

Linden Ponds

2008

Annual Report

LINDEN PONDS

May 21, 2009

Dear Linden Ponds Residents:

We are very pleased to present this Annual Report to the residents of Linden Ponds. As part of our overall cost containment during these challenging economic times we have chosen to scale back the color, glossy annual report of last year. Nonetheless, this Report again includes a review of our community's activities and financial summary for 2008, goals and challenges for 2009, and important information regarding your Board of Directors.

Thank you to the residents of Linden Ponds for contributing your gifts to make Linden Ponds 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 Linden Ponds management to focus on what is most important to you, the residents. We also want to thank Linden Ponds' terrific staff members, who are committed to fulfilling the Linden Ponds mission every day.

We hope you will attend the annual meeting on Wednesday, May 27th at 3:00 p.m. in the Derby Clubhouse Performing Arts Center (PAC) to meet the Linden Ponds Board of Directors and ask any questions you may have. Thank you for the trust you have given us by choosing Linden Ponds as your home.



Anita L. Holt
Executive Director



Mary Helen Lorenz
Chair of the Board

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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
 - Developing new communities in current markets
 - Developing communities in new markets

2008: In Review

Community Profile

In 2008, Linden Ponds continued to build upon its strong reputation as a place of fun, family and community. We welcomed 192 new residents to our community, bringing Linden Pond's year end census to 1,067 total residents.

Linden Ponds settled 129 new apartments, ending the year 2008 at 803 settled units or 81% occupied. In a down market, Linden Ponds was very successful in implementing the *Moving Home* program, where a sales counselor worked directly with prospective residents in their homes to help them stage and sell. The *Moving Home* program helped reduce the average number of days on the market for those prospective residents. We also introduced the Flexible Payment Plan model as well as other pertinent incentives.

At the end of the year, Linden Ponds had 744 employees which included 289 part-time students working in the restaurants and café.

Summary of 2008 Financial Results

In 2008, with the economic slowdown, particularly in the last two quarters of the year, Linden Ponds had a net operating loss of \$2,500,921 in 2008 which was a positive variance from business plan by \$411,349. While the pace of new residents moving into the community was somewhat slower than projected the community was able to offset the revenue reduction by reducing expenses. As a result, Linden Ponds had a positive variance in wages, benefits, other employee costs, contract labor, supply costs and other expenses mitigating the impact of the lower than anticipated revenues.

At the end of this report, you will find a Summary Financial Statement which includes the 2008 results. Further, the complete 2008 Audited Financial Statements will be made available to you upon request from the Executive Director's office upon finalization of the auditor's report and final release of the audited financial statements.

Resident Satisfaction

Linden Ponds conducted its annual Resident Satisfaction Survey in the late fall of 2008. Overall satisfaction scores, and the positive response to the question, "Would You Recommend Linden Ponds?" remain very high and a strong indicator of resident satisfaction at Linden Ponds. Action Plans were developed and implemented for areas needing improvement.

| | 2008 Results | 2007 Results | 2006 Results |
|--|-------------------------|-------------------------|-------------------------|
| Overall, I am satisfied with Linden Ponds? | 85.9% | 86.8% | 84.2% |
| Would you recommend Linden Ponds? | 91.4 | 94.4 | 92.7 |
| Linden Ponds is fulfilling its mission statement | 86.4 | 86.2 | 82.7 |

During the year, a number of improvement initiatives were implemented based on resident suggestions.

- Installation of solid wood suspended shock absorbent flooring in the OW Fitness/Aerobic studio and plyorobic flooring in the CB1 fitness studio
- Design and construction of a Bocce Court
- Construction of a composting bin as per resident specifications with a subsequent food waste composting program as a collaborative effort between Dining, General Services and Residents.
- Construction of a new leash free enclosed Dog Park
- Restructure of Dining Services Staff and extensive training to address issues of temperature, variety and quality.

Community Highlights and Initiatives

General Services

Several energy conservation items were completed in 2008, which included shutting off the refrigerator breakers in all vacant apartments, issuing CFL bulbs to residents, maximizing night setback in lighting systems for hallways and CB's and replacement of overhead pool lighting with energy saving fixtures. GS partnered with all other departments to initiate an "own your own building" program whereby each department in the community completes a quarterly inspection of specified areas of a building to assist with overall upkeep and safety.

Dining Services

Dining Services successfully rolled out the Hot Food Program that has all but eliminated temperature issues. This success was confirmed by a score of 99%, relative to temperature, on the 2008 Resident Satisfaction Survey. The Catering Department has been realigned and menus expanded to enable a wide variety of offerings for all occasions. The inclusion of Regional Specials, as well as Theme Nights, has greatly increased the variety of dishes that are offered to our residents each day in our Dining Rooms.

Great strides have been made in the hiring of student wait staff that includes candidates from 11 area high schools. Student wait staff hiring and training has been closely monitored and served to significantly reduce wait-time in the dining rooms

Resident Life

The community continues to grow in vibrancy and offerings of activity. There are more than 120 clubs, groups and activities with 143 leaders and over 450 calendar opportunities in any given month.

The performing arts continue to be a strong area of interest and accomplishment for residents of our community. The productions of Showbiz and Amal and the Night Visitors involved over a hundred residents with talents in singing, acting, music, set design, costuming as well as lighting and sound. The Chapel Choral, Linden Pond Players, Linden Pond Singers and the Opera club all have high participation. The Summer Concert Series proved to be an enjoyable experience for both current residents as well as future residents on our priority list.

Our in house T.V. station continues to be a daily source of information through the Live Show as well as a producer of original and informational programming for all aspects of the community.

Wellness opportunities are also a growth area for the campus. The Falls Intervention Team (FIT) was formed in June under the leadership of Wellness and has been a successful interdisciplinary collaboration to identify those at risk for falls as well as an educational resource for residents. In the spirit of the 2008 Beijing Olympic Games Linden Ponds Wellness department joined forces with the Brooksby Village Wellness department to organize resident Olympic Games, which were marked by fierce competition and fun.

The Catered Living Pilot packaged case management of assisted care services and was launched in the final quarter of 2008 with a series of resident and family education programs. Staff education was a key component of the program pre-launch.

Linden Ponds brought 2008 to a close with a First Night celebration which involved 14 hours of programming and entertainment events sponsored by our residents.

Philanthropy

Linden Ponds' Board, residents and staff continued to enhance a culture of philanthropy with their generous donation of time and resources, both within and outside the community. Two efforts in particular provide charitable funds that directly support the Linden Ponds community:

- *Benevolent Care Fund*: provides support for residents who might face extraordinary financial circumstances.

- *Scholars Fund:* provides scholarship funds of up to \$1,000 per year for our students who are pursuing post-secondary education. Students must meet certain criteria to qualify for this scholarship. In 2008, the Linden Ponds community supported 44 student scholars.

The following is a summary of activity in 2008 for these funds:

| | Benevolent Care Fund | Scholars Fund |
|--|-----------------------------|----------------------|
| 2008 Beginning Balance | \$ 199,618.77 | \$ 123,169.74 |
| Funds Raised, 2008 | \$ 142,007.00 | \$ 76,000.00 |
| *Funds Expended, 2008 | \$ 23,843.24 | \$ 42,553.77 |
| 2008 Ending Balance | \$ 317,782.53 | \$ 156,615.97 |
| Resident Participation | 61% | 38% |
| | | |
| | | |
| * No one is currently utilizing BCF support. | | |

In addition to receiving cash contributions, several residents made planned gifts (gifts for the future) to the Benevolent Care Fund. The total amount pledged to the Benevolent Care Fund in 2008 was \$70,000. While residents have yet to choose the Scholars Fund as their charity through planned giving, the Fund is also capable of accepting planned gifts.

In 2008, the National Senior Campuses, Inc. (NSC) Board formalized the creation of a separate Investment Committee of NSC to assist the Linden Ponds Board in closely monitoring the Restricted Funds (charitable funds) collected from each Community's residents. The Investment Committee's chosen objective is for these funds to provide current income and a relatively stable market value (a Fixed-Income portfolio approach). The Restricted Funds portfolio performed extremely well considering the volatile market fluctuations throughout the last three quarters of 2008. The returns earned on the portfolio amounted to **3.63%** (net of fees) for 2008. The portfolio mix at year-end was as follows, and it will continue to be monitored on a monthly, quarterly and annual basis:

| | |
|---------------------|---------------|
| Cash | 60.70% |
| Fixed Income | 39.30% |
| Corporate | 28.20 % |
| US Government | 11.08 % |
| Other | .02 % |

Medical Center

The Medical Center added a third primary care physician in 2008 to accommodate the needs of the community. We currently serve 86% of the residents at Linden Ponds with primary care needs or episodic visits accounting for over 1600 office visits in 2008. In addition, the physicians continued to make rounds at the local hospital making over 500 visits to residents of Linden Ponds who were admitted

to South Shore Hospital. We also continued to care for residents at a local nursing home in 2008 and look forward to extending these services at our own Renaissance Gardens in 2009. We continue to provide mental health counseling and podiatry services and have partnered with local specialists including Audiology, Cardiology, Ophthalmology, and Rheumatology who provide excellent care and services at our community.

Community Outreach

One of the strengths of Linden Ponds is the level of connection and activity that exists beyond our gates, spilling out into the greater Plymouth and Bristol County area. The tremendous gifts and talents of staff and residents are enhanced, the connection with our surrounding area is made stronger, and we create a wonderful synergy with the general community.

Our Executive Assistant represents the community as a member of the Hingham Downtown Association and the Hingham Police Department's Citizen Police Academy; she is also involved in the 375th town celebration planning committee representing Linden Ponds.

The Marketing Department sponsored several culinary programs with local senior centers, including the Norwell Council on Aging and Hanover Seniors Council. Additionally, the department hosted and sponsored several community social gatherings to educate and support the greater community and its interests. This included the Hingham and Weymouth Garden Clubs, the Boston Area Business Network, the Asian Lunar Festival, and Sharon Retired Men's Club. Also, the department reached out, supported, and/or volunteered time at Habitat for Humanity, Father Bill's Pantry, several local church groups, as well as local school sports teams.

The residents of Linden Ponds continue to exemplify a spirit of giving in 2008. Over \$4,000 in donations were made to the Hingham Police Department to purchase a new police dog for the community. A \$6,000 donation was made to The Massachusetts Hospital School making us the largest sponsor of the school. Our Catholic community donated \$1,000 and the community at large donated an abundance of toiletry items to Fr. Bills Place, a homeless shelter in Quincy.

Our Social Work department coordinated an interdepartmental sponsored Family Caregiver Day of education and pampering, which had 55 participants from the greater Hingham community. The Garden Club partnered with the Vinal School of Norwell to teach a 4th grade class about gardening techniques that they could use at the gardens at their school. The Resident Life Staff volunteered their time at a non profit, Cradles to Crayons. Residents and Staff donated three van loads of nonperishable food goods to the Hingham Hull Food Pantry as part of the Turkey Trot Event. Hingham Hull pantry is also a recipient of canned food on a weekly basis from the faith communities.

Renaissance Gardens (RG)

The extended care neighborhood for Linden Ponds prepared to open in early 2009. As of the end of the year, the focus was on completing the construction of the building, preparing for the various steps of licensure approval from the Department of Public Health, recruiting staff and the management team, and implementing our marketing and outreach programs.

Several rounds of presentations were held for residents and families to provide an initial overview of the programs and then more detailed discussions about the specifics of what services will be offered and the costs of those services as compared to the local competition.

We have been very successful in recruiting a very strong team of managers and staff and look forward to a successful opening in 2009 and the opportunity to provide much needed care and services to our residents and families.

Diversity

During 2008, the National Senior Campuses, Inc. Board of Directors chartered a diversity and inclusion committee to work with Erickson Management focusing on a long term strategy promoting a culture of diversity and inclusion. Erickson Management empowered a Diversity and Inclusion Council to develop an enterprise strategy focused on defining an inclusive strategy that leveraged diversity, creating an environment where residents, staff, and management felt 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. While we will not achieve success overnight, we view this strategy as a business imperative given the changes in the American workforce. Success with this strategy will help position Erickson to compete for the best talent and thereby continue to provide top quality services to our residents.

Linden Ponds has been involved in activities to enhance community diversity and inclusion efforts including the following:

- Outreach to area churches.
- Recruitment in community based information networks particularly Hispanic, Cape Verdean and Haitian Communities.
- Hiring special needs young adults through a local school district.
- Advertisement in minority papers for recruitment as well as occupancy.

“Green” Initiatives

The residents, board and management, together, have been good stewards of the community’s natural resources through our business conduct in areas of energy management, community initiatives, design, development and construction. As an enterprise, we are committed to becoming more aware of how we can “go

greener” and we will take action, where we can, to initiate change within the enterprise to reduce our carbon footprint and minimize the effects of global warming. This process will evolve over time.

The purposes for “going green” are to support the reduction of our carbon footprint which equates into the reduction of our overall carbon emissions. This will minimize our impact on global warming. We also want to be good stewards of our resident resources by developing energy efficient communities that require less direct utility cost. This in turn supports our financial/business objectives to provide affordable retirement living and services to our residents.

Linden Ponds has focused on the following in the past year:

- Continuous education of recycling efforts including the plastic bag knitters group via Ch 6-Where’s Wanda commercials and RAC newsletters.
- On campus clothing donation bin.
- Replacement of incandescent bulbs with compact fluorescents as well as CFL bulb exchange.
- Dining area reminders to use recyclable bags for carry out.
- Promotion of paper bags for sale in the Marketplace.
- Purchase and installation of motion sensors in storage areas in certain departments.

Erickson Advantage

The Erickson Advantage (EA) Medicare Advantage plan at Linden Ponds has continued to exceed its annual target and has a current enrollment of approximately 21% of all residents. A new Member Service Representative was hired to fill the position which was vacated by the promotion of the former MSR to Medical Center Practice Administrator. The plan had an outstanding 91% of members who responded as being *Completely or Very Satisfied*, and over 94% who believed that *EA is a health plan that cares about their members*. In 2009, Worldwide Emergency Coverage was added as a benefit.

Resident Accomplishments and Highlights

The Resident Advisory Council (RAC) plays an important role in keeping the focus on what is important to residents through their support, guidance and communication. The RAC held its third election for members and officers for 2008/2009. The following were elected: Barbara Ward (Chair), Marty Saunders (Vice Chair), Judy Goodwin (Secretary), Virginia Bartlett (Resident Life Rep), James Carr (Finance Rep), Bernie Brown (General Services Rep), and Bob Lofgren (Dining Services). We are grateful for the tremendous contributions of outgoing RAC members Mona Gross and Connie Setian.

A partnership and exchange of information between the Dining Services RAC Sub-Committee and the Dining Services Leadership Team on a bi-monthly basis, resulted in a special feature entitled “From Truck to Table” that was included in the Life at Linden Ponds newsletter. This collaboration also included a two-part video, played on LPTV, that educated residents on the steps involved in producing a meal from the time the food product is received, to placing the plate on the table. Residents were impressed and enjoyed learning the process of the complexity and commitment of the Dining Services Department.

Staff Accomplishments and Highlights

Linden Ponds continued to set high standards in the marketplace as a great place to work. In addition to Erickson being honored as Fortune Magazine’s 100 top places to work, Linden Ponds and Brooksby Village joined forces and were selected # 27 in the Boston Globe 100’s top Places to Work and # 7 in the Boston Globe’s top 25 large workplaces.

Staff donated cash and Paid Time Off (PTO) time in the amount of \$5,000 to Eagle’s Trace’s staff, located outside of Houston, Texas, after Hurricane Ike. Linden Ponds employees enthusiastically perform for the residents of Linden Ponds in a holiday concert. Some Residents say this is their favorite event of the season. Linden Ponds employees scored above 94% on the annual resident satisfaction survey on the question, “Staff members are friendly and courteous.”

Linden Ponds Human Resources Department and the RG department leaders collaborated to host two successful job fairs inviting all prospective nursing and other employees to these events. We processed and interviewed over 200 people and successfully opened RG with an amazing staff. Most of the invitations to this job fair went out to “The Futures List,” which was started in 2004, when Linden Ponds first opened its doors. This list included every applicant received for nursing and other RG positions. We kept in touch with this group of prospective employees occasionally to keep them interested. This was a great example of Teamwork.

Erickson Advantage and Medical Center staff collaborated to host several on campus Healthy Topics workshops including talks by a medical center affiliated cardiologist, rheumatologist and diabetic educator

Dining Services worked with the Director of Philanthropy to execute activities during Student Scholars Week that helped raise over \$50,000 for the Student Scholars Fund. We had over 217 student staff working in Dining Services. Linden Ponds has 18 graduating Scholars for the 2008-2009 school year.

The Dining Services department scored in the 94th percentile in their Annual Assessment performed by the Corporate Support Team.

Human Resources and Administration teamed up to develop supervisory skills training courses for new and/or first time supervisors. As part of the roll-out, new in house trainers were brought on line and through their efforts over 90% of the eligible staff were given supervisory skills training.

2009: Looking Forward

Areas of Focus

Dealing with these economic times tests us all in new ways as we work to stay affordable to middle class seniors. We intend to:

- Utilize various initiatives designed to incent and facilitate settlements for new residents to meet settlement goals in the challenged economy.
- Successfully open Renaissance Gardens expanding our campus continuum of care.
- Reduce expenses where possible, while not compromising on superior quality, to strengthen cash management and build cash reserves.
- Position ourselves to reduce costs for utilities on campus.
- Enhance opportunities to improve the ‘greening’ of our campus.
- Facilitate resident led groups and activities on campus and community outreach and volunteerism off campus to keep Linden Ponds a vibrant and engaging community.
- Continue the development of creative programming to augment our continuum of care and remain responsive to emerging resident needs.

Financial Plans

As a developing campus, Linden Pond’s business plan calls for an operating loss of \$1,996,177. The community’s operations are consistent with other communities at the same phase of development.

The economic times and challenges have been cause for a sharp, continued focus on market conditions and our business plan. As a result, we have been careful in holding off on the hiring of some planned staff, corresponding to the somewhat slower pace of new residents moving in, and in tightening of our other expense lines. This has been thoughtfully and deliberately approached in our 2009 plan while focusing on the continued high level of service and programming.

The Board of Directors annually approves the delivery of community services, programs and operations, and adopts a resident fee schedule, through approval of the community business plan or Budget. The Budget is formulated by Management during the fall of each year and approved by the Board on or before December 1 for the ensuing calendar year. Management’s proposed budget to the Board takes into consideration suggestions from the community RAC and

attempts to attain spending levels that meet the Board's standards for community quality of life while maintaining affordability to the residents. In approving each annual Budget the Board seeks to provide a viable annual financial plan that is premised upon sustaining long term financial stability.

Campus Development

Historically Erickson 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, Linden Ponds is holding off on the development of a third neighborhood. As conditions allow, further development is expected to 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 2009. While our goals may evolve during the year based on emerging priorities, some of the goals that are relevant to residents at Linden Ponds are as follows:

- This year our HR Department will offer a host of training classes to staff to enhance their skills in service delivery.
- Linden Ponds will continue the Intermissions Program in the community to provide extra support for residents who would benefit from a more structured day and to provide respite for caregivers.
- To improve resident confidence in evacuation procedures we will schedule evacuation drills in the dining rooms over the course of the year.
- There will be a continued focus on the hot food program to ensure food and beverages are served at the appropriate temperatures.
- We will maintain our focus on repairs and general upkeep of buildings by continuing the own your own building program, increasing accountability for closed work orders, and ensuring work orders for repairs are completed in a timely manner.
- Linden Ponds launched a new Leadership Training Program to offer leadership training to new and first time managers and supervisors. The Executive Director and the Director of Human Resources offered 24 hours of "train the trainer sessions" using principles of adult learning to six employees who were chosen to be trainers. During these sessions, the trainers developed their own 30-40 minute interactive class. The topics include: Managing Teams, Communicating Clearly, Managing Time, Managing Meetings, Delegating Successfully and Motivating People. In addition a Manager's Guide was created to give new and current Managers the tools they require to navigate successfully through the many systems they must learn and tips on how to manage employees from the interview through the entire work experience. This year we will add more trainers and more courses to update our Program.

Your Executive Management Team

Anita L. Holt – Executive Director

Anita L. Holt, (Nina) joined Erickson in 2005 as the Associate Executive Director at Cedar Crest, a sister community in Northern New Jersey and came to Linden Ponds as Executive Director in 2007. Nina has been a senior executive in the older adult housing and service industry since 1985 and worked exclusively for communities offering a continuum of care. Most recently as Vice President of Continuing Care for Presbyterian SeniorCare in Pittsburgh, PA. Nina attended Northeastern University (1978) and Boston University School of Public Health (1981). She is also a licensed nursing home administrator. Nina is a surveyor for CARF, an international accreditation organization for continuing care as well as other health care services. As Executive Director, Nina is responsible for the ongoing planning, development and operation of Linden Ponds.

Gail Simms – Assistant ED/Director of General Services

Gail Simms was promoted to Assistant Executive Director in November 2008 and is still maintaining oversight of General Services. She joined the team at Linden Ponds in January, 2007 as the Director of General Services. In this role, she is responsible for providing quality operations in the areas of Security and Emergency response, Facilities Maintenance, Housekeeping, Transportation, Communications, and Customer Service. Prior to this Gail enjoyed a successful career in the Hospitality Industry as General Manager for various national chains and held regional responsibilities for some New England based hotel owners. Gail was most recently General Manager for the award winning Holiday Inn Hotel-Boston Somerville, MA and had been a Senior Manager with Starwood Hotels at the Boston Park Plaza, Meridien Hotels in Boston and New Orleans, as well as the Parker House in Boston and Ambassador East in Chicago. She brings over twenty five years of management expertise with a strong focus on quality operations and customer service. Gail has a Bachelor of Science (Cum Laude) in Hotel, Restaurant and Travel Administration from University of Massachusetts, Amherst, MA. She currently resides in Swampscott, MA

Benjamin Tyrrell – Director of Renaissance Gardens/Administrator

Ben is a Licensed Nursing Home Administrator who joined the Linden Ponds Team in September 2007 as the Assistant Executive Director. Ben had served as the Assistant Director of Extended Care at Brooksby Village, an Erickson community in Peabody, Massachusetts since 2005. From 1995 to 1999, Ben worked at Erickson corporate, beginning in the finance department and then joining the newly formed corporate health services group. Prior to rejoining Erickson in 2005 he spent 6 years at the University of Chicago Hospitals and Health System. During that time he served as the Assistant Director of Surgical Services, Special Assistant to the President and CEO, and Senior Project Manager in Operations Management. Ben received his M.B.A. from the University of Chicago - Booth School of Business and his B.A. in Government and Economics from Connecticut College, and currently resides in Medford, MA.

Christine Hansen – Director of Marketing

Christine Hansen has been with Linden Ponds since 2004 and has held several positions at Linden Ponds, in both the Human Resources and Marketing Departments. She currently serves as the Director of Marketing. Christine is a graduate of Bentley College, with a degree in Finance. Prior to working at Linden Ponds, she worked at Putnam Investments of Boston for over 16 years in varying capacities ranging from Client Services, Dealer Marketing, Operations, and Shareholder Communications. She served the last eight of those years as an Assistant Vice President in Marketing & Communications. Christine is a Certified Tax Planner.

Meredith Scott – Director of Resident Life

Meredith Scott joined Linden Ponds in 2004 in the role of Social Work Manager. In 2005 she became the Director of Resident Life. She graduated from the University of Massachusetts with a degree in psychology and received her Masters in Social Work from Boston University. Meredith has a Certificate of Aging from Boston University Institute of Geriatric Social Work and is an Assisted Living Facilities Association Certified Assisted Living Administrator. She brings 25 years of experience in community mental health as well as geriatric social work to her position here at Linden Ponds. Prior to joining the Linden Ponds team, Meredith was a manager with Benchmark Assisted Living. Her roles included case management, community outreach, and regional training. She is a past board member of the Plymouth Council on Aging and is currently a member of her church parish council in Plymouth where she resides.

Olga Volfson – Director of Finance

Olga Volfson is an experienced financial professional with a strong background in financial analysis, modeling, research, and due diligence. Olga has been working at Linden Ponds since our opening in 2004. Prior to joining Linden Ponds, she worked at Fleet Securities as an associate in their Emerging Capital Markets section. Olga is a CPA and has an MBA from the Columbia Business School. Prior to going to graduate school, Olga worked as a senior auditor at Ernst & Young.

Tomas Omar Gonzalez – Director of Dining Services

Tomas Omar Gonzalez (Omar) joined Erickson as the Director of Dining Services in May, 2008. He graduated from Johnson and Wales University in 2001, Magna Cum Laude, with a Bachelor of Science degree in Hotel/Restaurant and Institutional Management. As General Manager for Bugaboo Creek Steak House and Manager of the Coach Grill Restaurant for the Back Bay Restaurant Group, Omar has been the recipient of several prestigious Rare Hospitality awards such as “General Manager of the Year (2006) and Inductee Showcase of the Stars (2005) by RARE Hospitality International. Omar’s main responsibility as Director of Dining Services is to provide residents with quality meals, responsive service and meet nutritional requirements, while providing the same level of products and service to other departments, vendors, guests and employees.

Terri Petropoulos – Director of Human Resources

Terri Petropoulos has been with Linden Ponds since 2004 and serves as a first point of contact for all Linden Ponds staff. Terri ensures that all employees at Linden Ponds exhibit the mission of Linden Ponds, “sharing our gifts to create a community that celebrates life”. Prior to joining the Linden Ponds, Terri was employed at North Hill CCRC, where she was the Director of Human Resources since 1996. Terri co-founded a group for CCRC-HR professionals. She also serves as a Board member of the Mass. Healthcare HR Association and is a regional Conference Co-Chair for the American Society of Healthcare HR Association.

Michelle LeBretton – Director of Philanthropy

Michelle joined the Linden Ponds team in January, 2005 as the Assistant Executive Director. Michelle assumed a managers role in General Services and based on prior work experience Michelle was selected as the Director of Philanthropy in 1997. Before joining the Linden Ponds team Michelle worked for Governor Mitt Romney as his campaign Finance Director on his gubernatorial campaign. Michelle has a Masters Degree in Business Management and Bachelor of Science degree from Lesley University in Cambridge, Massachusetts. She currently resides in Hingham.

Dr. Mark Samuelson – Medical Director

Dr. Samuelson joined Linden Ponds in 2006 after spending six years as a Primary Care Physician at Harbor Medical Associates in Scituate, MA. Dr. Samuelson received his Doctorate from Boston University School of Medicine and completed his residency at Tufts University Family Practice. Doctor Samuelson is well known throughout the South Shore. He currently resides in Weymouth.

John Doyle – Health Insurance Resources/ Erickson Advantage Manager

John joined Erickson in November of 2005 at the inauguration of the Erickson Advantage Medicare Advantage Plan as the Erickson Advantage Sales Manager for both Linden Ponds and Brooksby Village. In 2007, the position was changed to reflect the access that each resident has to discuss insurance issues related to Medicare coverage, prescription drug plans, retiree benefits or long term care insurance and is now Health Insurance Resources Manager. John had spent the previous 18 years working in the insurance field primarily dealing with Medicare and Long Term Care Insurance plans. After graduating from the University of Massachusetts with a degree in Health Administration, John spent two years working as a Health Planner for the Merrimack Valley Health Planning Council.

Rhoda Horgan, Executive Assistant: Rhoda joined the Linden Ponds team in 2004 as the Executive Assistant of Administration. Prior to joining Linden Ponds, Rhoda worked for Welch Healthcare & Retirement Group as the Activities Director and Marketing Assistant at the Allerton House in Hingham. As the Executive Assistant, Rhoda is responsible for managing the administration office, community outreach, and several community projects. Rhoda is a member of the Hingham Downtown Association and on the Board of Directors for the Hingham Citizens Police Academy.

Your Resident Advisory Council (RAC)

(elected September 30, 2008)

Barbara Ward, Chair

Ms. Ward taught in the Foreign Language Department of Bridgewater State College for 36 years retiring in 2000. She received her doctorate from Boston College, a master's from Rutgers University and bachelor's from Oberlin College. She and her husband have been residents of Linden Ponds since December, 2004. She was elected to the first Residents Advisory Council and is serving as chair for the second year.

Marty Saunders, Vice Chair

Marty Saunders is an artist, miniaturist and landscape designer. She holds a BS from Washington University. Her three children are grown. She has lived at Linden Ponds since January 2005. Elected to RAC in 2005, where her responsibilities are Health and Safety, voter registration and landscaping. Marty teaches the sculpture class, is the designer for the Linden Ponds Traffic Islands, co-chair of the UU Fellowship, and the co-chair of the Blue Bird Trail. She leads a monthly history bus tour of the town of Hingham. Marty is very active in the town of Hingham where she is the Old Ship Church historian and has chaired the building committee for many years. Marty is also a commissioner of the Hingham Historic Districts Commission.

Judy Goodwin, Secretary

Judy Goodwin taught elementary school for 35 years. She taught adult computer and arts education courses and worked as a student teacher supervisor. She earned her master's degree in Educational Psychology from Michigan State University and has continued her pursuit of higher education throughout her life. After retirement she enrolled in the Internet Technologies Program at Northeastern Univ. and earned WebMaster certification. Presently she designs and maintains 10 web sites, gratis, for non-profit organizations. Judy was the founding leader of LPTV-6 and continues to share her gifts at the Linden Ponds television station as well as teaching computer skills and art classes for Linden Ponds residents. She and her husband, Bernie, have been Linden Ponds residents since November, 2004.

Virginia Bartlett

Virginia Bartlett received a BA and MA from Ohio Wesleyan University. Her career as a television writer and producer in both commercial and public television spanned over 50 years in Providence, Pittsburgh and Boston. She produced and directed films for UNICEF in Asia and South America. She has written two books on women's history and culinary history, the latter an interest growing out of her work as a restaurant reviewer and radio commentator on culinary subjects. She has lived at Linden Ponds since 2005.

James B. Carr

A graduate of Clarkson College and RPI in Chemical Engineering, Mr. Carr spent most of his career in nuclear reactor design for GE, in both naval and commercial applications, retiring after 33 years as an Engineer Manager. He moved to the

Adirondacks where he became fully involved in leadership positions in a number of community organizations, including Trustee of the newly-created Natural History Museum of the Adirondacks since its inception. He was honored as Citizen of the Year by the Tupper Lake, NY Chamber of Commerce for his 15 years of service to that community. He and his wife, Charlotte, moved to Linden Ponds in 2006. Mr. Carr was elected to the Resident Advisory Council in 2007.

Bernie Brown

Mr. Brown started his Industrial Engineering career at Worthington and then worked at AT&T manufacturing operations (Western Electric, AT&T Technologies & Lucent Technologies) for 27 years. He retired as Corporate Functional Planner (Senior Industrial Engineer) for the 23 AT&T Factories with 250,000 employees, leading the engineering changeover to “Just in Time manufacturing”. Mr. Brown received a BSIE and a MBA from Fairleigh Dickinson University. He moved from New Jersey to Linden Ponds in the fall of 2005 to be near family. He was elected to the Resident Advisory Council in 2006.

Bob Lofgren

With an education from Harvard College and Boston University School of Medicine, Bob spent time in both Texas and New Hampshire as a flight surgeon. He formed a partnership as an ear, nose and throat surgeon and worked with Massachusetts Eye and Ear Infirmary, Massachusetts General and Newton Wellesley Hospitals. His career spanned over 50 years and included over 30 years serving as Assistant Clinical Professor at Harvard Medical School, Chairman of Blue Cross Shield’s Medical Advisory Committee and Chairman of Massachusetts Eye and Ear Infirmary’s Bylaw Committee. With an interest in piping, he managed the Sutherland Pip Band and served as Assistant Chief Steward for the New Hampshire Highland Games for almost 30 years. He moved to Linden Ponds in 2004, was elected to the Resident Advisory Council in 2008 after full retirement in July of that year and serves as the liaison to the Dining Services Committee.

We would like to thank Mona Gross and Connie Setian for their service on the Resident Advisory Council as they step off the Council.

Organization and Governance

Organization

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

The Linden Ponds Board is responsible for oversight of the development, financing and operations of the Community. The Board has retained Erickson to provide management services for 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.

Linden Ponds is one of 21 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 Linden Ponds) 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. NSC also facilitates growth of the system by sponsoring new communities in areas of the country where it is needed.

The Board of NSC currently consists of eleven 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 influence over the policies and activities of NSC.

For more information about the organization and governance of Linden Ponds and NSC please go to www.NationalSeniorCampuses.org.

Board of Directors

All corporate authority resides in the Linden Ponds 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 Retirement Communities is responsible for the day-to-day management of Linden Ponds pursuant to a Management and Marketing Agreement between Linden Ponds and Erickson Retirement Communities. 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 is comprised of a maximum of 11 and a minimum of 6 people. At least one of the directors of Linden Ponds must be a member of the Board of Directors of NSC and is appointed by NSC to a one-year term. At least one of the other members of the Board of Directors must be a resident of Linden Ponds.

Linden Pond'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 Linden Pond's 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 of Linden Ponds
- Form 1023 – Application for Recognition of Exemption
- IRS 990, Return Of Organization Exempt From Income Tax (most recent year)
- IRS Certificate of Approval of 501(c)(3)
- Management and Marketing Agreement
- Official Statement of Bond Issue (as applicable)
- Audit Committee Charter
- Finance & Acquisitions 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 Statement

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.

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 comprised of Board members and is governed by a Committee Charter that was approved by the Board of Directors.

Community Operations Committee

The Community Operations Committee ("COC") serves as the local governance connection that interfaces with the community residents and management staff. The COC may exercise most of the powers and authority of the Board of Directors in the management of the operations of Linden Ponds. During 2008, the COC formally met on a quarterly basis with additional informal meetings as necessary. Among the actions taken by the COC during 2008 were:

- Approval of the Budget for 2009. (The 2008 Budget was approved in 2007.)
- Meetings with the Residents Advisory Council to receive their input on the effectiveness of Community operations and priorities.
- Formal evaluation of the performance of Erickson Retirement Communities as a manager of Linden Ponds.
- Review of the annual goals proposed by Erickson Retirement Communities for the operations of Linden Ponds
- 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 Linden Ponds.
- Meeting with residents to discuss 2009 budget and fee increases.
- Numerous meetings with the Executive Director and management staff to review operating, compliance and financial reports.
- Linden Ponds Board and NSC Board member support of the Benevolent Care Fund and gala.

Linden Ponds requires Erickson Retirement Communities to adhere to a Code of Business Conduct, a Compliance Plan and a Whistleblower Policy. The Community Operations Committee regularly receives reports from Erickson Retirement Communities on the continued adherence to these policies

Finance & Acquisitions Committee

The Charter of the Finance & Acquisitions (F&A) Committee authorizes the Committee to develop financing strategies for the Community during the development stages and conduct due diligence on proposed financing transactions.

During the period of development and construction at Linden Ponds, the F&A Committee has monitored the progress of the development in comparison to the original development projections.

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 the year 2008, the Audit Committee fulfilled its duties and responsibilities generally as outlined in the charter as follows:

- Met with the independent auditors and representatives of the Management Company and
 - Reviewed the draft audited financial statements and the draft auditor's report.
 - Reviewed the auditor's report on internal controls as well as the Management Company's response and planned corrective actions
 - Reviewed the auditor's report on matters relating to their audit that are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees." This review included a discussion with the Management Company and the independent auditor of the quality (not merely the acceptability) of our accounting principles, the reasonableness of significant estimates and judgments, and the disclosures in our financial statements, including the disclosures relating to critical accounting policies.
- Met in Executive Session with representatives of the independent audit firm
- Reviewed and approved the audit firm's Letter of Arrangement for the audit engagement
- Confirmed the independence of the audit firm in compliance with American Institute of Certified Public Accountants independence standards.
- Confirmed with the Management Company and the independent audit firm that the independent audit firm provides no services for the Management Company.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be accepted for distribution to residents, creditors and others as appropriate pending finalization of the auditor's report and final release of the financial statements.

Investment Committee

The purpose of the Investment Committee is to assist the Linden Ponds Board of Directors to fulfill their 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 to the Linden Ponds Board 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. 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 2008, Linden Ponds paid a total of \$80,960 in compensation to the members of the Boards of Directors of Linden Ponds and National Senior Campuses, Inc.

Directors' Compensation for both Linden Ponds and NSC was determined by the Boards of Directors of Linden Ponds and NSC. In determining the amounts of compensation, the Boards considered the time and expertise requirements of directors; fees paid to directors of comparable companies, both for-profit and not-for-profit and the findings of an independent compensation consultant retained to review the reasonableness of directors' compensation.

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 Board of Directors

Mary Helen Lorenz - Chair

Ms. Lorenz is a city planner who has worked in community development and management, and has chaired school, town, and church boards including the Lincoln Housing Commission and First Parish, in her town of Lincoln, Massachusetts. Ms. Lorenz has worked for the W.K. Kellogg Foundation, Stubbins Associates, Inc., and Skidmore Owings and Merrill, Inc. She holds master's degrees in city planning from the University of Pennsylvania and in management of human services from Brandeis University. She obtained her bachelor's degree in United States studies from Wellesley College. Ms. Lorenz also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

Jim Anders

Mr. Anders is the Administrator and Chief Operating Officer for the Kennedy Krieger Institute, Inc. and all subsidiary corporations. Kennedy Krieger Institute is an internationally recognized academic, research, healthcare and educational facility dedicated to serving children and young adults with developmental disabilities and spinal cord injuries. He is responsible for the overall strategic, operational, and financial management of Kennedy Krieger. In addition he is Chairman of Chesapeake Rehab Equipment, Inc., a Mid-Atlantic rehab company. He has an MBA from the University of Baltimore and is also a CPA. Mr. Anders

also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

Harold Ashby

Mr. Ashby retired in 2001 from PricewaterhouseCoopers, where he served as Managing Partner of the firm's Baltimore Office. He was also, at various times, Partner in Charge of regional or national industry programs for financial services, middle market companies, and state and local government. Mr. Ashby's volunteer activities include Chairman of the Central Maryland YMCA, Board of Directors of the Maryland Association of CPAs, Board of Advisors of the Loyola College Executive MBA Program, and Greater Baltimore Committee Task Forces on Crime and Regionalization. Mr. Ashby also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

Wayne J. Craig

Mr. Craig recently accepted the position of Chief Financial officer for Essex Group Management Corp., an organization that provides services to elder patients in Massachusetts after having previously worked as VP of Finance for Harborside Healthcare Corporation. Mr. Craig worked for Advantage Health Corporation where he began his career as a staff accountant and ascended to Vice President of Finance. Mr. Craig has consistently been involved in all strategic financial endeavors throughout his career and directed an accounting staff in excess of 30 people for Advantage Health. Mr. Craig has a Bachelor of Science in Business Administration and Accounting from Salem State College.

Carolyn Markey

Ms. Markey was president and CEO of the Visiting Nurse Associations of America (VNAA) from 1997-June 2007. During her tenure, she led the 400 visiting nurse agencies throughout the country in the areas of advocacy, national image, clinical education and regulatory compliance. Ms Markey has 30 years experience in home health and community care in both for profit and not for profit organizations. Prior to VNAA, she was the CEO of Special Care Home Health Services, a \$100 million division of Advantage Health. She served on the board of Myomo, Inc. for two years and was a member of Leadership 18 and National Healthcare Coalition in Washington, DC. She is a registered nurse and graduate of North Shore Community College.

Willow Pasley

Ms. Pasley is a finance and management professional with 20 years of experience in the banking industry. During her tenure with Citizens Bank and BayBank, she specialized in lending to healthcare and not-for-profit organizations, including continuing care retirement communities. She earned a BA from Hartwick College and an MBA from Simmons College. Ms. Pasley also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

Annette Sexton

Annette Sexton is a retired Town Administrator from the Town of Norwell, MA., a position she held for 17 years. After retirement, she was appointed to the Norwell Advisory/Finance Board for three years, serving as Chairman for two. She and her husband moved to Linden Ponds in March 2005. Her activities at Linden Ponds include being a member of the LPTV-6 Crew and a member of RAC's General Services Committee. During the spring of 2007, she served as Moderator for Linden Ponds First Constitutional Convention.

Larry Shubnell

Mr. Shubnell retired from Legg Mason, a Baltimore based financial services firm, at the end of 2001 having served as senior managing director for public finance investment banking. Prior to joining Legg Mason he was a public finance officer at each the local, state, and federal levels of government. He also served as an independent financial advisor to companies and public authorities in matters of debt management. He graduated from the University of Notre Dame and George Washington University and holds an MBA degree and a CPA certificate. He has served on the boards of several for-profit and not-for-profit organizations including the United Way and the Historic Annapolis Foundation. Mr. Shubnell also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

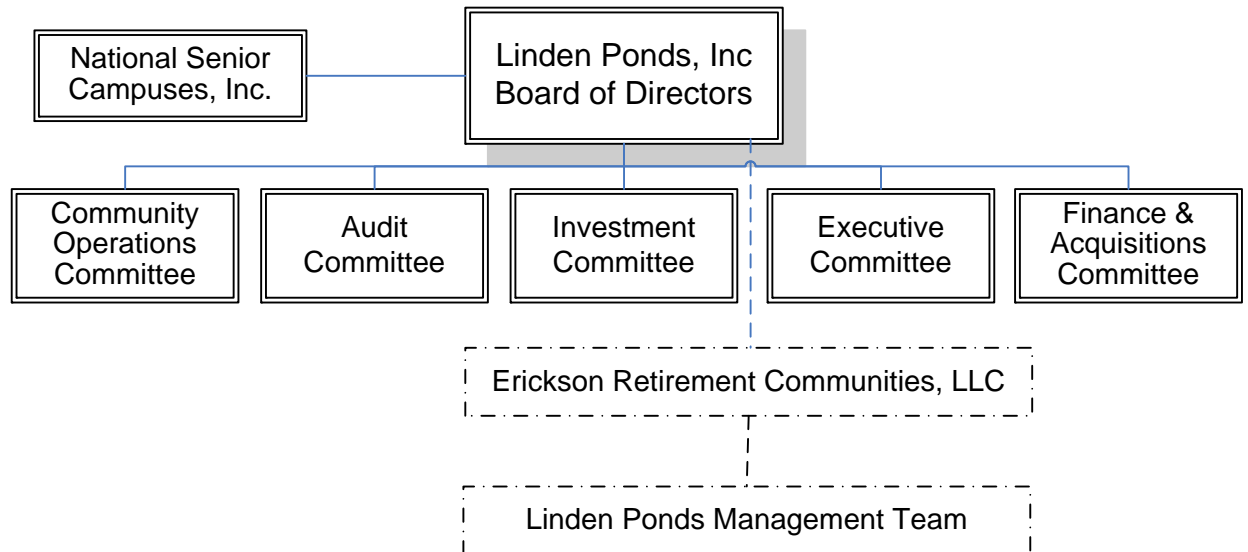
Meryle Twersky

Ms. Twersky is a business executive/attorney with more than twenty years of extensive healthcare industry experience. She served as Vice President of Episcopal Hospital, a major teaching hospital in Philadelphia, PA; as a VP/Counsel for a Philadelphia-based Pharmaceutical Company and as a Senior Consultant to diverse non-profit organizations. Ms. Twersky received her law degree, MBA & bachelor's degrees from Temple University. She is a member of the New Jersey Bar and Pennsylvania Bar. Her community volunteer activities include membership on her local township Zoning Board and as a board member of Settlement Music School, Jenkintown, PA. Ms. Twersky also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

Ron Walker

Mr. Walker served as President of Lyon, Conklin & Company in Baltimore until his retirement in 1993. Prior to that position, he was Treasurer and Controller of C.C. Dickson Company in Charlotte, North Carolina. Both companies were involved in HVAC equipment distribution. Mr. Walker started his professional career as a CPA with the accounting firm of Coopers & Lybrand in Charlotte after graduating from the University of North Carolina at Chapel Hill. Mr. Walker is chairman of the board of directors of National Senior Campuses, Inc. and also serves on the boards of other organizations supported by National Senior Campuses, Inc.

Linden Ponds, Inc. Organizational Chart



LEGEND:

_____ = governance relationship (by charter or bylaws)

----- = contractual relationship

Linden Ponds, Inc. Committees

Community Operations Committee:

- Mary Helen Lorenz
- Willow Pasley
- Ron Walker
- Wayne Craig
- Carolyn Markey
- Annette Sexton

Executive Committee

- Mary Helen Lorenz
- Ron Walker
- Harold Ashby
- Jim Anders

Finance and Acquisitions Committee

- Jim Anders
- Harold Ashby
- Fred Haas
- Willow Pasley
- Larry Shubnell
- Meryle Twersky

Audit Committee

- Willow Pasley
- Wayne Craig
- Annette Sexton

Investment Committee

- Jim Anders
- Willow Pasley
- Larry Shubnell
- Fred Haas
- Jim Hayes

Linden Ponds
Statement of Operations
For the Year 2008*

| | 2007 | 2008 | 2008 |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| | YearTotal | YearTotal | YearTotal |
| | <u>Actual</u> | <u>Actual</u> | <u>Budget</u> |
| Operating Revenue | | | |
| Resident Monthly Fees | 14,366,426 | 18,419,328 | 19,253,045 |
| Departmental Revenues | 2,623,407 | 3,228,666 | 3,199,026 |
| Total Operating Revenue | <u>16,989,833</u> | <u>21,647,994</u> | <u>22,452,071</u> |
| Operating Expense | | | |
| Wages | 6,926,161 | 8,450,826 | 9,007,943 |
| Employee Benefits / Other EE | 1,890,508 | 1,939,711 | 2,225,692 |
| Contract Labor Expense | 1,787,329 | 1,766,142 | 2,058,743 |
| Supplies Expense | 2,259,285 | 2,597,681 | 2,729,262 |
| Repairs and Maintenance Expense | 297,148 | 390,504 | 347,248 |
| Professional Fee Expense | 88,812 | 85,105 | 85,000 |
| Purchased Services Expense | 1,842,972 | 2,569,330 | 2,298,486 |
| Insurance | 283,114 | 418,521 | 424,116 |
| Utilities | 2,154,273 | 2,558,252 | 2,765,600 |
| Real Estate Tax | 978,819 | 1,770,213 | 1,437,756 |
| Management Fees | 718,321 | 920,962 | 962,874 |
| Marketing Costs | 10 | 273 | 0 |
| Other Expense | 269,334 | 681,396 | 1,021,623 |
| Total Operating Expense | <u>19,496,088</u> | <u>24,148,915</u> | <u>25,364,341</u> |
| Operating Income | <u>(2,506,255)</u> | <u>(2,500,921)</u> | <u>(2,912,270)</u> |
| Non-Operating Income** | <u>(3,594)</u> | <u>(5,448,585)</u> | <u>1,751,696</u> |
| Net Income | <u>(2,509,848)</u> | <u>(7,949,506)</u> | <u>(1,160,574)</u> |

* Audited Financial Statements Available in Executive Director's Office Upon Request

* Non-Operating Income Includes - Investment Income, Unrealized Gains and Losses, Net Rent, Interest Expense, Letter of Credit Fees, Amortization Expense, and Depreciation Expense.