand allows.

Project	Start Date	Substantial Completion
Demolition	08/19	05/20
Construction Phase 1	06/20	08/22
Open Phase 1	09/22	09/22
Construction Phase 2	05/21	06/22
Open Phase 2	03/23	03/23
Open Life Centre	09/23	09/23

EXHIBIT 5

SCHEDULE OF ENTRANCE FEES, MONTHLY SERVICE FEES, AND ANCILLARY CHARGES

Summary:

Exhibit 5 shows the proposed Entrance Fees and the Monthly Service Fees by anticipated home size. Pricing will be further refined as floor plans are developed. This Exhibit also includes anticipated Life Centre fee-for-service market rates. Ancillary Services to be offered at The Mather are currently in development. All pricing is shown in 2018 dollars, and is subject to change as development progresses.

The Mather
Proposed Entrance & Monthly Service Fees as of 2018

	90% Refundable Priority Program† Starting at	Type A* Starting at Monthly Fee	Type B** Starting at Monthly Fee
One-BR/1 BA	$610,900	$4,300	$3,255
One-BR/1.5 BA/Den	$723,200	$4,765	$3,720
Two-BR/2 BA	$829,200	$5,160	$4,115
Two-BR/2 BA/Den	$1,566,000	$7,195	$6,150
Two-BR/2.5 BA/Den	$2,019,700	$8,085	$7,040
2nd Person Fee	$55,300	$1,930	$920

*Type A, the Life Care Benefit plan: residents receive unlimited days of services in Assisted Living, Memory Support, or Skilled Nursing, as needed, upon permanent transfer to the Life Centre at virtually the same Monthly Service Fee they would pay if they remained in their apartment home.

**Type B, the 90 Day Life Care Benefit plan: residents receive 90 days of service in Assisted Living, Memory Support, or Skilled Nursing, as needed, and pay the then current market rates for Life Centre services used after 90 days.

†Note that Priority Program Entrance Fees reflect 5% discount from market rates.

Proposed Life Centre Fee-For-Service Market Rates 2018

Assisted Living Monthly Fee	$7,343
Memory Support Monthly Fee	$8,742
Skilled Nursing Daily Fee	$413

EXHIBIT 6

CERTIFIED AUDITED FINANCIAL STATEMENTS OF PROVIDER

Summary:

Exhibit 6 provides an audit from an independent accounting firm, expressing that firm's opinion on the Provider's financial statements. Shown in the attached financial statements as McLean Mather LLC, effective February 2, 2018, the Provider changed its name to Tysons LPC, LLC.

Also included are the audited financial statements for Mather LifeWays, which contains supplementary financial information for Mather Investments, NFP. Mather Investments, NFP is a subsidiary of Mather LifeWays created to undertake the development of senior living communities, and is the indirect owner of the Provider. Mather LifeWays has paid all expenditures of the Provider to date and has the ability and intent to continue to support the Provider until operations begin. After operations begin, Mather LifeWays and its affiliates will not be responsible for providing services to residents; all claims, obligations, or liabilities shall be the sole responsibility of the Provider.

Grant Thornton

Financial Statements and Report of Independent Certified Public Accountants

McLean Mather, LLC

For the Period from October 5, 2015 (Inception) to October 31, 2017

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
McLean Mather, LLC

We have audited the accompanying financial statements of McLean Mather, LLC, which comprise the balance sheet as of October 31, 2017, and the related statement of operations and changes in member's equity, and cash flows for the period from October 5, 2015 (inception) to October 31, 2017, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McLean Mather, LLC as of October 31, 2017, and the results of its operations and its cash flows for the period from October 5, 2015 (inception) to October 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
January 18, 2018

McLean Mather, LLC
Balance Sheet
October 31, 2017

ASSETS

Cash held in escrow	$ 2,200,102
Construction in progress	1,337,346
TOTAL ASSETS	$ 3,537,448

LIABILITIES AND MEMBER'S DEFICIT

Liabilities	
Accrued expenses	$ 413,831
Due to Mather LifeWays	3,144,085
Total liabilities	3,557,916
Member's deficit	(20,468)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 3,537,448

The accompanying notes are an integral part of these statements.

McLean Mather, LLC
Statement of Operations and Changes in Member's Deficit
For the period from October 5, 2015 (inception) to October 31, 2017

Operating revenue	
Interest income	$ 102
Total operating revenue and other support	102
Operating expenses	
Marketing	20,520
Annual registration	50
Total operating expenses	20,570
Deficiency of operating revenue over operating expenses	(20,468)
NET LOSS	(20,468)
Member's equity, inception	-
Member's deficit, end of period	$ (20,468)

The accompanying notes are an integral part of these statements.

McLean Mather, LLC
Statement of Cash Flows
For the period from October 5, 2015 (inception) to October 31, 2017

Cash flows from operating activities	
Net loss	$ (20,468)
Adjustments to reconcile change in net assets to net cash provided by provided by operating activities	
Change in accrued expenses	4,910
Change in due to related party	3,144,085
Net cash provided by operating activities	3,128,527
Cash flows from investing activities	
Additions to construction in progress	(928,425)
Net cash used in investing activities	(928,425)
INCREASE IN CASH	2,200,102
Cash held in escrow at inception	-
Cash held in escrow at end of period	$ 2,200,102
Non-cash additions to construction in progress	$ 408,921

The accompanying notes are an integral part of these statements.

NOTE A – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

McLean Mather, LLC (the Entity) is an Illinois limited liability company formed October 5, 2015 but inactive until February 21, 2017. The sole member of the Entity is Mather Investments, NFP (MI). The sole member of MI is Mather LifeWays (MLW). MI and MLW are both Illinois not-for-profit corporations under Section 501(c)(3) of the Internal Revenue Code (IRC). Mather Lifeways is the administrative entity of the Mather organization. The purpose of the Entity is to develop and own a life plan community in Tysons, Virginia.

Use of Estimates

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

Cash Held in Escrow

Cash held in escrow represents the earnest money paid towards the purchase price of the property for the Entity.

Construction in Progress

Construction in progress is recorded at cost. Depreciation will be recorded when the property is operational.

Income Taxes

Management has determined there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for incomes taxes is reflected in these financial statements as the Entity is exempt from income tax under IRC Section 501(c)(3).

NOTE B – RELATED PARTY

The Mather organization has paid all expenditures of the Entity to date and has the ability and intent to continue to support the operations of the Entity.

NOTE C - CONCENTRATION OF CREDIT RISK

The Entity maintains a cash account, the balance of which, at times, may exceed federally insured limits. The Entity has not experienced any losses in the account. Management believes that the Entity is not exposed to any significant credit risk on cash.

NOTE D - SUBSEQUENT EVENTS

The Entity evaluated its October 31, 2017, financial statements for subsequent events through January 18, 2018, the date the financial statements were available to be issued. Effective December 11, 2017, the Board approved changing the Entity's name to Tysons LPC, LLC.

Consolidated Financial Statements and Supplementary Information (Mather Investments) and Reports of Independent Certified Public Accountants

Mather LifeWays

December 31, 2017 and 2016

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Mather LifeWays

We have audited the accompanying consolidated financial statements of Mather LifeWays and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

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

Grant Thornton LLP

Chicago, Illinois
April 24, 2018

Mather LifeWays
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31,
(In thousands of dollars)

ASSETS	2017	2016
Cash and cash equivalents	$ 12,117	$ 13,197
Deposits escrow account	3,055	2,138
Accounts receivable, net of allowance for uncollectible accounts of $20 for 2017 and $16 for 2016	1,416	750
Prepaid expenses and other assets	5,093	3,407
Contributions receivable	147	517
Investments	465,118	425,565
Beneficial interest in perpetual trusts	46,549	42,819
Property and equipment, net	171,445	175,479
TOTAL ASSETS	$ 704,940	$ 663,872

LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 19,002	$ 23,633
Deposits from prospective residents	1,340	1,458
Notes payable	21,600	21,600
Deferred entrance fees	15,456	15,712
Refundable entrance fees	198,673	193,374
Obligation to provide future services	3,323	3,406
Total liabilities	259,394	259,183
Net assets		
Unrestricted	398,500	361,237
Temporarily restricted	142	318
Permanently restricted	46,904	43,134
Total net assets	445,546	404,689
TOTAL LIABILITIES AND NET ASSETS	$ 704,940	$ 663,872

The accompanying notes are an integral part of these statements.

Mather LifeWays
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years ended December 31,
(In thousands of dollars)

	2017	2016
Changes in unrestricted net assets		
Operating revenue and other support		
Resident fees	$ 26,646	$ 24,391
Contract services fees	8,516	7,938
Entrance fee amortization	2,608	2,599
Management, marketing and transfer fees	2,733	2,511
Change in obligation to provide future services	83	2,574
Net assets released from restrictions used for operations	211	31
Other income	1,763	2,475
Total operating revenue and other support	42,560	42,519
Operating expenses		
Wages and benefits	37,494	33,587
Premises	6,366	5,905
Dining services	2,556	2,390
Resident, customer and health center services	2,095	2,287
Marketing	1,268	1,520
Depreciation	7,134	7,003
General and administrative	11,381	9,104
Total operating expenses	68,294	61,796
Deficiency of operating revenue and other support over operating expenses	(25,734)	(19,277)
Non-operating income (expense)		
Investment return	56,365	28,523
Custodial and investment advisory fees	(1,587)	(1,610)
Distributions from perpetual trusts	1,999	1,984
Change in value of gift annuities	53	(26)
Non-operating income, net	56,830	28,871
Excess of revenue and other support over expenses	31,096	9,594
Benefit-related changes other than net periodic benefit cost	6,167	(524)
Change in unrestricted net assets	37,263	9,070
Changes in temporarily restricted net assets		
Change in value of charitable remainder trust and temporarily restricted gifts	35	-
Net assets released from restrictions used for operations	(211)	(31)
Total changes in temporarily restricted net assets	(176)	(31)
Changes in permanently restricted net assets		
Change in value of perpetual trusts and charitable remainder trust	3,770	1,337
CHANGE IN NET ASSETS	40,857	10,376
Net assets		
Beginning of year	404,689	394,313
End of year	$ 445,546	$ 404,689

The accompanying notes are an integral part of these statements.

Mather LifeWays
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31,
(In thousands of dollars)

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 40,857	$ 10,376
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Net realized and unrealized gains on investments	(50,577)	(23,061)
Purchases and sales of trading securities, net	11,024	6,372
Loss on disposal of construction in progress	-	1,359
Contributions restricted for time	211	31
Net change in temporarily restricted charitable remainder trust and annuities	(88)	26
Net change in permanently restricted perpetual trusts and permanently restricted charitable remainder trust	(3,770)	(1,337)
Amortization of deferred entrance fees	(2,608)	(2,599)
Deferred entrance fees received	2,364	1,931
Change in obligation to provide future services	(83)	(2,574)
Depreciation	7,134	7,003
Change in pension obligation	(6,167)	524
Changes in		
Accounts receivable	(806)	(123)
Prepaid expenses and other assets	(1,686)	(253)
Accounts payable and accrued expenses	1,825	2,692
Net cash (used in) provided by operating activities	(2,370)	367
Cash flows from investing activities		
Additions to property and equipment	(3,680)	(15,044)
Net cash used in investing activities	(3,680)	(15,044)
Cash flows from financing activities		
Proceeds from refundable entrance fees and net resident deposits	20,377	16,748
Payments of refundable entrance fees	(15,642)	(9,050)
Proceeds from restricted contributions	235	-
Proceeds from note payable	-	13,700
Repayment of note payable	-	(2,000)
Net cash provided by financing activities	4,970	19,398
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,080)	4,721
Cash and cash equivalents at beginning of year	13,197	8,476
Cash and cash equivalents at end of year	$ 12,117	$ 13,197
Non-cash additions to property and equipment	$ 302	$ 882
Cash paid for interest	$ 493	$ 242

The accompanying notes are an integral part of these statements.

NOTE A - MISSION, ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Mission and Organization

Mather LifeWays is a not-for-profit organization based in Evanston, Illinois. Founded by Alonzo Mather in 1941, Mather LifeWays is dedicated to fulfilling its mission to "enhance the lives of older adults by creating Ways to Age Well."

Mather LifeWays fulfills its mission through three areas of service, including Senior Living, Community Initiatives, and applied research and education efforts that operate under the name Mather LifeWays Institute on Aging (the Institute).

Mather LifeWays owns senior residences, The Mather located in Evanston, and Mather Place located in Wilmette, Illinois. Mather LifeWays senior living residences provide high-quality apartments, services and amenities, enriching programs and a continuum of living services, if needed.

The Mather is a Life Plan Community (LPC), making available a full continuum of care from independent living through skilled nursing care, which offers older adults the opportunity to pursue engaged and active lifestyles.

Mather Place is an independent living residence.

Additionally, Mather LifeWays oversees the sales, marketing and operations of a 50%-owned LPC in Oro Valley, Arizona, called Splendido at Rancho Vistoso (Splendido).

Community Initiatives makes communities better places for older adults to live, work, learn, contribute and play by providing community-based services for older adults through Community Resources (providing services within the communities that it serves) and Mather's–More than a Café locations that operate in the Chicago area.

The Institute works with Senior Living and Community Initiatives in addition to other organizations in designing, implementing and evaluating applied research and demonstration projects. Through research, education and information dissemination, the Institute contributes to the development of best practices and programs that enhance lifestyles of older adults, focusing on wellness, positive aging and senior living workforce development.

Principles of Consolidation

The consolidated financial statements include the accounts of Mather Foundation and Mather LifeWays and its wholly owned affiliates (collectively, Mather LifeWays). All significant inter-entity transactions and accounts have been eliminated.

Use of Estimates

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

Deficiency of Operating Revenue and Other Support Over Operating Expenses

The consolidated statements of operations and changes in net assets include an intermediate measure of operations, referred to as deficiency of operating revenue and other support over operating expenses. Changes in unrestricted net assets that are excluded from this intermediate measure of operations include realized gains and losses from sales of investments, unrealized gains and losses, investment income and other investment-related activity that management views as outside of their primary mission-related activities.

Excess of Revenue and Other Support Over Expenses

The consolidated statements of operations and changes in net assets include the performance indicator, referred to as excess of revenue and other support over expenses. Included in the performance indicator are realized and unrealized gains and losses on trading securities. Changes in unrestricted net assets that are excluded from the excess of revenue and other support over expenses, consistent with industry practice, consist of the benefit-related changes other than net periodic benefit cost.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid securities purchased with original maturities of three months or less.

Deposits Escrow Account

The deposits escrow account consists of 10% of the entrance fee prospective residents pay to live at The Mather as well as wait list deposits. The deposit funds are held in escrow and are applied to the total entrance fees owed or are refunded to the prospective residents if they decide not to move to The Mather.

Accounts Receivable

Accounts receivable represent amounts due from residents and third-party payors for monthly service fees, daily room and ancillary fees. Management provides an allowance for uncollectible amounts based on historical collection experience and an assessment of individual accounts. Outstanding balances are written off after management has exhausted reasonable collection efforts.

Investments

Mather LifeWays has designated its investments as trading securities. Mather LifeWays records its investments at fair value, with the exception of its investment in joint ventures, which is recorded using the equity method. Mather LifeWays records investment transactions on a trade-date basis. Investment return includes interest and dividends on investments and is included in excess of revenue and other support over expenses in the accompanying consolidated statements of operations and changes in net assets unless restricted by donor or law. Interest income is recognized on an accrual basis. Dividend income is recognized on the ex-dividend date.

Fair Value of Financial Instruments

In determining fair value, Mather LifeWays uses various methods, including market, income and cost approaches. Based on these approaches, Mather LifeWays utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Domestic and international equities - Fair values are based on closing prices for listed securities and bid prices for unlisted securities.

Corporate bonds and notes, and bond mutual funds - Values are based on the last reported sales or, if not traded on a national exchange or over-the-counter market, on the most recent estimates available from broker-dealers and on yields currently available on comparable securities of issuers with similar credit ratings.

Bond and equity funds, venture capital, private equity, real assets, hedge funds and common collective/trusts - Fair values are determined using the net asset value (NAV) per share as the practical expedient.

The accompanying consolidated financial statements include alternative investments valued at $343,121 and $311,769 as of December 31, 2017 and 2016, respectively, the fair values of which have been estimated by management in the absence of readily determinable fair values. Management's estimates of the fair values of these investments are based on the information provided by the fund investment managers. Audited information is only available annually based on the investment's fiscal year-end.

The financial instruments recorded at fair value were measured and reported at fair value using a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Classification of assets and liabilities within the fair value hierarchy considers the markets in which the financial instruments were traded and the reliability and transparency of the assumptions used to determine fair value. Level 1 financial instruments consist of investments, the values of which are based on quoted market prices for identical investments in an active market. Level 2 financial instruments are valued using models or other valuation methodologies. These models use inputs that are observable, either directly or indirectly. Level 3 financial instruments are valued using pricing models that utilize significant inputs that are primarily unobservable and also include instruments for which the determination of fair value requires significant management judgment or estimation. Transfers between levels are recognized as of the end of the reporting period.

Interest in trusts - Perpetual trust values are either based on closing prices for the individual investments or are determined using the NAV per share as the practical expedient. The charitable remainder trust values are determined by calculating the present value of expected future cash flows.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the major asset classifications are as follows:

Asset description	Life
Buildings	30 - 40 years
Building improvements and landscaping	5 - 15 years
Equipment	3 - 10 years
Furniture, fixtures and office equipment	3 - 7 years

Mather LifeWays continually evaluates whether circumstances have occurred that would indicate the remaining estimated useful lives of long-lived assets may warrant revision, or that the remaining balance of such assets may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, Mather LifeWays uses an estimate of undiscounted cash flows over the estimated remaining life of an asset in measuring whether the asset is recoverable. Management has determined that no impairment exists as of December 31, 2017 and 2016.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent amounts owed to vendors for services and products and pending entrance fee refunds.

Deferred Entrance Fees, Refundable Entrance Fees and Obligation to Provide Future Services

The Mather primarily operates under the continuing care concept in which a resident enters into a residency agreement requiring the payment of a one-time entrance fee and a monthly service fee. Mather Place has operated under the continuing care concept and currently offers an option without an entrance fee. Contract types and provisions have varied over the years. Certain contracts provide that between 80% and 100% of the entrance fees are refundable, depending on length of residency, while other contracts provide for a partial refund only if the resident moves out or dies within a stated period of time. Generally, residents under continuing care contracts are entitled to the use and privileges of their residence for life.

Entrance fees paid by a resident upon executing a residency agreement, net of the portion that is refundable to the resident, are recorded as deferred entrance fees and amortized into income based on the actuarially determined remaining estimated life of each resident. The present value of the net cost of future services and the use of facilities to be provided to current residents is compared with the balance of deferred revenue from entrance fees on an annual basis. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded as an obligation to provide future services in the consolidated statements of financial position, with the corresponding charge to income. The obligation is discounted at 5.0% based on an expected long-term rate of return. The refundable portion of the entrance fees is carried at cost.

Net Assets

Net assets are classified based on donor restrictions, if any, as follows:

<u>Unrestricted</u> - Net assets that are free of donor-imposed restrictions; all revenue, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets.

<u>Temporarily restricted net assets</u> - Net assets, the use of which is limited by donor-imposed restrictions that expire with the passage of time or that will be fulfilled in a future time period.

<u>Permanently restricted net assets</u> - Net assets, the use of which is restricted by the donor, to be invested in perpetuity.

Interests in Perpetual and Charitable Remainder Trusts

Mather LifeWays is named as beneficiary of, and in certain instances receives distributions from, trusts administered by third-party entities. Under the terms of the perpetual trust agreements, Mather LifeWays has the irrevocable right to receive a portion of the income and principal earned on the trusts' assets in perpetuity. Under the terms of the charitable remainder trust agreements, Mather LifeWays has the irrevocable right to receive the remaining principal with the death of each income beneficiary, or subsequent to the distributions and expenses paid to all other named beneficiaries. Mather LifeWays does not control the assets held by the outside trusts.

Resident Fees

Monthly service fees are recognized as revenue in the month in which they are earned.

Daily room and ancillary fees are for assisted living and skilled nursing services and are reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered.

Reimbursement for services to Medicare program beneficiaries is paid at prospectively determined rates. These rates vary according to a resident classification system referred to as Resource Utilization Groups.

Income Taxes

Mather LifeWays, Mather Foundation, Mather Place, Mather Investments, NFP, Mather Possibilities and The Mather have received favorable determination letters from the Internal Revenue Service stating that they are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority.

Management has determined there are no material uncertain positions that require recognition in the consolidated financial statements. Additionally, no provision for incomes taxes is reflected in these consolidated financial statements. The entities of Mather LifeWays file tax returns in certain states; however, they do not file in every state. For all states where the entities have not filed a state return, all tax years remain open.

NOTE B - FINANCIAL ASSISTANCE AND MISSION SPENDING

Mather LifeWays has a long tradition of providing significant financial assistance within its residences. Mather LifeWays provides services and care to its residents under its financial assistance policy. Mather LifeWays does not pursue collection of amounts determined to qualify as financial assistance, and only the amount to be collected is reported as income.

Mather LifeWays determined that total financial assistance provided was $2,598 and $3,513 in 2017 and 2016, respectively. Included in financial assistance were costs of providing charity care, as defined, of $2,488 and $2,264 in 2017 and 2016, respectively. The costs associated with providing charity care are determined by aggregating certain applicable direct and indirect costs based on data from the general ledger.

(In thousands of dollars)

Mather LifeWays funds the majority of the costs to operate Community Initiatives and the Institute. Support of these mission initiatives was $7,977 and $7,197 in 2017 and 2016, respectively.

NOTE C - INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS

The tables below present the fair value hierarchy for those assets and liabilities measured on a recurring basis at fair value as of December 31, 2017 and 2016.

	2017			
	Level 1	Level 2	Level 3	Total
Investments at fair value				
Domestic equities	$ 68,818	$ -	$ -	$ 68,818
International equities	6,374	-	-	6,374
Bond mutual funds	25,296	-	-	25,296
Equity funds	17,918	-	-	17,918
Money market mutual funds	3,591	-	-	3,591
Total investments at fair value before investments recorded at NAV	121,997	-	-	121,997
Investments recorded at NAV				
Bond and equity funds	-	-	-	103,085
Hedge funds	-	-	-	95,495
Venture capital and private equity	-	-	-	78,203
Real assets	-	-	-	66,338
Total investments recorded at NAV	-	-	-	343,121
Total investments at fair value	$121,997	$ -	$ -	$465,118
Interests in trusts	$ -	$ -	$46,696	$ 46,696

(In thousands of dollars)

	2016			
	Level 1	Level 2	Level 3	Total
Investments at fair value				
Domestic equities	$ 67,400	$ -	$ -	$ 67,400
International equities	5,384	-	-	5,384
Bond mutual funds	23,342	-	-	23,342
Corporate bonds	-	12,741	-	12,741
Money market mutual funds	4,699	-	-	4,699
Total investments at fair value before investments recorded at NAV	100,825	12,741	-	113,566
Investments recorded at NAV				
Bond and equity funds	-	-	-	94,808
Hedge funds	-	-	-	84,951
Venture capital and private equity	-	-	-	75,260
Real assets	-	-	-	56,750
Total investments recorded at NAV	-	-	-	311,769
Total investments at fair value	$100,825	$12,741	$ -	425,335
Equity method investments				230
Total investments				$425,565
Interests in trusts	$ -	$ -	$43,320	$ 43,320

The following table presents additional information about the investments, the fair value of which is estimated using the reported NAV at December 31, 2017:

	Fair value	Unfunded commitments	Redemption
Bond and equity funds	$103,085	$ -	A
Hedge funds	95,495	-	B
Venture capital and private equity	78,203	49,565	C
Real assets	66,338	13,259	D

A. Bond and equity funds - Composed of various funds that invest in bonds and equities. These funds offer daily or monthly redemption frequency.

B. Hedge funds - Composed of various hedge funds that invest in a broad range of assets, including long and short positions in shares, bonds and derivatives. Redemption periods vary by manager from a range of one day to one year and may include locks, early withdrawal penalties and/or redemption holdbacks.

C. Venture capital and private equity - Composed of various private equity funds that most commonly invest in strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital. These investments generally cannot be redeemed prior to distributions upon liquidation of the underlying assets. The fund managers estimate the underlying assets of the fund will be liquidated most frequently over 10 years from the start of the funds.

(In thousands of dollars)

D. Real assets – Composed of various funds that invest in strategies such as private real estate, commodities, energy, and mining. While some investments offer monthly liquidity, the majority are private equity-like structures that cannot be redeemed prior to distributions upon liquidiation; most frequently 10 years from the funds' inception dates.

The overall objective of the investments is to maximize total return. The target allocation was 34.5% equity, 15.0% fixed income and 50.5% alternatives as of December 31, 2017 and 2016. Investment asset allocations are reviewed periodically and rebalanced to achieve target allocation among the asset categories when necessary.

Mather LifeWays presents combined investment return in the accompanying consolidated statements of operations and changes in net assets, which consists of the following for the years ended December 31:

	2017	2016
Net realized and unrealized gains on investments	$50,577	$23,061
Interest and dividend income	5,788	5,462
Total investment return	$56,365	$28,523

NOTE D - INVESTMENTS IN JOINT VENTURES

In 2003, Mather LifeWays formed a joint venture with Tucson Plaza, L.L.C., an unrelated for-profit entity. The purpose of the venture, known as Tucson Mather Plaza, LLC (TMP), is to own, develop and manage Splendido and earn an investment return. Certain phases began operations in October 2006, with the remaining community completed and operational by June 2008. Mather LifeWays has a 50% ownership interest in the joint venture. A second joint venture, TMP II, LLC, was formed by the same parties in 2005 to purchase land adjacent to Splendido. TMP merged with TMP II effective August 31, 2017. The investment in TMP is accounted for using the equity method of accounting and is classified as part of investments.

Tucson Mather Management, LLC (TMM), a wholly owned affiliate of Mather LifeWays, receives a remarketing fee in an amount equal to 5% of the total entrance fee for each unit that is resold after initial occupancy. TMM also receives a transfer payment equal to 5% of gross operating revenue for which TMM recorded a receivable of $81 and $76 as of December 31, 2017 and 2016, respectively. TMM also entered into a management agreement with TMP to provide management services for Splendido. The management fee is equal to 6% of Splendido's annual operating revenue, as defined. Management fee revenue was $1,151 and $1,084 for 2017 and 2016, respectively. Additionally, TMM was reimbursed by TMP for contract personnel wages and benefits of $8,391 and $7,811 in 2017 and 2016, respectively.

At December 31, 2017 and 2016, investments in the joint ventures were $-0- and $230, respectively. For 2017 and 2016, the Mather LifeWays portion of the ventures' net loss prior to the merger was $637 and $633, respectively. Due to current and prior-year losses, the carrying amount of the investment in TMP has been reduced to zero on the consolidated statements of financial position. The underlying negative equity in net assets of this joint venture is $(13,807). The respective portion of the joint venture losses has not been recorded in the consolidated statements of operations and changes in net assets and will not be included until the balance is restored. There is no income tax liability related to the investments in the joint ventures for 2017 and 2016. Included in the other line of operating revenue and other support in the consolidated statements of operations and changes in net assets are gains of $1,100 from dividends received from Splendido for 2016. The following summarizes the condensed financial information of the joint ventures as of and for the years ended December 31:

(In thousands of dollars)

	2017	2016
Total assets	$ 79,222	$ 75,755
Total liabilities	106,835	102,095
Total revenues	20,466	19,438
Total expenses	21,727	20,703

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 and 2016, consist of the following:

	2017	2016
Land	$ 3,047	$ 3,047
Buildings	196,021	193,553
Building improvements and landscaping	12,108	10,817
Equipment	6,492	7,914
Furniture, fixtures and office equipment	8,956	9,425
Construction in progress	2,113	1,125
Total property and equipment	228,737	225,881
Accumulated depreciation	(57,292)	(50,402)
Property and equipment, net	$171,445	$175,479

In 2016, Mather Place completed a significant renovation and expansion of the property.

In 2016, Mather LifeWays decided not to proceed with a project to build a new community. As a result of this decision, $3,225 of construction in progress was expensed and is included in the general and administrative expense line in the accompanying consolidated statements of operations and changes in net assets. Of this amount, $1,359 was paid in prior years and is therefore recognized as a non-cash transaction in the consolidated statements of cash flows.

(In thousands of dollars)

NOTE F - INTERESTS IN PERPETUAL AND CHARITABLE REMAINDER TRUSTS

Mather LifeWays is the beneficiary, in perpetuity, of distributions from two trusts created in accordance with the wishes of Alonzo Mather. Distributions, as authorized by trustees of these trusts, are used to support the operations of Mather LifeWays. The trustees of these trust funds have the authority to distribute principal to Mather LifeWays only in the event that current income is insufficient to support its operations. The interests in these trusts are reported as beneficial interest in perpetual trusts on the accompanying consolidated statements of financial position and are included in permanently restricted net assets. Distributions received from the trusts are reported as unrestricted support.

Mather LifeWays is the remainder beneficiary of two charitable remainder trusts, which are reported as contributions receivable on the accompanying consolidated statements of financial position. Income earned on the trusts' assets is paid to named income beneficiaries during their lifetimes, after which the remaining principal of each deceased beneficiary will be paid to Mather LifeWays. The interest on one of the charitable remainder trusts is included in temporarily restricted net assets and the other is included in permanently restricted net assets.

Mather LifeWays records the beneficial interests in these perpetual and charitable remainder trusts at fair value. The changes in the interest in these trusts are summarized as follows:

	Balance, December 31, 2016	Additions	Distributions	Change in value	Balance, December 31, 2017
Interest in all trusts	$43,320	$ -	$(425)	$3,801	$46,696

	Balance, December 31, 2015	Additions	Distributions	Change in value	Balance, December 31, 2016
Interest in all trusts	$41,983	$ -	$ -	$1,337	$43,320

NOTE G - NOTES PAYABLE

In May 2011, Mather LifeWays obtained a $20,000 revolving credit agreement, with annual extensions, and in August 2014, this agreement was amended and restated to increase the available credit to $33,000, with interest not to exceed 130 basis points above the adjusted LIBOR (1.56% at December 31, 2017). The agreement termination date was also extended until March 31, 2018. See note N. The amount outstanding on the revolving credit agreement was $21,600 as of December 31, 2017 and 2016.

(In thousands of dollars)

NOTE H - RETIREMENT PLANS

Mather LifeWays has a funded non-contributory defined benefit pension plan that covers employees who meet eligibility requirements. Under the plan, benefits vest at 100% after five years of service, as defined. The plan provides defined benefits based on years of credited service and final average earnings, as defined. At December 31, 2008, Mather LifeWays froze any further pension benefit accruals to plan participants. At December 31, 2016, the Plan was terminated. Assets were fully distributed by December 31, 2017.

Obligations and funded status of the plan are as follows for the years ended December 31:

	2017	2016
Fair value of plan assets	$ -	$ 11,712
Accumulated benefit obligations	-	(16,494)
Funded status - end of year	$ -	$ (4,782)
Amounts recognized in the accompanying consolidated statements of financial position in accounts payable and accrued expenses	$ -	$ (4,782)

Amounts that have not yet been recognized as a component of net periodic benefit cost consist of the following at December 31:

	2017	2016
Net actuarial loss	$ -	$6,167

Net periodic benefit cost and other amounts recognized in the accompanying consolidated statements of operations and changes in net assets are as follows for the years ended December 31:

	2017	2016
Current year net periodic cost	$ 303	$ 513
Benefit-related changes other than net periodic benefit cost		
Net actuarial loss	$ 1,245	$ 994
Amortization of previously unrecognized net actuarial loss	(346)	(470)
Recognition of settlement loss	(7,066)	-
Total recognized as pension-related changes other than net periodic benefit cost	$(6,167)	$ 524

(In thousands of dollars)

Assumptions

	2017	2016
Weighted-average assumptions used in computing benefit obligations		
Discount rate	N/A	*
Rate of compensation increase	N/A	N/A

*November 2016 Internal Revenue Service (IRS) lump sum interest rates of 1.79%, 3.80% and 4.71% for assumed lump sum distributions and 3% for assumed annuity purchases.

Weighted-average assumptions used in computing net benefit cost		
Discount rate	N/A	3.76
Expected return on plan assets	N/A	4.75

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested to provide for the benefits included in the projected benefit obligations. Factors used in determining that rate include historic returns on plan assets and current market information on long-term returns.

Plan Assets

The percentage of plan assets is as follows at December 31:

	2017	2016
Cash and cash equivalents	-%	50%
Fixed income	-	50
Total	-	100%

As of December 31, 2016, the basic objective was to preserve funds for payout of benefits due to the plan termination and the target allocation became 50% fixed income and 50% cash and cash equivalents.

The following table presents the fair value for those assets measured at fair value as of December 31:

	2017	2016
Cash and cash equivalents	$ -	$ 5,854
Common/collective trusts	-	3,611
Mutual funds (Level 1)	-	2,040
Total assets at fair value	$ -	$11,505

The plan had also been invested in an immediate participation guarantee contract, which was entered into in 1966. Investments in the immediate participation guarantee contract are recorded at contract value, which represents contributions made under the contract, plus interest at the contract rate, less benefit distributions and certain administrative expenses. Since the guidance exempts reporting of immediate participation guarantee contracts at fair value entered into prior to March 20, 1992, there is no adjustment of the investment from contract value basis to fair value. Investments in the immediate participation guarantee contract totaled $-0- and $207 at December 31, 2017 and 2016, respectively.

(In thousands of dollars)

Cash Flows

Pension plan benefits paid were $18,006 and $609 in 2017 and 2016, respectively. Mather LifeWays contributed $5,984 and $30 to the plan in 2017 and 2016, respectively.

Mather LifeWays has a defined contribution 401(k) plan that covers employees who meet eligibility requirements. Mather LifeWays matches a portion of an employee's contribution based on an established threshold and provides a non-elective employer contribution. Under the plan, employer contributions vest at 100% after two years of service, as defined. Mather LifeWays expensed $1,535 and $1,405 in contributions under the defined contribution plan in 2017 and 2016, respectively.

NOTE I - COMMITMENTS AND CONTINGENCIES

Mather LifeWays leases its Mather's–More than a Café locations, office space and certain office equipment under several non-cancelable operating leases that expire at various dates through 2022. Several leases contain options to extend the terms. Rent expense is recognized using the straight-line method over the lives of the leases and was $629 and $634 for the years ended December 31, 2017 and 2016, respectively, and is included in physical plant expense in the accompanying consolidated statements of operations and changes in net assets. The future minimum lease payments under these non-cancelable leases are as follows:

2018	$ 652
2019	593
2020	581
2021	479
2022	327
Total	$2,632

NOTE J – RELATED PARTY

In March 2016, Mather LifeWays entered into an affiliation agreement with King-Bruwaert House (K-B), an Illinois not-for-profit corporation. The principal operation of K-B is to provide housing and healthcare services to older adults. K-B pays Mather LifeWays a quarterly fee equal to 3% of its gross operating revenue for these services. K-B reimburses Mather LifeWays for costs incurred on its behalf. The quarterly fee was waived by Mather LifeWays prior to June 30, 2016. The affiliation agreement ends in May 2018.

(In thousands of dollars)

NOTE K - PROFESSIONAL AND GENERAL LIABILITY INSURANCE

Mather LifeWays obtains professional and general liability insurance from Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), a District of Columbia association. CCrRRG is owned and controlled by its insureds. CCrRRG provides claims-made professional liability and occurrence-based general liability insurance coverage using a combination of self-insured retention (deductible) and excess commercial insurance coverage partially based on participant-specific experience. Insurance expense is based on paid premiums. There were no known uninsured claims arising from services provided to residents as of December 31, 2017 and 2016.

NOTE L - CONCENTRATION OF CREDIT RISK

Mather LifeWays and its affiliates maintain cash accounts, the balances of which, at times, may exceed federally insured limits. Mather LifeWays has not experienced any losses in such accounts. Management believes that Mather LifeWays and its affiliates are not exposed to any significant credit risk on cash.

NOTE M - FUNCTIONAL EXPENSES

	2017	2016
Program services and health care	$45,836	$42,831
General and administrative	22,458	18,965
Total	$68,294	$61,796

NOTE N - SUBSEQUENT EVENTS

Mather LifeWays evaluated its December 31, 2017, consolidated financial statements for subsequent events through April 24, 2018, the date the consolidated financial statements were available to be issued. Mather LifeWays is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Mather LifeWays

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Mather LifeWays and subsidiaries as of and for the year ended December 31, 2017, and our report thereon dated April 24, 2018, expressed an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on these consolidated financial statements as a whole.

The accompanying statements of financial position and operations and change in net deficiency – Mather Investments, NFP as of and for the year ended December 31, 2017, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Chicago, Illinois
April 24, 2018

Mather Investments, NFP
STATEMENT OF FINANCIAL POSITION
December 31, 2017
(In thousands of dollars)

ASSETS

Due from related party	$ 690
Property and equipment, net	1,390
Cash held in escrow	2,200
TOTAL ASSETS	$ 4,280

LIABILITIES AND NET DEFICIENCY

Liabilities	
Accounts payable and accrued expenses	$ 401
Due to related parties	15,610
Total liabilities	16,011
Net deficiency	
Unrestricted	(11,731)
TOTAL LIABILITIES AND NET DEFICIENCY	$ 4,280

Mather Investments, NFP
STATEMENT OF OPERATIONS AND CHANGE IN NET DEFICIENCY
Year ended December 31, 2017
(In thousands of dollars)

Revenue	
Contract service fees	$ 8,391
Management, marketing and transfer fees	2,733
Total revenue	11,124
Expenses	
Wages and benefits	8,391
General and administrative	2,325
Contributions to Mather LifeWays	1,582
Total expenses	12,298
Investment loss	(229)
CHANGE IN NET DEFICIENCY	(1,403)
Net deficiency	
Beginning of year	(10,328)
End of year	$ (11,731)

EXHIBIT 7

PRO FORMA INCOME STATEMENTS OF PROVIDERS

Summary:

A pro forma projected operating statement for The Mather is included in the Anticipated Source and Application of Purchase or Construction Funds found in <u>Exhibit 10</u>.

EXHIBIT 8

SUMMARY FINANCIAL CONDITION

Summary:

The Mather is currently in development with a tentative opening in Fall 2022, therefore there is no projection of the community's financial condition.

EXHIBIT 9

CHANGES IN PERIODIC CHARGES

Summary:

The Mather is currently in development with a tentative opening in Fall 2022, therefore there is no historical pricing.

EXHIBIT 10

ANTICIPATED SOURCE AND APPLICATION OF PURCHASE OR CONSTRUCTION FUNDS

a. An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs that the provider expects to incur or become obligated for prior to the commencement of operations.

The Mather **Mar-18**

Anticipated Source and Application of Construction Funds

Sources of Funds	**Totals (in 000's)**
Equity[1]	$ 58,015
Debt	397,930
Sources of Funds - Total	**$ 455,945**
Uses of Funds	
Occupancy Development Costs[2]	$ 386,089
Land Costs	37,574
Legal Expense	2,973
Project Costs Excluding Financing	**$ 426,636**
Financing Expense[3]	29,309
Uses of Funds - Total	**$ 455,945**

[1]Equity cash contributions will be funded by the Owners.

[2]Includes all other similar costs expected to incur or become obligated for prior to the commencement of operations

[3]Financing expense includes anticipated lender fees and reimbursable expenses as well as anticipated interest expense. It is anticipated that borrowing on the line of credit will commence with a draw to finance the acquisition of land and remain outstanding for a period of approximately six years. Construction loan draws will commence after all equity contributions have been made and vertical construction has begun. The construction loan is anticipated to be repaid within four years of the first construction draw. Both the construction loan and line of credit will be repaid using entrance fee proceeds. Interest rates are anticipated to be based on a selected Libor rate plus spread, which will be subject to market conditions and determined at the time loan commitments are obtained.

b. A description of any mortgage loan or other long-term financing intended to be used for any purpose in the financing of the facility and of the anticipated terms and costs of such financing, including without limitation, all payments of the proceeds of such financing to the provider, management or any related person.

- We anticipate using a credit facility (the line of credit) to finance the acquisition of the land. There is no long-term financing anticipated at the conclusion of construction of the community. Construction financing will be a term loan (not be an amortized loan), secured by a lien on the property. Both the line of credit and the construction financing will be repaid through Entrance Fee proceeds as they are released from escrow.

c. An estimate of the percentage of entrance fees that will be used or pledged for the construction or purchase of the facility, as security for long-term financing or for any other use in connection with the commencement of operation of the facility.

- Nearly 100% of entrance fees for the initial sale of all 300 Independent Living homes will be used for the construction of the Community as well as to pay Entrance Fee refunds, and deferred fees.

d. An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.

- We estimate placing $31.6 million into escrow prior to the commencement of operations of The Mather.

e. An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performances of the obligations of the provider under continuing care contracts.

- A projection of estimated funds necessary to fund start-up losses is included in the Occupancy Development Costs. Losses are anticipated to equal $5.4 million (the amount of the first two years of Net Losses shown in Attachment A below).

f. A projection of estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of any government subsidies for health care services to be provided pursuant to the continuing care contracts.

- A projection of estimated income from fees and charges other than Entrance Fees are shown in the Projection of Estimated Operating Income and Expenses (Attachment A) below. Fee-for-service rates used to calculate some of the Life Centre Fees can be seen below in the "REVENUES" section of the Projection of Estimated Operating Income and Expenses Assumptions (Attachment B) and Independent Living Monthly Service Fee rates can be found in Exhibit 5. The Community will not receive any government subsidies.

g. A projection of estimated operating expenses of the facility, including (i) a description of the assumptions used in calculating any expenses and separate allowances for the replacement of equipment and furnishings and anticipated major structural repairs or additions and (ii) an estimate of the percentage of occupancy required for continued operation of the facility.

- A projection of estimated operating expenses of The Mather can be seen below in the Projection of Estimated Operating Income and Expenses (Attachment A). The assumptions and an estimate of the percentage of occupancy required for continued operation of The Mather is shown in the Projection of Estimated Operating Income and Expenses Assumptions (Attachment B).

h. Identification of any assets pledged as collateral for any purpose.

- The Mather is currently under development and specific terms of financing have not been finalized. Assets pledged as collateral for any purpose are still to be determined.

i. An estimate of annual payments of principal and interest required by any mortgage loan or long-term financing.

- We anticipate using a credit facility (the pre-construction loan) to finance the acquisition of the land. There is no long-term financing anticipated at the conclusion of construction of the community. Construction financing will be a term loan (not be an amortized loan), secured by a lien on the property. Both the pre-construction loan and the construction financing will be repaid through Entrance Fee proceeds as they are released from escrow.

*All projections stated in Exhibit 10 were made under prevailing market conditions.

Attachment A

Projection of Estimated Operating Income and Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Monthly Fees	13,022,697	21,309,369	23,924,622	25,570,148	26,481,428	27,275,871	28,645,906	29,408,359	30,190,778	31,096,501
Life Centre Fees	188,164	2,134,524	4,651,814	5,056,877	4,985,557	5,911,239	7,269,425	8,238,266	8,827,868	9,092,704
Food & Beverage	105,795	186,895	290,668	414,508	533,218	648,075	667,517	687,543	708,169	729,414
Other	162,948	213,132	231,850	255,210	270,453	289,432	298,115	307,058	316,270	325,758
Total Revenues	**13,479,603**	**23,843,920**	**29,098,955**	**31,296,743**	**32,270,656**	**34,124,617**	**36,880,962**	**38,641,226**	**40,043,085**	**41,244,378**
Operating Expenses										
Food & Beverage	3,294,291	4,996,844	5,732,738	6,172,576	6,512,527	6,878,657	7,085,017	7,297,567	7,516,494	7,741,989
Resident Services	3,625,643	5,309,585	5,933,892	6,249,557	6,479,278	6,713,524	6,914,930	7,122,378	7,336,049	7,556,131
Utilities	1,665,651	1,715,620	1,767,089	1,820,102	1,874,705	1,930,946	1,988,874	2,048,540	2,109,997	2,173,297
Life Centre	731,106	3,196,756	3,729,707	4,125,011	4,781,024	5,550,809	5,717,333	5,888,853	6,065,518	6,247,484
Sales & Marketing	2,744,754	1,734,512	1,505,653	1,554,849	1,555,368	1,615,891	1,664,367	1,714,298	1,765,727	1,818,699
General & Administrative	1,668,580	1,851,490	1,963,397	2,038,709	2,364,804	2,435,053	2,818,392	3,152,817	3,351,753	3,452,305
Total Operating Expenses	**13,730,025**	**18,804,808**	**20,632,476**	**21,960,803**	**23,567,707**	**25,124,879**	**26,188,913**	**27,224,454**	**28,145,539**	**28,989,905**
Gross Operating Income	**(250,422)**	**5,039,112**	**8,466,478**	**9,335,940**	**8,702,949**	**8,999,738**	**10,692,049**	**11,416,772**	**11,897,546**	**12,254,473**
General Expenses										
Management Fee	808,776	1,430,635	1,745,937	1,877,805	1,936,239	2,047,477	2,212,858	2,318,474	2,402,585	2,474,663
Real Estate Taxes	2,798,808	3,267,422	3,444,301	3,613,181	3,768,548	3,930,595	4,100,790	4,278,354	4,463,607	4,656,881
Total General Expenses	3,607,584	4,698,057	5,190,238	5,490,986	5,704,787	5,978,072	6,313,648	6,596,828	6,866,192	7,131,544
Operating Net Income	**(3,858,006)**	**341,055**	**3,276,240**	**3,844,954**	**2,998,162**	**3,021,665**	**4,378,401**	**4,819,944**	**5,031,354**	**5,122,929**
Average Occupancy										
Independent Living[1]	51%	82%	90%	94%	95%	95%	95%	95%	95%	95%
Assisted Living[2]	2%	14%	30%	50%	67%	79%	89%	94%	95%	95%
Memory Support[2]	3%	17%	34%	53%	68%	82%	90%	94%	95%	95%
Skilled Nursing[3]	3%	12%	24%	40%	56%	71%	82%	91%	93%	93%

[1]Independent living occupancy is based on anticipated move-ins and move-outs throughout each year. Occupancy is expected to stabilize at 95% in Year 5.

[2]Assisted Living and Memory Support occupancy is based on actuarially projected utilization, and is expected to stabilize at 95% in Year 8.

[3]Skilled Nursing occupancy is based on actuarially projected utilization, and is expected to stabilize at 93% in Year 8.

Attachment B

Projection of Estimated Operating Income and Expenses Assumptions

ESCALATION

Operating Revenues and expenses were escalated by 3.25% per year to 2022, the projected first year of operations. For the initial six years of operations the projected revenues and expenses are primarily driven by occupancy rates. Independent Living occupancy is forecasted to stabilize at 95% in year 5 however additional labor will be added to the Life Centre in the following year as the Life Centre occupancy won't yet be stabilized. Thereafter an escalation of 3.0% is used to project future revenues and expenses through the final year of our Pro Forma model.

Below are the assumptions used in forecasting the community operations for The Mather.

REVENUES

Independent Living Fees

	Type A Fee (2018)	Type B Fee (2018)
Average IL Monthly Fee: (single occupancy)	$6,067	$5,022
IL Monthly Fee: (second occupant)	$1,926	$ 914

Independent Living Projections

- Opening date: Fall 2022
- Total Independent Living units: 300
- Stabilized Occupancy Rate: 95.0% (2026)
- Annual inflation rate on IL monthly fees after opening: 3.0%

Life Centre Revenues: Note anticipated opening of the Life Centre is 2023

Assisted Living Fees

	Fee (2018)
AL Fee-for-service (monthly)	$7,343

Assisted Living Projections

- Opening Date: Fall 2023
- Total Assisted Living units: 16
- Stabilized Occupancy Rate: 95.0% (2030)
- Annual inflation rate on monthly fee: 3.0%

Memory Support Fees

	Fee (2018)
MS Fee-for-service (monthly)	$8,742

Memory Support Projections

- Opening Date: Fall 2023
- Total Memory Support units: 20
- Stabilized Occupancy Rate: 95.0% (2030)
- Annual inflation rate on monthly fee: 3.0%

Skilled Nursing Fees

	Fee (2018)
SN Fee-for-service (daily)	$413

Skilled Nursing Projections

- Opening Date: Fall 2023
- Total Skilled Nursing units: 42
- Stabilized Occupancy Rate: 93.0% (2030)
- Annual inflation rate on daily rate: 3.0%

Department Revenue

Administration

Administration department revenue, which is derived from Monthly Service Fees, is the largest source of revenue for The Mather.

Life Centre

The Life Centre consists of Assisted Living, Memory Support, and Skilled Nursing.

- Revenue is derived from Monthly Service Fees from Type A contract residents who have permanently transferred to the Life Centre and a la carte service fees from residents with Type B contracts.

Food & Beverage

Food & Beverage revenue is derived from alcohol sales and food beyond the meal plan chosen by the Resident, and also includes guest meals.

Spa

The Spa and salon generate “Other” revenue.

- Revenue is derived from rent from a 3rd-party Salon/Spa provider.

EXPENSES

Department Expenses – For Food & Beverage, Resident Services, Life Centre, and Sales & Marketing expenses, operating information from a stabilized affiliate was used as the basis for projecting operating departmental expenses.

- Payroll Inflation rate: 3.0% depending on work area
- Location adjustment on wages for Northern Virginia: 4.3%
- All other expenses inflation rate 3.0%.
- Yearly inflation rate: 3.0%

Utilities – Historical utilities expenses from an affiliate community were used as the basis for projecting utilities costs for The Mather.

- Pro-rated to larger GSF: 35% increase

General & Administrative – Administration, Accounting, and Human Resources are the departments that make up General & Administrative expenses.

Management Fee

- A Management fee of 6.0% of total revenues is payed to a management company affiliated with Virginia Mather LPC, LLC.

Real Estate Taxes

- Assessed value of the property: 100% of Fair Market Value
- Estimated tax 2022-2026

	Proj. Yr 1	Proj. Yr 2	Proj. Yr 3	Proj. Yr 4	Proj. Yr 5	Proj. Yr 6
RE Tax Est.	2,798,808	3,267,422	3,444,301	3,613,181	3,768,548	3,930,595

EXHIBIT 11

HOME UPGRADES AGREEMENT

Summary:

Certain upgrades to independent living homes are available for 1st generation residents during the upgrades selection period under the guidelines of the “Home Upgrades Agreement”.

The Mather

Home Upgrades Agreement

By signing below, I (we) acknowledge all of the foregoing standard and home upgrade selections made by the named prospective resident(s) are hereby deemed to be final and binding upon the named prospective resident(s) and their estate or beneficiary(ies). This Agreement is effective upon the receipt by Tysons LPC, LLC of the full amount due from the named prospective resident(s), which must be received upon execution of the standard and home upgrades Agreement. I (we) acknowledge that home upgrades are refundable only to the extent identified and indicated in this Agreement.

All specified dimensions and locations referenced above are approximate. Substitutions for the manufacturers and products specified may be made by Tysons LPC, LLC without notice to the named prospective resident(s). If a substitution is made, the substituted product will be reasonably comparable or superior to the original product.

The upgrade selections indicated above as 90% refundable are refundable under the following conditions and shall not be increased or changed during the duration of this Agreement:

a. If all of the named prospective resident(s) pass away the earlier of the Residency Agreement Execution Date, or within thirty (30) days of the date we notify you that your Home is available for occupancy, upgrade selections indicated as being 90% refundable will become 90% refundable with any refund owed paid upon the occupancy of the Home by a new resident.
b. If all of the named prospective resident(s) execute a Residency Agreement, pay the entrance fee, initiate the monthly service fee upon home availability and pass away within 365 days of the Residency Agreement Execution Date (having paid all monthly fees at Tysons LPC, LLC through the date that the last of the named prospective resident(s) passed away), the upgrade selections indicated above as 90% refundable will become 90% refundable. Any refund owed shall be paid upon the earlier of: (i) occupancy of the Home by a new resident; or (ii) one hundred eighty (180) days from the date the Residency Agreement is terminated.
c. If all of the named prospective resident(s) execute a Residency Agreement, pay the Entrance Fee, initiate the Monthly Service Fee upon home availability and pay monthly fees at Tysons LPC, LLC for more than 365 days after the Residency Agreement Execution Date, the upgrade selections indicated above as 90% refundable will become 90% refundable. Any refund owed shall be paid upon the

earlier of: (i) occupancy of the Home by a new resident; or (ii) one hundred eighty (180) days from the date the Residency Agreement is terminated.

If the applicable conditions above are not met, no refund will be payable. All other upgrade costs not designated in the foregoing selection sheet as being refundable are not refundable.

The parties to this Agreement acknowledge that this Agreement is separate from and independent of the Residency Agreement with Tysons LPC, LLC.

I (we) acknowledge that I (we) have the option to decline any upgrades and could choose standard finishes for this apartment home at no additional cost to me (us) and that by selecting upgrades, I (we) acknowledge that such upgrades are an expense to Tysons LPC, LLC and may affect the overall marketability of the apartment home.

I (we) confirm that I (we) understand and acknowledge that Tysons LPC, LLC would not make the requested upgrades outlined in this Agreement unless directed to do so by me (us) through the execution of this Agreement.

I (we) agree that, upon termination of my (our) residency at Tysons LPC, LLC, whether as a result of death, the termination of the Residency Agreement, or for any other reason, the upgrades work will be, at Tysons LPC, LLC's sole discretion at that time, either a.) left in place, with title thereto vesting in Tysons LPC, LLC, or b.) removed by Tysons LPC, LLC and the Apartment Home restored to original condition. If Tysons LPC, LLC elects to remove any upgrades designated as Non-Refundable Items in this Contract and restore the Apartment Home to original condition, Tysons LPC, LLC may deduct the actual and reasonable costs of doing so from the refundable portion of the Entrance Fee due to me (us) or my (our) estate or beneficiary(ies), as the case may be. If Tysons LPC, LLC elects to remove any upgrades designated as Refundable Items in this Contract and restore the Apartment Home to original condition, all costs of doing so shall be paid by Tysons LPC, LLC and shall not reduce the refundable portion of the Entrance Fee or the refundable amount under this Contract due to me (us) or my (our)estate or beneficiary(ies), as the case may be.

I (we) confirm that I (we) understand that the refund of any amounts paid pursuant to this Agreement are subject solely to the terms of this Agreement and are not subject to the terms of any other contract.

The above selections and terms constitute the entire upgrade agreement between the named prospective resident(s) and Tysons LPC, LLC, and shall be deemed binding upon each of them and upon their estate or beneficiary(ies).

RESIDENT(S):

(Signature)	(Signature)
(Print Name)	(Print Name)
(Date)	(Date)

Received by Tysons LPC, LLC, an Illinois limited liability company:

(By)

(Title)

(Date)