

RIVERSPRING HEALTH SENIOR LIVING, INC.
D/B/A
RIVER'S EDGE
A NEW YORK STATE CONTINUING CARE RETIREMENT
COMMUNITY

Disclosure Statement

_____ Date of COA Approval

This matter involves a substantial financial investment and a legally binding contract. In evaluating the disclosure statement and the contract prior to any commitment, RiverSpring Health Senior Living, Inc. recommends that you consult with an attorney and financial advisor of your choice, if you so elect, who can review these documents with you.

RiverSpring Health Senior Living, Inc.
5921 Palisade Avenue
Bronx, New York 10471

RIVERSPRING HEALTH SENIOR LIVING, INC.
DISCLOSURE STATEMENT

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I. SPONSOR INFORMATION

RiverSpring Health Senior Living, Inc. d/b/a River's Edge (the "Sponsor"), an affiliate of The Hebrew Home for the Aged at Riverdale ("Hebrew Home"), is a not-for-profit corporation organized under the laws of the State of New York. The Sponsor is currently in the process of developing a Continuing Care Retirement Community ("River's Edge" or the "Community"), in the Bronx, New York (the "RiverSpring Campus") which includes the facilities of Hebrew Home and Hebrew Home Housing Development Fund Company, Inc. The Sponsor does not own or operate any other facilities. The Sponsor's sole corporate member is RiverSpring Health Holding Corp. ("RHHC"), a New York not-for-profit corporation that is the sole corporate member of eight not-for-profit entities. Through this common sole corporate member, the Sponsor is affiliated with the following not-for-profit corporations. Neither RHHC nor any of the following corporations are responsible for any obligations of the Sponsor.

- **The Hebrew Home for the Aged at Riverdale (5901 Palisade Avenue, Bronx, NY 10471)** owns and operates an 845 bed Article 28 licensed nursing facility and 35 bed Article 7 licensed adult care facility. On October 1, 2016, Palisade Nursing Home Company, Inc., a 288 bed Article 28-A licensed nursing facility merged into Hebrew Home, with Hebrew Home as the surviving entity.
- **ElderServe Health, Inc. d/b/a RiverSpring Health Plans (94 West 225th Street, Bronx, NY 10463)** owns and operates a fully integrated dual advantage plan, institutional specific needs plan and a managed long term care plan.
- **Hebrew Home Housing Development Fund Company, Inc. (5901 Palisade Avenue, Bronx, NY 10471)** ("RiverWalk") owns and operates a 137 unit senior housing community.
- **Hudson House Housing Development Fund Company, Inc. (5901 Palisade Avenue, Bronx, NY 10471)** owns and operates a 59 unit HUD Section 202 senior housing community.
- **Riverdale Terrace Housing Development Fund Company, Inc. (3247 Johnson Avenue, Bronx, NY 10463)** is the sole corporate member of 1880 Boston Road Housing Development Fund Corporation which is participating in the development of a low income senior housing facility to be built in the Bronx, New York.
- **RiverSpring Services Corp. (5901 Palisade Avenue, Bronx, NY 10471)** provides administrative and management services to affiliated entities.
- **The National Alzheimer Center, Inc. (5901 Palisade Avenue, Bronx, NY 10471)** conducts research related to Alzheimer's disease and other cognitive impairments.

In addition, Sponsor is associated with The Hebrew Home for the Aged at Riverdale Foundation, Inc. ("Foundation"). Foundation does not control, is not controlled by and is not under common control with, Sponsor. However, all of Sponsor's trustees are also trustees of Foundation.

Foundation, located at 5901 Palisade Avenue, Bronx, NY 10471, is a New York Not-for-Profit Corporation which renders assistance to Hebrew Home, certain entities related to Hebrew Home, and other entities dedicated to geriatrics or geriatric research, provided the

recipient of such assistance is an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Foundation has provided financial support for the development of River's Edge, but is not and will not be responsible for the obligations of the Sponsor.

Board of Trustees

A. RiverSpring Health Senior Living, Inc. d/b/a River's Edge

The Sponsor is governed by a voluntary Board of Trustees who serve without compensation. None of the members of the Board of Trustees of the Sponsor or any affiliated entity have an ownership interest in the assets of the Sponsor. The Trustees take such actions and perform such duties and responsibilities as may be authorized by law and the Sponsor's by-laws. No part of the net earnings of the Sponsor may be used for the benefit of or be distributed to the Trustees or officers of the Sponsor or of any affiliated entity or other private individuals, nor does any person involved in the construction or management of the Community have any proprietary interest in the Sponsor.

The Trustees do not have any ownership interest in any other continuing care retirement communities, adult care facilities or health care facilities.

No continuing care retirement community, adult care facility or health care facility owned or operated by the Sponsor or any person controlling the Sponsor has been subjected to a limitation, withdrawal, or refusal to grant accreditation by a recognized accreditation organization, because of failure to comply with standards governing the conduct and operation of the facility.

The names and occupation of the Board of Trustees of the Sponsor are listed below.

- **Jeffrey S. Maurer, Chairperson**, is CEO & Partner at EverCore Wealth Management in New York, NY.
- **Andrew Gaines, Esq.**, is a Partner at Paul, Weiss, Rifkind, Wharton & Garrison LLP in New York, NY.
- **James Shifren, Secretary and Treasurer**, is the President of Buckland Partners Management Company, Harrison, NY.

B. RiverSpring Health Holding Corp.

The names and occupation of the Board of Trustees of RHHC are listed below.

- **Jeffrey S. Maurer, Chairperson**, is CEO & Partner at EverCore Wealth Management in New York, NY.
- **Andrew Gaines, Esq.**, is a Partner at Paul, Weiss, Rifkind, Wharton & Garrison LLP in New York, NY.
- **Richard S. Lane**, is President at Olnick Organization, Inc. in New York, NY.
- **Kenneth S. Lazar**, is Chairman at Lazar Corporate Advisors Inc. in New York,

NY.

- **Burton P. Resnick**, is Chairman & CEO at Jack Resnick and Sons, Inc. in New York, NY.
- **James A. Shifren, Secretary and Treasurer**, is President at Buckland Partners in New York, NY.
- **Isadore Kreel**, is a former physician who received his Medical Degree from University of Toronto and resides in New Jersey.

II. MANAGEMENT OF THE COMMUNITY

The Community will be managed by Sponsor.

III. ADMINISTRATIVE SERVICES COMPANY

The Sponsor entered into an Administrative Services Agreement with RiverSpring Services Corp., a New York not-for-profit corporation dated [date]. Under the terms of the Administrative Services Agreement, RiverSpring Services Corp. will provide administrative support services including human resources, information technology support and other supportive services.

A. Summary of the Administrative Services Agreement

The Administrative Services Agreement calls for RiverSpring Services Corp. to provide the following services: prepare the employee payrolls; recommend and institute employee benefits; provide activities related to human resources functions; provide information technology support services; recommend and institute cash management and investment policies and procedures; and prepare and plan community outreach, public relations and special events programs. The contract will automatically renew on an annual basis absent termination in accordance with its provisions.

Under the terms of the Administrative Services Agreement, the Sponsor will pay RiverSpring Services Corp. a Service Fee on a semiannual basis. The Service Fee will be based on the monthly costs associated with the services that can be allocated directly to the Sponsor as well as monthly costs associated with services not allocated directly but allocated on a functional basis to the Sponsor.

A copy of the executed Administrative Services Agreement between RiverSpring Services Corp. and the Sponsor will be made available upon request.

B. Trustees of RiverSpring Services Corp.

- **Jeffrey S. Maurer, Chairperson**
- **Joseph Wygoda, Secretary and Treasurer**
- **Andrew Gaines, Esq.**

C. Selection of RiverSpring Services Corp.

RiverSpring Services Corp. was formed to provide administrative services in an efficient manner to the operating entities affiliated with RiverSpring Holding Corp. The employees of RiverSpring Services Corp. include long-time employees of Hebrew Home who are very experienced in reimbursement and billing, New York State regulations and the specific marketplace of Hebrew Home and its affiliated entities, including Sponsor.

IV. LEGAL ACTIONS

None of the Trustees or officers of the Sponsor, or any parent or subsidiary entity has, as of this date:

- Been convicted of a crime or pled *nolo contendere* to a felony charge, or been held liable or enjoined in a civil action by final judgment where the civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or
- Had a prior discharge in bankruptcy or was found insolvent in any court action; or
- Been subject to a currently effective judicial order or Federal or State administrative order relating to business activity or health care as a result of an action by a public agency or department, including, without limitation, actions affecting a license to operate a life care, health care and/or adult care operation; or
- Had any interest in any supplier or potential supplier of goods or services to the Sponsor (other than service as a Trustee or officer of an affiliated not-for-profit corporation anticipated to provide supplies, goods or services to Sponsor, including administrative services pursuant to the Administrative Services Agreement); or
- Supplied materials, goods or services of any kind to the Sponsor for a fee (other than as a Trustee or officer of an affiliated not-for-profit corporation anticipated to provide supplies, goods or services to Sponsor, including administrative services pursuant to the Administrative Services Agreement).

V. FACILITY DESCRIPTION

A. Type of Units

River's Edge is a Continuing Care Retirement Community currently under development on the RiverSpring Campus. The Community will consist of 388 independent living apartments located in three towers, one North Tower and two South Towers constructed in two consecutive phases. The first phase (North Tower) will include approximately 271 independent living apartments ranging in size from 750 square foot one bedroom apartments to 1,200 square foot two bedroom apartments. The building will be constructed on property owned by Hebrew Home and located on the RiverSpring Campus. The second phase (South Towers) of development will consist of 117 independent living apartments ranging in size from 750 square foot one bedroom apartments to 1,200 square foot two bedroom apartments. The second phase of development will be constructed on property currently owned by The Hebrew Home for the Aged at Riverdale Foundation, Inc. (the "Foundation"), adjacent to the property owned by Hebrew Home, on the RiverSpring Health Campus. See Section V subsection D "Site Control" below. By contract, assisted living, memory support and skilled nursing services will be provided by Hebrew Home, an

affiliate of Sponsor. Currently, the Hebrew Home offers 845 beds of skilled nursing and 35 beds of assisted living. Short term rehabilitation services, assisted living, memory support and long term nursing services will be provided by Hebrew Home.

B. Community Features

The Community will contain common area spaces available to all residents which will include dining rooms and a bistro/bar; a private dining room; a game room; a theater; a library and business center; a living room and lounge; arts and crafts areas; a non-denominational chapel; a beauty salon and day spa; administrative offices and other public gathering spaces. The Community will also include a Wellness Center and Health Spa which will contain an indoor heated swimming pool; fitness center; and locker rooms. The Community will also include a wellness program offering educational and screening programs promoting wellness and preventive health maintenance.

C. Services and Amenities

Included in Monthly Service Fee and Residency Agreement

- Use of an independent living apartment;
- Use of all Community facilities, as described above;
- One meal per day;
- Weekly housekeeping;
- Tray service when medically necessary;
- Water, electricity, heat and air conditioning;
- Basic cable television;
- Wiring for internet access;
- Scheduled local transportation;
- Repairs and maintenance of Community property, including grounds;
- An emergency alert system with 24-hour emergency response, smoke detectors and sprinkler system; and
- Priority access and care in the Hebrew Home skilled nursing facility or assisted living facility, if necessary.

Available for an Additional Fee

- Garage parking, if available;
- Beauty salon and day spa services;
- Additional meals;
- Additional housekeeping services;
- Telephone service;
- Premium cable television;

- Prescription and non-prescription medicines;
- High-speed Internet access; and
- Clinic/Physician services.

D. Site Control

Sponsor has entered into a lease agreement with Hebrew Home to lease approximately 6 acres of land on the RiverSpring Campus upon which the North Tower consisting of 271 independent living apartments is to be built. Annual lease payments under the agreement begin at approximately \$1.0 million and escalate 10% every five years.

The land upon which the South Towers consisting of 117 independent living apartments is to be built is currently owned by the Foundation. Sponsor has entered into a Contribution Agreement with Foundation whereby Foundation will transfer all of its rights, title and interest in the property on which the South Towers will be developed. Such transfer will occur when the financing for construction of the North Tower is secured, currently anticipated in June 2019.

E. Anticipated Completion Date

Construction of the North Tower of River's Edge is expected to begin in June 2019 and to be completed in August 2021 for a total construction period of twenty-seven months. The North Tower is anticipated to open in September 2021. Construction of the South Towers is expected to begin October 2021 and to be completed in December 2023 for a total construction period of twenty-seven months. The South Towers is anticipated to open in January 2024. The completion date will be updated upon closing of permanent financing and ground-breaking.

VI. RESIDENCY CONTRACT

A River's Edge Residency Agreement is attached to this Disclosure Statement. There are three types of Residency Agreements available: 80% Refundable, 50% Refundable and Traditional Amortizing Plan.

VII. HEALTH MAINTENANCE ORGANIZATIONS

Residents of the Community who are enrolled in a health maintenance organization may have nursing facility benefits available under both the health maintenance organization ("HMO") subscriber contract and the Residency Agreement. If the HMO and Sponsor cannot reach an agreement on the appropriate financial arrangements for nursing facility care, the Resident may have to be admitted to a nursing facility approved by the HMO in order to receive the Medicare benefit available under the health maintenance organization subscriber contract.

VIII. FINANCIAL INFORMATION

A. Audited Financial Statements

The Sponsor was incorporated on March 19, 2014. Sponsor's financial statements will be audited as a development stage enterprise by an independent Certified Public Accountant. A copy of the financial statements is attached.

B. Sources and Uses of Funds

Attachment 1 presents financial information concerning the development and operations of the Community. Page 1 of Attachment 1 provides a detailed statement of the Community's anticipated sources of funds and the use of those funds in developing the Community including such items as land acquisition, construction, furnishings and equipment, financing, occupancy development and other similar development costs. The total anticipated project costs are estimated to be approximately \$513,512,000 including \$353,300,000 for the North Tower and \$160,212,000 for the South Towers.

C. Estimated Operating Expenses

Attachment 1 presents a projected operating budget including estimated revenue and expenses for the Community. The projections for 2027 represent a full operating budget at stabilized occupancy (95% of independent living units for both phases of development). The projections are based upon an analysis of the local costs as well as historical experience in the operation of other similar facilities. Presented below is a detailed projected expense budget reflecting resident services for year 2027.

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RiverSpring Health Senior Living, Inc.
Projected 2027 Operating Expenses
Stabilized Occupancy
(\$000)

Administration	\$ (3,950)
Activities Services	(264)
Contracted Assisted Living Services	(4,770)
Contracted Skilled Nursing Facility	(6,047)
Building and Maintenance	(1,138)
Emergency Systems	(593)
Dining Services	(5,677)
Grounds Maintenance	(293)
Housekeeping and Laundry	(1,228)
Transportation	(330)
Marketing	(1,257)
Wellness Program	(155)
Utilities	(2,076)
Insurance	(296)
Property Taxes	(2,242)
Ground Lease	(1,135)
Administrative Services Fee	(819)
Total Expenses	\$ (32,067)

The following assumptions were used to prepare the detailed operating budget:

- **Administration.** Administrative expenses cover the cost of managing the everyday affairs of the Community and include the payroll for an administrative staff of eight full-time equivalent (“FTE”) employees.
- **Activities Services.** Activities services expenses are supply expenses and salaries for the independent living director and assistants.
- **Assisted Living Services.** Assisted Living expenses are the costs Sponsor pays to Hebrew Home pursuant to its contract with Hebrew Home related to providing assisted living care to Community residents.
- **Memory Support Assisted Living Services.** Memory Support Assisted Living expenses are the costs Sponsor pays to Hebrew Home pursuant to its contract with Hebrew Home related to providing memory support assisted living care to Community residents.
- **Skilled Nursing Facility.** Skilled Nursing Facility expenses are the costs Sponsor pays to Hebrew Home pursuant to its contract with Hebrew Home related to providing skilled nursing care to Community residents.
- **Building Maintenance.** Maintenance expenses include the payroll of the maintenance personnel responsible for the common areas and apartments. In

addition, all repair, replacement and maintenance costs for the physical plant are included in this department budget.

- **Dining Services.** Dining services costs include all staffing expenses, food and supply costs associated with preparing and serving meals for residents.
- **Security.** Security costs including staffing of security officers to patrol the premises and monitor ingress and egress to the Community.
- **Grounds Maintenance.** Ground maintenance expenses include the payroll of the groundskeepers and the costs associated with maintaining the grounds including landscaping and snow removal.
- **Housekeeping and Laundry.** Housekeeping expenses are primarily the expenses related to the cleaning of resident units. Laundry expense is the cost of providing flat linen service for residents and food service-related laundry.
- **Transportation.** Transportation expenses include the cost of a driver plus the operating and leasing costs of a bus and vehicle for the Community.
- **Marketing.** Marketing costs are the staffing costs and printing and advertising costs related to maintaining stabilized occupancy at the Community.
- **Wellness Program.** Wellness expenses include all staffing expenses and supply costs associated with the Community's wellness program.
- **Utilities.** Utilities are estimated based on the local operating environment and total approximately \$2.10 per square foot (in 2016 dollars).
- **Taxes, Insurance and Other.** This amount is the estimated cost of all tax and insurance requirements for the Community and monthly common area grounds maintenance and security charges.
- **Ground lease.** This represents the Community's annual lease payments to Hebrew Home for the land on which the North Tower is located.
- **Administrative Services Fee.** This fee represents fees for services including employee payroll records, human resource activities, information technology support services and other expenses as set forth in the Administrative Services Agreement between RiverSpring Services Corp. and the Community.

D. Estimated Capital Expenditures

Capital replacements and additions are budgeted at \$425,000 in 2021 when the North Tower opens and increase approximately 10% per year thereafter. Once the South Towers open, an additional \$250,000 is budgeted for capital expenditures in 2024 and increase approximately 10% per year thereafter. Because the Community is a new facility, no major structural repairs are anticipated during the first several years of operation.

E. Estimated Occupancy

The Community is assumed to achieve stabilized occupancy at 95%. The North Tower is assumed to achieve stabilized occupancy of 95% in 36 months. The assumptions upon which occupancy is estimated for the North Tower are as follows: 22% after the first six (6) months, 43% after 12 months, 74% after 24 months and 95% after 36 months. The South Towers are assumed to achieve stabilized occupancy of 95% in 27 months. The assumptions upon which occupancy is estimated for the South Towers are as follows: 31% after the first six (6) months, 50% after 12 months, 90% after 24 months and 95% after 27 months.

F. Estimated Entrance Fees and Monthly Service Fees

Residents who enter into a Residency Agreement will pay an Entrance Fee and Monthly Service Fee for residence at the Community. Three (3) Entrance Fee refundability plans are available including an 80% refundable plan, a 50% refundable plan and a traditional amortizing plan. The anticipated Entrance Fees and Monthly Service Fees are attached in a separate schedule.

G. Estimated Income from Monthly Fees

Estimated income from Monthly Service Fees charged to residents in year 2027 is estimated at approximately \$41.0 million.

H. Entrance Fee Receipts

It is estimated that the total amount of Entrance Fees that the Community will have received from or on behalf of Residents upon achievement of stabilized occupancy (95% of independent living units) is approximately \$390,350,000 including \$264,377,000 for the North Tower and \$125,973,000 for the South Towers.

I. Project Financing

It is anticipated that construction of the Community will be financed with short and long term tax-exempt bonds in a series of two financings. For the construction of the North Tower, it is anticipated that the tax-exempt bonds will total \$304,805,000 including \$89,805,000 in long term bonds at an average interest rate of 7.0% and \$215,000,000 in short term bonds at an average interest rate of 6.00%. Other costs of financing include capitalized interest on the bonds of \$49,006,841 and legal, underwriting and bank fees totaling \$9,061,100. For construction of the South Towers, it is anticipated that the tax-exempt bonds will total \$145,185,000 including \$45,185,000 in long term bonds at an average interest rate of 8.0% and \$100,000,000 in short term bonds at an average interest rate of 6.50%. Other costs of financing include capitalized interest on the bonds of \$22,546,482 and legal, underwriting and bank fees totaling \$5,088,254.

J. Reserves

Start-Up Deficits

Projected net cash flow deficits from operations during fill-up are estimated to be approximately \$32.5 million with \$24.2 million for the North Tower and \$8.3 million for the South Towers. These start-up cash losses will be funded with Entrance Fees released from escrow.

Department of Financial Services Reserves

Under New York law, communities such as River's Edge are required to maintain liquid assets supporting required reserves. Further, the regulations require maintenance of certain other reserves. Sponsor must demonstrate to the satisfaction of the Superintendent of Financial Services for the State of New York that it is maintaining all necessary reserves.

The Community will satisfy the reserve requirement by establishing separate funds for this purpose from the proceeds of the bond financing. The Sponsor has estimated that approximately \$8.1 million will be required to meet the reserve requirements set forth by the State Department of Financial Services for the first phase of development and approximately \$3.9 million for the second phase of development.

In addition, the Community will establish an escrow account for the deposit of Entrance Fee payments. Funds on deposit in the account shall bear interest for the benefit of the prospective resident at the bank's prevailing rate. The escrow account will be established at an FDIC- insured banking institution.

K. Assets Pledged as Collateral

The bonds will be secured by a gross receipts pledge, including the Entrance Fee receipts, a first mortgage on the Community, a debt service reserve fund, as required by the State Department of Financial Services and the lenders, and monthly payments to the bond trustee sufficient to pay interest and principal due on the next payment date.

ATTACHMENT 1

River's Edge
Anticipated Sources and Uses of Funds
Dollars in Thousands

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

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

	Fill-Up Period- North Tower			Fill-Up Period -South Tower			Stabilized Year
	4mos	12 mos	12 mos	12 mos	12 mos	3 mos	
	2021	2022	2023	2024	2025	2026	2027
Revenues:							
Independent Living- Monthly Service Fees	\$ 769	\$ 9,702	\$ 17,928	\$ 26,272	\$ 32,966	\$ 36,978	\$ 38,541
Additional Revenue	28	191	309	486	578	628	645
Charter Resident Benefits	{312}	(135)	{436}	{610}	{339}	(43)	
Total Revenue	\$ 485	\$ 9,178	\$ 17,801	\$ 26,148	\$ 33,205	\$ 37,563	\$ 39,186
Expenses:							
Administration	\$ (438)	\$ (1,929)	\$ (2,208)	\$ (2,983)	\$ (3,577)	\$ (3,835)	\$ (3,950)
Activities Services	(37)	(113)	(140)	(208)	(239)	(246)	(264)
Contracted Assisted Living Services	(6)	(83)	(348)	(928)	(1,865)	(3,127)	(4,577)
Contracted Skilled Nursing Facility	(35)	(510)	(1,142)	(2,070)	(3,222)	(4,562)	(6,047)
Building and Maintenance	(206)	(637)	(656)	(917)	(1,072)	(1,104)	(1,138)
Emergency Systems	(125)	(385)	(397)	(642)	(559)	(576)	(593)
Dining Services	(215)	(2,098)	(3,018)	(4,123)	(5,124)	(5,592)	(5,677)
Grounds Maintenance	(48)	(148)	(152)	(269)	(276)	(284)	(293)
Housekeeping and Laundry	(73)	(560)	(689)	(959)	(1,107)	(1,192)	(1,228)
Transportation	(48)	(149)	(153)	(301)	(311)	(320)	(330)
Marketing				(152)	(882)	(1,132)	(1,257)
Wellness Program	(42)	(129)	(133)	(141)	(145)	(150)	(155)
Third Party Startup Management Advisory Services	(120)	(360)	(360)	(360)			
Utilities	(377)	(1,165)	(1,200)	(1,901)	(1,958)	(2,016)	(2,076)
Insurance	(58)	(180)	(185)	(271)	(279)	(288)	(296)
Property Taxes	(437)	(1,350)	(1,391)	(2,052)	(2,113)	(2,176)	(2,242)
Ground Lease	(344)	(1,032)	(1,032)	(1,135)	(1,135)	(1,135)	(1,135)
Administrative Services Fee	(378)	(545)	(561)	(750)	(772)	(795)	(819)
Total Expenses	\$ (2,987)	\$ (11,373)	\$ (13,765)	\$ (20,062)	\$ (24,636)	\$ (28,530)	\$ (32,067)
Operating Income	(2,502)	(2,195)	4,036	6,086	8,569	9,033	7,119
<i>Operating Margin</i>							18%
Investment Income	298	1,299	715	1,391	1,401	1,631	2,696
Funds Generated before Debt Service	\$ (2,204)	\$ (896)	\$ 4,751	\$ 7,477	\$ 9,970	\$ 10,664	\$ 9,815
Debt Service							
Interest Paid	(18,484)	(14,370)	(9,156)	(15,048)	(11,449)	(9,863)	(9,794)
Interest Funded from Bond Proceeds/Interest Earned	18,484						
Bond Principal Retired					551	983	1,151
Total Debt Service	\$	\$ (14,370)	\$ (9,156)	\$ (15,048)	\$ (12,000)	\$ (10,846)	\$ (10,945)
Capital Expenditures	(4251)	(5001)	(5751)	(9001)	(1,0251)	(11,501)	(1,2751)
Net Cash Flow Before Resident Deposits	\$ {2,629}	\$ {15,766}	\$ {4,980}	\$ {8,471}	\$ {3,055}	\$ {1,332}	\$ {2,405}
Net Resident Deposits Received							19,607
Net Cash Flow Including Resident Deposits							\$ 17,202

ATTACHMENT 2

River's Edge
Estimated Unit Mix and Fee Schedule – North Tower
80% Refundable Plan

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

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

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

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

River's Edge
Estimated Unit Mix and Fee Schedule – North Tower
50% Refundable Plan

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

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

(2) First person Entrance Fee as proposed is 50% refundable. Second person Entrance Fee as proposed is 0% refundable.

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

River's Edge
Estimated Unit Mix and Fee Schedule – North Tower
Traditional Amortizing Plan

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

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

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

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

River's Edge
Estimated Unit Mix and Fee Schedule – South Towers
80% Refundable Plan

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

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

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

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

River's Edge
Estimated Unit Mix and Fee Schedule – South Towers
50% Refundable Plan

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

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

(2) First person Entrance Fee as proposed is 50% refundable. Second person Entrance Fee as proposed is 0% refundable.

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

River's Edge
Estimated Unit Mix and Fee Schedule – South Towers
Traditional Amortizing Plan

River's Edge				
Proposed Unit Mix and Pricing				
<i>Plan C - Traditional Amortizing Contract</i>				
	Unit	Square	2024	2024
	Mix	Footage	Monthly	Entrance
			Fee ⁽¹⁾	Fee ⁽²⁾
Independent Living - Apartments				
One Bedroom	24	750	\$5,495	\$595,630
One Bedroom Den	6	950	\$6,695	\$725,830
One Bedroom Den	6	950	\$6,695	\$756,630
Two Bedroom	41	1,050	\$7,295	\$808,430
Two Bedroom	17	1,100	\$7,295	\$843,850
Two Bedroom Den	23	1,200	\$8,095	\$970,130
Total/Wtd. Avg.	117	1,015	\$7,021	\$794,820
Second Person Fees			\$2,030	\$55,436

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

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

The fees shown are estimated and are subject to adjustment and may change by the time the Community opens. After opening of the Community, it is anticipated that Monthly Service Fees will be adjusted annually to compensate for increases in the costs of providing services to residents. Changes in the Entrance Fees and Monthly Service Fees require the approval of the Superintendent of the Department of Financial Services.

