



FOX RUN

2010

Annual Report



May 23, 2011

Dear Fox Run Residents:

We are very pleased to present this Annual Report to the residents of Fox Run. While the past year has proven to be challenging, we have focused on our mission to provide excellent service and opportunity to residents and staff. Routine communication, increased on-campus presence and the development of solid relationships have served the community well as evidenced by the many accomplishments in 2010.

This Annual Report includes a review of our community's activities, a financial summary for 2010, goals and challenges for 2011 and important information regarding your Board of Directors.

Thank you to the residents of Fox Run for contributing your gifts to make Fox Run a great place to live. In particular, we would like to thank the members of your Residents Advisory Council (RAC) for their hard work, candid feedback and thoughtful advice. The excellent feedback from the RAC helps Fox Run management to focus on what is most important to you. We also wish to thank Fox Run's terrific staff members, who are committed to fulfilling the Fox Run mission every day.

We hope you will attend the annual meeting on Thursday, May 26th at 11:00 a.m. in the Performing Arts Center (PAC) to meet the Fox Run Board of Directors and ask any questions you may have. Thank you for the trust you have given us by choosing Fox Run as your home.

A handwritten signature in black ink that reads "Michael J. McCormick".

Michael J. McCormick
Executive Director

A handwritten signature in black ink that reads "Rodney M. Coe".

Dr. Rodney M. Coe
Chair of the Board

Table of Contents

Mission.....	4
2010: In Review.....	5
2011: Looking Forward.....	14
Your Executive Management Team.....	16
Your Resident Advisory Council.....	18
Organization and Governance.....	20
Your Board of Directors.....	25
2010 Financial Summary.....	29

MISSION STATEMENT

SHARING OUR GIFTS TO CREATE COMMUNITIES THAT CELEBRATE LIFE

The Board of Directors of National Senior Campuses, Inc. and its supported communities are committed to achieving the mission by:

- 1. Promoting an active quality of life for seniors**
 - Creating large scale retirement campuses to promote activity and healthy living
 - Providing a Resident centered service culture
 - Encouraging Resident run activities with professional support

- 2. Achieving excellence in services and programs**
 - Exercising its authority in services, programs, fees, facilities and financing
 - Embracing compliance, ethics, and integrity
 - Overseeing services and programs personally and in meetings with Residents Advisory Council
 - Taking a long-term view of fiduciary responsibility

- 3. Insuring affordability to middle-income seniors**
 - Focusing on the long term viability of the community for current and future residents
 - Using financing strategies to lower the cost of capital
 - Qualifying for exemption from federal and state income tax
 - Obtaining property tax reductions from community governments
 - Accumulating net income to further the mission
 - Maintaining a policy for 100% refundable entrance deposit
 - Offering fee-for-service health care

- 4. Making a life care commitment**
 - To the extent feasible, ensuring that no resident should ever have to leave a community as a result of financial inability to pay for the cost of their care
 - Encouraging fundraising efforts in support of Benevolent Care

- 5. Fostering Growth**
 - Committing to making this lifestyle available to an increasing number of seniors
 - Increasing efforts to achieve affordability

2010: In Review

Community Profile

In 2010, Fox Run continued to build upon its strong reputation as the premier retirement community in Oakland County. We welcomed 98 new residents to Independent Living, while the Renaissance Gardens (RG) census grew to 110 residents. The community census on December 31, 2010 was 938 total residents.

Fox Run settled 73 apartments in 2010, ending the year with 651 billed units, for an 86% occupancy rate. Of the settled apartments, 27 were new and 46 were re-sales.

At the end of the year, Fox Run had 526 employees, which included 169 part-time students working in the restaurants, pub and café. Total full-time equivalent employees at the end of 2010 were 374.

Summary of 2010 Financial Results

2010 was an exciting and challenging year for Fox Run. The economy in the Metro Detroit area remained one of the worst in the country. Housing values in Michigan continued to decrease in 2010 and the unemployment rate in Michigan remained in double digits. It was certainly a challenge to convince new sales prospects to move to Fox Run during a tough economy, but we were successful in welcoming many new residents to our community.

Fox Run's ability to efficiently manage expenses enabled us to minimize the 2010 monthly fee increase to 1%. In a recent Ziegler CFO Survey, the average monthly fee increase for retirement communities like Fox Run averaged 3.18% across the country.

Fox Run showed a \$375K loss on its audited statement of operations for 2010. However, year-over-year financial performance improved by \$1.4M if we exclude non-cash items like interest, depreciation, amortization and rent. In addition, the Erickson Living ownership transition had a positive impact on the Fox Run community as the working capital loan with Erickson was extinguished in 2010.

Resident Satisfaction

Fox Run received two special commendations from Holleran, the independent research company that conducts our annual resident satisfaction survey.

First, the Fox Run Renaissance Gardens Skilled Nursing Facility (SNF) was recognized for achieving scores that exceeded the 90th percentile on 14 of 47 total survey questions. Overall, the Fox Run SNF is in the 80th percentile in the industry, which is truly exceptional.

According to Holleran, Fox Run’s Independent Living Community is in the top quartile for retirement communities across the country with regard to overall satisfaction. Fox Run also received a special recognition from Holleran for exceeding the 90th percentile national benchmarks in four survey categories.

Independent Living	2010 Results	2009 Results	2008 Results
Overall, I am satisfied with Fox Run	89.5%	88.2%	88.4%
Mean of All Items	88.2%	87.6%	87%
Would You Recommend Fox Run?	96%	93%	96%

Assisted Living	2010 Results	2009 Results	2008 Results
Overall, I am satisfied with Fox Run	87%	89%	92%
Mean of All Items	87%	87%	89%
Would You Recommend Fox Run?	97%	88%	100%

Skilled Nursing	2010 Results	2009 Results	2008 Results
Overall, I am satisfied with Fox Run	90%	88%	84%
Mean of All Items	89%	86%	85%
Would You Recommend Fox Run?	98%	95%	87%

The annual survey provides community management with important feedback on the areas of opportunity for programs and services. Based on resident feedback from the survey, each department created an action plan to enhance the quality of its services.

Community Highlights and Initiatives

General Services

- Constructed new and improved Fox Run lighthouse.
- Installed door number identification in all resident buildings.
- Hired highly qualified Grounds Supervisor.
- Installed high-capacity washing machine.
- Removed construction / silt fence from back of campus – 90% complete.
- Removed and replaced failing bushes and trees around campus.
- Added perennials to reduce future annual plantings.
- Provided Garden Committee with screening to protect garden plots from animals.
- Worked with residents to clean up and replant the butterfly garden.
- Resealed Ascot parking lot.
- Repaired curbs, sealed cracks and repaired broken asphalt throughout campus.
- Extended resident seating in library for computer and low-vision users.
- Pumped wooded wetland “M” to help life expectancy of trees growing in that area.
- Completed corner guard project to protect wall corners throughout campus.
- Worked with Eco group to remediate purple loosestrife and other invasive plants.
- Re-numbered cubbies for Wood Bridge and Hudson Park residents.
- Replacing worn walk-off mats and awnings as needed.

Dining

- Restructured the Dining department staff - added a new and seasoned Chef de Cuisine for the Signatures Restaurant and shifted management talent between the restaurants.
- Implemented new Jockey Pub menu.
- Provided active advocacy in changing the law in Michigan to allow for a special liquor license designation for senior communities in the state.
- Created a consistent Café event menu highlighting daily specials.
- Added a wine menu in the Fireside restaurant.
- Engaged Dining Committee in the planning of each new menu cycle.
- The Farmers Market, each Thursday outside the Ascot Store, has been a great place for residents to purchase fresh vegetables, baked goods and fruits.

Resident Life

- Five new activity groups were added in 2010.
- Expanded trip offerings to include more events in the community; residents enjoyed 19 additional outings.
- Piloted new balance class and conducted five classes.
- Held block parties for each residential building to strengthen the social bond for residents living in the same building.
- Held building meetings for each residential building to meet with management to discuss issues relative to specific buildings, as well as the campus as a whole.
- Fox Run teamed with Meadowbrook Elementary to host a Health Walk down Meadowbrook Road with residents, students and staff.
- Residents continued to facilitate outside speakers coming to Fox Run through the Center for Continuous Learning and the Y.O.U. Program.
- Residents welcomed Jim Davis, the Chairman of Erickson Living, to Fox Run for a visit.
- Fox Run residents hosted the Mayor of Novi, David Landry and City Manager, Clay Pearson in separate events to learn more about our City.
- Added voice-overs on the community television scroll.
- Added Matt Humphrey as the part-time chaplain.
- Residents enjoyed several fun parties and events in 2010, including Mardi Gras, Spelling Bee, Earth Day, Model Railroad Day, Seder, Memorial Day, Expo, Halloween, Staff vs. Resident Volleyball game, Veterans' Day, 9/11 Commemoration, Turkey Trot, League of Women Voters Lecture, Remembrance Service, Tree Lighting/Caroling Party, Holiday Open House, and New Year's Eve Party.

Philanthropy

The strength of the Fox Run community is evident through the generous contributions which residents, staff, our corporate partners and the Fox Run Board have made to the Benevolent Care Fund (BCF) and Student Scholarship Fund. Once again, there were a number of philanthropic efforts in the community, including: the *Helping Hands* program, Project Angel Tree for City Mission, and Wear Red Day for the American Heart Association.

Residents and staff participate in many philanthropic and civic activities, but two in particular provide charitable funds that directly support our community:

- Benevolent Care Fund: provides support for those residents who have depleted their assets due to extraordinary financial circumstances. In 2010, \$246K in cash gifts and \$189K in planned gifts was raised. The BCF Gala, "Black, White and Bling" was a wonderful success in 2010. In addition, Erickson Living Chairman Jim Davis made a \$100K gift to the BCF in 2010.
- Scholars' Fund: provides scholarship funds of up to \$1,250 per year for our Dining Services students who are pursuing post-secondary education. Students must meet certain criteria to qualify for this scholarship. In 2010,

19 new students received these resident-sponsored scholarships. Cash gifts of \$142K were added to the fund, along with \$175K in planned gifts.

The Philanthropy department, led by Gift Planning Manager Marianne Mikkelsen, will continue to raise awareness and involvement in the major funds at Fox Run.

The following is a summary of activity in 2010 for these funds:

	Benevolent Care Fund	Scholars' Fund
2010 Beginning Balance	\$663,596	\$402,752
Funds Added, 2010	\$246,819	\$141,956
Funds Expended, 2010	(\$29,695)*	(\$86,107)
2010 Ending Balance	\$880,720	\$458,601
Resident Participation	77%	97%

*The Funds expended in 2010 for the BCF were to support the annual Gala, which was the primary fundraiser for the year. 100% of the net funds raised at Fox Run are used to support the beneficiaries of the programs. To date, no resident has requested support from the BCF.

The National Senior Campuses (NSC) Board, through its Investment Committee, closely monitors the restricted funds collected at each community. The Investment Committee's objective is for these funds to provide current income and a relatively stable market value (a fixed-income portfolio approach). For 2010, the restricted funds held in the PNC Bank Investment Pool account managed an average return of 1.94% (net of fees). The portfolio mix at year-end was as follows, and it will continue to be monitored on a monthly, quarterly and annual basis:

Cash	6%
Fixed Income	94%
Corporate	54%
US Government	22 %
Other	18%

Community Outreach

- Fox Run staff raised over \$1,300 for the annual Alzheimer's Walk at the Detroit Zoo, with 30 staff members walking in the event.
- Project Angel Tree at Fox Run provided gifts for 200 inner-city children during the holidays. The children are in two schools in some of the most impoverished neighborhoods in Detroit.
- Fox Run employees contributed money to the Helping Hands Program and distributed \$270 to a needy family in our community during the holidays.
- Fox Run residents organized a Salvation Army clothing drive to gather and donate resident clothing.

Human Resources

In an effort to promote optimal quality of life for our employees and maintain our standing as a great place to work, Fox Run:

- Was named as one of Michigan's Economic Bright Spots in the May/June 2010 edition of *Corp!* magazine.
- Was named to the *Detroit Free Press* "Top Michigan Workplaces" list in September 2010.
- Employees celebrated the launching of the "New Day" for Erickson Living with a musical performance by the Executive Team and a banana bonanza day (banana splits, banana fosters, and banana smoothies).
- Held a Milestone Dinner for the five employees who reached employment milestones of 10 and 15 years with the company.
- Employees enjoyed the annual picnic, which included great food, games, prizes and a 3-on-3 basketball tournament.
- Sponsored an Employee Health and Wellness Fair, which included stretching classes, Zumba demonstrations, chair yoga training, nutrition guidance and therapeutic massage.
- Held our annual Michigan-MSU Spirit Day in October. Staff and residents wore their maize and blue or green and white to cheer on their favorite department in the staff flag football game.
- Held the annual Halloween costume party, which was one of the highlights of the year. The Home Support team won the grand prize with incredible costumes and a dance routine to Michael Jackson's "Thriller."

Medical Center

For most of 2010, the Medical Center was staffed with three primary-care physicians, as well as a clinical nurse practitioner, mental health provider and podiatrist. A new physician assistant joined the practice late in 2010. The Medical Center penetration was approximately 85% in 2010. The team accommodated 1,135 same-day visits during the year. In addition, providers rounded at Renaissance Gardens with more than 5,000 visits. One of the great benefits of living at Fox Run is that the medical team provides service at all levels of care.

The Medical Center continued its partnership with audiology, cardiology, ophthalmology, optometry and dentistry providers, who provided excellent care and services to the residents of Fox Run. Fox Run changed pharmacy providers to Arbor Lane Pharmacy in 2010.

The Medical Center continues to rank in the upper percentile of resident satisfaction when compared to Erickson Living benchmarks and data from national third-party providers.

Renaissance Gardens (RG)

Fox Run's RG continued to provide exceptional care and service to Fox Run residents. The RG reputation continued to expand beyond the gates of Fox Run, as there were 509 external admissions in 2010.

At the end of 2010, the RG census had expanded to 110 residents. The facility has a total capacity for 132 residents. Of the 88-unit skilled nursing facility (2nd & 3rd floors), 40% of the residents are external residents recuperating at Fox Run on a short-term rehabilitation stay. Since the opening of RG, 14 external residents have moved into an Independent Living apartment after first coming to RG for rehabilitation!

The Fox Run RG received our annual state licensing survey in June, 2010. Six surveyors spent three days in the RG and gave seven citations with **no** high-level deficiencies. The Michigan average is 10 citations, of which about 50% of facilities receive at least one high-level deficiency.

Diversity

In 2008, the National Senior Campuses, Inc. Board of Directors chartered a Diversity and Inclusion Committee to work with management, focusing on a long-term strategy promoting a culture of diversity and inclusion. Erickson Living management empowered a Diversity and Inclusion Council to develop an enterprise strategy focused on defining an inclusive strategy that leverages diversity, creating an environment where residents, staff, and management feel heard and supported. The strategy capitalizes on the value of a diverse management team, staff complement and resident population. Our focus has been on establishing diversity and inclusion as key values. This on-going strategy is a business imperative, given the changes in the American workforce. Success with this strategy will help position Erickson Living to compete for the best talent and thereby continue to provide top-quality services to our residents.

- A group of residents attended the Walled Lake School District's Martin Luther King Day Event, which included music, art, poetry, and food from a variety of ethnic backgrounds.
- The Fox Run community participated in a Passover Seder Meal hosted and led by members of the Shalom Group.
- Fox Run hosted a diversity session for Leadership Oakland, which is a county-wide leadership development program.

"Green" Initiatives

- Increased recycling participation has created additional cost savings in waste disposal for the community.

- Increased use of CFL bulbs due to initiatives such as the Diplomat program (visit General Services and get a CFL bulb), *Fox Tales* articles, Conservation Committee CFL demonstration and a give-away at the Expo.
- Dining rolled out reusable non-Styrofoam “to-go” containers in the Cafe.
- New towel dispensers were installed that are programmed to reduce the amount of product used by 30%. Towels contain recycled product that meets the EPA certification.
- Resident Conservation Committee originated and supported ideas to help conserve energy consumption.
- Distributed helpful hints flyer at the clubhouse desks, which provided a checklist for residents to help conserve energy while they are away from their apartment for an extended period of time.
- Made concerted effort to purchase items made from recycled products, such as plastic take-away bags used in the café and store; plastic parking blocks, etc.

Erickson Advantage

The Erickson Advantage (EA) Health Plan at Fox Run had a successful year during 2010. The Erickson Advantage team increased the total number of residents in the plan to 225, meaning almost one in every four residents at Fox Run is an Erickson Advantage member. Member satisfaction had very high results, with 92% of current members stating that they are likely to continue their coverage. The Erickson Advantage Health Plan also changed from a Medicare Demonstration Plan to a permanent Medicare health plan in 2010, through an amendment in the national health care reform legislation.

In the 2010 National Benchmark Comparison of Health Plans as viewed by members, Erickson Advantage scored 10 to 15 points higher than the competition on questions regarding overall member satisfaction with the health plan, the overall value of the health plan, likelihood of a member to recommend EA to others, and likelihood to continue current coverage. The Erickson Advantage Member Services Representative, Nurse Care Coordinator and Health Insurance Resource Manager at Fox Run also received strong satisfaction scores from EA members.

Resident Accomplishments and Highlights

The Resident Advisory Council plays an important role in keeping the focus on what is important to residents through their support, guidance and

communication. Elected to the RAC in 2010 were Don Boufford, Fran Finsilver and Nancy Unwin. Bill Moran serves as Chair and Lydia Mayo as Vice-Chair for 2010/2011. We are grateful for the tremendous contributions of outgoing RAC members John Bunker, Doreen Poupard (past Chair), and Eileen Zolad.

During 2010, the RAC continued its goal of CONNECTIONS (with the Novi Community, the Walled Lake School District, and the Fox Run residents).

- Informed the residents of community events, invited Mayor David Landry to speak to the residents, attended council meetings and represented RAC at the “State of the City” speech given by the mayor.
- Encouraged residents to become involved with the Walled Lake School District. They participated in the “March is Reading Month” at Hickory Woods Elementary school and attended the district’s celebration of Martin Luther King Day.
- Continued the “Caught in the Act” column in the Fox Run *Village News* to recognize residents for their service to the community.
- Hosted annual dinner for chairpersons of RAC committees to facilitate an exchange of ideas.
- Worked with the General Services Committee to continue the monitoring of the previous goals of safety and conservation.
- Made capital improvement suggestions to management.
- Supported the Philanthropy Committee’s recommended increase in the Scholar’s Award to \$1,250 per year.
- Appointed a sub-committee to greater define the political activities process on the Fox Run campus.
- Reviewed a summary of the narrative of the Holleran Report and will provide input to management in support of their plan for improvement.

Staff Accomplishments and Highlights

- Banquet Server Peggy Mather was named the “Best of the Best” (Employee of the Year) for her excellent service.
- Restaurant Manager Shail Menon was named the “Manager of the Year” for her outstanding work.
- Fox Run held its first annual WOW Awards to honor employees and departments for their contributions. The Executive Team started the Oscar-style show with a lip-sync of the Black-Eyed Peas “I Got a Feeling”.

2011: Looking Forward

Areas of Focus

Resident Satisfaction – In 2011, Fox Run will continue to increase satisfaction by creating exceptional experiences for our residents. Every six months Fox Run will conduct building meetings in an open forum to identify resident issues.

Maximize Sales – Even while the economy and housing market in Michigan remain soft, new residents continue to move to Fox Run. Through the Erickson Realty and Moving Services, the Sales Team will continue to help potential residents overcome the hurdles of home sale and moving. Leads will be generated through events, advertising, resident referrals and direct phone contact with the mailing list. Targeted, time-limited incentives will be utilized when appropriate.

Employee Engagement – Our dedicated staff continues to provide outstanding service and care. We are able to attract and retain exceptional, committed personnel with market- and performance-based compensation and a culture that supports career development opportunities, work-life balance, diversity and inclusion and a commitment to service excellence.

Financial Plans

In 2010, Fox Run gained a strong financial footing, with 86% occupancy in Independent Living and 83% occupancy in RG. By continuing to increase occupancy (revenue), coupled with strong expense management, Fox Run has great opportunity to enhance the financial strength of the community in 2011 and beyond. In addition, Fox Run has appealed its real estate tax assessment and is seeking a positive determination in the coming years.

Campus Development

Erickson Living develops and expands campuses based on demand. Due to the current state of the economy and the aforementioned slowing of demand relative to previous years, Fox Run is holding off on the development of our next residential building. As conditions allow, further development may follow.

Programs and Initiatives to Maintain Service, Culture, Mission and Values

We have a number of goals related to resident satisfaction, employee satisfaction, and financial performance in 2011. While our goals may evolve during the year based on emerging priorities, some of the goals that are relevant to residents at Fox Run are as follows:

Independent Living

- Restructure the Dining Services Department from a managerial standpoint (recently completed).
- Hold an annual expo for Fox Run resident families to educate them on available services at Fox Run.
- Add semi-annual breakfast and movie events for residents, staff and grandkids.
- Add more general parking spaces around clubhouses.
- Create a warmer and more inviting aesthetic atmosphere in the Ascot Clubhouse (table lamps, floral arrangements, new walk-off mat, wood refinishing, etc.)

Renaissance Gardens

- Create a structured memory-care program in assisted living.
- Create a concierge program to actively welcome new residents to the Fox Run RG and provide them with an immediate orientation.
- Identify a sales person to meet with every new external short-term rehabilitation resident to introduce them to the independent living community.
- Create a warmer and more inviting aesthetic atmosphere in the household living rooms.
- Start inviting RG families to Benevolent Care Fund meetings.
- Add a household coordinator position to assisted living to provide more active support for the associates.
- Develop and implement “All Hands-On Dining” whereby the household resource team supports lunch and dinner service at RG.
- Add three menu-cycle changes.
- Create a Family Communication strategy in assisted living (annual meetings to discuss issues; create communication touch points; host three events).

Your Executive Management Team

Mike McCormick – Executive Director

Mike has been responsible for directing the daily operations of Fox Run since its opening in June 2003. Mike came to Fox Run after serving eight years at Erickson's two largest and fully developed campuses. While at Oak Crest in Baltimore for three years, he functioned as the Associate Executive Director. Prior to this assignment, he managed the health services for Charlestown, the company's flagship community in Baltimore, for four years. Mike joined Erickson in 1995 and participated in the company's Executive Development Program. Prior to Erickson, Mike was the Executive Director of Medical Health Systems in Baltimore. Mike earned a Bachelor's Degree in Marketing and an MBA from Kent State University. Mike is past president of Leadership Oakland Class XVI.

Danny McNeal – Assistant Executive Director/Director of Finance

Prior to joining Fox Run in 2004, Danny was Vice President of Finance & Administration at ChB Technologies, a Michigan automotive supplier. After obtaining his MBA from the Weatherhead School of Management at Case Western Reserve, he joined United American Healthcare Corporation where he last served as Vice President of Planning & Development. Mr. McNeal started his professional career in New York as an internal auditor with Corning Incorporated after graduating from Florida A&M University. While at Corning, he became a Certified Public Accountant.

Jean Landreville – Renaissance Gardens Administrator

Jean came to Fox Run in August of 2005 in a dual position as Assistant Executive Director and Renaissance Gardens Administrator. She graduated from Madonna University with a BS in Dietetics. Jean holds a Nursing Home Administrators license from the State of Michigan and has been a nursing home administrator for more than ten years. She currently serves as Treasurer of the Michigan Chapter of the American College of Healthcare Administrators.

Kevin Cunningham – Director of Dining Services

Kevin was hired as Fox Run's Restaurant Manager in 2005 and promoted to Dining Services Director in 2006. His many years of experience in the hospitality industry include Food & Beverage Manager for the Hyatt Corporation. He also held positions of Food and Beverage Director and Director of Training for the Tournament Players Club on the PGA tours. Prior to coming to Fox Run, Kevin was General Manager of Damon's while also overseeing the catering functions at U of M's "Big House" and their Athletic Department.

Leonard Gringlas – Director of General Services

Leonard joined Fox Run in July of 2008 as Director of General Services. Prior to coming to Fox Run, Leonard was employed as a District Manager for a large national equipment rental company, where he was responsible for branch

operations in Michigan and Ontario, Canada. Leonard's background is in management and operations and he received his Bachelors degree from the School of Business at Michigan State University.

Barbara Jablonski – Director of Resident Life

Barbara has over 30 years experience serving in the long-term care industry at various retirement communities. She came to Fox Run in 2003 as the first Resident Services Manager and was promoted to Director in February, 2006. She is past chair of the Geriatric Social Workers of Southeastern Michigan. Barbara earned her Master's of Social Work and Graduate Certificate of Gerontology from Eastern Michigan University and her MBA from Baker College.

Melissa Peña Gallis – Director of Human Resources

Melissa joined Fox Run's HR team as a Human Resources Manager in 2007 and was promoted to Director in September 2008. Prior to coming to Fox Run, she managed the Human Resources functions at the Area Agency on Aging 1-B and began her HR career in South Carolina at a public utility. Melissa holds a Bachelor's Degree in English and Spanish and an MA in Human Resources Management and Development from Webster University. Melissa is also a certified Professional in Human Resources.

Fred Moschetta – Director of Sales & Marketing

Fred joined Fox Run as the inaugural Sales and Marketing Director in 2001. Prior to opening the Fox Run sales office, he served Henry Ford Village (HFV) as Director of General Services for five years and Manager of Housekeeping and Maintenance for three years. Before he came to HFV, he worked for the Ritz-Carlton and Doubletree Hotels. Fred is a member of the Novi Chamber of Commerce Board of Directors and his Neighborhood Association. Fred holds a Bachelor's of Business Administration from Cleary University and a Master's of Science and Health Services from Central Michigan University. Fred was named Cambridge Who's Who "2010 Executive of the Year for the Sales and Marketing Industry".

Vrinda Suneja, M.D. – Medical Director

Dr. Suneja came to Fox Run in 2003 as its first Medical Center physician and was named Medical Director in 2007. She received her medical degree at Maulana Azad Medical College in New Delhi, India. Dr. Suneja completed her residency in Internal Medicine at Sinai Grace Hospital, affiliated with Wayne State University School of Medicine in Detroit, Michigan. Prior to coming to Fox Run, Dr. Suneja practiced with Harvard Vanguard Medical Associates in the greater Boston area. She is a member of the American College of Physicians, the American Medical Director Association, and the American Geriatrics Society.

Your Resident Advisory Council (RAC)

(2010-2011)

Bill Moran – Chair

Bill was a teacher and principal in school systems in Detroit, Flint and Ann Arbor, Michigan for over 35 years. He taught at U of D Mercy College and served as an advisor of mathematics programs in River Rouge, Michigan schools. Bill also worked with the Master's Degree and Certification program for student teachers at U of M. Bill received a Bachelor's Degree in History and Social Studies from John Carroll University, a Master's in Education and Mathematics from Marygrove College and did doctoral coursework at U of M. He was first elected to the RAC in 2005 and served as RAC Chair in 2006. Bill was re-elected to the RAC in 2010 and currently serves as Chair. He and his wife, Joslen Letscher, have lived at Fox Run since 2004.

Lydia Mayo – Vice-Chair

Lydia was born in Cleveland, Ohio and received a Bachelor of Science in Education from Bowling Green State University, Bowling Green, Ohio and a Master's in English Literature and Education from Wayne State University in Detroit, Michigan. She taught English grades 7 – 12, plus speech and journalism, retiring with 28 years of service. Lydia moved to Fox Run in March of 2006.

Don Boufford

Don was employed in managerial positions for 36 years with Ford Tractor Operations until his retirement in 1986 as Western Regional Manager. Subsequent to his retirement, he was a consultant to tractor and equipment dealers and a partner in a dealership in central California. He graduated from the University of Detroit with a degree in Business Administration. Don was first elected to the RAC in 2006, served as RAC Chair 2007 – 2008, and re-elected to RAC in 2010. Don and his wife, Pauline, moved to Fox Run in 2005.

Lois Christeller

Lois was active in many volunteer activities before owning a carpet and drapery store in Rockville, Maryland, for 15 years. She then helped establish a county-wide senior information service in Montgomery County, Maryland. She lived at Leisure World in Silver Spring before moving to Fox Run in June, 2005. Lois is a deacon at North Congregational Church, Farmington Hills, Michigan.

Fran Finsilver

Fran was born in Detroit and attended Wayne State University for undergraduate studies to pursue a career in teaching. She served as medical assistant to the Chief of Medicine at Royal Oak's Beaumont Hospital for 24 years. Over the years, she volunteered in several areas including Sinai Hospital and served as a board member of Girl Scouts of Metropolitan Detroit. Currently she serves as a board member for the Temple Israel Senior group. Fran moved to Fox Run in 2004.

Jim Mather

Jim retired from Detroit Edison in 1988 after 37 years with the company, which included time in the system engineering, purchasing, generation engineering, and production departments. His experience included engineering specification,

purchase evaluation, installation, testing, operation, and problem solving of large electrical equipment. He was also involved in writing national specifications for large electrical rotating equipment. Jim graduated from the University of Detroit with a Bachelor of Science in Electrical Engineering degree in 1954 and is a registered PE in the State of Michigan. He and his wife, Pat, moved to Fox Run in June, 2004.

Arlon Quigley

Arlon received a BA in 1948 and a Master's Degree in 1962 from Michigan State University. He was employed by the Royal Oak School District for 28 years as a high school teacher, counselor, assistant principal and assistant director at the Vocational Center. Arlon and his wife, Peg, moved to Fox Run in September of 2003.

Ruth Williams

Ruth was born in West Sunbury, Pennsylvania and graduated from Grove City College (Grove City, PA) with a BS in commerce with an education major. She and her family moved to Michigan for her husband's job with the J.L.Hudson Company in Detroit. Ruth was employed with Sumerton, Gerhard & O'Hara, CPAs and later with Digital Electronics Automation as personnel director. Ruth and her husband retired in 1990 to their home in northern Michigan and then moved to Fox Run in 2007.

Nancy Unwin

Nancy is a native Detroiter and holds a Ph.D. in Philosophy and an MA in Clinical Psychology from the University of Detroit. She was an employment interviewer for fifteen years at Detroit Edison and a school psychologist with Detroit, Clawson, and Lapeer schools for 25 years, retiring in 1994. Nancy served on condo community boards in Rochester Hills and Farmington Hills and initiated Community Watch organizations in both communities. She moved to Fox Run in 2004.

Organization and Governance

Organization

Fox Run is organized as a not-for-profit corporation and is an affiliate of National Senior Campuses, Inc. (NSC). Fox Run is governed by its Board of Directors, whose members are independent of Erickson Living Management, LLC (Erickson Living) and its affiliated organizations. No Erickson Living employees may serve on the Board of Directors.

Fox Run's Board is responsible for oversight of the development, financing and operations of the Community. The Board has retained Erickson Living to provide management services to the Community pursuant to a Management and Marketing Agreement. With no private shareholders to pay, the Community's net assets are retained for the long-term benefit of current and future residents and to further the Community's charitable mission.

Fox Run is one of 15 communities supported by National Senior Campuses, Inc. (NSC). NSC acts as an umbrella organization by organizing separate not-for-profit corporations that operate retirement communities (such as Fox Run) and providing ongoing strategic planning, governance and operational resources to the community boards. It also develops and monitors overall policies and guidelines for operations and standards of care in order to promote efficiency while preserving the high-quality standards of its supported organizations. NSC develops long-range strategic plans and formulates relationships that are beneficial to its supported organizations and promote cost savings within the system.

The Board of NSC currently consists of 9 independent directors, each of whom brings a particular expertise to the Board. To assure that NSC is responsive to its Supported Organizations that own and operate the communities, at least one of the directors of each Supported Organization is also a director of NSC. This allows each Supported Organization to have representation and direct involvement in the formulation of the policies and activities of NSC that affect the community.

For more information about the organization and governance of Fox Run and NSC please visit our web site www.NationalSeniorCampuses.org.

Board of Directors

All corporate authority resides in the Fox Run Board of Directors as fiduciaries of the Corporation, subject to the requirements and restrictions set forth in the Corporation's Charter, Bylaws and applicable law. As fiduciaries, the directors

are the stewards of the corporation's assets and have the responsibility for seeing that the corporate mission is being fulfilled and that the assets of the corporation are being effectively used for that purpose.

Erickson Living is responsible for the day-to-day management of Fox Run pursuant to a Management and Marketing Agreement between Fox Run and Erickson Living. The Board of Directors regularly monitors the quality and effectiveness of management performance and decisions including the execution of its strategies in support of the mission.

The Board of Directors comprises a maximum of 12 and a minimum of 6 people. At least one of the directors of Fox Run must be a member of the Board of Directors of NSC and is appointed by NSC to a one-year term. One of the members of the Board of Directors must be a resident of Fox Run.

Fox Run's Board of Directors is committed to maintaining strong corporate governance principles and practices. The Board periodically reviews evolving legal, regulatory and best practice developments to determine those that will best serve the interests of our stakeholders.

If you would like additional information about our corporate governance practices, you may view many of the documents listed below at www.National-Senior-Campuses.org or visit the Executive Director's office where you will be provided access to review the contents of the Community Reading File:

- Corporate Governance Guidelines
- Amended and Restated Articles of Incorporation
- Bylaws
- Form 1023 – Application for Recognition of Exemption
- IRS 990, Return Of Organization Exempt From Income Tax (most recent year)
- IRS determination letter recognizing exempt status under 501(c)(3)
- Management and Marketing Agreement
- Official Statement of Bond Issue (as applicable)
- Audit Committee Charter
- Conflict of Interest Policy
- Community Board Resident Director Recruitment Policy and Procedure
- RAC Handbook
- Summary copy of current year budget and rolling three-year business plan
- Annual Report (most recent copy) which contains the Mission Statement, Management Report, Director Biographies, and Organization Chart
- Audited Financial Statements

Corporate Governance Guidelines and Committee Charters

The Corporate Governance Guidelines and the charters of the committees of the Board of Directors describe our corporate governance practices. The Corporate Governance Guidelines and charters are intended to ensure that the Board has the necessary authority and practices in place to review and evaluate our business

operations and to make decisions that are independent of the Management Company. The Corporate Governance Guidelines establish the practices the Board follows with respect to board composition and selection, board meetings, board committees and director compensation. Members of the Board of Directors are expected to participate in continuing education activities designed to maintain their knowledge of current industry developments and corporate governance practices. To achieve the Board education objective the Board maintains memberships in leading corporate governance trade associations such as the National Association of Corporate Directors and Board Source. The Board annually conducts a self-evaluation to assess compliance with the Corporate Governance Guidelines and identify opportunities to improve Board performance.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect changes in regulatory requirements and evolving oversight practices.

Board Activities 2010-2011

In April 2010, the sale of assets of the prior manager, Erickson Retirement Communities, was approved by the bankruptcy court. Erickson Living Management was organized by the purchaser as a new company. As the community's independent, not-for-profit board, the Fox Run Board entered into a management contract with the new Erickson Living organization and will continue its oversight role in this relationship.

As the sale of the Erickson Retirement Communities assets was being undertaken, the Board carried on its work at the community and regional level and the "Residence and Care Agreement" currently in effect continued to be honored. The Board will continue its dedicated service to residents working together with the local management team and with the support of Erickson Living.

During 2010, the Board held its formal quarterly meetings and additional meetings, as necessary. Among the actions taken by the Board during 2010-2011 were:

- Approval of the Budget for 2011.
- Meetings with the Residents Advisory Council to receive their input on the effectiveness of community operations and priorities.
- Review of the results of the annual Residents' Satisfaction Survey, including the Action Plans proposed by Erickson Retirement Communities to address matters needing corrective action as reported in the survey.
- Meeting with the residents at the Annual Town Meeting to review the operations of Fox Run.
- Special meetings and all board meetings to discuss Erickson issues and Fox Run issues.
- Special RAC meetings, town meetings, and letters regarding governance, Erickson and Fox Run issues with residents.
- Meeting with residents to discuss the 2011 budget and fees.

- Numerous meetings with the Executive Director and management staff to review operating, compliance and financial reports.
- Fox Run Board and NSC Board member support of the Benevolent Care Fund and gala.

Fox Run requires Erickson Living to adhere to a Code of Business Conduct, a Compliance Plan and a Whistleblower Policy. The Board regularly receives reports from Erickson Living on the continued adherence to these policies.

The Fox Run Board, staff, Resident Advisory Council and residents would like to thank Jim Hayes for his strong leadership and many years of service as Chair of the Board.

Committees of the Board of Directors

The Board of Directors has appointed various Committees to undertake certain aspects of the Board's duties. Each Committee is governed by a Committee Charter that was approved by the Board of Directors. The Committee members are shown with the organization chart at the end of the Governance section.

Executive Committee

The Executive Committee comprises the Chairperson of the Board, President, Treasurer and Secretary; and has the authority to act for the Board of Directors between meetings in accordance with powers granted by State law and bylaws provisions.

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and the qualifications and performance of the independent public accounting firm engaged as the Community's independent auditor.

The Committee relies on the expertise and knowledge of the Management Company and the independent auditor in carrying out its oversight responsibilities. The Management Company is responsible for the preparation, presentation, and integrity of our financial statements, accounting and financial reporting principles, internal control over financial reporting, and disclosure controls and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Management Company is responsible for objectively reviewing and evaluating the adequacy, effectiveness, and quality of our system of internal control. The Community's independent auditor, PricewaterhouseCoopers LLC, is responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

With respect to 2010, the Audit Committee met with PricewaterhouseCoopers to review the audited financial statements and the auditor's report, to review the auditor's report on internal controls as well as the management company's response and planned corrective actions, and to review other matters that the auditors are required to discuss with the Audit Committee. Upon completion of its work with respect to the 2010 audit, the Audit Committee will deliver its report to the residents at a Town Meeting.

Investment Committee

The purpose of the Investment Committee is to assist the Board of Directors to fulfill its oversight responsibilities with respect to the investment, monitoring, accountability and control of Benevolent Care Funds, Excess Cash and other community funds as may be appropriate. The Committee is an Advisory Committee, with director representatives drawn from the Boards of Directors of NSC and the Communities. The Investment Committee was formally established as a separate Committee in January 2009. Previously, the monitoring of investment activities was provided through an Investment Subcommittee of the Finance & Acquisitions Committee, which is no longer a functioning committee. The Boards of Directors of NSC and its Supported Communities decided to create a separate Investment Committee in recognition of the growing levels of investment dollars across the communities and the need to provide a singularly focused committee to oversee these funds.

Director Compensation

In 2010, Fox Run paid a total of Fifty Thousand Dollars (\$50,000), in compensation to the members of the Board of Directors.

Directors' compensation for Fox Run was recommended by NSC and was approved by the Fox Run Board of Directors based upon the recommendations of an independent compensation consultant retained to review the reasonableness of directors' compensation. In determining the amounts of compensation, the Board and the consultant considered the time and expertise requirements of directors and fees paid to directors of comparable companies, both for-profit and not-for-profit.

Form 990

A copy of the most recent Form 990, Return of Organization Exempt from Income Tax, can be reviewed in the Executive Director's Office or online at www.NationalSeniorCampuses.org.

Your 2011 Board of Directors

Rod Coe, Chair

Dr. Coe serves as Professor Emeritus at the Department of Community and Family Medicine of the Saint Louis University School of Medicine. He also held faculty

appointments in the Division of Geriatric Medicine and the School of Public Health. Formerly, he was Director of Medical Care Research Center in St. Louis. He is the author of numerous books and articles in professional journals.

E. Michelle Evans Bohreer

Ms. Bohreer practices law with the firm of Bohreer & Zucker LLP. For the past 20 years, she has represented clients in regard to commercial litigation and employment defense needs. Ms. Bohreer serves as Chair of the Leadership Council for the Gulf Coast Region of the American Cancer Society. She was the first woman chair of the Rotary Lombardi Award, an annual event honoring the NCAA college linemen of the year, with all proceeds going to benefit the American Cancer Society. A graduate of the University of Houston, she has contributed to numerous publications including The Houston Business Journal, The New York Times, and Texas Lawyer.

Dave Burk

Mr. Burk is a highly accomplished senior insurance executive with broad-based specialty expertise in healthcare and professional liability. During his nearly 40 years of professional experience, Mr. Burk has served in numerous leadership positions, including Vice President of VHA Inc., a national healthcare cooperative with 2200 organization members, and President and CEO at Holy Cross Resources, Inc., the insurance, risk management, and benefit services subsidiary of Trinity Health. Currently, Mr. Burk is a principal at DLB Consulting Inc., in Fort Collins, Colorado. Mr. Burk received his B.A. from Cardinal Glennon College and his M.A. from St. Louis University.

Jim Hayes

A registered CPA, Mr. Hayes most recently was employed as Senior Associate Director of Admissions and Financial Aid at the Stephen M. Ross School of Business at the University of Michigan where he was involved in all aspects of recruiting, admissions, and enrollment. He is a retired partner of PricewaterhouseCoopers, where he served as Partner in Charge of Minority Recruiting and Retention, and Partner in Charge of Workforce Diversity at Coopers & Lybrand prior to the merger of the two firms. In both positions Mr. Hayes succeeded in developing and implementing strategies to enhance workforce diversity. Mr. Hayes holds a Bachelor's Degree in Accounting from St. Joseph's University in Pennsylvania.

Pearl Holforty

Mrs. Holforty is the former President, CEO, and a founder of Liberty BIDCO Investment Corporation. She started her professional career as a CPA and is a retired partner of Plante & Moran. Active in corporate and community affairs, Mrs. Holforty is a Director of the Auto Club Trust Federal Savings Bank (AAA). She is also a Director and Past Chair of the YMCA of Metropolitan Detroit and a former Director of its Foundation. She is a former member of the Community Advisory Board of The Private Bank in Bloomfield Hills, MI. Mrs. Holforty earned a B.S. degree in Accounting and an M.B.A. in Finance from Wayne State University ("WSU"). Counted among her numerous awards are the Corporate Leadership Award from WSU, the SBA's Michigan Woman in Business Advocate of the Year, and she was named to Detroit's Most Influential Women List by Crain's Detroit Business. Mrs. Holforty served as Chair of the Resident Advisory Council at Fox Run in Novi, MI from 2004 – 2006.

Scott A. Hollingsworth

Mr. Hollingsworth is president of S.L.I. Group, an integrated design-build firm focusing on private sector commercial architecture and construction. Previously, he worked as a

manager with Turner Construction Company. Mr. Hollingsworth has contributed to notable projects including One OK Plaza in Tulsa, OK; the renovation of the historic Emily Morgan Hotel across from the Alamo in San Antonio, TX, and the \$1.7 million Grace School K-8 classroom renovation project in Houston. He is an active member of Grace Presbyterian Church in Houston and serves on the board of Gina's Light Foundation.

Steve Hunsicker

Currently a principal of SPACE Architects in St. Louis, Missouri, Mr. Hunsicker has been creating innovative architectural solutions for health care, corporate, and educational clients for more than two decades. His collaborative, multidisciplinary design philosophy seeks the optimum balance between organizational, cultural, and environmental considerations. He also served as a trustee for Westminster Christian Academy. Former board assignments and activities include the City of Kirkwood Parks Department, the Solar Foundation, and as a facilitator at the Missouri Governor's Student Leadership Forum on Faith and Values.

Zina Jacque

Zina Jacque is the senior pastor at the Community Church of Barrington Illinois. Previously she has served on the staffs of multicultural, urban, and suburban churches and has done extensive work in the areas of education, counseling, and support programs. Dr. Jacque most recently served as the Executive Director and Founder of the Pastoral Counseling Center of Trinity Church in Boston. In this role she implemented training on mental health issues for local pastors and led the Center in the delivery of 2,400+ annual direct service hours. Previously Dr. Jacque was the Interim Director of Christian Education at the Melrose Church in Massachusetts. There she implemented a separate and unique Children's Church and youth group. She has also acted as Protestant Chaplain at Bentley College and as the Executive Director of the Boston Ten Point Coalition where she served as a key member of the Boston program of violence reduction: Operation Ceasefire. Dr. Jacque holds a Doctorate of Theology and a Masters of Divinity degree from Boston University (Summa Cum Laude), an M.A. from Columbia University, and a B.A. from Northwestern University.

Boone Powell

Mr. Powell served as president and chief executive officer of Baylor Health Care System for 20 years managing a major regional network of acute care facilities, community hospitals, family health centers, senior health centers, and contract affiliations. Recognized by *Business Week* magazine in 1990 as one of "Five Best Health Care Executives" in the country he also worked as President and CEO of Hendrick Medical Center and served as Chairman for the Health Industry Council in Dallas. He has served on boards for the National Young Life organization, the Greater Dallas Chamber, Dallas Citizens Council, U.S. Oncology, Abbott Laboratories and others. Mr. Powell is also a fellow of the American College of Health Care Executives. Mr. Powell's education includes a Bachelor of Business Administration from Baylor University, and a Masters in Public Health from the University of California.

Rosetta B. Robins, Ph.D., J.D.

Dr. Robins is an experienced professional with over 25 years of executive, administrative and legal experience. Currently, she is a principal in Strategic Management Solutions LLC, a management and human resources consulting firm specializing in employment law and business management practices. During her legal career, she practiced corporate law in both law firm and corporate settings. Before

entering the legal profession, she held positions at the University of Kansas Medical Center in administration and teaching—associate dean/assistant professor, School of Allied Health and director and associate director center of excellence and research assistant professor, School of Medicine. Active in community and civic organizations she has served on the boards of numerous organizations including the Mid-Continent Girl Scouts, Greater Kansas City Women’s Foundation and Jackson County Board of Services for the Developmentally Disabled. She earned advanced degrees—JD, PhD, and MPA – at the University of Missouri at Kansas City.

Mike Roskiewicz

Mr. Roskiewicz is Senior Vice President and General Counsel of First Mercury Financial Corporation (NYSE: FMR), a publicly-traded insurance and insurance services company that markets and underwrites specialty commercial insurance products. In this capacity, Mr. Roskiewicz has responsibility for corporate governance, mergers and acquisitions, regulatory compliance under the federal securities laws and the state insurance codes, litigation management and general employment and contract matters. Prior to joining First Mercury, Mr. Roskiewicz was a partner in the Michigan law firm of Dickinson Wright, PLLC where he represented clients in sophisticated business transactions, including mergers and debt restructurings, private equity investments, and sale/leaseback transactions. Mr. Roskiewicz received his B.A.in psychology from the University of Michigan in 1990 and his J.D. from Washington University School of Law in St. Louis in 1993. His lives in Birmingham, Michigan with his wife and four young sons.

Grover C. Wrenn

Mr. Wrenn is a retired entrepreneur and senior executive with 40 years of experience in health care services, environmental science, regulatory policy and occupational health and safety. He has served as President and COO of Safety-Kleen Corp., Chairman and CEO of Accent Health Corp and CEO of EnSys Environmental Products, Inc., Chairman of Strategic Diagnostics, Inc., (NASDAQ: SDIX), CEO of Applied Bioscience International, and Founder and CEO of Environ International. He also served as Chairman of Axolotl, Inc., a health information technology company which was recently sold to the United Health Group. Presently, Mr. Wrenn is a Director and Vice Chair at Albion Holdings, Inc., and a trustee of Eckerd College. He holds a Master of Science in Public Health (Environmental Sciences and Engineering) from the University of North Carolina.

Fox Run Organizational Chart



Fox Run Committees

Executive Committee:

Rod Coe, Chair

Jim Hayes, President

Pearl Holforty, Secretary

Boone Powell, Treasurer

Audit Committee:

Dave Burk, Chair

Pearl Holforty

Steve Hunsicker

Mike Roskiewicz

Investment Committee:

Jim Anders, Chair

Fred Haas

Willow Pasley

Larry Shubnell

Jim Hayes

Fox Run Village, Inc.
Statements of Operations
for the years ended December 31, 2010 and 2009

	2010	2009
Unrestricted revenues, gains and other support:		
Resident occupancy revenue	\$ 29,343,344	\$ 26,251,627
Ancillary fees	5,802,244	5,123,672
Amortization of resident deposits, net of marketing expenses	2,567,757	2,843,021
Interest income	9,589,457	10,271,838
Processing fees	10,206	22,350
Other revenue	605,435	378,774
Net assets released from restriction used for operations	115,802	51,646
Total revenues, gains and other support	<u>48,034,245</u>	<u>44,942,928</u>
Expenses:		
Salaries, wages and benefits	17,296,384	15,366,193
Rent	4,534,466	12,093,792
Professional and contracted services	3,363,883	3,759,453
Supplies	2,025,632	1,794,684
Dietary and other supplies	1,886,529	1,810,608
Building grounds and maintenance	873,932	884,551
Utilities	1,284,324	1,248,586
Administrative and other	1,000,733	934,616
Management fees	1,452,615	1,134,903
Resident relations	80,723	97,994
Insurance	343,340	268,664
Interest	8,560,697	1,571,902
Real estate taxes	2,759,171	2,510,061
Depreciation	2,831,068	1,438,879
Expenses incurred related to temporarily restricted net assets	115,802	51,646
Total expenses	<u>48,409,299</u>	<u>44,966,532</u>
Operating loss	(375,054)	(23,604)
Other income:		
Gain on forgiveness of working capital loan and related accrued interest	45,485,307	-
Excess of revenues over expenses / (expenses over revenues)	<u>\$ 45,110,253</u>	<u>\$ (23,604)</u>

These statements are *excerpted* from the audited financial statements of the community. The audited financial statements and notes, which are an integral part of the statements, are available in the Administration office of Fox Run Village, Inc.