

**NOTICE TO THE NEW HAMPSHIRE DIRECTOR OF CHARITABLE TRUSTS
PURSUANT TO NEW HAMPSHIRE RSA 7:19-b**

Re: The RiverWoods Company, at Exeter, New Hampshire

This Notice and its appendices (the “*Notice*”) are submitted to the New Hampshire Attorney General, Director of Charitable Trusts (the “*Charitable Trusts Director*”) pursuant to New Hampshire RSA 7:19-b (the “*Change of Control Statute*”) by **The RiverWoods Company, at Exeter, New Hampshire**, a New Hampshire voluntary corporation (“*RiverWoods Exeter*”).

I. BACKGROUND

This Notice is being submitted in connection with the corporate reorganization described in Section II below (the “*Reorganization*”). The following is provided as context to the Reorganization and this Notice.

A. RIVERWOODS EXETER

RiverWoods Exeter (originally named “Life Care Services of New Hampshire, Inc.”) was formed in 1983 as a New Hampshire voluntary corporation. It is exempt from federal income taxation as a charitable organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Internal Revenue Code*”) and as a senior living services provider described in Revenue Ruling 72-124. The New Hampshire Insurance Department issued to RiverWoods Exeter a certificate of authority to operate a continuing care retirement community (“*CCRC*”) under New Hampshire RSA 420-D, and RiverWoods Exeter is licensed by the New Hampshire Department of Health and Human Services as a nursing and supported residential care facility. RiverWoods Exeter is accredited by the national Commission on Accreditation of Rehabilitation Facilities (CARF). The current Articles of Agreement and Bylaws of RiverWoods Exeter are attached as Appendix A and Appendix B, respectively.

RiverWoods Exeter resulted from the combined efforts of citizens who sought to address the social, health and housing needs of seniors seeking peace of mind by establishing a continuing care retirement community in the seacoast region of the state of New Hampshire. The RiverWoods Exeter facility consists of three neighborhood campuses located in Exeter, New Hampshire. The original 85-acre “Woods” campus opened in 1994 and consists of 199 independent living apartments and a 59-bed health

care center. In 2004 RiverWoods Exeter opened its second campus, the 111-acre “Ridge,” consisting of 92 independent living apartments and cottage homes, and a 49-bed health care center. RiverWoods Exeter opened its third campus, the 60-acre “Boulders,” in 2010 and it consists of 100 independent living apartments and cottage homes, and a 40-bed health center. The RiverWoods Exeter health centers offer both assisted living (supported residential care) and skilled nursing care services. As of February 29, 2020 the combined independent living occupancy of RiverWoods Exeter’s three campuses is approximately 95%. The most recent audited financial statements of RiverWoods Exeter (on a consolidated basis with its affiliates) and its Form 990 for the year ending June 30, 2019 are attached as Appendix C-1 and Appendix C-2, respectively.

B. FORMATION OF SENIOR LIVING SERVICES DELIVERY SYSTEM - THE RIVERWOODS GROUP

Following the opening of the Boulders campus in 2010, the RiverWoods Exeter trustees assessed the strategic needs and plans of the organization. Faced with limited opportunity to expand its Exeter campus further, changing demographics and shifting desires of a burgeoning senior population, and increased competition from for-profit providers, the RiverWoods Exeter board of trustees concluded that it needed to diversify its portfolio of geographic locations and senior services to remain viable and to further the organization’s charitable mission. The RiverWoods Exeter board of trustees, with the advice of consultants and legal counsel, also determined that the formation of a network of integrated nonprofit senior living service providers across the continuum of care (the “System”) would be the most effective structure for diversifying its services while protecting its existing charitable assets.

At the direction of the RiverWoods Exeter board, five RiverWoods Exeter trustees formed The RiverWoods Group (“TRWG”), a New Hampshire voluntary corporation, in 2011. The Articles of Agreement of TRWG limit its corporate purposes to supporting and furthering the charitable purposes and activities of RiverWoods Exeter and future organizations that participate in the System (collectively the “Participant Organizations”). As the coordinator of the System, TRWG is directed and empowered to: (i) provide centralized management, administrative and similar functions to Participant Organizations; (ii) develop a System-wide strategic plan, and evaluate and implement opportunities to expand the System; and (iii) develop methodologies for the effective and efficient delivery of quality senior living services. TRWG received a determination that it is exempt from federal income tax as a charitable organization under Section 501(c)(3),

and a supporting organization under Section 509(a)(3), of the Internal Revenue Code. To maintain its tax-exempt status, a majority of the TRWG board of trustees must be nominated by the Participant Organizations. At the time of TRWG's formation all of its trustees were nominated by RiverWoods Exeter, and until the System was established TRWG and RiverWoods Exeter enjoyed mirror boards. Therefore, the Charitable Trusts Director concluded that the formation of TRWG did not constitute a change of control under the Change of Control Statute. See Appendix D. A copy of the current TRWG Articles of Agreement and Bylaws is attached as Appendix E and Appendix F, respectively.

To integrate the System, TRWG serves as the sole corporate member of RiverWoods Exeter and each other Participant Organization. The bylaws of each Participant Organization reserve to TRWG the right and power to approve major decisions of the Participant Organization's governing board, to reallocate "Available Assets," and to appoint, evaluate, compensate and terminate the Executive Director of the Participant Organization. TRWG has appointed a chief executive officer and chief financial officer to provide senior executive services to the Participant Organizations. TRWG has entered into a Memorandum of Understanding with each Participant Organization to define when assets become "Available Assets" and subject to reallocation for System support and purposes, to describe the management services to be provided by TRWG and the fee to be paid by the System Participant for such services, and the Executive Director oversight process.

Following TRWG's formation, the RiverWoods Exeter board of trustees also served as the initial TRWG board of trustees. Once Birch Hill Terrace joined the System, as described below, the RiverWoods Exeter board of trustees nominated new trustees to serve on the TRWG board. The TRWG board is smaller than the Participant Organization boards, and its trustees have skills which are aligned with TRWG's purpose of coordinating the System and evaluating new opportunities and developing System-wide strategies. Currently, the RiverWoods Exeter board of trustees has the right to nominate a majority of the TRWG board.

C. GROWTH AND OPERATION OF THE SYSTEM

1. Birch Hill Terrace. In 2016, Hillcrest Manor, Inc. ("HMI") became a Participant Organization in the System. HMI was the parent organization of Birch Hill Terrace, a CCRC in Manchester, New Hampshire ("Birch Hill") and Pearl Manor, a legacy

nonprofit corporation which previously operated the “Women’s Aid Home” in Manchester and now holds a restricted endowment fund for the support of Birch Hill’s operations. HMI filed a Notice under the Change of Control Statute, a copy of which is attached as Appendix G. Upon receipt of a no action letter from the Director, TRWG became the sole corporate member of HMI with reserved powers. In June, 2017, HCI was merged into Birch Hill, which is the surviving entity (for convenience, the use of the term “Birch Hill” in the remainder of this Notice will be deemed to include reference to HMI for any pre-merger period).

In connection with the 2016 affiliation, TRWG established an integration plan for Birch Hill. The plan had three major components: (1) the refinancing of Birch Hill’s debt at lower interest rates; (2) the investment of the financing proceeds/savings in deferred maintenance and capital improvements of the Birch Hill facility; and (3) enhanced marketing efforts to increase occupancy rates. In 2016, with equity support from TRWG, Birch Hill refinanced its long-term tax-exempt debt, changing its cost of capital from 7.5% to approximately 2.4%. This savings allowed Birch Hill to invest approximately \$14 Million in maintenance and improvements of the Birch Hill facility over the last three and one-half years. Finally, with the support of TRWG’s marketing staff and expertise and the promotion of its affiliation with the System, Birch Hill improved its occupancy rates from 104 units in June, 2016 to 117 units and 85% occupancy in February, 2020.

2. RiverWoods Durham. Recognizing that demand for CCRC living in New Hampshire’s seacoast region continually exceeded the available capacity of RiverWoods Exeter, TRWG initiated the formation of RiverWoods Durham (“RWD”) in March, 2017. RWD is a New Hampshire voluntary organization and exempt from federal income taxes as a senior living services provider and a charitable organization described under Section 501(c)(3) of the Internal Revenue Code. RWD received a certificate of authority from the New Hampshire Insurance Department in July, 2017 to own and operate a CCRC facility.

The RWD CCRC facility is located on 12 acres in Durham, New Hampshire and will consist of 150 independent living units, 48 assisted living units (24 of which are memory care suites), and 24 nursing units. RWD funded the construction of its facility with the proceeds of tax-exempt bonds issued in 2018 and supported by a guaranty from TRWG and a subordinated loan from RiverWoods Exeter. RWD opened ahead of schedule in November, 2019 and its health center is expected to be completed by May,

2020. As of March, 2020, RWD is 95% occupied and it has retired all of its short-term bonds.

TRWG is the sole corporate member of RWD and has reserved powers similar to those it retains over the other Participant Organizations. During its development phase, RWD had a mirror board of trustees with the board of TRWG. Now that it is operational, RWD seeks to establish an operational board pursuant to the Reorganization.

D. IMPERATIVES FOR THE REORGANIZATION

Among the goals of the System are the establishment and dissemination of best practices, an integrated approach to identifying and meeting the shifting needs and desires of the state's burgeoning senior population, and innovation and efficiency in the delivery of senior services. The impending opening of its third CCRC community and the need to establish an operating board of trustees motivated TRWG to assess the System's governance structure. In August 2018 it appointed a task force of trustees from each of RiverWoods Exeter, Birch Hill, and TRWG (the "*Task Force*") to review the existing governance structure of the System's CCRCs and propose any desired changes.

Following its review, the Task Force determined that having an independent and separate board for each of the System's three CCRCs encouraged siloed thinking, created a barrier to the identification and dissemination of best practices, and hindered the coordination and integration needed for an effective System. The Task Force also noted that having three independent boards was cumbersome, did not allow for nimble decision-making in a rapidly changing and complex environment, and diluted the talent pool for skillful and experienced board members, all of whom are volunteers. Lastly, the Task Force acknowledged that training and interacting with three separate boards was inefficient, and gave management personnel less time for operational matters and the TRWG board less time to consider strategic opportunities and needs.

As a result of this assessment, the Task Force proposed that a single, unitary board of trustees govern each of RiverWoods Exeter, Birch Hill and RWD, and any future Participant Organization operating a stable CCRC. See Plan of Reorganization, Section 2.

II. SUMMARY OF THE TRANSACTION

Attached as Appendix H is the Plan of Reorganization of RiverWoods Exeter, Birch Hill and RWD (the “*Plan of Reorganization*”), to become effective as of January 1, 2021 (the “*Reorganization Date*”). The parties to the Plan of Reorganization are RiverWoods Exeter, Birch Hill and RWD. As described in Section C below, the Plan of Reorganization results in a change in the manner in which the TRWG board of trustees is nominated, and thus constitutes a change of control of RiverWoods Exeter as defined under the Change of Control Statute. The material terms of the Plan of Reorganization are summarized below.

A. UNITARY BOARD OF TRUSTEES

1. Single Board: Roles and Committees. The Plan of Reorganization establishes a single board of trustees (the “*CCRC Board*”) to govern RiverWoods Exeter, Birch Hill, RWD and any future Participant Organization operating a stable CCRC as of the Reorganization Date (collectively the “*System CCRC Participants*”). The CCRC Board will be responsible for overseeing the operations of each organization to meet the needs of its residents and of seniors in the communities served by each organization, consistent with the System strategic plan and subject to the powers reserved to TRWG. The CCRC Board will have the following standing committees: Governance; Finance; Investment; and Executive. The Audit Committee of the TRWG board of trustees will include members of the CCRC Board. *See* Plan of Reorganization, Section 3.

2. Composition of CCRC Board. The CCRC Board will consist of between five (5) and twenty (20) trustees, as determined by the CCRC Board from time to time, and will be composed of the following: (i) the TRWG Chief Executive Officer will serve *ex officio*, with full voting rights; (ii) there will be four (4) trustees who are residents of System CCRC Participants (the “*Resident Trustees*”), with two (2) being nominated by RiverWoods Exeter; (iii) an “at large” trustee elected by the CCRC Board and who may be either a CCRC resident or an external community representative; and (iv) the remainder will be individuals with a balance of desired skills and perspectives elected by the CCRC Board.

3. CCRC Board Nomination and Election Process.

(a) *Initial CCRC Board.* The initial CCRC Board will be composed of those trustees currently serving on the RiverWoods Exeter and Birch Hill boards of trustees and whose term does not expire before the Reorganization Date. Prior to the Reorganization Date, each of the Birch Hill and RWD boards of trustees will nominate one resident from their respective community to serve as a trustee on the initial CCRC Board. The initial CCRC Board members will serve the terms described in Appendix E of the Plan of Reorganization, which terms have been staggered to allow for the smooth transition of CCRC Board members in the future. Some positions will end entirely so that the CCRC Board returns to a manageable size after the transition is complete. See Plan of Reorganization, Section 4(d) and Appendix E.

(b) *Subsequent Process.* As the initial terms of the CCRC Board expire (and if the seats do not expire as well), then the non-Resident Trustee positions will be filled by individuals identified by the CCRC Board Governance Committee and elected by the CCRC Board. The Governance Committee will be responsible for identifying the skills and characteristics appropriate for the effective functioning of the CCRC Board in light of its responsibilities, as well as the particular skills and characteristics needed by the CCRC Board at the time of each trustee election. See Plan of Reorganization, Governance Committee Charter, Appendix F-1. The Governance Committee will follow best practices and seek a diversity of skills, perspectives and experiences on the CCRC Board, including perspectives on issues that may be unique to the geographic location of any particular System CCRC Participant.

The Resident Trustees will be nominated and elected as described in the bylaws of each System CCRC Participant. See, e.g., RiverWoods Exeter Bylaws, Article IV, Section 6 at Appendix C-1 of the Plan of Reorganization. If one of the two Resident Trustee positions held by a RiverWoods Exeter resident becomes vacant, then the CCRC Board Governance Committee will ask the RiverWoods Exeter Resident Council to nominate one or more RiverWoods Exeter residents as trustee candidates. If a Resident Trustee position held by a resident of a System CCRC Participant other than RiverWoods Exeter becomes vacant, then the Governance Committee will ask the Resident Council of each System CCRC Participant Organization other than RiverWoods Exeter to nominate one or more of its residents as trustee candidates. The CCRC Board Governance Committee then will select a nominee for election by the CCRC Board as a Resident Trustee.

4. Continued Corporate Identities; No Transfer of Assets; Donor-Restrictions Unaffected. Following the Reorganization, each of RiverWoods Exeter, Birch Hill and RWD will retain their separate legal identities and sole responsibility for their respective liabilities. No assets will be transferred in connection with the Reorganization, no monetary consideration is being paid, donor-restricted funds will remain with the recipient organization without a change in use, and the “Available Assets” formula for each System CCRC Participant, as set forth in its Memorandum of Understanding with TRWG, remains intact. *See* Plan of Reorganization, Section 6. A current accounting of the donor-restricted funds held by RiverWoods Exeter is attached as Appendix I.

5. Conditions to Reorganization. Each of the boards of trustees of RiverWoods Exeter, Birch Hill, RWD and TRWG has approved the Plan of Reorganization. *See* the minutes attached as Appendices J, K, L and M, respectively. The Reorganization requires the prior approval of the Charitable Trusts Director under the Change of Control Statute, and the prior approval of the New Hampshire Insurance Commissioner pursuant to New Hampshire RSA 420-D:13.

6. Implementation of Reorganization. Following receipt of the necessary regulatory approvals and on the Reorganization Date, each of RiverWoods Exeter, Birch Hill, RWD and TRWG will amend their governance documents to establish the CCRC Board and amend any reference thereto in accordance with the documents attached to the Plan of Reorganization as Appendices B-1 through C-4. Immediately following the Reorganization Date, the CCRC Board will: (i) adopt the Conflict of Interest Guidelines attached to the Plan of Reorganization as Appendix A and the committee charters and procedures attached to the Plan of Reorganization as Appendices F-1 through H; and (ii) enter into the restated Memorandum of Understanding between each System CCRC Participant and TRWG.

B. FIDUCIARY PROTECTIONS

The Reorganization does not diminish the fiduciary obligations owed to RiverWoods Exeter and the other parties to the Reorganization; instead, it places those obligations in a single, unitary board of trustees – the CCRC Board. To ensure that those fiduciary obligations are honored, the Plan of Reorganization establishes the following requirements and protections.

The Plan of Reorganization, the amended governance documents of RiverWoods Exeter and the other System CCRC Participants, and the CCRC Board Conflict of Interest Guidelines expressly state that the CCRC Board will have independent fiduciary roles and duties to each of the System CCRC Participants it governs. *See* Plan of Reorganization, Section 3 and Appendix A. *See also, e.g.,* RiverWoods Exeter Bylaws, Article IV, Section 1 attached as Appendix C-1 to the Plan of Reorganization. The Plan of Reorganization then requires the CCRC Board, immediately following the Reorganization Date, to adopt the meeting format guidelines and conflict of interest guidelines attached to the Plan as Appendices G and A, respectively.

The CCRC Board Meeting Format Guidelines will be a formal policy of the CCRC Board. For the first year of the unitary board's existence, it will meet every other month before returning to quarterly meetings beginning in 2022. The Guidelines establish a standard agenda for the CCRC Board meetings which will include reports from the Executive Director and Resident Council of each CCRC community, and opportunities to address any unique decisions or issues facing a particular community. The Meeting Format Guidelines direct the CCRC Board to the Conflict of Interest Guidelines if and when it is faced with a decision that could affect one System CCRC Participant differently from others in the System.

The CCRC Board Conflict of Interest Guidelines expressly state that the CCRC Board owes independent fiduciary obligations to each System CCRC Participant. The Guidelines then require the CCRC Board to address System matters separately from matters specific to one or more System CCRC Participants, and any matter specific to a System CCRC Participant separately from matters pertaining to the other System CCRC Participants. With respect to financial matters, the CCRC Board must apply the individualized Financial Philosophy adopted by each System CCRC Participant and any loans must be made between TRWG and System CCRC Participants, and not directly between System CCRC Participants. *See* Plan of Reorganization, Section 3 and Appendix A (Section II(B)). The Guidelines then set forth a series of detailed steps to be followed by the CCRC Board in making a decision that could benefit one or more System CCRC Participants to the potential detriment of another System CCRC Participant. *See* Plan of Reorganization, Appendix A (Section III).

C. CHANGE OF CONTROL IMPLICATIONS

As described above in Section I(B) of this Notice, RiverWoods Exeter's formation of TRWG did not constitute a change of control under the Change of Control Statute primarily because RiverWoods Exeter retained the power to nominate the TRWG board of trustees. Following the affiliation of Birch Hill and the formation of RWD, RiverWoods Exeter continued to retain the power to nominate a majority of the TRWG board of trustees.

Under the Plan of Reorganization, the power to nominate a majority of the TRWG board of trustees will be vested in the unitary CCRC Board. Technically, the CCRC Board's nomination of TRWG trustees will be made on behalf of all of the System CCRC Participants, and not just RiverWoods Exeter. While this is a natural evolutionary step in the development of the System and the integration of its Participant Organizations, it results in a technical, legal change of control of RiverWoods Exeter. Birch Hill already received a no action letter from the Charitable Trusts Director when TRWG became its sole member in 2016, and RWD was incorporated as a subsidiary of TRWG so it has been controlled by TRWG since its inception. Therefore, this Notice pertains only to a proposed change of control of RiverWoods Exeter.

III. FULFILLMENT OF FIDUCIARY AND STATUTORY DUTIES

A. FURTHERANCE OF THE CHARITABLE MISSION

1. Charitable Mission Supported and Furthered. As described above in Section I of this Notice, RiverWoods Exeter formed TRWG and the System after concluding, based on considerable due diligence and expert advice and analysis, that a system structure was the best vehicle for furthering RiverWoods Exeter's charitable mission and sustaining its charitable assets. The benefits to Birch Hill and RWD of being Participant Organizations in the System are evident as described in Section I above.

RiverWoods Exeter also is benefitting from the System. Its investment in RWD was limited and returned sooner than anticipated, and the opening of RWD has expanded the availability and provision of continuing care services to seniors in the New Hampshire seacoast region. The strengthening of Birch Hill allows RiverWoods Exeter to support the service of seniors with different socioeconomic profiles than many who reside at RiverWoods Exeter. The diversified portfolio of senior living communities also provides financial stability and support to all Participant Organizations, including

RiverWoods Exeter. Lastly, RiverWoods Exeter has benefitted from certain best practices shared by Birch Hill regarding operational and administrative matters.

As noted above in Section I of this Notice, the RiverWoods Exeter board of trustees (and the boards of trustees of Birch Hill and RWD) concluded that three separate boards of trustees were inefficient, a burden on senior management and trustee recruitment efforts, and a barrier to the dissemination of best practices. Therefore, the establishment of the CCRC Board under the Reorganization and the resulting ceding of control over the TRWG board of trustees will further the charitable mission of RiverWoods Exeter by enhancing the efficient governance and operation of the System and its Participant Organizations. Attached as Appendix O is an estimation of the efficiencies achieved by the Reorganization and the establishment of a unitary CCRC Board.

2. Meeting Community Needs; Improving Access to Quality and Efficient Physical and Mental Health Care Services. The 2019 Community Health Needs Assessment (“CHNA”) prepared by Exeter Hospital, attached as Appendix N, identifies four critical seacoast community health needs: Access to Care; Behavioral Health; Elder Care and Support Services; and Transportation. RiverWoods Exeter addresses three of those needs – access to care, elder care and support services, and transportation – by its structure and services as a nonprofit continuing care retirement community. Upon admission under a life care contract, a RiverWoods Exeter resident is entitled to supported residential and nursing care for his or her lifetime and within the community. As a nonprofit senior living service provider, RiverWoods Exeter has established a benevolence policy and fund and is committed, to the extent possible, to providing financial assistance to residents who need it so that they can remain at RiverWoods Exeter. By providing nutritious meals, social activities, education and intellectual stimulation, wellness activities and transportation, RiverWoods Exeter addresses most of the determinants of good health in seniors. Through the System, RiverWoods Exeter also was able to support the development of RWD and expand the services available to the growing population of seniors in New Hampshire’s seacoast region.

RiverWoods Exeter and its affiliates also address the fourth community need identified in the Exeter Hospital CHNA: behavioral health services. Each community provides memory support services for residents suffering from dementia. RiverWoods Exeter has four social workers, two of whom are clinically licensed, to provide therapeutic counseling. RiverWoods Exeter and its affiliates also sponsor

caregiver and grief support groups, and facilitate the provision by area providers of psychiatric and other mental health services to meet residents' needs in areas such as depression, anxiety and substance use disorder. RWD also is establishing a "small house model" for providing care to residents with dementia. This model is the most advanced method of dementia care, and offers a home-like and familiar setting and more personal services to its residents.

The RiverWoods Exeter board of trustees also determined that by enhancing the efficient governance and operation of the System through the establishment of the CCRC Board under the Reorganization and the resulting ceding of control over the TRWG board of trustees, it will improve access to quality physical and mental health services needed by seniors residing in New Hampshire's seacoast region. Through the CCRC Board, RiverWoods Exeter will acquire learning from the small house model being pioneered in the System by RWD. Similarly, through the CCRC Board, RiverWoods Exeter will disseminate best practices in quality care established at its CARF-certified continuing care retirement community. Lastly, the RiverWoods Exeter board of trustees has determined that the System structure will allow it to establish different lines of services (e.g. home health, hospice, senior transportation) in the future to address the evolving needs of seniors if it determines that those services are not available to its residents through other service providers.

3. Fiduciary Obligations of TRWG Reaffirmed. The Reorganization also does not diminish the fiduciary duties owed by RiverWoods Exeter's governing board to the organization's mission and constituents, or the limited fiduciary obligations owed by its sole corporate member: TRWG. As described above in Section II(B) of this Notice, the amended RiverWoods Exeter governance documents and policies expressly impose upon the CCRC Board full fiduciary obligations and duties to RiverWoods Exeter.

Furthermore, as its sole corporate member, TRWG has a limited fiduciary duty to RiverWoods Exeter when exercising its reserved powers. *Opinion Letter of the New Hampshire Director of Charitable Trusts dated February 13, 2017.* Unlike the typical corporate member, however, TRWG's articles of agreement expressly limit its corporate purpose to supporting the charitable missions of RiverWoods Exeter and the other Participant Organizations comprising the System. This structure must be maintained for TRWG to retain its tax-exempt status. Because TRWG qualifies for non-private foundation status as a supporting organization under Section 509(a)(3) of the Internal Revenue Code, it continuously must be organized and operated to further the charitable missions of

RiverWoods Exeter and the other Participant Organizations and to be responsive to their ongoing needs. Therefore, TRWG's corporate structure and enabling documents mandate that it continue to respect and support RiverWoods Exeter's charitable mission following the Reorganization. *See also*, Statement of TRWG *Re: Fulfillment of Charitable Purposes of RiverWoods Exeter* attached to this Notice as Appendix CC.

B. STEWARDSHIP OF CHARITABLE ASSETS

1. Financial Philosophy. In structuring and approving the Reorganization, the RiverWoods Exeter board of trustees ensured that the CCRC Board will continue to consider the financial performance and goals of RiverWoods Exeter in establishing rates, operating budgets and capital budgets for RiverWoods Exeter. Article IV, Section 1 of the revised bylaws of RiverWoods Exeter expressly mandates that "[t]he CCRC Board will establish rates, operating budgets and capital budgets for RWE based on RWE's individual financial performance and goals established pursuant to RWE's Financial Philosophy." *See* Plan of Reorganization, Appendix C-1. The financial philosophy statement will address the long-term capital needs of RiverWoods Exeter, thus ensuring that it will have sufficient charitable assets to fulfill its obligations and sustain the provision of continuing care retirement services at its communities in Exeter, New Hampshire. The Conflict of Interest Guidelines discussed below also contain the same mandate that the CCRC Board observe the financial philosophy statement adopted by each of RiverWoods Exeter and its affiliates when making financial decisions, including the incurrence of indebtedness. *See* Plan of Reorganization, Appendix A, Section II(B).

2. Conflict of Interest Guidelines. Recognizing that a decision of the CCRC Board could be beneficial to one or more System CCRC Participants while potentially being detrimental to one or more other System CCRC Participants, the boards of trustees of RiverWoods Exeter, Birch Hill and RWD established a set of Conflict of Interest Guidelines to govern such decisions of the CCRC Board following the Reorganization. *See* Plan of Reorganization, Appendix A. A description of these Guidelines and the manner in which they protect the charitable assets of RiverWoods Exeter and the other System CCRC Participants is described above in Section II(B) of this Notice.

3. Available Assets Formula. As described above in Section I(B) of this Notice, TRWG is empowered to re-allocate "Available Assets" from Participant

Organizations for System support and services. Although RiverWoods Exeter no longer will control the TRWG board of trustees after the Reorganization, TRWG is bound by the Memorandum of Understanding between it and RiverWoods Exeter (the “RWE Memorandum of Understanding”). The Reorganization does not affect the distribution formula for determining “Available Assets” under the RWE Memorandum of Understanding, which formula remains very protective of the RiverWoods Exeter charitable assets. See Plan of Reorganization, Appendix D-1, Section 4(d). The distribution formula continues to exclude from “Available Assets” those “amount[s] needed to fund any initiatives or projects identified by the CCRC Board...” When identifying such initiatives or projects, the CCRC Board is bound to observe the RiverWoods Exeter Financial Philosophy statement. The distribution formula also cannot be modified unless the CCRC Board approves it in the exercise of its independent fiduciary obligations to RiverWoods Exeter, again applying the Financial Philosophy statement adopted expressly for the needs and goals of RiverWoods Exeter. Finally, the RWE Memorandum of Understanding will continue to contain the requirement that the CCRC Board (acting through its Finance Committee) notify the New Hampshire Insurance Department in advance of any proposed distribution of Available Assets. See Plan of Reorganization, Appendix D-1, Section 4(e).

4. Endowment Funds Retained. The Reorganization will not affect the donor-restricted assets of RiverWoods Exeter, which will remain under the sole control of the CCRC Board for the exclusive use of RiverWoods Exeter’s charitable mission. See Plan of Reorganization, Section 6 and Appendix D-1, Section 4(f). See also Appendix I of this Notice.

5. Dedication of Charitable Assets to Mission. The Reorganization does not alter the charitable mission of RiverWoods Exeter and its charitable assets will continue to be devoted to its charitable purposes. Each of RiverWoods Exeter, Birch Hill and RWD will remain separate and discrete corporations and their respective corporate purposes will remain unaffected by the proposed Reorganization. See Plan of Reorganization, Section 6. As described in this Section III(B), the CCRC Board will maintain independent fiduciary obligations to RiverWoods Exeter and RiverWoods Exeter’s charitable assets will be protected by its Financial Philosophy statement, the Conflict of Interest Guidelines and the terms of the RWE Memorandum of Understanding. Ceding control of the TRWG Board also does not impair RiverWoods Exeter’s charitable mission or devotion of its charitable assets thereto because TRWG owes it a limited fiduciary duty and is obligated by the TRWG articles of agreement and

federal tax-exempt requirements to support and further the mission of RiverWoods Exeter and the other Participant Organizations. See Section III(A)(3) of this Notice. See also Appendix CC of this Notice.

C. DUTY OF CARE: DUE DILIGENCE

1. Engagement of Consultants. To assist its efforts, the Task Force described above in Section I(D) of this Notice engaged and considered the advice of the following experts.

(a) *Keith Robertson, Managing Director.* Keith Robertson is a Managing Director of Ziegler Investment Banking headquartered in West Hartford, Connecticut. Mr. Robertson has over twenty-four years of experience in the nonprofit senior living industry, first as a developer and currently as an investment banker. He has over forty senior living organizations in his portfolio, including RiverWoods Exeter, and is supported by other experts at Ziegler, which advises more than three hundred nonprofit senior living organizations nationwide. Mr. Robertson provided the RiverWoods Exeter board of trustees (and the Birch Hill board) with information regarding the state of the senior living industry, trends regarding growth, competition and consolidations, and how some senior living organizations are adjusting to face these challenges. A copy of Mr. Robertson's presentation to the RiverWoods Exeter board of trustees (presented jointly with Lisa Henderson described below) is attached as Appendix P.

(b) *Lisa Henderson, Executive Director.* Lisa Henderson is the Executive Director of Leading Age Maine & New Hampshire based in Newmarket, New Hampshire. Leading Age is an association of nonprofit, long-term providers of housing and services to seniors in Maine and New Hampshire, and Ms. Henderson has over twenty years of experience in the housing and senior living fields. Ms. Henderson joined Mr. Robertson in presenting to the RiverWoods Exeter board of trustees and provided insight into the regional structures of member organizations, including nursing homes, memory care units, skilled nursing and rehabilitation facilities, assisted living facilities, federally-assisted and market-rate housing units, home- and community-based services, adult day care, and CCRCs. A copy of Ms. Henderson's presentation to the RiverWoods Exeter board of trustees (presently jointly with Keith Robertson described above) is attached as Appendix P.

(c) *Kathy Anderson, Retired CEO.* Prior to June 2019, Ms. Anderson was the chief executive officer of Goodwin House Incorporated, a senior living organization in Alexandria Virginia that has two CCRCs, as well as home health, hospice and a lifecare at home program. Ms. Anderson educated the RiverWoods Exeter board of trustees regarding the process for a decision of this manner and facilitated a board of trustees discussion about the Reorganization. She also provided the Board with insight into the governance structure of the organization for which she served as chief executive officer.

(d) *Mark S. McCue, Esq., Partner.* Mark McCue is a partner in the regional law firm of Hinckley Allen and has served as outside general counsel to RiverWoods Exeter for many years. Attorney McCue has practiced corporate law for thirty-five years, and focuses on governance, corporate and transactional matters for nonprofit clients in the health care and senior living industries. Attorney McCue advised the RiverWoods Exeter board of trustees regarding the legality of the unitary board structure, conflict of interest concerns and protections, charitable asset protection, fiduciary obligations of the RiverWoods Exeter board of trustees, the CCRC Board and TRWG, and compliance with regulatory processes. He also drafted the Plan of Reorganization and all related governance documentation.

In addition to the expert advice of the consultants described above, the Plan of Reorganization was informed by experts who serve as volunteer trustees to RiverWoods Exeter and its affiliates, including Dr. Cathy A. Trower, RiverWoods Exeter Board Chair who has provided governance consulting services to nonprofit organizations through her company Trower & Trower, Inc. for over twenty years, and Steve McPherson, Board Chair of Birch Hill and the former Chief Executive Officer and President for sixteen years of Masonicare, the largest provider of post-acute care services to seniors in Connecticut and which utilizes a unitary board structure for its various lines of business.

2. Notification and Input of Community Served. After several Task Force meetings and reports to the RiverWoods Exeter board and the boards of the other parties to the Reorganization, the Task Force presented its initial findings and recommendations to the executive directors and resident trustees of RiverWoods Exeter and Birch Hill on May 1, 2019. A copy of the presentation slides is attached as Appendix Q. This was followed by a second presentation to executive directors and resident trustees on May 23, 2019. A copy of those presentation slides is attached as Appendix R.

After subsequent deliberations of the RiverWoods Exeter and Birch Hill boards and further refinements to the draft Plan of Reorganization based on input from the executive directors and resident trustees, the Task Force distributed to the RiverWoods Exeter Resident Council a set of white papers to describe the Plan of Reorganization and various considerations in its creation. A copy of the white papers distributed to the RiverWoods Exeter Resident Council is attached as Appendix S. On September 16, 2019, Ms. Trower, RiverWoods Exeter Board Chair, and Justine Vogel, TRWG Chief Executive Officer, presented the proposed Plan of Reorganization to the RiverWoods Exeter Resident Council and responded to questions from Council members. A copy of the presentation slides is attached as Appendix T.

On September 20, 2019, Ms. Vogel distributed a memorandum to all RiverWoods Exeter residents which described the proposed Plan of Reorganization and attached the white papers provided to the Resident Council. A copy of the memorandum to RiverWoods Exeter residents is attached as Appendix U. On November 14, 2019, the Chair and Vice Chair of the RiverWoods Exeter board of trustees met again with the RiverWoods Exeter Resident Council to address questions and concerns about the proposed Plan of Reorganization. On November 15, 2019, Ms. Trower and Dave Brunell, the RiverWoods Exeter Board Vice Chair, issued to RiverWoods Exeter residents the memorandum attached as Appendix V. On December 5, 2019, members of the RiverWoods Exeter board of trustees met again with RiverWoods Exeter residents to discuss the proposed Plan of Reorganization and resident input and concerns. On December 17, 2019, Ms. Vogel, the TRWG Chief Executive Officer, presented an update to the RiverWoods Exeter Resident Council on the benefits of the System and entertained further discussion of the proposed Plan of Reorganization. In January, 2020 the RiverWoods Exeter board of trustees directed Attorney McCue to respond to legal inquiries submitted by the Resident Council. A copy of Attorney McCue's responsive memorandum to the RiverWoods Exeter Resident Council dated January 27, 2020 is attached as Appendix W.

The manner in which the RiverWoods Exeter board of trustees considered and responded to the input from the RiverWoods Exeter Resident Council and residents generally is described in subsection 3 below. A copy of the memorandum of Ms. Vogel to RiverWoods Exeter residents dated February 4, 2020 and describing the final changes to the Plan of Reorganization approved by the RiverWoods Exeter board of trustees is attached as Appendix X. A copy of the frequently asked questions (FAQs) document that

was posted to the RiverWoods Exeter resident intranet site in November, 2019 is attached as Appendix Y.

3. Decision-Making Process. The RiverWoods Exeter board of trustees, as well as the board of trustees of its affiliates, was very active and diligent in the process of establishing and assessing the Plan of Reorganization. As described above in Section I(D) of this Notice, the Task Force was comprised of members of the boards of trustees of RiverWoods Exeter, Birch Hill and TRWG and included a resident trustee from each of RiverWoods Exeter and Birch Hill. The Task Force had many interactions with the RiverWoods Exeter board of trustees, and the RiverWoods Exeter board of trustees met several times to discuss and deliberate over the proposed Plan of Reorganization. *See* timetable of governance meetings attached as Appendix Z. Throughout the process, the RiverWoods Exeter board of trustees sought the guidance and expert advice of the consultants described above in Section III(C)(1) of this Notice.

Significantly, the RiverWoods Exeter board of trustees considered the input from, and concerns of, the RiverWoods Exeter Resident Council and the RiverWoods Exeter residents generally. In response to input from the residents, the RiverWoods Exeter board of trustees increased the representation of RiverWoods Exeter resident trustees on the CCRC Board, and addressed the future capital needs of RiverWoods Exeter in its Financial Philosophy statement. *See* cross-walk of revisions to Plan of Reorganization presented to the RiverWoods Exeter board of trustees and attached as Appendix AA.

4. Reorganization Permitted by Law. The RiverWoods Exeter board of trustees sought the legal opinion of Hinckley Allen, which confirmed that the Plan of Reorganization and the implementation of a unitary board of trustees for the System CCRC Participants is permitted by applicable law. New Hampshire RSA 292 governs nonprofit corporations in the state, and nothing in that statute prohibits a board of trustees from serving more than one organization. While RSA 292:6 and 6-a contemplate that each voluntary corporation will have a board of directors, they do not require that board to serve only one corporation. *See also*, Restatement of Law of Charitable Nonprofit Organizations, Tentative Draft No. 1 (April 1, 2016), §2.05. Importantly, the CCRC Board will have independent fiduciary obligations to RiverWoods Exeter following the proposed Reorganization, and the Conflict of Interest Guidelines will assist it in identifying and resolving conflicts of interest so that its fiduciary obligations to RiverWoods Exeter can be fulfilled. The Plan of Reorganization also does not violate any

of the covenants or restrictions imposed under the financing documents to which RiverWoods Exeter is bound, nor does it contravene any of the requirements of CARF in connection with the certification of RiverWoods Exeter.

As noted above in Section II(A)(5) of this Notice, the Plan of Reorganization must be approved by the New Hampshire Insurance Department under New Hampshire RSA 420-D:13. RiverWoods Exeter is submitting a request for approval to the New Hampshire Insurance Department simultaneously with the filing of this Notice, and it is not aware of any impediments to the issuance of the Insurance Department's approval.

D. DUTY OF LOYALTY

The RiverWoods Exeter board of trustees observed its duty of loyalty in considering and approving the Plan of Reorganization. The board actively discussed, with the assistance of its legal counsel, the role of resident trustees and their obligation to determine what is best for RiverWoods Exeter as an organization after contributing the residents' perspectives and concerns to the board's deliberations. The Plan of Reorganization does not constitute a pecuniary benefit transaction, and the proposed election of existing RiverWoods Exeter trustees to the CCRC Board and their respective terms was disclosed to the RiverWoods Exeter board of trustees in advance of its approval of the Plan of Reorganization. *See* Plan of Reorganization, Appendix E.

IV. TRUSTEE CERTIFICATION

Attached as Appendix BB is the certification of the trustees of RiverWoods Exeter affirming that the standards set forth in New Hampshire RSA 7:19-b(II) have been considered in good faith and met.

V. STATEMENT OF TRWG

TRWG is an "acquirer" as that term is defined by New Hampshire RSA 7:19-b(I)(b) because RiverWoods Exeter is ceding its control over the TRWG board of trustees to the CCRC Board, acting on behalf of all System CCRC Participants. As required by New Hampshire RSA 7:19-b(III), attached as Appendix CC is a statement of TRWG specifying the manner in which it proposes to continue to fulfill the charitable objects of RiverWoods Exeter.

Respectfully submitted by the duly-authorized representative of the undersigned
this 21st day of April, 2020.

THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE

By: *Cathy Trower*
Cathy Trower (Apr 21, 2020)
Cathy A. Trower, its duly authorized
Board Chair

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APPENDIX A

RWE Articles of Agreement

FILED

JUN 6 1983

NEW HAMPSHIRE
SECRETARY OF STATE

ARTICLES OF AGREEMENT
OF
LIFE CARE SERVICES OF NEW HAMPSHIRE, INC.

Pursuant to RSA 292:1, the undersigned hereby associate together by these Articles of Agreement to form the voluntary corporation "Life Care Services of New Hampshire, Inc."

ARTICLE I

NAME

The name of this voluntary corporation shall be: LIFE CARE SERVICES OF NEW HAMPSHIRE, INC.

ARTICLE II

OBJECT

1. The object for which this voluntary corporation is established and the purpose of the corporation shall be to establish, own, maintain and operate homes for the elderly. More specifically, this voluntary corporation shall establish, own, maintain and operate a facility which provides housing, food services, health services, and other services to elderly persons admitted into the facility. Although this voluntary corporation will charge fees for providing these services, this voluntary corporation will not earn any profit and the voluntary corporation is organized and found for charitable purposes.

2. In furtherance of the objects and purposes set forth in this Article II, paragraph 1, above, this voluntary corporation

shall have the power to purchase or otherwise acquire, hold, own, sell, encumber, mortgage, lease or otherwise deal in and with property of all kinds, real or personal, tangible or intangible, including without limitation, goods, wares, furniture, equipment, supplies and merchandise of any description and the securities and obligations of any issuer, whether or not incorporated; to finance and arrange the financing and borrowing of funds of any type necessary or convenient for the purposes of acquisition, construction, remodeling, or reconstruction of any kind of any buildings and structures, and acquisition of any personal property or services; to carry on any or all of the business of the corporation as principal, agent or contractor; to carry on any other business incidental to and in furtherance of the foregoing; to have and exercise all the powers conferred by the laws of New Hampshire upon corporations formed under the Voluntary Corporation Law of New Hampshire; to do any or all things hereinbefore set forth in the same extent as natural persons might or could do; to do any and all other acts, matters and things necessary or incidental or convenient to these purposes which are not contrary to the laws of the State of New Hampshire; provided, however, that all of the activities and actions set forth in this paragraph 2 shall be carried out strictly in furtherance of those corporate purposes set forth in paragraph 1.

ARTICLE III

DISPOSITION OF CORPORATE ASSETS UPON DISSOLUTION

In the event of the liquidation or dissolution of the voluntary corporation, whether voluntary or involuntary, no corporate member,

Director or officer shall be entitled to any distribution or division of the voluntary corporation's property or its proceeds, and the balance of all money and other property held or received by the voluntary corporation from any source, after the payment of all debts and obligations of the voluntary corporation, shall be used or distributed subject to the Decree of Dissolution from the Superior Court in and for the County of Rockingham in accordance with Chapter 292, RSA, as amended, to organizations which carry on substantial activities of the kind set forth in Article II of these Articles of Agreement, and which qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax laws, as said Superior Court shall determine.

ARTICLE IV

ADDRESS

The address at which the business of this voluntary corporation is to be carried on will be c/o Stephen G. Hermans, Esq., 151 Water Street, Exeter, New Hampshire 03833.

ARTICLE V

NONSTOCK CORPORATION

This voluntary corporation shall be non-stock, and no dividends or pecuniary profits shall be declared or paid to the Trustees hereof.

ARTICLE VI
BOARD OF TRUSTEES

The administrative powers of this voluntary corporation shall be vested in a Board of Trustees which shall have charge, control, and management of the property, affairs, and funds of this voluntary corporation, and which shall have the power and authority to do and perform all acts and functions not inconsistent with these Articles of Agreement.

The Board of Trustees shall consist of not less than five members and not more than twelve members. The terms and conditions governing membership on the Board of Trustees shall be prescribed in the By-Laws of this voluntary corporation.

The initial Board of Trustees shall consist of the following persons:

Margery P. Brooke
River Road
Newfields, New Hampshire 03856

Rosemary H. Coffin
Exeter Road
Hampton Falls, New Hampshire 03844

Nancy Heyl
Newfields Road
Newfields, New Hampshire 03856

Barbara Krooss
Emery Lane
Stratham, New Hampshire 03885

LaRu Barker Lynch
Newfields Road
Exeter, New Hampshire 03833

Elizabeth V. MacDonald
74 Front Street
Exeter, New Hampshire 03833

ARTICLE VII

Notwithstanding anything to the contrary in these Articles, all of the activities and actions of the voluntary corporation shall be limited and restricted by the following provisions:

(a) No part of the net earnings of the voluntary corporation shall inure to the benefit of, or be distributable to, its Trustees, officers or other private persons, except that the voluntary corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

(b) No substantial part of the activities of the voluntary corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the voluntary corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

(c) In extending its services to persons using the facilities of the voluntary corporation, and in all of its other activities, the voluntary corporation will not engage in any activity in violation of the Civil Rights Act, including, but not limited to, any act of discrimination based on race, color, sex or national origin.

ARTICLE VIII

This voluntary corporation will indemnify and reimburse any person made a party to any action, suit or proceeding by reason of the fact that such party, or the person whose legal representative or successor was or is a Trustee or officer of the voluntary corporation, for expenses, including attorney's fees, and such amount of any judgment, money decree, fine, penalty or settlement for which he may have become liable as the Trustees of the voluntary corporation shall deem reasonable, actually incurred by him in connection with the defense or reasonable settlement of any such action, suit or proceeding, or any appeal therein, except in relation to matters as to which such party, or the person whose legal representative or successor of such party is, is finally adjudged in such action, suit or proceeding not to have acted in good faith in the reasonable belief that his action or failure to act was in the best interests of the voluntary corporation, and except in relation to such matters as to which such indemnification would subject the voluntary corporation or voluntary corporation's management, or both, to any excise or penalty tax under the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws, or to any other Federal or State tax. The voluntary corporation, in the discretion of the Trustees of the voluntary corporation, is authorized to obtain an insurance policy or policies to insure the voluntary corporation against its indemnification obligations set forth in the preceding sentence, and to insure the individual

Trustees and officers of the voluntary corporation against loss, liability and expense of the kind described in the preceding sentence, or both, provided that the maintenance of such policy or policies shall not constitute an action which would subject the voluntary corporation or its management to any excise or penalty tax under the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax laws, or to any other Federal or State tax.

ARTICLE IX

The first meeting of the incorporators shall be held at such time and place as they shall assemble together for that purpose.

The incorporators of Life Care Services of New Hampshire, Inc., a charitable voluntary corporation organized under New Hampshire Revised Statutes Annotated Chapter 292 as amended.

Executed May 25, 1983,

<u>Name</u>	<u>Post Office Address</u>
<u><i>Margery P. Brooke</i></u> Margery P. Brooke	River Road, Newfields, N.H. 03856
<u><i>Rosemary H. Coffin</i></u> Rosemary H. Coffin	Exeter Road, Hampton Falls, N.H. 03844
<u><i>Nancy Hey</i></u> Nancy Hey	Newfields Road, Newfields, N.H. 03856
<u><i>Barbara H. Krooss</i></u> Barbara Krooss	Emery Lane, Stratham, N.H. 03885

Laku Barker Lynch
Laku Barker Lynch

Newfields Road, Exeter, N.H. 03833

Elizabeth V. MacDonald
Elizabeth V. MacDonald

74 Front Street, Exeter, N.H. 03833

Town Clerk's Office, Town of Exeter, New Hampshire 03833

Received and recorded this 25 th day of MAY, 1983.

Thaddeus E. Klemarczyk
Thaddeus E. Klemarczyk,
Exeter Town Clerk

STATE OF NEW HAMPSHIRE

Recording Fee: \$10.00 (Note 1)
Use black print or type.
Leave 1" margins both sides.

Form No. NP 3
RSA 292:5 & 7

AFFIDAVIT OF AMENDMENT
OF

FILED

FEB 18 1987

LIFE CARE SERVICES OF NEW HAMPSHIRE, INC.
A NEW HAMPSHIRE NONPROFIT CORPORATION

NEW HAMPSHIRE
SECRETARY OF STATE

I, George N. Olson, the undersigned, being the
Clerk (Note 2) of the above named New Hampshire non-
profit corporation, do hereby certify that a meeting was held on
February 17, 1987, in Durham, New Hampshire (Note 3),
for the purpose of amending the articles of agreement and the fol-
lowing amendment(s) were unanimously approved by the corporation:

VOTED: To amend the Article of Agreement to include the following
under Article 11, Object, as Paragraph 3:

3. Notwithstanding any other provision of these articles,
the corporation is organized exclusively for one or more of
the following purposes: religious, charitable, scientific,
testing for public safety, literary, or educational purposes,
or to foster national or international amatuer sports competition
(but only if no part of its activities involve the providing
of facilities or equipment) or for the prevention of cruelty
to children or animals as specified in Section 501(c)(3) of
the Internal Revenue Code of 1954, and shall not carry on any
activities not permitted to be carried on by a corporation exempt
from Federal income tax under Section 501(c)(3) of the Internal
Revenue Code of 1954.

A true record, attest: George N. Olson
(Signature)

Date signed February 17, 1987

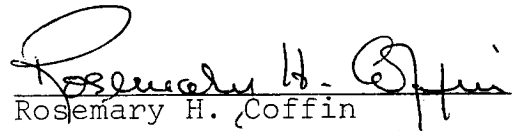
- Notes: 1. Make check payable to N. H. Secretary of State.
2. Clerk, secretary or other officer.
3. Town/city and state.

Mail fee and DUPLICATE ORIGINALS (ORIGINAL SIGNATURES ON BOTH) to:
Secretary of State, State House, Rm. 204, Concord, NH 03301-4989.

File a copy with Clerk of the town/city of the principal place of
business.

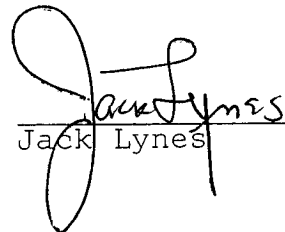
A true record, attest:


Martha Byam


Rosemary H. Coffin


Frank T. Gutmann


LaRu B. Lynch


Jack Lynes

Recording Fee: \$25.00 (Note 1)
Use black print or type.
Leave 1" margins both sides.

Form No. NP 3
RSA 292:5 & 7

AFFIDAVIT OF AMENDMENT
OF

FILED

SEP 10 1990

Life Care Services of New Hampshire, Inc.
A NEW HAMPSHIRE NONPROFIT CORPORATION

**NEW HAMPSHIRE
SECRETARY OF STATE**

I, Ransom V. Lynch, the undersigned, being the President (Note 2) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held on September 6, 1990, in Exeter, New Hampshire (Note 3), for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation:

To amend the first sentence of the second paragraph of Article VI to read:

"The Board of Trustees shall consist of not less than five members and not more than twenty members."

A true record, attest: Ransom V. Lynch
(Signature)

Date signed Sept. 6, 1990

- Notes: 1. Make check payable to N. H. Secretary of State.
- 2. Clerk, secretary or other officer.
- 3. Town/city and state.

Mail fee and DUPLICATE ORIGINALS (ORIGINAL SIGNATURES ON BOTH) to: Secretary of State, State House, Rm. 204, Concord, NH 03301-4989

File a copy with Clerk of the town/city of the principal place of business.

RECEIVED

Recording fee: \$25.00 (Note 1)
Use black print or type.
Leave 1" margins both sides.

Form No. NP 3
RSA 292:5 & 7

FILED

JAN - 2 1996

WILLIAM M. GARDNER
NEW HAMPSHIRE
SECRETARY OF STATE


AFFIDAVIT OF AMENDMENT
OF
LIFE CARE SERVICES OF NEW HAMPSHIRE, INC.
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, ROBERT B. FIELD, JR., the undersigned, being the
PRESIDENT (Note 2) of the above named New Hampshire nonprofit
corporation, do hereby certify that a meeting was held on December 21, 1995,
in EXETER, NH (Note 3), for the purpose of amending the articles
of agreement and the following amendment(s) were approved by a majority vote
of the corporation:

VOTED: That the name and title of this Corporation be changed
from LIFE CARE SERVICES OF NEW HAMPSHIRE, INC. to
THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE; that
the officers of the Corporation are hereby empowered
and directed to file in the office of the Secretary of
State the requisite documents setting forth the change
of name hereby authorized, and to effectuate this
change; that Article First of the Articles of
Agreement be amended to read as follows:

First: The name of the Corporation shall be:
THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE.

[If more space is needed, attach additional sheet(s).]

A true record, attest: 
(Signature) ROBERT B. FIELD, JR.

Date signed December 21, 1995

- Notes: 1. Make check payable to N.H. Secretary of State.
2. Clerk, secretary or other officer.
3. Town/city and state.

Mail \$25.00 STATE FEE and DUPLICATE ORIGINALS (ORIGINAL SIGNATURES ON BOTH)
to: Secretary of State, State House, Room 204, 107 North Main Street,
Concord, NH 03301-4989

File a copy with Clerk of the town/city of the principal place of business.

State of New Hampshire

Recording fee: \$25.00
Use black print or type.
Leave 1" margins both sides.

Form NP-3
RSA 292:7

AFFIDAVIT OF AMENDMENT OF

The RiverWoods Company at Exeter, New Hampshire
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, Sheila Francoeur, the undersigned, being the Clerk

(Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held on September 27, 2012, in Exeter, New Hampshire (Note 2), for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's Trustees. (Note 3)

1. ARTICLE V of the Articles of Agreement of the Corporation is amended by deleting it in its entirety and replacing it with the following:


ARTICLE V MEMBER; NONSTOCK CORPORATION

The RiverWoods Group, a New Hampshire voluntary corporation, is the sole member of this voluntary corporation (the "Member"). This voluntary corporation shall be non-stock, and no dividends or pecuniary profits shall be declared or paid.

2. ARTICLE VI of the Articles of Agreement of the Corporation is amended by adding to the end of the first paragraph thereof the phrase: ", subject to the powers reserved to the Member as described in the By-Laws of this voluntary corporation."

[If more space is needed, attach additional sheet(s).]

A true record, attest:


(Signature)

Date signed: September 27, 2012

- Notes:
1. Clerk, secretary or other officer.
 2. Town/city and state.
 3. Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fee with DATED AND SIGNED ORIGINAL to: Corporate
Street, Concord NH 03301-4989.

File a copy with Clerk of the town/city of the principal place of

State of New Hampshire
Form NP 3 - Affidavit of Amendment 1 Page(s)



T1230631004

APPENDIX B

RWE Bylaws

**Bylaws of The RiverWoods Company
at Exeter, New Hampshire**

ARTICLE I

Name and Location

Section 1 – Name

The name of the corporation is "The RiverWoods Company at Exeter, New Hampshire", hereafter referred to as "the corporation". It is and shall remain a voluntary corporation duly organized and existing under the laws of the State of New Hampshire.

Section 2 – Location

The location of the principal office of the corporation shall be in Exeter, New Hampshire or at such other place as the Board of Trustees may designate.

ARTICLE II

Purposes

Section 1 – Purposes

The purposes for which this corporation is established shall be to establish, own, manage, maintain and/or operate homes and/or services for the elderly, as more specifically described in the Corporation's Articles of Agreement as they may be amended from time to time.

Section 2 – Activities

Notwithstanding anything to the contrary in these Bylaws, all of the activities and actions of the corporation shall be limited and restricted by the following provisions:

- a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II, Section 1 hereof.
- b) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

- c) In extending its services to persons using the facilities of the corporation, and in all of its other activities, the corporation will not engage in any activity in violation of the Civil Rights Act of 1964 or similar federal or state laws prohibiting discriminatory acts in the provision of services or housing, including, but not limited to, any act of discrimination based on race, color, national origin, religion, sex, sexual preference, marital status or handicap or other disability.

ARTICLE III

TRWG and Reserved Powers

Section 1 – TRWG

The RiverWoods Group (TRWG), a New Hampshire tax-exempt, nonprofit corporation, will be the sole member of the corporation and will possess those powers set forth in the corporation's Articles of Agreement and these Bylaws in connection with TRWG's establishment, maintenance and governance of an integrated system for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the "System"), of which the corporation is a part.

Section 2 –Powers Reserved to TRWG

Each of the following actions by the corporation's Board of Trustees must be approved by TRWG before it becomes effective:

- (a) Removal of a member of the corporation's Board of Trustees;
- (b) Election of the slate of Trustee candidates
- (c) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of the corporation;
- (d) Final adoption of, and any approval of a material deviation from, the corporation's strategic plan;
- (e) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of \$500,000;
- (f) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of indebtedness by the corporation in excess of \$2.5 Million;

- (g) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, the corporation or any subsidiary of the corporation;
- (h) Appointment of a firm of independent public accountants to conduct an independent audit of the corporation's financial statements or a special project which materially impacts assets, revenues or operations;
- (i) The participation by the corporation or any subsidiary of the corporation in a Key Strategic Relationship (The term "Key Strategic Relationship" means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a Participant Organization, as defined in TRWG's bylaws);
- (j) Appointment, evaluation, and compensation or termination of the Executive Director of the corporation;
- (k) Elimination or addition of any material health care service or program by the corporation or any subsidiary of the corporation; and
- (l) The amendment of the Articles of Agreement, Bylaws or other governing documents of the corporation where such proposed amendment would (i) impact the powers reserved to TRWG in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of the corporation under any agreement between or among the Participant Organizations.

Section 3 – System Assessments and Reallocation

The corporation recognizes the power and responsibility of TRWG to assess the corporation for a monetary amount, which need not be equal among the other Participant Organizations in the System and which will provide for payment of the operating expenses of TRWG and the establishment of reasonable financial reserves for its activities as the coordinator and steward of the System, and to reallocate assets and resources of the corporation and any subsidiary of the corporation among the Participant Organizations and their subordinate organizations in accordance with the terms of the Memorandum of Understanding between the corporation and TRWG.

Section 4 – Information

The corporation will provide TRWG with such information as TRWG may reasonably request to fulfill its role as the integrator of the System, including without limitation financial statements, budgets, strategic plans and quality improvement plans.

ARTICLE IV

Board of Trustees

Section 1 – Size

The property and business of the corporation shall be governed and the policies of the corporation shall be established by a Board of Trustees composed of not less than five (5) nor more than twenty (20) persons, at least five (5) of whom are not of the same immediate family or related by blood or marriage. The initial Board of Trustees is set forth in the Articles of Agreement of the corporation.

Section 2 – Terms of Office

To the extent possible, the terms of the trustees shall be staggered such that one-third (1/3) of the Trustees not serving *Ex Officio* shall be elected in each year. Nominations for Trustees shall be made by the Governance Committee of the Board of Trustees and presented to the Board of Trustees for confirmation. Following confirmation, the slate of Trustee candidates shall be presented to TRWG for election in accordance with its Bylaws. Trustees shall be permitted to serve two (2) successive three (3) year terms. The Board of Trustees shall have the authority to request of TRWG that a retiring Trustee serve up to three (3) additional one (1) year terms. Resident Trustees may not be granted additional terms except that Resident Trustees who are elected to fill an unexpired term may be considered for an additional full term.

Section 3 – Meetings

The Board of Trustees shall meet quarterly, or either more or less often if appropriate, generally including at least one educational retreat per year. A special meeting of the Board of Trustees may be called either by the Chair or the Executive Director or by any four Trustees by notice given to all Trustees at least three (3) days prior to such meeting. If all Trustees sign a waiver of notice to any such meeting, actions taken thereat shall be considered proper. Trustees may participate in any meeting by telephone, videoconference or similar medium as long as all Trustees participating in any such meeting can hear all the other participating Trustees and can be heard by all the participating Trustees.

Section 4 – Quorum; Voting

- a) Quorum. A majority of the Trustees elected and serving shall constitute a quorum at all meetings of the Board of Trustees provided, however, that if one-third of the Trustees are present, they may, by unanimous vote, declare themselves to be a quorum for the transaction of the business of the corporation.
- b) Voting. Each Trustee has one vote on all matters to be considered by the Board of Trustees. The vote of a majority of the Trustees present at the meeting or by written consent is an official act of the Board, except as otherwise provided by statute, the Articles of Agreement or these Bylaws.
- c) Action Approved in Writing. Any action approved in writing by all Trustees will be valid, regardless of whether a meeting of the Board of Trustees has taken place. Email or other electronic transmissions intended to constitute the consent and signature of the sender and otherwise complying with New Hampshire RSA 294-E will constitute a writing for the purpose of this provision.
- d) Meetings by Electronic Means. Trustees and members of any committee may participate in a meeting by means of a conference telephone or similar communication equipment if all persons participating in the meeting can communicate with each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 5 – Resident Board Members

- a) After consultation with the Governance Committee, the Resident Council shall nominate from among the residents of the corporation’s facilities three (3) Trustees to serve for terms of three (3) years. Should that Trustee be unable or unwilling to continue his or her term, the Resident Council shall nominate a replacement to fill the unexpired term of such Resident Trustee. A Resident Trustee may not serve more than two (2) three-year terms.
- b) It is the preference of the Board of Trustees that one Resident Trustee shall be a resident of The Woods at RiverWoods, one Resident Trustee shall be a resident of The Ridge at RiverWoods, and one Resident Trustee shall be a resident of The Boulders at RiverWoods. However, if there is no nomination from the Resident Council from one of these locations, then the Board may consider nominating to TRWG for election two Residents Trustees from one campus location.

Section 6 – Ex Officio Members

Ex Officio members shall not be subject to the term limits described in Article III, Section 2 of these bylaws.

- a) The Executive Director of the corporation shall be its managing Executive and serve on the Board of Trustees Ex Officio with one vote. The Board of Trustees may vote to exclude the Executive Director from its meetings if discussing personnel matters relating to the

Executive Director role and/or the compensation of the Executive Director role; otherwise, the Executive Director, shall be privileged to be present at all meetings of the Board of Trustees. Compensation paid by the corporation for the Executive Director's duties do not constitute a pecuniary benefit transaction subject to the requirements of Article IV, Section 9 of these Bylaws.

- b) The Chief Executive Officer (CEO) of TRWG shall serve on the Board of Trustees of the corporation with one vote.

Section 7 – Duties of Trustees

Each member of the Board of Trustees shall perform the duties of Trustee, including as a member of any committee of the corporation on which the Trustee may serve, in good faith, in a manner the Trustee believes to be in the best interest of the corporation, and with such care, including reasonable inquiry, as a prudent person of ordinary judgment would use in carrying out that person's own affairs.

Section 8 – Compensation and Disclosure

As a fiduciary, the Board of Trustees and each of its members has a duty of loyalty to the corporation and its charitable purposes and a duty to act impartially in its role as Trustee. The Board will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in an ethical manner.

The Board of Trustees will identify all “pecuniary benefit transactions” and comply with the requirements of New Hampshire RSA 7:19-a, as it may be amended from time to time, and any successor statute. To the extent that the corporation provides services to the elderly, members of the Board of Trustees and their families will not be prohibited from availing themselves of said services provided that said services are offered under the same terms and conditions as to any member of the general public and the Trustee or family member meets all the eligibility criteria that any other person would have to meet to obtain such benefits.

Members of the Board of Trustees serve as Trustees solely for the purpose of furthering the corporation's charitable purposes and will not receive compensation for their services as Trustees; however, a Member of the Board of Trustees may receive reimbursement of direct out-of-pocket expenses for efforts made on behalf of the corporation provided that expenses are approved by the corporation's Chair or otherwise comply with an applicable corporation policy.

Section 9 – Removal

Any Trustee may be removed from office by a two-thirds (2/3) majority vote of the Board of Trustees, subject to the approval of TRWG under Article III, Section 2(a) above. However, no such vote shall be taken until after a written petition for removal is filed with the Board and TRWG and

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the person whose removal is sought is given notice of said petition by first class mail and the opportunity to make an oral or written response to the Board of Trustees at the next regularly scheduled meeting of the Board of Trustees or at a Board of Trustees meeting specially called and noticed to include the vote on removal. The mailing of the notice shall be at least fourteen (14) days before any meeting at which the vote on removal may occur.

ARTICLE V

Officers

Section 1 – Description

The officers of the corporation shall be a Chair, Vice-Chair, Executive Director, Treasurer, and Clerk. The Trustees may elect more than one Vice-Chair but, in doing so, shall designate the order of succession to the duties of the Chair in the event the Chair is unable to fulfill those duties during his term of office. The term of the Chair shall initially be for two years, with up to three additional one year terms if appropriate. The terms of other officers shall be for one (1) year, or until their successors are duly elected and qualified. Officers may serve multiple successive terms.

Section 2 – Election

All officers shall be elected by the Trustees, from among those Trustees duly elected and serving in office, at the June meeting of the Trustees.

Section 3 – Vacancies

If any of the offices shall become vacant for any reason, the Trustees may elect a successor or successors who shall hold said office for the unexpired term.

Section 4 – Resignation

Any Trustee or Officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the corporation, unless some other time be fixed in the resignation.

Section 5 – Chair of the Board

The Chair shall preside at all meetings of the Board of Trustees, and shall perform all duties incident to the office of the Chair including handing administrative details for the smooth functioning of the

corporation, and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 6 - Vice Chair of the Board

The Vice-Chair shall act in the absence or incapacity of the Chair.

Section 7 – Treasurer

The Treasurer shall be responsible for ensuring that the financial affairs of the corporation are properly administered. The Treasurer shall ensure that books and accounts of income and expenditures are kept, and shall perform such other duties as may be prescribed by the Board of Trustees.

Section 8 – Clerk

The Clerk shall ensure that the minutes of all Board of Trustees' meetings are maintained, shall ensure that notifications of upcoming meetings are sent, shall handle correspondence with other persons and organizations when required, and shall perform such other duties as may be prescribed by the Board of Trustees from time to time.

Section 9 – Executive Director of the Corporation

The Executive Director shall be the managing executive of the corporation and shall have those powers, duties and responsibilities as may be assigned from time to time by the Board of Trustees. As reserved in Article II above, the appointment, termination and evaluation of the Executive Director by the Corporation is subject to the approval of TRWG.

ARTICLE VI

Indemnification Clause

Each present and future Trustee and Officer, whether or not then in office, shall be indemnified by the corporation against expenses actually and reasonably incurred by or imposed upon him (including but without being limited to, settlements, judgments, costs, and counsel fees) in connection with the defense of any administrative, civil or criminal action, suit or proceeding in which he or she is made a party by reason of being or having been a Trustee or Officer of the corporation, except in relation to matters as to which he shall be actually adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of duty. Such indemnification shall be not deemed exclusive of any other rights to which such Trustee or Officer may be entitled, under any other by-law, agreement, vote of the members or as a matter of law, or otherwise. Pursuant to N.H. RSA 508:16, Trustees and Officers shall not be liable for bodily injury, personal injury and/or property damage if the claim for such damages arises from an act or acts committed in good faith and without willful or wanton negligence, in the course of an activity

carried on to accomplish the purposes of the corporation.

ARTICLE VII

Fiscal Year

The fiscal year of the corporation begins July 1 and ends June 30.

Article VIII

Committees of Board of Trustees

Section 1 – Designation

The Chair may designate any committees that may become necessary or convenient for undertaking the purposes of the corporation. All designated committees shall have a charter approved by the Board of Trustees. The Chair, with the Governance Committee, shall determine the composition and appoint committee members. The chairpersons of all committees will be recommended by the Governance Committee for one year terms, subject to approval of the Board of Trustees; Committee members need not be Trustees except that committee chairs must be full voting members of the Board of Trustees.

Section 2 – Executive Committee

The Executive Committee shall be composed of the officers of the Board and shall exercise the full authority of the Board of Trustees between meetings of the Board of Trustees. The Executive Committee shall be responsible to the Board of Trustees and shall report its actions at each meeting of the Board of Trustees.

Section 3 – Finance Committee

The Finance Committee shall be responsible for ensuring financial affairs of the corporation are properly administrated. Duties and membership shall be described by the Finance Committee Charter.

Section 4 – Audit Committee

The Audit functions of the corporation are delegated to a centralized Audit Committee of the Sytem. It shall serve as the conduit with the external auditor as described by the Audit Committee Charter. As a centralized committee of the system the audit committee shall report to TRWG and to each

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participant organization board regarding results and concerns, either in person or in writing. Committee membership shall include at least one member of the Board of Trustees of TRWG and at least one representative from all participant organizations in the system. The committee chair must be a full voting member of TRWG or a participant organization.

Section 5- Governance Committee

The Governance Committee shall be responsible for making Trustee and Board Officer nominations to the Board of Trustees. The Governance Committee will also be responsible for Board Officer succession planning, as described by the Governance Committee Charter. The Governance Committee will periodically review the corporation's bylaws and Board policies, and bring any suggested changes to the Board for consideration and approval, The Governance Committee shall review all whistleblower complaints and board conflict of interest statements and report any issues to the Board for consideration.

ARTICLE IX

Amendments of By-Laws

These Bylaws may be amended at any duly-called meeting of the Trustees by a vote of two-thirds (2/3) of the Trustees, in person or by proxy, or by written consent delivered to the Clerk, duly acknowledged. A notice of any amendment proposed for adoption shall be circulated to all Trustees at least seven (7) days in advance of a meeting called to act thereon. If any proposed amendment would (i) impact the powers reserved to TRWG in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more System organizations or on the System as a whole, or (iii) impact the obligations of such System organizations under any agreement between or among the System organizations, then such amendment must be approved by TRWG in order for it to become effective.

(These Bylaws were adopted by a majority vote of the members of the corporation present at the Annual Meeting of the corporation on October 21, 1986; amended by a majority vote of the members of the corporation present at a special meeting of the corporation on April 4, 1990; amended by a majority vote of the members of the corporation present at a special meeting of the corporation on July 9, 1991; amended by a meeting of the Board of Trustees on January 20, 1994; amended by an annual meeting of the corporation on October 28, 1995; amended by a special meeting of the Board of Trustees on October 24, 1996; amended by a meeting of the corporation on October 31, 1996; amended by a meeting of the Board of Trustees on August 28, 1997; amended by meeting of the Board of Trustees on August 27, 1998; amended by meeting of the Board of Trustees on November 4, 1999; amended by meeting of the Board of Trustees on January 16, 2003; amended by meeting of the Board of Trustees on October 23, 2003; amended by meeting of the Board of Trustees on September 23, 2004, amended by meeting of the Board of Trustees on May 25, 2006; amended by meeting of the Board of Trustees on June 26, 2008; amended by meeting of the Board of Trustees on June 25, 2009; amended by meeting of the Board of Trustees on September 27, 2012;

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amended by meeting of the Board of Trustees on November 13, 2013; amended by meeting of the Board of Trustees on June 5, 2014; amended by meeting of the Board of Trustees on June 3, 2015; amended by meeting of the Board of Trustees on June 1, 2017; and amended by meeting of the Board of Trustees on June 14, 2018.)

APPENDIX C-1

TRWG Audited Consolidated Financial Statements FY19

THE RIVERWOODS GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2019 AND 2018



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**THE RIVERWOODS GROUP
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YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The RiverWoods Group
Exeter, New Hampshire

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The RiverWoods Group, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets (deficiency), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

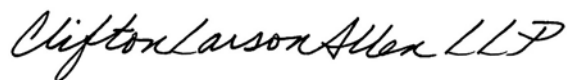
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The RiverWoods Group as of June 30, 2019 and 2018, and the results of their operations, changes in their net assets (deficiency), and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matters Regarding a Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, The RiverWoods Group adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The new accounting standard changes the presentation of various classifications and disclosures within the consolidated financial statements. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audits were conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, statements of operations and changes in net assets (deficiency) and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
August 26, 2019

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,039,806	\$ 14,618,200
Assets Limited as to Use – Other	35,595	1,292,508
Accounts Receivable, Net	909,254	824,474
Inventories	266,639	237,000
Prepaid Expenses and Other Current Assets	825,634	1,076,129
Accrued Interest Receivable	200,206	186,642
Total Current Assets	12,277,134	18,234,953
ASSETS LIMITED AS TO USE		
Benevolent Fund	-	222,875
Other Restricted Funds	1,140,554	852,090
Endowment Funds	4,956,392	4,983,094
Total Assets Limited as to Use, Net	6,096,946	6,058,059
PROPERTY AND EQUIPMENT		
Land and Land Improvements	18,214,068	18,006,119
Buildings and Improvements	213,656,678	204,348,023
Furniture and Equipment	15,924,862	14,455,024
Projects in Process - RiverWoods Durham	39,603,147	9,385,527
Projects in Process	2,887,801	5,910,875
Total	290,286,556	252,105,568
Less: Accumulated Depreciation	(110,431,332)	(101,549,973)
Total Property and Equipment, Net	179,855,224	150,555,595
OTHER ASSETS		
Investments	77,811,346	69,255,320
Benevolent Fund - Unrestricted Portion	1,249,934	925,261
Asset Under Interest Rate Swap Agreement, Net	-	445,431
Other Assets	232,264	208,354
Deferred Marketing Costs	486,654	764,742
Total Other Assets	79,780,198	71,599,108
Total Assets	\$ 278,009,502	\$ 246,447,715

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2019 AND 2018

LIABILITIES AND NET ASSETS (DEFICIENCY)	2019	2018
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 2,978,497	\$ 2,878,920
Accounts Payable and Accrued Expenses	2,106,705	2,673,788
Accrued Salaries, Wages, and Related Taxes	1,796,900	1,536,484
Accrued Interest Payable	156,646	153,471
Total Current Liabilities	7,038,748	7,242,663
LONG TERM DEBT, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS	88,184,806	63,243,362
OBLIGATION UNDER INTEREST RATE SWAP AGREEMENT, NET	3,906,614	-
FUTURE RESIDENTS' DEPOSITS	16,415,390	14,865,292
REFUNDABLE ENTRANCE FEE LIABILITY	174,674,311	169,501,441
DEFERRED REVENUE FROM ENTRANCE FEES	28,654,501	27,213,603
Total Liabilities	318,874,370	282,066,361
NET ASSETS (DEFICIENCY)		
Without Donor Restrictions	(45,882,907)	(40,789,210)
With Donor Restrictions	5,018,039	5,170,564
Total Net Assets (Deficiency)	(40,864,868)	(35,618,646)
Total Liabilities and Net Assets (Deficiency)	\$ 278,009,502	\$ 246,447,715

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS (DEFICIENCY)
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
REVENUES		
Residential Service Fees	\$ 30,662,683	\$ 30,349,866
Earned Entrance Fees	4,834,848	4,797,182
Health Center Fees	12,720,478	12,207,175
Other Operating Revenue	645,704	446,600
Investment Income	2,964,879	1,991,580
Net Assets Released from Restrictions	467,421	620,420
Total Revenues	52,296,013	50,412,823
EXPENSES		
General and Administrative	14,603,363	13,090,710
Resident Services	2,230,788	1,980,755
Dining Services	6,513,800	6,080,125
Nursing Services	10,475,000	10,355,779
Environmental Services	5,992,192	5,691,390
Facility Costs and Utilities	4,864,956	4,611,761
Depreciation and Amortization	9,301,366	8,687,394
Interest	1,980,979	1,997,733
Total Expenses	55,962,444	52,495,647
LOSS FROM OPERATIONS	(3,666,431)	(2,082,824)
NONOPERATING GAINS AND LOSSES		
Contributions	29,895	68,837
Change in Charitable Gift Annuity Liability	(15,051)	(1,724)
Gains on Sales of Assets and Investments	4,984,622	3,664,846
Total Nonoperating Gains and Losses	4,999,466	3,731,959
EXCESS OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	1,333,035	1,649,135

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS (DEFICIENCY) (CONTINUED)
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
EXCESS OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	\$ 1,333,035	\$ 1,649,135
OTHER CHANGES NET ASSETS WITHOUT DONOR RESTRICTIONS		
Change in the Fair Value of Interest Rate Swap Agreements	(4,352,045)	799,340
Changes in Net Unrealized (Losses) Gains on Investments	<u>(2,074,687)</u>	<u>(206,748)</u>
Total Other Changes in Net Assets Without Donor Restrictions	<u>(6,426,732)</u>	<u>592,592</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,093,697)	2,241,727
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	396,150	586,686
Changes in Net Unrealized Gains (Losses) on Investments	(81,254)	226,712
Net Assets Released from Restrictions	<u>(467,421)</u>	<u>(620,420)</u>
Changes in Net Assets With Donor Restrictions ¹	<u>(152,525)</u>	<u>192,978</u>
CHANGE IN NET ASSETS (DEFICIENCY)	(5,246,222)	2,434,705
Net Assets (Deficiency) – Beginning of Year	<u>(35,618,646)</u>	<u>(38,053,351)</u>
NET ASSETS (DEFICIENCY) – END OF YEAR	<u>\$ (40,864,868)</u>	<u>\$ (35,618,646)</u>

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficiency)	\$ (5,246,222)	\$ 2,434,705
Adjustments to Reconcile Change in Net Assets (Deficiency) to		
Net Cash Provided by Operating Activities:		
Proceeds from Entrance Fees	24,433,220	18,457,797
Noncash Items Included in Change in Net Assets (Deficiency):		
Amortization of Deferred Entrance Fee Revenue	(4,834,848)	(4,797,182)
Depreciation and Amortization	9,301,366	8,687,394
Amortization of Bond Issuance Costs	79,988	79,988
Loss on Disposal of Equipment	7,395	35,318
Change in Interest Rate Swap Agreements	4,352,045	(799,340)
Unrealized (Gains) Losses on Investments, Net	2,731,699	(1,582,479)
(Increase) Decrease in Assets:		
Accounts Receivable	(84,780)	285,478
Other Receivables	(33,465)	299,831
Inventories	(29,639)	17,819
Prepaid Expenses and Other Assets	141,240	(164,769)
Accrued Interest Receivable	(1,223,564)	(92,692)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(602,084)	779,934
Accrued Salaries, Wages, and Related Taxes	260,416	82,426
Accrued Interest Payable and Other Liabilities	161,149	(204,826)
Net Cash Provided by Operating Activities	29,413,916	23,519,402
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(37,120,302)	(24,308,981)
(Increase) Decrease in Investments	(10,041,454)	15,915,039
Decrease in Assets Limited as to Use	10,642	9,405
(Increase) Decrease in Other Restricted Funds	(261,762)	249,411
Increase in Benevolent Fund	(101,798)	(393,187)
Net Cash Used by Investing Activities	(47,514,674)	(8,528,313)

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Long-Term Debt	\$ (2,878,920)	\$ (2,756,198)
Proceeds from Long-Term Debt	27,839,953	50,099
Payment of Deferred Financing Costs	-	(1,853,155)
Increase in Residents' Deposits	1,550,098	2,759,193
Refunds of Entrance Fees	<u>(12,988,767)</u>	<u>(12,828,878)</u>
Net Cash Provided (Used) by Financing Activities	<u>13,522,364</u>	<u>(14,628,939)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (4,578,394)	 362,150
 Cash and Cash Equivalents – Beginning of Year	 <u>14,618,200</u>	 <u>14,256,050</u>
 CASH AND CASH EQUIVALENTS – END OF YEAR	 <u>\$ 10,039,806</u>	 <u>\$ 14,618,200</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 1,897,816</u>	<u>\$ 1,979,161</u>

See accompanying Notes to Consolidated Financial Statements.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The RiverWoods Group (TRWG or the Company), a New Hampshire nonprofit voluntary corporation, was incorporated on February 17, 2011. Its purpose is to support nonprofit continuing care retirement communities and further its charitable purposes by establishing, maintaining, and governing an integrated system which provides for the effective and efficient delivery of housing, food services, health services, and other services in the continuum of care to elderly persons.

The RiverWoods Company, Exeter, New Hampshire (RiverWoods Exeter), a nonprofit charitable organization, was incorporated on June 6, 1983 as a voluntary corporation. RiverWoods Exeter operates a three campus continuing care retirement community which provides housing, health care, and other related services to residents. The original campus, known as The Woods, has 201 independent living units, 20 assisted living units, and 39 skilled nursing beds. The second campus, known as The Ridge, has 81 independent living units and 11 cottages, 27 assisted living units, and 23 skilled nursing beds. The third campus, known as The Boulders, has 76 independent living units and 24 cottages, 24 assisted living units, and 16 skilled nursing beds. The operations of The Woods, The Ridge, and The Boulders began in August 1994, October 2004, and March 2010, respectively.

Birch Hill Terrace (Birch Hill) a nonprofit charitable organization, is the parent company of Women's Aid Home d/b/a Pearl Manor at Hillcrest Terrace (Pearl Manor). During the fiscal year ended June 30, 2017, Birch Hill merged with its previous sole member, Hillcrest Manor, Inc. (Hillcrest). Birch Hill has 134 independent living units and 4 cottages, 41 assisted living units, 12 memory care units and 9 intermediate nursing care suites. The facility is located in Manchester, New Hampshire. Pearl Manor holds the endowments of Birch Hill and, as a supporting entity, transfers most net investment income earned to Birch Hill. In July 2016, Hillcrest and The RiverWoods Group (TRWG) received regulatory approval from the Director of Charitable Trusts and the New Hampshire Insurance Department for the affiliation between the two organizations. Under the affiliation agreement, TRWG became the sole corporate member of Hillcrest Manor.

RiverWoods Durham, a nonprofit charitable organization, was incorporated on March 7, 2017. Construction of the RiverWoods Durham campus (the Project) began in June 2018. The Project consists of the construction and equipping of a new continuing care retirement community comprised of 150 independent living apartments, 24 assisted living suites, 24 memory support assisted living suites, and 24 skilled nursing beds in an approximately 310,000 square foot building on approximately 11 acres of land in Durham, New Hampshire.

Principles of Consolidation

The consolidated financial statements include the accounts of TRWG, RiverWoods Exeter, RiverWoods Durham and Birch Hill. All significant intercompany balances have been eliminated in consolidation.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements – ASU 2016-14

During the year ended June 30, 2019, the Company adopted a provision of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. This new accounting standard results in a reduction of three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to two (net assets with donor restrictions and net assets without donor restrictions) and disclosures within the consolidated financial statements. The adoption of this accounting standard did not have an impact on the Company's financial position or changes in its net deficiency.

New Accounting Pronouncements – ASU 2014-09

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles of recognizing revenue from contracts with customers as discussed within ASU No. 2014-09 – *Revenue from Contracts with Customers*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an account that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Company for annual reporting periods beginning after December 15, 2018. Management is evaluating the impact of the amended revenue recognition guidance on the Company's consolidated financial statements.

Use of Estimates

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

Income Taxes

TRWG, RiverWoods Exeter, RiverWoods Durham and Birch Hill are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.

The Company follows the provisions of the income tax accounting standards regarding the recognition and measurement of uncertain tax positions. The application of these provisions has no impact on the Company's consolidated financial statements.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Indicator

For purposes of display, the excess (deficit) of revenues and net gains over expenses and losses is the operating indicator for the Company. Other changes in unrestricted net assets that are excluded from the operating indicator, consistent with industry practice, include unrealized gains and losses on investments, the effective portion of the interest rate swap agreements that are designated as hedging agreements, restricted contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), and net asset transfers.

Cash Equivalents

Cash equivalents include short-term investments, excluding invested cash in investment advisory accounts, which have a maturity of three months or less when purchased and are recorded at cost, which approximates fair value.

Accounts Receivable and Entrance Fees Receivable

The Company provides an allowance for uncollectible accounts based on the allowance method using management's judgment considering historical information. Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts are continually analyzed for collectability and management determines when accounts are written off. At June 30, 2019 and 2018, the allowance for doubtful accounts was \$21,500 and \$31,542, respectively. In certain instances, RiverWoods Exeter and Birch Hill offer incoming residents the ability to defer payment of entrance fees in full on a short-term basis for a period not to exceed one year based upon market conditions.

Inventories

Inventories of supplies are carried at the lower of cost (determined by the first-in, first-out method) or net realizable value.

Investments and Investment Income

Investments, which are comprised of U.S. government, government agency and corporate obligations, equity securities, hedge fund of funds, and invested cash and cash equivalents, are measured at fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest and dividends, investment management fees, and write down of impaired investments) is included in the excess of revenues and net gains over expenses and losses. Unrealized gains and losses on investments are excluded from the excess (deficit) of revenues and net gains over expenses and losses.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near-term and that such changes could materially affect the amounts reported in the statement of financial position.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets Limited as to Use includes certain cash and cash equivalents, donor restricted funds, and certain employee funds. Amounts required to meet current liabilities have been classified as current assets in the statements of financial position at June 30, 2019 and 2018.

Benevolence

RiverWoods Exeter and Birch Hill have established benevolence policies to provide a source for financial assistance to residents of their retirement communities who are able to demonstrate financial need to the satisfaction of their respective board of trustees. For the years ended June 30, 2019 and 2018, the amount of financial assistance provided to RiverWoods Exeter residents was approximately \$192,000 and \$137,000, respectively. For the years ended June 30, 2019 and 2018, the amount of financial assistance provided to Birch Hill residents was approximately \$711,000 and \$469,000, respectively.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Company emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The fair values of financial instruments are summarized further in Note 4.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The Company's policy is to capitalize expenditures for major improvements that have a per unit price of \$1,500 and an economic life of at least three years and charge maintenance and repairs currently for expenditures that do not extend the useful lives of the related assets. The provision for depreciation has been computed using the straight-line method at rates that are intended to amortize the cost of assets over their estimated useful lives. Projects in process consist of ongoing projects that will be depreciated when projects are completed and placed in service. Depreciation expense for the years ended June 30, 2019 and 2018 was \$9,023,278 and \$8,409,306, respectively.

The Company records impairment losses on property and equipment when events and circumstances indicate that it is probable that the assets are impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Based on management's estimated process, no impairment losses have been recorded as of June 30, 2019 and 2018.

Bond Issuance Costs

Bond issuance costs are being amortized using the straight-line method, which approximates the effective interest method, over the commitment period of the existing direct purchase lender agreements.

Deferred Marketing Costs

Deferred marketing costs represent costs incurred in connection with obtaining the initial residence and care agreements of each campus and are being amortized over the estimated remaining lives of each campus' first residents.

In 2011, RiverWoods Exeter capitalized \$2,780,880 of deferred marketing costs of The Boulders. Accumulated amortization expense for The Boulders amounted to \$2,294,226 and \$2,016,138 at June 30, 2019 and 2018, respectively. Amortization of deferred marketing costs related to The Boulders totaled \$278,088 for each of the years ended June 30, 2019 and 2018.

Deferred Revenue – Entrance Fees

As of June 30, 2019, RiverWoods Exeter had three types of entrance fee agreements: 90% refundable, 50% refundable, and declining balance refund. Under the 90% agreement, resident entrance fees for the unit's first person are 90% refundable upon both the termination of residency in the retirement community of the resident, or in the case of joint residency, both residents, and upon resale of the unit. Resident entrance fees for the unit's second person are nonrefundable.

The provisions of the 50% refundable agreement are similar in all regards to the 90% agreement, except that the maximum refund upon termination of residency and resale of the unit is 50% of the first person entrance fee.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Entrance Fees (Continued)

Under the declining balance refund agreement, the resident or resident's designee is entitled to a refund equal to the first person entrance fee paid less a sum equal to a 4% administrative fee and 2% per month for every month of residence.

The nonrefundable portions of the entrance fees are amortized into operating revenue over the actuarially determined life expectancy of each resident. Upon termination of the contract, whether by move-out or death of the resident(s), the unamortized nonrefundable portion of the entrance fee is recorded as operating revenue. The refundable portion of these entrance fees is recorded as a liability.

RiverWoods Exeter entrance fees received for the years ended June 30, 2019 and 2018 were \$20,212,000 and \$14,997,200, respectively. For the years ended June 30, 2019 and 2018, entrance fees refunded were \$12,520,420 and \$12,564,670, respectively. Total net entrance fees collected were \$7,691,580 and \$2,432,530 for the years ended June 30, 2019 and 2018, respectively.

As of June 30, 2019 and 2018, RiverWoods Exeter had \$164,667,252 and \$159,751,579, respectively, of deferred resident entrance fees are contractually refundable based upon the terms of RiverWoods Exeter refund policy.

As of June 30, 2019, Birch Hill had four types of entrance fee agreements: 70% refundable, 50% refundable, 0% refundable, and declining balance refund. For the refundable contracts, resident entrance fees for the unit's first person are refundable upon the termination of residency at Birch Hill and upon resale of the unit. Resident entrance fees for unit's second person are nonrefundable.

The nonrefundable portions of entrance fees are amortized into operating revenue over the actuarially determined life expectancy of each resident. Amortization of the nonrefundable entrance fees begins in the month of residency. Upon termination of the contract, whether by move-out or death of the resident(s), the unamortized nonrefundable portion of the entrance fees is recorded as operating revenue. The refundable portion of these entrance fees is recorded as a liability.

Birch Hill entrance fees received for the years ended June 30, 2019 and 2018 were \$4,221,220 and \$3,460,597, respectively. For the years ended June 30, 2019 and 2018, entrance fees refunded were \$468,347 and \$264,208, respectively. Total net entrance fees collected were \$3,752,873 and \$3,196,389 for the years ended June 30, 2019 and 2018, respectively.

As of June 30, 2019 and 2018, Birch Hill had \$10,096,669 and \$9,466,542, respectively, of deferred resident entrance fees are contractually refundable based upon the terms of Birch Hill's refund policy.

Charges for services rendered to residents are recorded when the services are provided at the estimated net amounts realizable from residents.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Obligation to Provide Future Services

The Company periodically engages an actuary to calculate the net present value of future revenues and the cost of providing future services and use of facilities to current residents, which is compared to the balance of deferred entrance fee revenue, allocable depreciation, and unamortized costs of acquiring initial continuing care contracts. If this calculation produces an obligation, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. RiverWoods Exeter and Birch Hill performed these calculations for 2018. As of June 30, 2019 and 2018, management's estimate indicated no need to record an additional liability for an obligation to provide future services and use of facilities.

Future Residents' Deposits

Future residents' deposits are required prior to the execution of resident agreements and the acceptance of entrance fees. Upon occupancy, future resident deposits are reclassified to refundable entrance fee liability and deferred revenue from entrance fees. Future residents' deposits as of June 30, 2019 and 2018 were \$16,415,390 and \$14,865,292, respectively.

Malpractice Loss Contingencies

The Company has a claims made policy for its malpractice insurance coverage. In the event a loss contingency should occur, the Company would give it appropriate recognition in its consolidated financial statements.

Employee Fringe Benefits

The Company has an "earned time off" plan to provide fringe benefits for its employees. Under this plan each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations or illness. Hours earned but not used are vested with the employee. The Company accrues the cost of these benefits as they are earned.

Charitable Gift Annuities

RiverWoods Exeter has a number of charitable gift annuities. The liability to the annuitants has been discounted to its present value, taking into consideration the life expectancy of the annuitant. The difference between the annuitant's gift and the liability to the annuitant is recorded as an contribution without donor restrictions in the year of the gift. These gift annuities provide for a series of quarterly payments during the annuitants' lives.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the board of trustees can designate, from net assets without donor restrictions, net assets designated for special use. The RiverWoods Fund, the Charitable Gift Annuities and the unrestricted portion of the Benevolent Fund are included in net assets without donor restrictions.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both. The Peabody Scholarship Fund, The Spencer Scholarship Fund, The RiverWoods Exeter Scholarship Fund, and the restricted portion of the Benevolent Fund are included in the donor-imposed restrictions that are temporary in nature. The Endowment Fund, Dodge Fund, Abbie Woodman Fund, Fuller Fund, and The Lawrence Fund are included in donor-imposed restrictions that are maintained in perpetuity.

Reclassifications

Certain items in the 2018 consolidated financial statements have been reclassified to conform to the 2019 consolidated financial statement presentation due to the retrospective implementation of ASU 2016-14.

Subsequent Events

In preparing these consolidated financial statements, the Company's policy is to evaluate events and transactions for potential recognition or disclosure through August 26, 2019, the date the consolidated financial statements were issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these consolidated financial statements.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the statement of financial position date, consist of the following:

	June 30, 2019
Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 10,039,806
Accounts Receivable	909,254
Investments	77,811,346
Benevolent Fund	1,249,934
Assets Limited as to Use:	
Other Restricted Funds	1,176,149
Endowment Funds	4,956,392
Total Financial Assets	96,142,881
Less Amounts not Available to be Used within One Year:	
RWE Capital Replacement Fund	10,000,000
TRWG Board Designated Funds	7,756,512
RWE Future Benevolence Fund	1,205,000
RWE Community Loan Fund	300,000
RWE Ziegler Link-Age Longevity Fund	93,995
RWE Peabody Scholarship Fund	424,212
RWE Spencer Scholarship Fund	449,107
RWE Scholarship Fund	225,235
RWE Endowment Fund	653,429
BH Donor Funds - Perpetually Restricted	3,409,662
Total Financial Assets not Available within One Year	24,517,152
Total Financial Assets Available within One Year	\$ 71,625,729

The Company has certain board-designated and donor-restricted assets limited as to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Company has other assets limited as to use for donor-restricted purposes, which are more fully described in Note 6. Additionally, certain other board-designated assets are designated for future use. These assets limited as to use, which are more fully described in Note 3, are not available for general expenditure within the next year; however, these amounts could be made available, if necessary.

At June 30, 2019 RiverWoods Exeter and Birch Hill, the two communities currently in operation, had Days Cash on Hand of 860 days and 232 days, respectively, as calculated per each organization's continuing covenants agreement.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 3 INVESTMENTS AND ASSETS LIMITED AS TO USE

The composition of investments and assets limited as to use, which are stated at fair value, is set forth in the following table at June 30:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 4,374,062	\$ 6,277,636
U.S. Government and Government Agency Obligations	12,932,210	11,888,798
Corporate Debt Obligations	25,102,532	12,202,578
Equity Securities	42,978,759	47,336,985
Total	<u>\$ 85,387,563</u>	<u>\$ 77,705,997</u>
	<u>2019</u>	<u>2018</u>
Current Portion of Assets Limited as to Use	\$ 35,595	\$ 1,292,508
Accrued Interest Receivable	193,742	174,849
Investments	77,811,346	69,255,320
Benevolent Fund and Other Restricted Funds	7,346,880	6,983,320
Total	<u>\$ 85,387,563</u>	<u>\$ 77,705,997</u>

Management performs due diligence on the valuation of all investments. The vast majority of the underlying manager holdings are publicly traded securities with readily available market prices. Management continually reviews its investment portfolios and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of investment advisors and the length of time and extent to which the market value has been less than cost, and the ability and intent of the Company to hold investments in the long term. During the years ended June 30, 2019 and 2018, no material declines in the market value of investments are considered to be other than temporary.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30:

	2019			Total
	Level 1	Level 2	Level 3	
Assets:				
Assets Limited as to Use	\$ 6,132,541	\$ -	\$ -	\$ 6,132,541
Investments	79,061,280	-	-	79,061,280
Liabilities:				
Obligation Under Interest Rate Swap Agreements, Net	-	(3,906,614)	-	(3,906,614)

	2018			Total
	Level 1	Level 2	Level 3	
Assets:				
Assets Limited as to Use	\$ 7,350,567	\$ -	\$ -	\$ 7,350,567
Investments	70,180,581	-	-	70,180,581
Asset Under Interest Rate Swap Agreements, Net	-	445,431	-	445,431

The determination of the fair values above incorporates various factors. These factors include not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Company's nonperformance risk on its liabilities.

The fair value of investments is determined by third-party service providers utilizing various methods dependent upon the specific type of investment. When quoted prices are available in the active market, securities are classified within Level 1 of the valuation hierarchy. Assets utilizing Level 1 inputs include money market funds and bank deposits, U.S. government and agency securities, corporate bonds, common stock, and mutual funds. Assets utilizing Level 3 inputs are hedge funds of funds and are considered alternative investments, since there are no observable inputs to their value. Level 3 investments are measured using a net asset value (NAV) per share, or its equivalent, as determined by the fund's investment manager.

Assets and liabilities utilizing Level 2 inputs are derivatives. The carrying amount represents fair market value and is based on a price estimated by a third party using the income approach, which uses valuation techniques to convert future cash flows to a discounted value, using current market expectations.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 LONG-TERM DEBT

Following is a description of the terms of long-term debt at June 30:

<u>Description</u>	<u>2019</u>	<u>2018</u>
New Hampshire Health and Education Facilities Authority:		
RWE Series 2012 Revenue Bonds, Series A	\$ 27,225,000	\$ 28,300,000
RWE Series 2012 Revenue Bonds, Series B	27,435,000	28,220,000
BH Series 2016 Revenue Bonds	10,825,783	11,804,339
RWD Series 2018 Revenue Bonds, Series B	<u>27,890,632</u>	<u>50,099</u>
Total Long-Term Debt, New Hampshire Health and Education Facilities Authority	93,376,415	68,374,438
 BH HEFA Loan	 <u>44,186</u>	 <u>84,550</u>
Total Long-Term Debt	93,420,601	68,458,988
Less: Unamortized Debt Issuance Cost	<u>(2,257,298)</u>	<u>(2,336,706)</u>
Total Long-Term Debt, Less Unamortized Debt Issuance Costs	91,163,303	66,122,282
Less: Current Portion	<u>(2,978,497)</u>	<u>(2,878,920)</u>
Total Long-Term Debt, Net of Current Portion, Less Unamortized Debt Issuance Costs	<u>\$ 88,184,806</u>	<u>\$ 63,243,362</u>

On September 28, 2012, RiverWoods Exeter entered into an agreement with the New Hampshire Health and Education Authority for \$65,605,000 Revenue Bonds, Series 2012A and Series 2012B. The proceeds were used to redeem \$64,120,000, representing the total outstanding balances of Series 1997B, Series 2003, Series 2007, and Series 2008 Bonds and to pay certain costs related to the issuance of these bonds. The Series 2012A and Series 2012B bonds are Direct Purchase Revenue Bonds and interest is payable at variable rates.

On April 1, 2015, RiverWoods Exeter entered into loan modification agreements for the Series 2012A and Series 2012B bonds. The modification reduced the variable interest rate and extended the commitment terms of the Series 2012A bonds by approximately 2.5 years to April 1, 2025 and the Series 2012B bonds by approximately 7.5 years to April 1, 2030. RiverWoods Exeter paid certain costs related to the loan modification which is included in unamortized bond issuance costs.

In July 2016, Birch Hill entered into an agreement with the New Hampshire Health and Education Facility for \$12,680,000 Revenue Bonds, Series 2016. The proceeds were used to redeem \$9,650,000 of outstanding Series 1994 Bonds and to pay certain costs related to the issuance of these bonds. An additional \$4,020,000 was acquired through the Series 2016 Revenue Bonds for planned capital projects.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 LONG-TERM DEBT (CONTINUED)

On July 1, 2016, Birch Hill entered into an agreement with People's United Bank, National Association, for an \$820,000 taxable loan. The proceeds were used to redeem \$793,885 of an outstanding subordinated loan to Catholic Medical Center and to pay certain costs related to the issuance of this taxable loan. This loan was fully repaid during fiscal year ending June 30, 2018.

On August 1, 2017, TRWG closed on a three year revolving credit loan with TD Bank, NA. The loan provides for up to \$7,000,000 of credit and is collateralized by certain cash and investments of TRWG. It carries an interest rate of 1 Month LIBOR plus 1.02%. The loan was intended to finance pre-construction costs associated with the development of RiverWoods Durham as well as to provide working capital for TRWG. As of June 30, 2019 and 2018, there is no balance on the line of credit.

On May 31, 2018, RiverWoods Durham entered into an agreement with the New Hampshire Health and Education Authority for \$98,380,000 Revenue Bonds, Series 2018A (\$52,980,000) and Series 2018B (\$45,400,000). The proceeds of the issuance will be utilized to fund the RiverWoods Durham Project (the Project). The Project consists of 1) financing the acquisition, construction, renovation, and equipping of a new continuing care retirement community comprised of independent living apartments, assisted living suites, memory support assisted living suites, and skilled nursing beds; 2) financing certain other capital expenditures by RiverWoods Durham; and 3) paying certain costs of issuing the bonds. The Series 2018A and Series 2018B bonds are Direct Purchase Revenue Bonds and interest is payable at variable rates. Proceeds are to be drawn down as costs of the Project are incurred. As of June 30, 2019, draws on the bonds have amounted to \$27,890,632.

RiverWoods Exeter has entered into a swap agreement with Morgan Stanley to enact a fixed rate swap on variable rate debt. During the years ended June 30, 2019 and 2018, the swap was recorded as a financial instrument at fair value and met the criteria as a derivative instrument. The change in the fair value of the swap is excluded from the performance indicator for the years ended June 30, 2019 and 2018. The swap agreement expires March 1, 2023 and has a fixed interest rate of 3.499%.

In June 2011, RiverWoods Exeter had entered into a swap agreement with Deutsche Bank with a fixed rate of 1.624% and a termination date of June 1, 2016. In September 2012, RiverWoods Exeter modified this interest rate swap agreement with Deutsche Bank. Effective October 1, 2012, the interest rate of the swap is 1.69% and the original notional amount was \$47,000,000. The swap was recorded as a financial instrument at fair value and met the criteria as a derivative instrument. The change in the fair value of the swap is excluded from the performance indicator for the years ended June 30, 2019 and 2018. The swap agreement expires October 1, 2022.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 LONG-TERM DEBT (CONTINUED)

RiverWoods Exeter has entered into an agreement with Deutsche Bank to enact a variable to fixed swap. The swap agreement was designated as a derivative and recorded at fair value as an asset or a liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The term of the swap is through March 1, 2023 and the interest rate is 4.189%.

Birch Hill has entered into an interest rate swap agreement that effectively converts the variable interest rate on the Series 2016 Bond to a fixed interest rate of 0.8525%. The original notional amount was \$12,680,000. The swap agreement was designated as a derivative and recorded at fair value as an asset or a liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The term of the swap is through July 1, 2026.

RiverWoods Durham has entered into a forward interest rate swap agreement with TD Bank that effectively converts the variable interest rate on a portion of the Series 2018B Bonds to a fixed interest rate of 2.1610%. The original notional amount on the effective date is \$7,270,000. The swap agreement was designated as a derivative and recorded at fair value as an asset or a liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The swap effective date is November 1, 2018 and the term of the swap is through January 1, 2020.

RiverWoods Durham has entered into a forward interest rate swap agreement with TD Bank that effectively converts the variable interest rate on a portion of the Series 2018A Bonds to a fixed interest rate of 2.4360%. The original notional amount on the effective date is \$1,166,250. The swap agreement was designated as a derivative and recorded at fair value as an asset or liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The swap effective date is May 1, 2019 and the term of the swap is through June 1, 2028.

RiverWoods Durham has entered into a forward interest rate swap agreement with SunTrust Bank that effectively converts the variable interest rate on a portion of the Series 2018A Bonds to a fixed interest rate of 2.4660%. The original notional amount on the effective date is \$1,166,250. The swap agreement was designated as a derivative and recorded at fair value as an asset or a liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The swap effective date is May 1, 2019 and the term of the swap is through June 1, 2028.

RiverWoods Durham has entered into a forward interest rate swap agreement with People's United Bank that effectively converts the variable interest rate on a portion of the Series 2018A Bonds to a fixed interest rate of 2.4660%. The original notional amount on the effective date is \$777,500. The swap agreement was designated as a derivative and recorded at fair value as an asset or liability in the balance sheet with the unrealized gain (loss) reported in the statement of operations below the operating indicator. The swap effective date is May 1, 2019 and the term of the swap is through June 1, 2028.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 LONG-TERM DEBT (CONTINUED)

Following is a summary of interest rate swaps outstanding at June 30, 2019:

	Current Notional Amount	Fixed Rate	Expiration Year
RWE - Deutsche Bank	\$ 3,645,000	4.189%	2023
RWE - Deutsche Bank	45,092,000	1.690%	2022
RWE - Morgan Stanley	3,190,000	3.499%	2023
BH - People's United Bank	10,825,783	0.8525%	2026
RWD - TD Bank	34,050,000	2.161%	2020
RWD - TD Bank	2,692,500	2.436%	2028
RWD - SunTrust Bank	2,692,500	2.466%	2028
RWD - People's United Bank	1,795,000	2.466%	2028
Total Notional Amount	<u>\$ 103,982,783</u>		

RiverWoods Exeter and Birch Hill are required by the Loan Agreements to meet certain financial ratios. As of June 30, 2019 and 2018, management is not aware of any violations with these financial covenants.

Total interest expense incurred was approximately \$1,901,000 and \$1,942,500 for the years ended June 30, 2019 and 2018, respectively.

Interest capitalized during the years ended June 30, 2019 and 2018 was \$1,210,000 and \$100,833, respectively.

The combined aggregate amount of maturities as of June 30 for all long-term debt is as follows:

Year Ending June 30,	2012 Series A	2012 Series B	2016 Series	HEFA Loan	2018B Series	Total
2020	\$ 1,120,000	\$ 815,000	\$ 1,002,727	\$ 40,770	\$ -	\$ 2,978,497
2021	1,175,000	860,000	1,066,991	3,416	27,890,632	30,996,039
2022	1,220,000	910,000	1,097,340	-	-	3,227,340
2023	1,310,000	985,000	1,124,910	-	-	3,419,910
2024	1,405,000	1,025,000	1,153,059	-	-	3,583,059
2024 and Thereafter	20,995,000	22,840,000	5,380,756	-	-	49,215,756
Total	<u>\$ 27,225,000</u>	<u>\$ 27,435,000</u>	<u>\$ 10,825,783</u>	<u>\$ 44,186</u>	<u>\$ 27,890,632</u>	<u>\$ 93,420,601</u>

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions (subject to donor or time restrictions that are of a temporary nature) are comprised of the following at June 30:

	<u>2019</u>	<u>2018</u>
Unappropriated Income on Permanently Restricted		
Endowments - Birch Hill	\$ 390,398	\$ 679,796
Benevolent Fund - RiverWoods Exeter	-	73,833
Peabody Scholarship Fund - RiverWoods Exeter	441,459	388,750
RiverWoods Exeter Scholarship Fund	18,438	-
Other - RiverWoods Exeter	1,348	7,319
Total	<u>\$ 851,643</u>	<u>\$ 1,149,698</u>

Net assets with donor restrictions held in perpetuity are comprised of the following at June 30:

	<u>2019</u>	<u>2018</u>
Permanently Restricted Endowment Funds - Birch Hill		
Dodge Fund, Income Unrestricted	\$ 73,733	\$ 73,733
Abbie Woodman Fund, Income Unrestricted	155,692	155,692
Fuller Fund, Income Unrestricted	3,169,205	3,169,205
Lawrence Fund, Income Restricted for Pin Money to the Residents of Pearl Manor	11,032	11,032
Total Permanently Restricted Endowments - Birch Hill	<u>3,409,662</u>	<u>3,409,662</u>
Permanently Restricted Funds - RiverWoods Exeter		
Endowment Fund	370,624	295,144
Spencer Fund	386,110	316,060
Total Permanently Restricted Funds - RiverWoods Exeter	<u>756,734</u>	<u>611,204</u>
Total	<u>\$ 4,166,396</u>	<u>\$ 4,020,866</u>

NOTE 7 BIRCH HILL ENDOWMENT

Birch Hill's endowment primarily consists of funds established to support operations. Its endowment includes donor-restricted endowment funds to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 BIRCH HILL ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

Birch Hill has interpreted the state of New Hampshire Uniform Prudent Management of Institutional Funds Act (the Act) as requiring the preservation of the contributed value of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Birch Hill classifies as net assets with donor restrictions held in perpetuity (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, unless explicitly stated otherwise by the donor, realized and unrealized net appreciation in investments in donor-restricted endowment funds held in perpetuity is classified as net assets with donor restrictions that are temporary in nature until appropriated by the board of trustees for expenditure. Funds designated by the board of trustees to function as endowments are classified as net assets without donor restrictions.

In accordance with the Act, Birch Hill considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Endowment Composition and Changes in Endowment

The endowment asset composition by type of fund as of June 30, 2019 is as follows:

	Without Donor Restrictions	Temporary in Nature	Held in Perpetuity	Total
Donor-Restricted Funds - Birch Hill	\$ -	\$ 390,398	\$ 3,409,662	\$ 3,800,060

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 BIRCH HILL ENDOWMENT (CONTINUED)

The changes in endowment assets as of June 30, 2019 are as follows:

	Without Donor Restrictions	Temporary in Nature	Held in Perpetuity	Total
Donor-Restricted Funds - Birch Hill	\$ -	\$ 390,398	\$ 3,409,662	\$ 3,800,060
Endowment Assets, June 30, 2018	\$ -	\$ 679,796	\$ 3,409,662	\$ 4,089,458
Investment Return:				
Investment Income	-	87,856	-	87,856
Net Depreciation	-	(169,110)	-	(169,110)
Total Investment Return	-	(81,254)	-	(81,254)
Amounts Appropriated for Expenditure	-	(204,358)	-	(204,358)
Distribution of Pearl Manor's Income	-	(3,786)	-	(3,786)
Endowment Assets, June 30, 2019	<u>\$ -</u>	<u>\$ 390,398</u>	<u>\$ 3,409,662</u>	<u>\$ 3,800,060</u>

The endowment asset composition by type of fund as of June 30, 2018 is as follows:

	Without Donor Restrictions	Temporary in Nature	Held in Perpetuity	Total
Donor-Restricted Funds - Birch Hill	\$ -	\$ 679,796	\$ 3,409,662	\$ 4,089,458

The changes in endowment assets as of June 30, 2018 are as follows:

	Without Donor Restrictions	Temporary in Nature	Held in Perpetuity	Total
Endowment Assets, June 30, 2017	\$ -	\$ 657,789	\$ 3,409,662	\$ 4,067,451
Investment Return:				
Investment Income	-	87,224	-	87,224
Net Appreciation	-	139,488	-	139,488
Total Investment Return	-	226,712	-	226,712
Amounts Appropriated for Expenditure	-	(201,641)	-	(201,641)
Distribution of Pearl Manor's Income	-	(3,064)	-	(3,064)
Endowment Assets, June 30, 2018	<u>\$ -</u>	<u>\$ 679,796</u>	<u>\$ 3,409,662</u>	<u>\$ 4,089,458</u>

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 BIRCH HILL ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

Birch Hill has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Birch Hill must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate market indices while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Birch Hill relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Birch Hill targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Policy

In accordance with the Act, the board of trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In so doing, the board must consider long- and short-term needs of the institution in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The board has established a spending policy providing for distributions of a minimum of 85% of the interest and dividends and realized gains, less all fees and realized losses, from Pearl Manor's investment portfolio to Birch Hill Terrace, unless additional amounts are appropriated to support operations. Under this policy, total distributions are not to exceed 5% of the trailing three year average market value of endowed funds, unless approved by the board. Distributions of \$217,339 were made pursuant to this policy, during the year ended June 30, 2019.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 8 FUNCTIONAL EXPENSES

The Company provides residential living services and general health care services to its residents. All natural classes of expenses that are not directly related to the Company's programs are allocated to one or more management and general functions based on estimates of time and effort involved. Expenses related to providing these services are as follows at June 30:

	2019		
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 18,124,810	\$ 6,034,621	\$ 24,159,431
Payroll Taxes and Fringe Benefits	4,685,481	1,786,381	6,471,862
Contract Labor	353,114	94,752	447,866
Professional Fees	345,338	-	345,338
Dues and Subscriptions	23,248	47,331	70,579
Resident Supplies/Expenses	1,035,464	59,802	1,095,266
Office Supplies	842,387	214,479	1,056,866
Printing and Advertising	471,809	167,078	638,887
Equipment Lease and Maintenance	1,274,542	354,308	1,628,850
Postage	27,344	14,290	41,634
Telephone and IT Services	140,112	982,398	1,122,510
Insurance	3,584	531,943	535,527
Interest and Banking Fees	1,734,832	266,449	2,001,281
Utilities	-	2,641,964	2,641,964
Property Taxes	-	1,691,447	1,691,447
Depreciation and Amortization	7,588,605	1,712,761	9,301,366
Travel	54,935	196,523	251,458
Food	1,795,713	268,325	2,064,038
Miscellaneous	160,845	235,429	396,274
Total Expenses	<u>\$ 38,662,163</u>	<u>\$ 17,300,281</u>	<u>\$ 55,962,444</u>

	2018		
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 17,460,390	\$ 5,459,895	\$ 22,920,285
Payroll Taxes and Fringe Benefits	4,574,414	1,526,408	6,100,822
Contract Labor	449,276	68,993	518,269
Professional Fees	337,316	570,743	908,059
Dues and Subscriptions	22,523	54,155	76,678
Resident Supplies/Expenses	757,435	71,912	829,347
Office Supplies	841,395	180,457	1,021,852
Printing and Advertising	419,317	124,429	543,746
Equipment Lease and Maintenance	1,096,281	318,125	1,414,406
Postage	17,578	11,153	28,731
Telephone and IT Services	151,472	282,083	433,555
Insurance	2,609	501,025	503,634
Interest and Banking Fees	1,749,073	265,754	2,014,827
Utilities	-	2,490,416	2,490,416
Property Taxes	-	1,620,610	1,620,610
Depreciation and Amortization	7,068,886	1,618,508	8,687,394
Travel	19,677	140,395	160,072
Food	1,603,313	239,576	1,842,889
Miscellaneous	183,861	196,194	380,055
Total Expenses	<u>\$ 36,754,816</u>	<u>\$ 15,740,831</u>	<u>\$ 52,495,647</u>

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 9 EMPLOYEE BENEFIT PLAN

During 2000, RiverWoods Exeter established a defined contribution plan for all eligible employees. The plan requires RiverWoods Exeter to match certain percentages of employee voluntary contributions based upon years of service. Pension expense was \$215,144 and \$205,695 for the years ended June 30, 2019 and 2018, respectively.

Birch Hill offers a defined contribution plan to eligible employees. The plan establishes individual employee accounts and covers all qualified employees. Birch Hill will match one-half of employee contributions to the plan, up to 4% if their annual salary. For the years ended June 30, 2019 and 2018, Birch Hill incurred matching contributions of \$34,596 and \$31,513, respectively. These costs were charged to operations.

The RiverWoods Group offers a defined contribution plan for all eligible employees. The plan requires TRWG to match certain percentages of employee voluntary contributions based upon years of service. Pension expense was \$31,761 and \$28,797 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 CONCENTRATION OF CREDIT RISK

The Company maintains its cash accounts at commercial banks. The cash balances in each bank are insured by the FDIC up to certain dollar limitations. The concentration of credit risk varies with the funds held in the accounts and fluctuates based on available balances during the year.

The Company grants credit without collateral to its residents. The Company requires third-party insurance for those residents receiving health care services. The mix of receivables from patients and third-party payors at June 30 was as follows:

	2019	2018
Medicare and Supplemental Insurance	62%	61%
Residents and Other Accounts Receivable	38%	39%
Total	100%	100%

NOTE 11 RELATED PARTY

During fiscal year ended June 30, 2019, RiverWoods Exeter paid TRWG management and development fees of \$1,206,000 and incurred expenses that TRWG reimbursed of \$73,000; both of which were eliminated in consolidation. During fiscal year ended June 30, 2018, RiverWoods Exeter paid TRWG management and development fees of \$1,136,004 and incurred expenses that TRWG reimbursed of \$63,996; both of which were eliminated in consolidation. Information technology was centralized at the TRWG level during fiscal year 2019. During fiscal year ended June 30, 2019, RiverWoods Exeter paid TRWG information technology fees of \$452,003 which were eliminated in consolidation.

During fiscal year ended June 30, 2019, RiverWoods Exeter incurred marketing expenses of \$5,518 that RiverWoods Durham reimbursed and which were eliminated in consolidation.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 11 RELATED PARTY (CONTINUED)

During fiscal years ended June 30, 2019 and 2018, Birch Hill paid TRWG management and development fees of \$352,083 and \$249,202, respectively, which were eliminated in consolidation. Information technology was centralized at the TRWG level during fiscal year 2019. During fiscal year ended June 30, 2019, Birch Hill paid TRWG information technology fees of \$152,001 which were eliminated in consolidation.

On July 8, 2016, Birch Hill entered into an equity support agreement with TRWG, for a \$2,000,000 subordinated loan, with the availability of an additional \$3,000,000, if needed. This agreement provides liquidity support as required under the People's United Muni Finance Corp and People's United Bank, National Association lending agreement. Principal may be repaid upon the latter of i) July 8, 2021, or ii) satisfaction of certain financial benchmarks as defined in the Financial Support Agreement. Interest at 3% is paid in monthly installments. All unpaid principal and accrued interest must be repaid by July 8, 2026. The amount outstanding on the loan at June 30, 2019 and 2018 is \$2,000,000. Birch Hill paid TRWG \$60,000 in interest on the loan during each of the years ended June 30, 2019 and 2018, respectively. These amounts are eliminated in consolidation.

On June 25, 2019, Birch Hill entered into a loan agreement with TRWG in the amount of \$1,700,000 that can be drawn upon at an interest rate of 0%. The agreement is intended to allow Birch Hill to be able to meet certain financial covenants contained in the bond purchase agreement from July 2016 with the New Hampshire Health and Education Facility for \$12,680,000 Revenue Bonds, Series 2016. Principal outstanding on the loan will be repaid in thirty-six equal installments beginning August 1, 2025. The amount outstanding on the loan at June 30, 2019 is \$495,000 and is eliminated in consolidation.

During fiscal years ended June 30, 2019 and 2018, RiverWoods Durham paid TRWG management and development fees of \$240,000 and \$20,000, respectively, which were eliminated in consolidation.

On May 1, 2018, TRWG entered into two guaranty agreements to support the financing of the RiverWoods Durham project. Under the terms of the first of these agreements (Completion and Performance), TRWG agreed to provide an unlimited guarantee for the construction and completion of the RWD project. Under the terms of the second guaranty agreement (Payment and Performance), following project completion, the TRWG guarantee of RWD's bond and swap payment obligations is limited to \$4,500,000. Once the project reaches stabilization (as defined in the Payment and Performance Guaranty), the guaranty agreement is to be amended and restated. Following that amendment and restatement, TRWG's obligations become nonrecourse to it unless one of certain defined events should occur.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 11 RELATED PARTY (CONTINUED)

During fiscal year ended June 30, 2018, RiverWoods Exeter loaned \$12,100,000 to RiverWoods Durham in a subordinated note arrangement pursuant to the RiverWoods Durham Series 2018 A and B financing discussed in Note 5. Interest on the obligation is 10% simple interest annually and will be paid upon the date of maturity. Principal may be repaid upon the satisfaction of certain financial benchmarks as defined in the Financial Support Agreement. RiverWoods Exeter recognized \$1,210,000 and \$100,833 in interest income and interest receivable as of June 30, 2019 and 2018, respectively. RiverWoods Durham recognized \$1,210,000 and \$100,833 of capitalized interest and accrued interest payable as of June 30, 2019 and 2018, respectively. All unpaid principal and accrued interest must be repaid by June 1, 2048. All such amounts were eliminated in consolidation.

During fiscal year ended June 30, 2018, TRWG transferred \$2,000,000 to RiverWoods Durham as a net asset transfer, which was eliminated in consolidation.

The amounts due (to)/from the entities that are eliminated in consolidation are comprised of the following at June 30, 2019:

	RiverWoods Durham	TRWG	Birch Hill	RiverWoods Exeter	Total
Due to TRWG	\$ (54,502)	\$ -	\$ (4,120)	\$ -	\$ (58,622)
Due to RiverWoods Exeter	(61,816)	(11,829)	(13,498)	-	(87,143)
Due from RiverWoods Durham	-	54,502	-	61,816	116,318
Due from Birch Hill	-	4,120	-	13,498	17,618
Due from TRWG	-	-	-	11,829	11,829
Total	<u>\$ (116,318)</u>	<u>\$ 46,793</u>	<u>\$ (17,618)</u>	<u>\$ 87,143</u>	<u>\$ -</u>

The amounts due (to)/from the entities that are eliminated in consolidation are comprised of the following at June 30, 2018:

	RiverWoods Durham	TRWG	RiverWoods Exeter	Total
Due to TRWG	\$ (4,124)	\$ -	\$ (9,204)	\$ (13,328)
Due to RiverWoods Exeter	(11,002)	-	-	(11,002)
Due from RiverWoods Exeter	-	9,204	-	9,204
Due from RiverWoods Durham	-	4,124	11,002	15,126
Total	<u>\$ (15,126)</u>	<u>\$ 13,328</u>	<u>\$ 1,798</u>	<u>\$ -</u>

NOTE 12 INSURANCE

Effective October 23, 2014, RiverWoods Exeter began participating in an insurance risk retention group, the Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), a group insurance captive corporation licensed by the state of Illinois, to cover basic professional and general liability insurance on a claims-made basis. RiverWoods Exeter has a 0.71% subscriber interest in the CCrRRG Reciprocal.

THE RIVERWOODS GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 13 CONTINGENCIES AND COMMITMENTS

Boulders Campus

As a condition of site plan approval for its third campus, The Boulders, RiverWoods Exeter agreed to provide land and funds for the Town of Exeter, New Hampshire to put towards the construction of a future fire substation. During the fiscal year ending June 30, 2011, RiverWoods Exeter provided the funds as per the agreement. No land has been contributed at this time.

Litigation

The Company occasionally finds itself as a defendant in legal suits that develop in the normal course of its activities. Although it is impossible to determine the ultimate resolution of matters that remain unresolved at this time, The Company does not anticipate that there will be any material effect on these consolidated financial statements as a result of any action presently in progress.

Industry Regulation

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse.

Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse statutes as well as other applicable government statutes.

RiverWoods Durham

In fiscal year 2018, RiverWoods Durham began construction on their new site as described in Note 1 and received bank financing for the project. The campus will open in multiple phases, with the first one expected to open in November 2019.

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 406,238	\$ 7,694,729	\$ 1,189,856	\$ 748,983	\$ 10,039,806	\$ -	\$ 10,039,806
Assets Limited as to Use - Other	-	35,595	-	-	35,595	-	35,595
Accounts Receivable, Net	-	847,555	61,699	-	909,254	-	909,254
Inventories	-	249,512	17,127	-	266,639	-	266,639
Prepaid Expenses and Other Current Assets	6,789	726,905	91,940	-	825,634	-	825,634
Intercompany	2,541,793	87,143	-	-	2,628,936	(2,628,936)	-
Accrued Interest Receivable	6,464	1,498,136	6,439	-	1,511,039	(1,310,833)	200,206
Total Current Assets	<u>2,961,284</u>	<u>11,139,575</u>	<u>1,367,061</u>	<u>748,983</u>	<u>16,216,903</u>	<u>(3,939,769)</u>	<u>12,277,134</u>
ASSETS LIMITED AS TO USE							
Other Restricted Funds	-	1,140,554	-	-	1,140,554	-	1,140,554
Endowment Funds	-	653,429	4,302,963	-	4,956,392	-	4,956,392
Total Assets Limited as to Use	<u>-</u>	<u>1,793,983</u>	<u>4,302,963</u>	<u>-</u>	<u>6,096,946</u>	<u>-</u>	<u>6,096,946</u>
PROPERTY, PLANT, AND EQUIPMENT							
Land and Land Improvements	-	10,631,491	6,100,724	1,481,853	18,214,068	-	18,214,068
Building and Improvements	-	164,595,022	49,061,656	-	213,656,678	-	213,656,678
Furniture and Equipment	19,323	11,787,531	4,118,008	-	15,924,862	-	15,924,862
Projects in Process - RiverWoods Durham	-	-	-	39,603,147	39,603,147	-	39,603,147
Projects in Process	12,419	2,598,077	277,305	-	2,887,801	-	2,887,801
Total	<u>31,742</u>	<u>189,612,121</u>	<u>59,557,693</u>	<u>41,085,000</u>	<u>290,286,556</u>	<u>-</u>	<u>290,286,556</u>
Less: Accumulated Depreciation	(1,187)	(87,884,473)	(22,545,672)	-	(110,431,332)	-	(110,431,332)
Total Property, Plant, and Equipment	<u>30,555</u>	<u>101,727,648</u>	<u>37,012,021</u>	<u>41,085,000</u>	<u>179,855,224</u>	<u>-</u>	<u>179,855,224</u>
OTHER ASSETS							
Investments	9,506,512	62,595,806	5,709,028	-	77,811,346	-	77,811,346
Notes Receivable	-	12,100,000	-	-	12,100,000	(12,100,000)	-
Benevolent Fund - Unrestricted Portion	-	963,817	286,117	-	1,249,934	-	1,249,934
Other Assets	-	232,264	-	-	232,264	-	232,264
Deferred Marketing Costs	-	486,654	-	-	486,654	-	486,654
Total Other Assets	<u>9,506,512</u>	<u>76,378,541</u>	<u>5,995,145</u>	<u>-</u>	<u>91,880,198</u>	<u>(12,100,000)</u>	<u>79,780,198</u>
Total Assets	<u>\$ 12,498,351</u>	<u>\$ 191,039,747</u>	<u>\$ 48,677,190</u>	<u>\$ 41,833,983</u>	<u>\$ 294,049,271</u>	<u>\$ (16,039,769)</u>	<u>\$ 278,009,502</u>

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2019**

LIABILITIES AND NET ASSETS (DEFICIENCY)	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CURRENT LIABILITIES							
Current Portion of Long-Term Debt	\$ -	\$ 1,935,000	\$ 1,043,497	\$ -	\$ 2,978,497	\$ -	\$ 2,978,497
Accounts Payable and Accrued Expenses	46,753	1,372,450	683,251	4,251	2,106,705	-	2,106,705
Accrued Salaries, Wages, and Related Taxes	252,632	1,105,432	402,176	36,660	1,796,900	-	1,796,900
Accrued Interest Payable	-	138,017	18,629	1,310,833	1,467,479	(1,310,833)	156,646
Intercompany	-	-	2,512,618	116,318	2,628,936	(2,628,936)	-
Total Current Liabilities	299,385	4,550,899	4,660,171	1,468,062	10,978,517	(3,939,769)	7,038,748
LONG-TERM DEBT, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS	-	52,491,839	9,656,070	26,036,897	88,184,806	-	88,184,806
SUBORDINATED NOTES PAYABLE	-	-	-	12,100,000	12,100,000	(12,100,000)	-
OBLIGATION UNDER INTEREST RATE SWAP AGREEMENT, NET	-	389,231	(137,484)	3,654,867	3,906,614	-	3,906,614
FUTURE RESIDENTS' DEPOSITS	-	15,958,215	30,007	427,168	16,415,390	-	16,415,390
REFUNDABLE ENTRANCE FEE LIABILITY	-	164,577,642	10,096,669	-	174,674,311	-	174,674,311
DEFERRED REVENUE FROM ENTRANCE FEES	-	20,180,340	8,474,161	-	28,654,501	-	28,654,501
Total Liabilities	299,385	258,148,166	32,779,594	43,686,994	334,914,139	(16,039,769)	318,874,370
NET ASSETS (DEFICIT)							
Without Donor Restrictions	12,198,966	(68,326,398)	12,097,536	(1,853,011)	(45,882,907)	-	(45,882,907)
With Donor Restrictions	-	1,217,979	3,800,060	-	5,018,039	-	5,018,039
Total Net Assets (Deficit)	12,198,966	(67,108,419)	15,897,596	(1,853,011)	(40,864,868)	-	(40,864,868)
Total Liabilities and Net Assets (Deficit)	\$ 12,498,351	\$ 191,039,747	\$ 48,677,190	\$ 41,833,983	\$ 294,049,271	\$ (16,039,769)	\$ 278,009,502

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIENCY)
YEAR ENDED JUNE 30, 2019**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
REVENUE							
Residential Service Fees	\$ -	\$ 25,151,591	\$ 5,511,092	\$ -	\$ 30,662,683	\$ -	\$ 30,662,683
Earned Entrance Fees	-	3,070,285	1,764,563	-	4,834,848	-	4,834,848
Health Center Fees	-	7,650,284	5,070,194	-	12,720,478	-	12,720,478
Management, Development, and IT Fees	2,375,087	-	-	-	2,375,087	(2,375,087)	-
Other Operating Revenue	-	533,409	112,295	-	645,704	-	645,704
Investment Income	260,825	2,669,554	94,500	-	3,024,879	(60,000)	2,964,879
Net Assets Released from Restrictions	-	233,639	233,782	-	467,421	-	467,421
Total Revenue	2,635,912	39,308,762	12,786,426	-	54,731,100	(2,435,087)	52,296,013
EXPENSES							
General and Administrative	2,621,760	9,724,587	4,480,394	151,709	16,978,450	(2,375,087)	14,603,363
Resident Services	-	1,903,392	327,396	-	2,230,788	-	2,230,788
Dining Services	-	4,861,148	1,615,694	36,958	6,513,800	-	6,513,800
Nursing Services	-	7,880,449	2,592,128	2,423	10,475,000	-	10,475,000
Environmental Services	-	4,911,527	1,078,701	1,964	5,992,192	-	5,992,192
Facility Costs and Utilities	34,687	4,007,325	820,351	2,593	4,864,956	-	4,864,956
Depreciation and Amortization	1,187	6,537,278	2,762,901	-	9,301,366	-	9,301,366
Interest	-	1,703,819	337,160	-	2,040,979	(60,000)	1,980,979
Total Expenses	2,657,634	41,529,525	14,014,725	195,647	58,397,531	(2,435,087)	55,962,444
INCOME (LOSS) FROM OPERATIONS	(21,722)	(2,220,763)	(1,228,299)	(195,647)	(3,666,431)	-	(3,666,431)
NONOPERATING GAINS AND LOSSES							
Contributions	-	28,050	1,845	-	29,895	-	29,895
Change in Charitable Gift Annuity Liability	-	(15,051)	-	-	(15,051)	-	(15,051)
Gains on Sales of Assets and Investments	73,688	4,759,873	151,061	-	4,984,622	-	4,984,622
Total Nonoperating Gains and Losses	73,688	4,772,872	152,906	-	4,999,466	-	4,999,466
EXCESS (DEFICIT) OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	51,966	2,552,109	(1,075,393)	(195,647)	1,333,035	-	1,333,035

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIENCY) (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
EXCESS (DEFICIT) OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	\$ 51,966	\$ 2,552,109	\$ (1,075,393)	\$ (195,647)	\$ 1,333,035	\$ -	\$ 1,333,035
OTHER CHANGES IN ASSETS WITHOUT DONOR RESTRICTIONS							
Change in the Fair Value of Interest Rate Swap Agreements	-	(680,599)	(418,236)	(3,253,210)	(4,352,045)	-	(4,352,045)
Changes in Net Unrealized Gains (Losses) on Investments	240,195	(2,491,504)	176,622	-	(2,074,687)	-	(2,074,687)
Total Other Changes in Net Assets Without Donor Restrictions	<u>240,195</u>	<u>(3,172,103)</u>	<u>(241,614)</u>	<u>(3,253,210)</u>	<u>(6,426,732)</u>	<u>-</u>	<u>(6,426,732)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	292,161	(619,994)	(1,317,007)	(3,448,857)	(5,093,697)	-	(5,093,697)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS							
Contributions	-	370,512	25,638	-	396,150	-	396,150
Changes in Net Realized and Unrealized Gains (Losses) on Investments	-	-	(81,254)	-	(81,254)	-	(81,254)
Net Assets Released from Restrictions	-	(233,639)	(233,782)	-	(467,421)	-	(467,421)
Changes in Net Assets With Donor Restrictions	<u>-</u>	<u>136,873</u>	<u>(289,398)</u>	<u>-</u>	<u>(152,525)</u>	<u>-</u>	<u>(152,525)</u>
CHANGE IN NET ASSETS (DEFICIENCY)	292,161	(483,121)	(1,606,405)	(3,448,857)	(5,246,222)	-	(5,246,222)
Net Assets (Deficiency) – Beginning of Year	<u>11,906,805</u>	<u>(66,625,298)</u>	<u>17,504,001</u>	<u>1,595,846</u>	<u>(35,618,646)</u>	<u>-</u>	<u>(35,618,646)</u>
NET ASSETS (DEFICIT) – END OF YEAR	<u>\$ 12,198,966</u>	<u>\$ (67,108,419)</u>	<u>\$ 15,897,596</u>	<u>\$ (1,853,011)</u>	<u>\$ (40,864,868)</u>	<u>\$ -</u>	<u>\$ (40,864,868)</u>

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets (Deficiency)	\$ 292,161	\$ (483,121)	\$ (1,606,405)	\$ (3,448,857)	\$ (5,246,222)	\$ -	\$ (5,246,222)
Adjustments to Reconcile Change in Net Assets (Deficiency) to Net Cash Provided (Used) by Operating Activities:							
Proceeds from Entrance Fees	-	20,212,000	4,221,220	-	24,433,220	-	24,433,220
Noncash Items Included in Change in Net Assets (Deficiency):							
Amortization of Deferred Entrance Fee Revenue	-	(3,070,285)	(1,764,563)	-	(4,834,848)	-	(4,834,848)
Depreciation and Amortization	1,187	6,537,278	2,762,901	-	9,301,366	-	9,301,366
Amortization of Bond Issuance Costs	-	55,645	24,343	-	79,988	-	79,988
Loss on Disposal of Equipment	-	5,200	2,195	-	7,395	-	7,395
Change in Interest Rate Swap Agreements	-	680,599	418,236	3,253,210	4,352,045	-	4,352,045
Unrealized Losses on Investments, Net	240,195	2,491,504	-	-	2,731,699	-	2,731,699
(Increase) Decrease in Assets:							
Accounts Receivable	-	(60,691)	(24,089)	-	(84,780)	-	(84,780)
Other Receivables	(33,465)	-	-	-	(33,465)	-	(33,465)
Inventories	-	(31,130)	1,491	-	(29,639)	-	(29,639)
Prepaid Expenses and Other Assets	2,163	17,716	121,361	-	141,240	-	141,240
Accrued Interest Receivable	5,329	(1,228,036)	(857)	-	(1,223,564)	-	(1,223,564)
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Expenses	(8,715)	(40,714)	(560,533)	7,878	(602,084)	-	(602,084)
Accrued Salaries, Wages, and Related Taxes	131,565	48,017	44,174	36,660	260,416	-	260,416
Accrued Interest Payable and Other Liabilities	-	46,362	13,595	101,192	161,149	-	161,149
Net Cash Provided (Used) by Operating Activities	630,420	25,180,344	3,653,069	(49,917)	29,413,916	-	29,413,916
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property and Equipment	(31,742)	(5,315,597)	(2,765,343)	(29,007,620)	(37,120,302)	-	(37,120,302)
(Increase) Decrease in Investments	(7,565,445)	(3,506,058)	(216,222)	1,246,271	(10,041,454)	-	(10,041,454)
Increase in Notes Receivable	(495,000)	-	-	-	(495,000)	495,000	-
Decrease in Assets Limited as to Use	-	10,642	-	-	10,642	-	10,642
(Increase) Decrease in Other Restricted Funds	-	(343,016)	81,254	-	(261,762)	-	(261,762)
Increase in Benevolent Fund	-	(69,104)	(32,694)	-	(101,798)	-	(101,798)
Net Cash Provided (Used) by Investing Activities	(8,092,187)	(9,223,133)	(2,933,005)	(27,761,349)	(48,009,674)	495,000	(47,514,674)

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of Long-Term Debt	\$ -	\$ (1,860,000)	\$ (1,018,920)	\$ -	\$ (2,878,920)	\$ -	\$ (2,878,920)
Proceeds from Loan	-	-	495,000	-	495,000	(495,000)	-
Proceeds from Long-Term Debt	-	-	-	27,839,953	27,839,953	-	27,839,953
Increase (Decrease) in Residents' Deposits	-	1,253,540	(120,810)	417,368	1,550,098	-	1,550,098
Refunds of Entrance Fees	-	(12,520,420)	(468,347)	-	(12,988,767)	-	(12,988,767)
Net Cash Provided (Used) by Financing Activities	-	(13,126,880)	(1,113,077)	28,257,321	14,017,364	(495,000)	13,522,364
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,461,767)	2,830,331	(393,013)	446,055	(4,578,394)	-	(4,578,394)
Cash and Cash Equivalents – Beginning of Year	7,868,005	4,864,398	1,582,869	302,928	14,618,200	-	14,618,200
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 406,238</u>	<u>\$ 7,694,729</u>	<u>\$ 1,189,856</u>	<u>\$ 748,983</u>	<u>\$ 10,039,806</u>	<u>\$ -</u>	<u>\$ 10,039,806</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid for Interest	-	1,640,976	256,840	-	1,897,816	-	1,897,816

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 7,868,005	\$ 4,864,398	\$ 1,582,869	\$ 302,928	\$ 14,618,200	\$ -	\$ 14,618,200
Assets Limited as to Use - Other	-	46,237	-	1,246,271	1,292,508	-	1,292,508
Accounts Receivable, Net	-	786,864	37,610	-	824,474	-	824,474
Inventories	-	218,382	18,618	-	237,000	-	237,000
Prepaid Expenses and Other Current Assets	8,952	853,876	213,301	-	1,076,129	-	1,076,129
Intercompany	2,013,328	1,798	-	-	2,015,126	(2,015,126)	-
Accrued Interest Receivable	11,793	270,100	5,582	-	287,475	(100,833)	186,642
Total Current Assets	<u>9,902,078</u>	<u>7,041,655</u>	<u>1,857,980</u>	<u>1,549,199</u>	<u>20,350,912</u>	<u>(2,115,959)</u>	<u>18,234,953</u>
ASSETS LIMITED AS TO USE							
Benevolent Fund	-	222,875	-	-	222,875	-	222,875
Other Restricted Funds	-	852,090	-	-	852,090	-	852,090
Endowment Funds	-	598,877	4,384,217	-	4,983,094	-	4,983,094
Total Assets Limited as to Use	<u>-</u>	<u>1,673,842</u>	<u>4,384,217</u>	<u>-</u>	<u>6,058,059</u>	<u>-</u>	<u>6,058,059</u>
PROPERTY, PLANT, AND EQUIPMENT							
Land and Land Improvements	-	10,423,542	6,100,724	1,481,853	18,006,119	-	18,006,119
Building and Improvements	-	158,577,707	45,770,316	-	204,348,023	-	204,348,023
Furniture and Equipment	-	10,712,035	3,742,989	-	14,455,024	-	14,455,024
Projects in Process - RiverWoods Durham	-	-	-	9,385,527	-	-	-
Projects in Process	-	4,652,957	1,257,918	-	15,296,402	-	15,296,402
Total	<u>-</u>	<u>184,366,241</u>	<u>56,871,947</u>	<u>10,867,380</u>	<u>252,105,568</u>	<u>-</u>	<u>252,105,568</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(81,689,800)</u>	<u>(19,860,173)</u>	<u>-</u>	<u>(101,549,973)</u>	<u>-</u>	<u>(101,549,973)</u>
Total Property, Plant, and Equipment	<u>-</u>	<u>102,676,441</u>	<u>37,011,774</u>	<u>10,867,380</u>	<u>150,555,595</u>	<u>-</u>	<u>150,555,595</u>
OTHER ASSETS							
Investments	2,181,262	61,581,252	5,492,806	-	69,255,320	-	69,255,320
Notes Receivable	-	12,100,000	-	-	12,100,000	(12,100,000)	-
Benevolent Fund - Unrestricted Portion	-	671,838	253,423	-	925,261	-	925,261
Asset Under Interest Rate Swap Agreement, Net	-	291,368	555,720	(401,657)	445,431	-	445,431
Other Assets	-	208,354	-	-	208,354	-	208,354
Deferred Marketing Costs	-	764,742	-	-	764,742	-	764,742
Total Other Assets	<u>2,181,262</u>	<u>75,617,554</u>	<u>6,301,949</u>	<u>(401,657)</u>	<u>83,699,108</u>	<u>(12,100,000)</u>	<u>71,599,108</u>
Total Assets	<u>\$ 12,083,340</u>	<u>\$ 187,009,492</u>	<u>\$ 49,555,920</u>	<u>\$ 12,014,922</u>	<u>\$ 260,663,674</u>	<u>\$ (14,215,959)</u>	<u>\$ 246,447,715</u>

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2018**

LIABILITIES AND NET ASSETS (DEFICIENCY)	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CURRENT LIABILITIES							
Current Portion of Long-Term Debt	\$ -	\$ 1,860,000	\$ 1,018,920	\$ -	\$ 2,878,920	\$ -	\$ 2,878,920
Accounts Payable and Accrued Expenses	55,468	1,413,164	1,208,783	(3,627)	2,673,788	-	2,673,788
Accrued Salaries, Wages, and Related Taxes	121,067	1,057,415	358,002	-	1,536,484	-	1,536,484
Accrued Interest Payable	-	130,819	22,652	100,833	254,304	(100,833)	153,471
Intercompany	-	-	2,000,000	15,126	2,015,126	(2,015,126)	-
Total Current Liabilities	<u>176,535</u>	<u>4,461,398</u>	<u>4,608,357</u>	<u>112,332</u>	<u>9,358,622</u>	<u>(2,115,959)</u>	<u>7,242,663</u>
LONG-TERM DEBT, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS	-	54,371,194	10,675,224	(1,803,056)	63,243,362	-	63,243,362
SUBORDINATED NOTES PAYABLE	-	-	-	12,100,000	12,100,000	(12,100,000)	-
FUTURE RESIDENTS' DEPOSITS	-	14,704,675	150,817	9,800	14,865,292	-	14,865,292
REFUNDABLE ENTRANCE FEE LIABILITY	-	160,034,899	9,466,542	-	169,501,441	-	169,501,441
DEFERRED REVENUE FROM ENTRANCE FEES	-	20,062,624	7,150,979	-	27,213,603	-	27,213,603
Total Liabilities	176,535	253,634,790	32,051,919	10,419,076	296,282,320	(14,215,959)	282,066,361
NET ASSETS (DEFICIT)							
Without Donor Restrictions	11,906,805	(67,706,404)	13,414,543	1,595,846	(40,789,210)	-	(40,789,210)
With Donor Restrictions	-	1,081,106	4,089,458	-	5,170,564	-	5,170,564
	<u>11,906,805</u>	<u>(66,625,298)</u>	<u>17,504,001</u>	<u>1,595,846</u>	<u>(35,618,646)</u>	<u>-</u>	<u>(35,618,646)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 12,083,340</u>	<u>\$ 187,009,492</u>	<u>\$ 49,555,920</u>	<u>\$ 12,014,922</u>	<u>\$ 260,663,674</u>	<u>\$ (14,215,959)</u>	<u>\$ 246,447,715</u>

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIENCY)
YEAR ENDED JUNE 30, 2018**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
REVENUE							
Residential Service Fees	\$ -	\$ 24,803,549	\$ 5,546,317	\$ -	\$ 30,349,866	\$ -	\$ 30,349,866
Earned Entrance Fees	-	3,204,468	1,592,714	-	4,797,182	-	4,797,182
Health Center Fees	-	7,358,989	4,848,186	-	12,207,175	-	12,207,175
Management, Development, and IT Fees	1,405,206	-	-	-	1,405,206	(1,405,206)	-
Other Operating Revenue	-	289,316	157,284	-	446,600	-	446,600
Investment Income	189,070	1,793,990	68,520	-	2,051,580	(60,000)	1,991,580
Net Assets Released from Restrictions	-	415,715	204,705	-	620,420	-	620,420
Total Revenue	1,594,276	37,866,027	12,417,726	-	51,878,029	(1,465,206)	50,412,823
EXPENSES							
General and Administrative	1,593,803	8,958,787	3,940,829	2,497	14,495,916	(1,405,206)	13,090,710
Resident Services	-	1,731,613	249,142	-	1,980,755	-	1,980,755
Dining Services	-	4,491,017	1,589,108	-	6,080,125	-	6,080,125
Nursing Services	-	7,775,420	2,580,359	-	10,355,779	-	10,355,779
Environmental Services	-	4,564,943	1,126,447	-	5,691,390	-	5,691,390
Facility Costs and Utilities	9,996	3,808,442	793,323	-	4,611,761	-	4,611,761
Depreciation and Amortization	-	6,270,962	2,416,432	-	8,687,394	-	8,687,394
Interest	-	1,690,154	367,579	-	2,057,733	(60,000)	1,997,733
Total Expenses	1,603,799	39,291,338	13,063,219	2,497	53,960,853	(1,465,206)	52,495,647
INCOME (LOSS) FROM OPERATIONS	(9,523)	(1,425,311)	(645,493)	(2,497)	(2,082,824)	-	(2,082,824)
NONOPERATING GAINS AND LOSSES							
Contributions	-	24,160	44,677	-	68,837	-	68,837
Change in Charitable Gift Annuity Liability	-	(1,724)	-	-	(1,724)	-	(1,724)
Gains (Losses) on Sales of Assets and Investments	470,731	1,823,583	1,370,532	-	3,664,846	-	3,664,846
Total Nonoperating Gains and Losses	470,731	1,846,019	1,415,209	-	3,731,959	-	3,731,959
EXCESS (DEFICIT) OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	461,208	420,708	769,716	(2,497)	1,649,135	-	1,649,135

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIENCY) (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
EXCESS (DEFICIT) OF REVENUES AND NET GAINS OVER EXPENSES AND LOSSES	\$ 461,208	\$ 420,708	\$ 769,716	\$ (2,497)	\$ 1,649,135	\$ -	\$ 1,649,135
OTHER CHANGES IN ASSETS WITHOUT DONOR RESTRICTIONS							
Change in the Fair Value of Interest Rate Swap Agreements	-	990,987	210,010	(401,657)	799,340	-	799,340
Changes in Net Unrealized Gains (Losses) on Investments	(270,819)	1,351,727	(1,287,656)	-	(206,748)	-	(206,748)
Net Asset Transfer	(2,000,000)	-	-	2,000,000	-	-	-
Total Other Changes in Net Assets Without Donor Restrictions	<u>(2,270,819)</u>	<u>2,342,714</u>	<u>(1,077,646)</u>	<u>1,598,343</u>	<u>592,592</u>	<u>-</u>	<u>592,592</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,809,611)	2,763,422	(307,930)	1,595,846	2,241,727	-	2,241,727
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS							
Contributions	-	586,686	-	-	586,686	-	586,686
Changes in Net Realized and Unrealized Gains (Losses) on Investments	-	-	226,712	-	226,712	-	226,712
Net Assets Released from Restrictions	-	(415,715)	(204,705)	-	(620,420)	-	(620,420)
Changes in Net Assets With Donor Restrictions	<u>-</u>	<u>170,971</u>	<u>22,007</u>	<u>-</u>	<u>192,978</u>	<u>-</u>	<u>192,978</u>
CHANGE IN NET ASSETS (DEFICIENCY)	(1,809,611)	2,934,393	(285,923)	1,595,846	2,434,705	-	2,434,705
Net Assets (Deficiency) – Beginning of Year	<u>13,716,416</u>	<u>(69,559,691)</u>	<u>17,789,924</u>	<u>-</u>	<u>(38,053,351)</u>	<u>-</u>	<u>(38,053,351)</u>
NET ASSETS (DEFICIT) – END OF YEAR	<u>\$ 11,906,805</u>	<u>\$ (66,625,298)</u>	<u>\$ 17,504,001</u>	<u>\$ 1,595,846</u>	<u>\$ (35,618,646)</u>	<u>\$ -</u>	<u>\$ (35,618,646)</u>

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets (Deficiency)	\$ (1,809,611)	\$ 2,934,393	\$ (285,923)	\$ 1,595,846	\$ 2,434,705	\$ -	\$ 2,434,705
Adjustments to Reconcile Change in Net Assets (Deficiency) to Net Cash Provided by Operating Activities:							
Proceeds from Entrance Fees	-	14,997,200	3,460,597	-	18,457,797	-	18,457,797
Noncash Items Included in Change in Net Assets (Deficiency):							
Amortization of Deferred Entrance Fee Revenue	-	(3,204,468)	(1,592,714)	-	(4,797,182)	-	(4,797,182)
Depreciation and Amortization	-	6,270,962	2,416,432	-	8,687,394	-	8,687,394
Amortization of Bond Issuance Costs	-	55,645	24,343	-	79,988	-	79,988
Loss on Disposal of Equipment	-	20,780	14,538	-	35,318	-	35,318
Change in Interest Rate Swap Agreements	-	(990,987)	(210,010)	401,657	(799,340)	-	(799,340)
Unrealized Gains on Investments, Net	(230,752)	(1,351,727)	-	-	(1,582,479)	-	(1,582,479)
Changes in Assets and Liabilities							
(Increase) Decrease in Assets:							
Accounts Receivable	-	277,271	8,207	-	285,478	-	285,478
Other Receivables	353,016	2,799	(55,984)	-	299,831	-	299,831
Inventories	-	15,354	2,465	-	17,819	-	17,819
Prepaid Expenses and Other Assets	(7,985)	(176,633)	19,849	-	(164,769)	-	(164,769)
Accrued Interest Receivable	(11,793)	(79,804)	(1,095)	-	(92,692)	-	(92,692)
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Expenses	34,085	360,967	388,509	(3,627)	779,934	-	779,934
Accrued Salaries, Wages, and Related Taxes	(3,989)	55,569	30,846	-	82,426	-	82,426
Accrued Interest Payable and Other Liabilities	(705)	163,394	(13,156)	(354,359)	(204,826)	-	(204,826)
Net Cash Provided (Used) by Operating Activities	(1,677,734)	19,350,715	4,206,904	1,639,517	23,519,402	-	23,519,402
CASH FLOWS FROM INVESTING ACTIVITIES							
(Purchases) Disposals of Property and Equipment	474,959	(7,999,550)	(6,373,819)	(10,410,571)	(24,308,981)	-	(24,308,981)
(Increase) Decrease in Investments	8,653,273	11,112,423	(2,604,386)	(1,246,271)	15,915,039	-	15,915,039
Increase in Notes Receivable	-	(12,100,000)	-	-	(12,100,000)	12,100,000	-
Decrease in Assets Limited as to Use	-	9,405	-	-	9,405	-	9,405
Increase (Decrease) in Other Restricted Funds	-	(348,717)	598,128	-	249,411	-	249,411
Decrease in Benevolent Fund	-	(139,764)	(253,423)	-	(393,187)	-	(393,187)
Net Cash Provided (Used) by Investing Activities	9,128,232	(9,466,203)	(8,633,500)	(11,656,842)	(20,628,313)	12,100,000	(8,528,313)

**THE RIVERWOODS GROUP
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	The RiverWoods Group	The RiverWoods Company Exeter, NH	Birch Hill Terrace & Subsidiary	RiverWoods Durham	Combined	Eliminations	Consolidated
CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of Long-Term Debt	\$ -	\$ (1,770,000)	\$ (986,198)	\$ -	\$ (2,756,198)	\$ -	\$ (2,756,198)
Proceeds from Subordinated Note	-	-	-	12,100,000	12,100,000	(12,100,000)	-
Proceeds from Long-Term Debt	-	-	-	50,099	50,099	-	50,099
Payment of Deferred Financing Costs	-	-	-	(1,853,155)	(1,853,155)	-	(1,853,155)
Increase in Residents' Deposits	-	2,802,130	(637)	(42,300)	2,759,193	-	2,759,193
Refunds of Entrance Fees	-	(12,564,670)	(264,208)	-	(12,828,878)	-	(12,828,878)
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(11,532,540)</u>	<u>(1,251,043)</u>	<u>10,254,644</u>	<u>(2,528,939)</u>	<u>(12,100,000)</u>	<u>(14,628,939)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,450,498	(1,648,028)	(5,677,639)	237,319	362,150	-	362,150
Cash and Cash Equivalents - Beginning of Year	<u>417,507</u>	<u>6,512,426</u>	<u>7,260,508</u>	<u>65,609</u>	<u>14,256,050</u>	<u>-</u>	<u>14,256,050</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,868,005</u>	<u>\$ 4,864,398</u>	<u>\$ 1,582,869</u>	<u>\$ 302,928</u>	<u>\$ 14,618,200</u>	<u>\$ -</u>	<u>\$ 14,618,200</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid for Interest	<u>\$ -</u>	<u>\$ 1,607,985</u>	<u>\$ 371,176</u>	<u>\$ -</u>	<u>\$ 1,979,161</u>	<u>\$ -</u>	<u>\$ 1,979,161</u>

APPENDIX C-2

RWE Form 990 FY18

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2018

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning **JUL 1, 2018** and ending **JUN 30, 2019**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	D Employer identification number 02-0400703
	Doing business as	E Telephone number 603-778-4700
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 5 WHITE OAK DRIVE	G Gross receipts \$ 90,964,660.
	City or town, state or province, country, and ZIP or foreign postal code EXETER, NH 03833	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.RIVERWOODSRC.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1983 M State of legal domicile: NH

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO ESTABLISH, OWN, AND MAINTAIN CHARITABLE CONTINUING CARE RETIREMENT COMMUNITIES FOR THE ELDERLY		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	757
	6 Total number of volunteers (estimate if necessary)	6	321
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 38	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	610,846.	506,887.
	9 Program service revenue (Part VIII, line 2g)	35,367,006.	35,872,160.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,886,540.	7,805,423.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	289,316.	577,696.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	40,153,708.	44,762,166.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	182,066.	395,165.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	20,388,459.	20,972,250.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	18,989,780.	20,703,106.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	39,560,305.	42,070,521.	
19 Revenue less expenses. Subtract line 18 from line 12	593,403.	2,691,645.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 187,009,492.	End of Year 191,039,747.
	21 Total liabilities (Part X, line 26)	253,634,790.	258,148,166.
	22 Net assets or fund balances. Subtract line 21 from line 20	-66,625,298.	-67,108,419.

Part II Signature Block				
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
Sign Here	Signature of officer	Date		
	KEVIN GOYETTE, CFO OF TRWG Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> PTIN
	SETH BRODY, CPA	SETH BRODY, CPA	11/8/2019	<input type="checkbox"/> P01586423
Preparer Use Only	Firm's name ▶	Firm's EIN ▶		
	CLIFTONLARSONALLEN LLP	41-0746749		
Preparer Use Only	Firm's address ▶	Phone no.		
	610 W. GERMANTOWN PIKE, STE. 400 PLYMOUTH MEETING, PA 19462	215-643-3900		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
TO ESTABLISH, OWN, AND MAINTAIN CHARITABLE CONTINUING CARE RETIREMENT
COMMUNITIES WHICH PROVIDE HOUSING, HEALTH CARE SERVICES, FOOD
SERVICES, SECURITY, AND OTHER ANCILLARY SERVICES TO ELDERLY PERSONS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 28,860,791. including grants of \$ 395,165.) (Revenue \$ 35,872,160.)
THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE (RWE) HAS ONE PRIMARY
PROGRAM SERVICE TO ESTABLISH, OWN AND MAINTAIN A CONTINUING CARE
RETIREMENT COMMUNITY WHICH PROVIDES HOUSING, HEALTH CARE SERVICES, FOOD
SERVICES, SECURITY AND OTHER ANCILLARY SERVICES TO ELDERLY PERSONS. ON
JUNE 30, 2019 THE COMMUNITY HOUSED APPROXIMATELY 481 RESIDENTS IN
INDEPENDENT APARTMENTS AND 125 RESIDENTS IN THE HEALTH CARE CENTERS.
OVER THE COURSE OF THE YEAR THE HEALTH CARE CENTERS SERVED
APPROXIMATELY 205 RESIDENTS ON A PERMANENT, TEMPORARY, OR PER DIEM
BASIS AT A SUBSTANTIALLY DISCOUNTED RATE. THE "CONTRACTUAL ALLOWANCE"
(I.E. WRITE-OFF) RELATED TO CARE PROVIDED FOR LIFECARE RESIDENTS WAS IN
EXCESS OF \$14,700,000 FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (FY19).
THIS IS AN AVERAGE DISCOUNT OF 76% VERSUS THE STANDARD MONTHLY PRIVATE

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **28,860,791.**

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

Form 990 (2018)

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Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic landmarks, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

Form 990 (2018)

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Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	X	
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

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Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		757
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	X	
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed NH
18	Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20	State the name, address, and telephone number of the person who possesses the organization's books and records SUSANNE ANZALONE - 603-658-3007 5 WHITE OAK DRIVE, EXETER, NH 03833

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DENISE BURKE TRUSTEE	1.00 0.00	X						0.	0.	0.
(2) DAN CHARTRAND TRUSTEE	1.00 0.00	X						0.	0.	0.
(3) SUSAN DESJARDINS TRUSTEE	1.00 0.00	X						0.	0.	0.
(4) MIKE HICKEY TRUSTEE	1.00 0.00	X						0.	0.	0.
(5) ROSS GITTELL TRUSTEE-LEFT MAR 2019	1.00	X						0.	0.	0.
(6) ERIC ROBB TRUSTEE-LEFT JUNE 2019	1.00	X						0.	0.	0.
(7) NATE TENNANT TRUSTEE-LEFT JUNE 2019	1.00	X						0.	0.	0.
(8) BRIAN F. WALSH TRUSTEE-LEFT JULY 2018	1.00	X						0.	0.	0.
(9) SARAH DONNELLY RESIDENT TRUSTEE	1.00 0.00	X						0.	0.	0.
(10) JACK DUNN RESIDENT TRUSTEE	1.00 0.00	X						0.	0.	0.
(11) HOWIE ULFELDER RESIDENT TRUSTEE	1.00 0.00	X						0.	0.	0.
(12) JUSTINE VOGEL RWE EX-OFFICIO/TRWG CEO	3.00 37.00	X						0.	392,637.	43,947.
(13) TAMMY MICHAUD CLERK	1.00 0.00	X		X				0.	0.	0.
(14) CATHY TROWER CHAIR	1.00 0.00	X		X				0.	0.	0.
(15) DAVE BROWNELL VICE CHAIR	1.00 0.00	X		X				0.	0.	0.
(16) BRUCE MAST CHAIR-LEFT JUNE 2019	1.00	X		X				0.	0.	0.
(17) DIANNE MERCIER TREASURER-LEFT JUNE 2019	1.00 2.00	X		X				0.	0.	0.

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DEB RIDDELL EXECUTIVE DIRECTOR/EX-OFFICIO	40.00 0.00	X		X				213,035.	0.	39,199.
(19) SUZY ANZALONE DIRECTOR OF FINANCE	40.00 0.00			X				120,147.	0.	40,833.
(20) CYNTHIA MARTIN VP OF HEALTHCARE	40.00 0.00					X		171,683.	0.	15,458.
(21) MARY FLANAGAN NURSE PRACTITIONER	40.00 0.00					X		141,682.	0.	49,060.
(22) CHARLES KELSEY VP OF RESIDENT LIFE-LEFT DEC 2018	40.00 0.00					X		172,336.	0.	1,638.
(23) MARY RULISON SALES COUNSELOR	40.00 0.00					X		145,006.	0.	18,057.
(24) DIANE SMITH SALES COUNSELOR	40.00 0.00					X		132,306.	0.	2,623.
1b Sub-total								1,096,195.	392,637.	210,815.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,096,195.	392,637.	210,815.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **15**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
THE RIVERWOODS GROUP 5 WHITE OAK DRIVE, EXETER, NH 03833	MANAGEMENT SERVICES	1,585,000.
SULLIVAN CONSTRUCTION 258 SOUTH RIVER ROAD, BEDFORD, NH 03110	CONTRACTOR	1,194,831.
MORRIS PIGEON 273 LITTLEWORTH ROAD, MADBURY, NH 03823	CONTRACTOR	1,052,836.
SELECT REHABILITATION, INC. P.O. BOX 71985, CHICAGO, IL 60694	THERAPY SERVICES	557,543.
PROVINET SOLUTIONS 18645 W. CREEK DRIVE, TINLEY PARK, IL 60477	IT CONSULTING	320,674.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **15**

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns						
	b	Membership dues						
	c	Fundraising events	108,325.					
	d	Related organizations						
	e	Government grants (contributions)						
	f	All other contributions, gifts, grants, and similar amounts not included above	398,562.					
	g	Noncash contributions included in lines 1a-1f: \$	61,757.					
	h	Total. Add lines 1a-1f		506,887.				
Program Service Revenue			Business Code					
	2 a	RESIDENT SERVICE FEES	623000	25,151,591.	25,151,591.			
	b	HEALTH CENTER FEES	623000	7,650,284.	7,650,284.			
	c	EARNED ENTRANCE FEES	623000	3,070,285.	3,070,285.			
	d							
	e							
	f	All other program service revenue						
g	Total. Add lines 2a-2f		35,872,160.					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		3,045,550.		3,045,550.		
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real					
			(ii) Personal					
			b	Less: rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	50,865,710.				
			(ii) Other	5,200.				
			b	Less: cost or other basis and sales expenses	46,111,037.	0.		
			c	Gain or (loss)	4,754,673.	5,200.		
	d	Net gain or (loss)		4,759,873.		4,759,873.		
	8 a	Gross income from fundraising events (not including \$ 108,325. of contributions reported on line 1c). See Part IV, line 18	a	135,744.				
			b	Less: direct expenses	91,457.			
c			Net income or (loss) from fundraising events		44,287.		44,287.	
9 a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less: direct expenses					
		c	Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a						
		b	Less: cost of goods sold					
		c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue			Business Code					
11 a	ANCILLARY RESIDENT SERVICES	812900	533,409.			533,409.		
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		533,409.					
12	Total revenue. See instructions		44,762,166.	35,872,160.	0.	8,383,119.		

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	165,000.	165,000.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	230,165.	230,165.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	433,380.	131,915.	301,465.	
6 Compensation not included above, to disqualified persons (as defined under section 4959(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	16,604,059.	13,953,257.	2,650,802.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	206,083.	169,621.	36,462.	
9 Other employee benefits	2,513,833.	2,051,781.	462,052.	
10 Payroll taxes	1,214,895.	971,916.	242,979.	
11 Fees for services (non-employees):				
a Management	1,127,482.		1,127,482.	
b Legal	51,714.		51,714.	
c Accounting	46,496.		46,496.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	375,996.		375,996.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,025,295.	632,073.	393,222.	
12 Advertising and promotion	246,538.	196,270.	50,268.	
13 Office expenses	852,703.	710,455.	142,248.	
14 Information technology	838,928.	137,949.	700,979.	
15 Royalties				
16 Occupancy	3,586,826.		3,586,826.	
17 Travel	94,862.	45,189.	49,673.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,703,819.	1,448,246.	255,573.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,537,278.	5,240,139.	1,297,139.	
23 Insurance	424,481.	3,583.	420,898.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a RAW FOOD	1,489,991.	1,352,191.	137,800.	
b REPAIRS AND MAINTENANCE	1,186,524.	914,901.	271,623.	
c OTHER EMPLOYEE EXPENSES	534,593.	275,653.	258,940.	
d RESIDENT ACTIVITIES	217,722.	198,062.	19,660.	
e All other expenses	361,858.	32,425.	329,433.	
25 Total functional expenses. Add lines 1 through 24e	42,070,521.	28,860,791.	13,209,730.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	4,864,398.	1	7,694,729.
	2	Savings and temporary cash investments	1,036,142.	2	1,063,489.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	789,372.	4	818,298.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	12,100,000.	7	12,100,000.
	8	Inventories for sale or use	218,382.	8	249,512.
	9	Prepaid expenses and deferred charges	851,368.	9	756,162.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 187,014,044.		
	b	Less: accumulated depreciation	10b 87,884,473.		
	11	Investments - publicly traded securities	98,023,484.	10c	99,129,571.
	12	Investments - other securities. See Part IV, line 11	63,106,294.	11	64,513,015.
	13	Investments - program-related. See Part IV, line 11		12	
	14	Intangible assets		13	
	15	Other assets. See Part IV, line 11	6,020,052.	14	
16	Total assets. Add lines 1 through 15 (must equal line 34)	187,009,492.	15	4,714,971.	
Liabilities	17	Accounts payable and accrued expenses	2,601,398.	16	191,039,747.
	18	Grants payable		17	2,615,899.
	19	Deferred revenue	194,802,198.	18	
	20	Tax-exempt bond liabilities	56,520,000.	19	200,716,197.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		20	54,660,000.
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		21	
	23	Secured mortgages and notes payable to unrelated third parties		22	
	24	Unsecured notes and loans payable to unrelated third parties		23	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	-288,806.	24	
	26	Total liabilities. Add lines 17 through 25	253,634,790.	25	156,070.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	-67,706,404.	26	258,148,166.
	28	Temporarily restricted net assets	469,902.	27	-68,326,398.
	29	Permanently restricted net assets	611,204.	28	461,245.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		29	756,734.
	31	Paid-in or capital surplus, or land, building, or equipment fund		30	
	32	Retained earnings, endowment, accumulated income, or other funds		31	
33	Total net assets or fund balances	-66,625,298.	32		
34	Total liabilities and net assets/fund balances	187,009,492.	33	-67,108,419.	
			34	191,039,747.	

Form 990 (2018)

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	44,762,166.
2	Total expenses (must equal Part IX, column (A), line 25)	2	42,070,521.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,691,645.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-66,625,298.
5	Net unrealized gains (losses) on investments	5	-2,491,504.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-683,262.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-67,108,419.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2018)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE** Employer identification number **02-0400703**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support test - 2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	464,922.	365,876.	389,335.	610,846.	378,972.	2,209,951.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	32,895,776.	33,425,870.	34,957,150.	35,367,006.	35,872,160.	172,517,962.
3 Gross receipts from activities that are not an unrelated trade or business under section 513	48,553.		317,049.	289,316.	533,409.	1,188,327.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	33,409,251.	33,791,746.	35,663,534.	36,267,168.	36,784,541.	175,916,240.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons				198,020.		198,020.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b				198,020.		198,020.
8 Public support. (Subtract line 7c from line 6.)						175,718,220.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9 Amounts from line 6	33,409,251.	33,791,746.	35,663,534.	36,267,168.	36,784,541.	175,916,240.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	1,772,925.	1,756,542.	1,634,222.	2,062,957.	3,045,550.	10,272,196.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,772,925.	1,756,542.	1,634,222.	2,062,957.	3,045,550.	10,272,196.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	35,182,176.	35,548,288.	37,297,756.	38,330,125.	39,830,091.	186,188,436.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f))	15	94.38 %
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	95.02 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	5.52 %
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	4.87 %

19a 33 1/3% support tests - 2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).*
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*
 - b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in Part VI when and how the organization made the determination.*
 - c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in Part VI what controls the organization put in place to ensure such use.*
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*
 - b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*
 - c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*
 - b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
 - c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in Part VI.*
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in Part VI.*
 - b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in Part VI.*
 - c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in Part VI.*
- 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*
 - b Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

Part IV Supporting Organizations (continued)

Table with 3 columns: Question, Yes, No. Row 11: Has the organization accepted a gift or contribution from any of the following persons? Sub-rows 11a, 11b, 11c.

Section B. Type I Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? Row 2: Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization?

Section C. Type II Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)?

Section D. All Type III Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? Row 2: Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? Row 3: By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year?

Section E. Type III Functionally Integrated Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Check the box next to the method that the organization used to satisfy the Integral Part Test during the year. Sub-rows a, b, c. Row 2: Activities Test. Answer (a) and (b) below. Sub-rows a, b. Row 3: Parent of Supported Organizations. Answer (a) and (b) below. Sub-rows a, b.

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount		Current Year	
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

THE RIVERWOODS COMPANY AT EXETER

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PUBLIC DISCLOSURE COPY

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE

Employer identification number 02-0400703

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (a) Total number of conservation easements, (b) Total acreage restricted by conservation easements, (c) Number of conservation easements on a certified historic structure included in (a), (d) Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1, b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

Schedule D (Form 990) 2018

02-0400703 Page 2

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	598,877.	544,928.	470,106.	459,683.	446,274.
b Contributions	20,350.	6,673.	15,341.	11,510.	5,975.
c Net investment earnings, gains, and losses	39,351.	52,167.	63,762.	3,261.	12,204.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	5,149.	4,891.	4,281.	4,348.	4,770.
g End of year balance	653,429.	598,877.	544,928.	470,106.	459,683.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment .00 %
- b Permanent endowment 100.00 %
- c Temporarily restricted endowment .00 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,691,079.		6,691,079.
b Buildings		168,535,434.	79,666,450.	88,868,984.
c Leasehold improvements				
d Equipment		11,787,531.	8,218,023.	3,569,508.
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 99,129,571.

Schedule D (Form 990) 2018

Schedule D (Form 990) 2018

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) TAX-EXEMPT BOND DEFERRED FINANCING	
(3) COSTS	- 233,161.
(4) OBLIGATION UNDER INTEREST RATE	
(5) SWAP AGREEMENT, NET	389,231.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	156,070.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a		
	b Donated services and use of facilities	2b		
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE ENDOWMENT FUND WAS ESTABLISHED IN 2006 TO PROVIDE LONG-TERM ASSET GROWTH, DUE TO THE CONSTRAINT THAT ONLY INVESTMENT EARNINGS CAN BE UTILIZED. IT SHOULD BE ABLE TO PROVIDE FUTURE LIQUIDITY FOR ONE-TIME BUDGET SHORTFALLS AND NON-RECURRING EXPENSES WHEN NEEDED.

PART X, LINE 2:

RIVERWOODS IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE.

THE ORGANIZATION FOLLOWS THE PROVISIONS OF THE INCOME TAX ACCOUNTING

Part XIII Supplemental Information *(continued)*

STANDARDS REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX
POSITIONS. THE APPLICATION OF THESE PROVISIONS HAS NO IMPACT ON THE
COMPANY'S FINANCIAL STATEMENTS.

PUBLIC DISCLOSURE COPY

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE** Employer identification number
02-0400703

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total				▶		

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

THE RIVERWOODS COMPANY AT EXETER

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		GALA (event type)	(event type)	NONE (total number)		
Revenue	1	244,069.			244,069.	
	2	108,325.			108,325.	
	3	135,744.			135,744.	
Direct Expenses	4					
	5	53,457.			53,457.	
	6	2,002.			2,002.	
	7	20,640.			20,640.	
	8					
	9	15,358.			15,358.	
	10	Direct expense summary. Add lines 4 through 9 in column (d)				91,457.
	11	Net income summary. Subtract line 10 from line 3, column (d)				44,287.

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
Revenue	1					
Direct Expenses	2					
	3					
	4					
	5					
	6	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No		
	7	Direct expense summary. Add lines 2 through 5 in column (d)				
	8	Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No

b If "Yes," explain: _____

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

02-0400703 Page 3

Schedule G (Form 990 or 990-EZ) 2018

- 11 Does the organization conduct gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

Part IV Supplemental Information *(continued)*

PUBLIC DISCLOSURE COPY

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

Name of the organization
**THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE**

Employer identification number
02-040703

▶ Go to www.irs.gov/Form990 for the latest information.

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SEACOAST FAMILY PROMISE (SFP) 27 HAMPTON ROAD EXETER, NH 03833	02-0529881	501(C)(3)	167,000.	0.			TO SUPPORT THE ORGANIZATION'S MISSION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **1.**

3 Enter total number of other organizations listed in the line 1 table **0.**

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

02-0400703

Page 2

Schedule I (Form 990) (2018)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
SCHOLARSHIPS	10	38,000.	0.		
MONTHLY FEE BENEVOLENCE ASSISTANCE	5	192,165.	0.		

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b) and any other additional information.

PART I, LINE 2:

RWE HAS TWO SCHOLARSHIP FUNDS WHICH WERE INITIALLY ESTABLISHED BY RESIDENTS AND THE FAMILY OF A DECEASED RESIDENT. THE SPENCER SCHOLARSHIP FUND ASSISTS EMPLOYEES WHO ARE PURSUING A CAREER IN NURSING AND THE PEABODY SCHOLARSHIP FUND PROVIDES FUNDS FOR CHILDREN OF RWE EMPLOYEES WHO WISH TO PURSUE A POST HIGH SCHOOL EDUCATION. EACH OF THESE FUNDS IS SEPARATELY ACCOUNTED FOR AS A RESTRICTED FUND, AND THE ANNUAL DISBURSEMENTS FOR SCHOLARSHIPS IS LIMITED TO 5% OF THE ACCOUNTS' MARKET VALUE AS OF A CERTAIN DATE. THE RESIDENT

CHARITABLE FUNDS COMMITTEE HAS ESTABLISHED AN ADDITIONAL SCHOLARSHIP

Part IV Supplemental Information

PROGRAM USING FUNDS FROM RWE UNRESTRICTED GIFT FUND. THE SCHOLARSHIPS ARE FOR FIRST-YEAR NURSING STUDENTS AT A LOCAL COMMUNITY COLLEGE. THE DISBURSEMENTS ARE LIMITED TO 1% OF THE VALUE OF THIS FUND AS OF A CERTAIN DATE. WHEN SCHOLARSHIPS ARE AWARDED, THE CHECKS ARE MADE PAYABLE TO THE COLLEGE OR UNIVERSITY FOR THE BENEFIT OF THE STUDENT. THE CHECKS ARE MAILED DIRECTLY BY RWE TO THE INSTITUTION WHICH ENSURES THE FUNDS ARE BEING USED FOR THEIR INTENDED PURPOSE.

BENEVOLENCE ASSISTANCE IS PROVIDED EACH MONTH TO RESIDENTS CURRENTLY RECEIVING BENEVOLENCE BENEFITS VIA A CREDIT ON THEIR MONTHLY BILLING STATEMENT. PRIOR TO MOVING MONIES FROM THE BENEVOLENT FUND TO THE OPERATING ACCOUNT, A DETAILED LIST OF FINANCIAL ASSISTANCE AMOUNTS IS PROVIDED TO THE CFO OF TRWG FOR REVIEW AND SIGN OFF. ON AT LEAST AN ANNUAL BASIS A BENEVOLENT FUND TRACKER IS PROVIDED TO THE BOARD FINANCE COMMITTEE.

EVERY TWO YEARS, RWE HOLDS A FUNDRAISER FOR ANOTHER LOCAL NONPROFIT. ALL EVENT PROCEEDS GO TO THE DESIGNATED CHARITY IN THE FORM OF A CHECK. PRIOR TO EACH EVENT, A COMMITTEE OF RIVERWOODS RESIDENTS AND STAFF TOGETHER REVIEW APPLICATIONS FROM INTERESTED RECIPIENTS AND CHOOSE THE ORGANIZATION THAT IS MOST COMPATIBLE WITH RIVERWOODS' MISSION. ONCE THE PARTNERSHIP IS FORMED, RIVERWOODS AND THE ORGANIZATION HOLD SEVERAL STAFF AND RESIDENT EVENTS LEADING UP TO THE NEXT GALA. RIVERWOODS STRONGLY BELIEVES IN CREATING A PARTNERSHIP WITH THE BENEFICIARY THAT WILL LAST BEYOND THE GALA EVENT. AGENCIES ARE SELECTED ON A VARIETY OF FACTORS SUCH AS HOW WELL THEIR MISSION SUITS THE THEME AND THEIR ABILITY TO PARTNER AND PLAN FOR THE GALA. SELECTION CRITERIA INCLUDE THAT THE AGENCY:

- BE COMMITTED TO THE GOAL OF FAMILY HEALTH AND WELL BEING
- BE A MEMBER OF THE LARGER EXETER COMMUNITY

Part IV Supplemental Information

-PROVIDE POSITIVE VALUE IN HUMAN SERVICES AND MUST BE A 501(C)(3)
IN ADDITION TO THE GALA AUCTION, RIVERWOODS ACTIVELY COLLABORATES WITH THE
SELECTED ORGANIZATION THROUGHOUT THE DURATION OF THEIR PARTNERSHIP.
RIVERWOODS EXETER DOES NOT MONITOR THE USE OF GALA DONATIONS ONCE THEY ARE
AWARDED TO THE CHOSEN NONPROFIT ORGANIZATION.

PUBLIC DISCLOSURE COPY

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization
**THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE**

Employer identification number
02-0400703

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4a 4b 4c	 X X X
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" on line 5a or 5b, describe in Part III.	5a 5b	 X X
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes" on line 6a or 6b, describe in Part III.	6a 6b	 X X
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

02-0400703

Page 2

Schedule J (Form 990) 2018

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JUSTINE VOGEL RWE EX-OFFICIO/TRWG CEO	(i) 324,137. (ii) 50,000. (iii) 18,500.	0.	0.	7,400.	36,547.	436,584.	0.
(2) DEB RIDDELL EXECUTIVE DIRECTOR/EX-OFFICIO	(i) 213,035. (ii) 0. (iii) 0.	0.	0.	3,257.	35,942.	252,234.	0.
(3) SUZY ANZALONE DIRECTOR OF FINANCE	(i) 120,147. (ii) 0. (iii) 0.	0.	0.	3,922.	36,911.	160,980.	0.
(4) CYNTHIA MARTIN VP OF HEALTHCARE	(i) 171,683. (ii) 0. (iii) 0.	0.	0.	2,824.	12,634.	187,141.	0.
(5) MARY FLANAGAN NURSE PRACTITIONER	(i) 141,682. (ii) 0. (iii) 0.	0.	0.	4,771.	44,289.	190,742.	0.
(6) CHARLES KELSEY VP OF RESIDENT LIFE-LEFT DEC 2018	(i) 172,336. (ii) 0. (iii) 0.	0.	0.	855.	783.	173,974.	0.
(7) MARY RULISON SALES COUNSELOR	(i) 54,136. (ii) 90,870. (iii) 0.	0.	0.	3,321.	14,736.	163,063.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0. (ii) 0. (iii) 0.	0.	0.	0.	0.	0.	0.

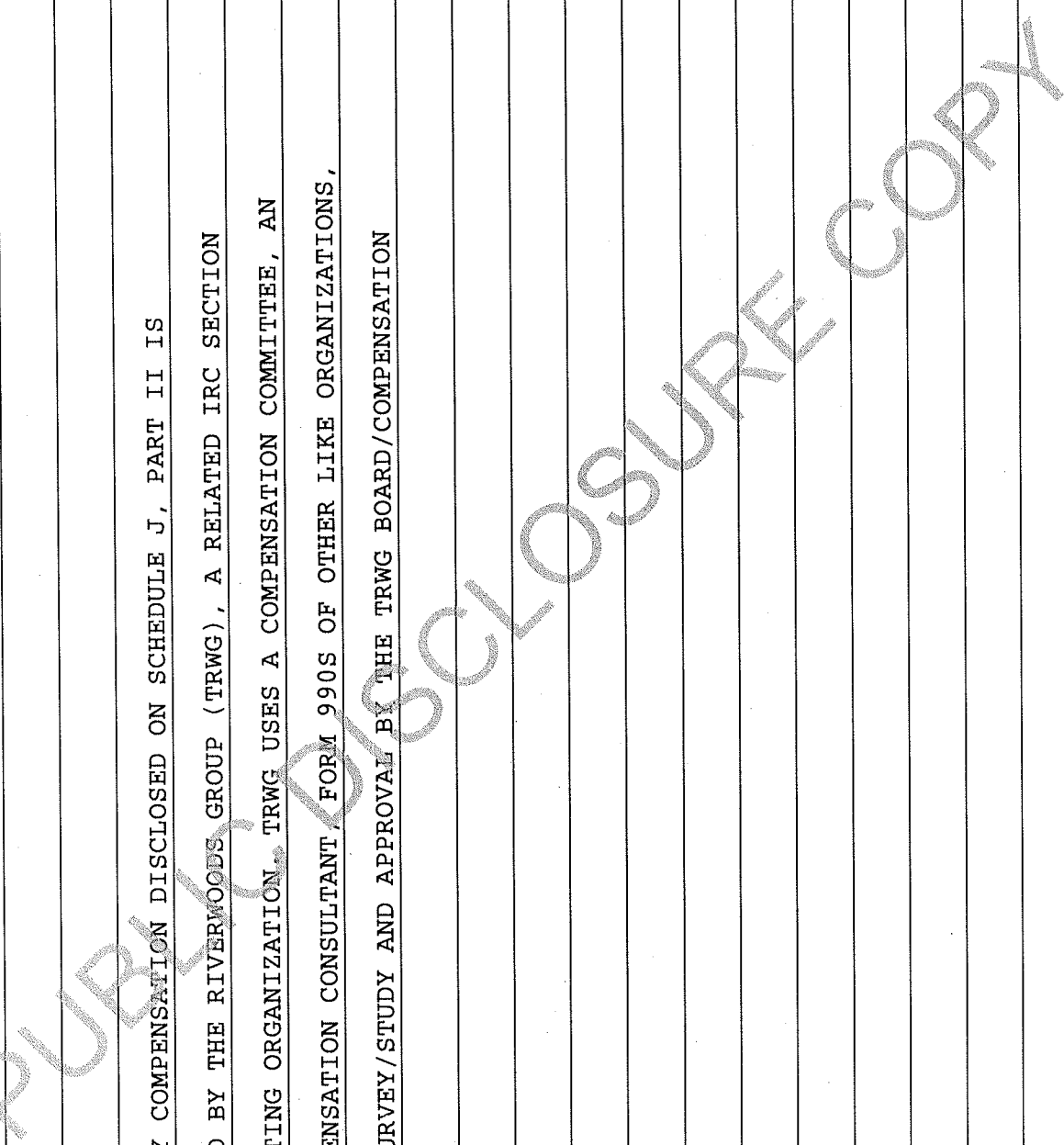
Schedule J (Form 990) 2018

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

ALL RELATED PARTY COMPENSATION DISCLOSED ON SCHEDULE J, PART II IS
COMPENSATION PAID BY THE RIVERWOODS GROUP (TRWG), A RELATED IRC SECTION
501(C)(3) SUPPORTING ORGANIZATION. TRWG USES A COMPENSATION COMMITTEE, AN
INDEPENDENT COMPENSATION CONSULTANT, FORM 990S OF OTHER LIKE ORGANIZATIONS,
A COMPENSATION SURVEY/STUDY AND APPROVAL BY THE TRWG BOARD/COMPENSATION
COMMITTEE.



SCHEDULE K (Form 990)
 Department of the Treasury Internal Revenue Service

Supplemental information on Tax-Exempt Bonds
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
 ▶ Attach to Form 990. ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization: **THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE**
 Employer identification number: **02-0400703**

Part I Bond Issues SEE PART VI FOR COLUMN (F) CONTINUATIONS

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A NHHEFA	02-0279866	NONE	09/28/12	65,605,000	FINANCE/REFINANCE RIVERWOODS' EXIS		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		10,945,000.						
2 Amount of bonds legally defeased								
3 Total proceeds of issue		65,605,000.						
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		452,066.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds		65,152,934.						
12 Other unspent proceeds								
13 Year of substantial completion	2012							

	2012		Yes		No		Yes		No	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X									
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X								
16 Has the final allocation of proceeds been made?	X									
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule K (Form 990) 2018

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

02-0400703

Schedule K (Form 990) 2018

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1		X						
2		X						
3a		X						
b								
c		X						
d								
4		%		%		%		%
5		%		%		%		%
6		%		%		%		%
7		X						
8a		X						
b		%		%		%		%
c								
9	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1		X						
2		X						
a		X						
b		X						
c	X							
3	X							

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

02-0400703

Schedule K (Form 990) 2018

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider	DEUTSCHE BANK; MORGA							
c Term of hedge	10.9100000							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: NHHEFA

(F) DESCRIPTION OF PURPOSE:

FINANCE/REFINANCE RIVERWOODS' EXISTING CONTINUING CARE RETIREMENT COMMUNITY

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: NHHEFA

DATE THE REBATE COMPUTATION WAS PERFORMED: 09/30/2017

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE** Employer identification number **02-0400703**

Part I		Types of Property				
	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts		
1	<input checked="" type="checkbox"/>	106	16,963.	FMV		
2						
3						
4						
5						
6	<input checked="" type="checkbox"/>	1	8,300.	FMV		
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	<input checked="" type="checkbox"/>	5	1,149.	FMV		
19						
20						
21						
22						
23						
24						
25	<input checked="" type="checkbox"/>	101	21,174.	FACE VALUE		
26	<input checked="" type="checkbox"/>	52	9,697.	FMV		
27	<input checked="" type="checkbox"/>	1	2,999.	FMV		
28	<input checked="" type="checkbox"/>	10	1,475.	FMV		
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement				29	0
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?				30a	X
b	If "Yes," describe the arrangement in Part II.					
31	Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?				31	X
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?				32a	X
b	If "Yes," describe in Part II.					
33	If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.					

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2018

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B):

THE FIGURE IN THIS COLUMN REPRESENTS THE NUMBER OF CONTRIBUTORS IN THE
GIVEN CATEGORY.

PUBLIC DISCLOSURE COPY

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

Employer identification number
02-0400703

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

PAY RATE IN AREA NURSING HOMES AND ASSISTED LIVING FACILITIES.

RIVERWOODS ALSO PROVIDED BENEVOLENCE ASSISTANCE FOR ITS RESIDENTS WHO,
THROUGH NO FAULT OF THEIR OWN, HAVE EXHAUSTED THEIR FINANCIAL
RESOURCES. FOR FY19, RIVERWOODS PROVIDED FINANCIAL ASSISTANCE TO A
TOTAL OF FIVE RESIDENTS IN THE AMOUNT OF \$192,165.

FORM 990, PART III, LINE 4A CONTINUED:

RWE WAS FOUNDED IN 1983 AS A NON-PROFIT, CHARITABLE ORGANIZATION, BY A
GRASSROOTS GROUP OF SEACOAST AREA RESIDENTS WHOSE MISSION WAS TO CREATE
AN ACTIVE AND ENGAGING CONTINUING CARE COMMUNITY THAT ENHANCED THE
FREEDOM OF SENIOR LIVING WHILE EASING THE CHALLENGES OF AGING.

A COMMITMENT TO THE LOCAL COMMUNITY:

WOVEN INTO THE FABRIC OF OUR FOUNDING PRINCIPLES IS A COMMITMENT TO THE
LOCAL COMMUNITY: "TO BE A RESPONSIBLE COMMUNITY THAT PARTICIPATES IN
THE LIFE OF THE LARGER COMMUNITY AROUND IT". WE CONSIDER OURSELVES
NEIGHBORS OF THE LOCAL COMMUNITY, AND WE ARE DEDICATED TO SERVING THE
NEW HAMPSHIRE SEACOAST AREA BOTH WITH OUR TIME AND THROUGH SPONSORED
FINANCIAL PARTNERSHIPS.

THE RIVERWOODS GALA: WHILE RWE SUPPORTS MANY CAUSES IN VARIOUS WAYS
THROUGHOUT THE YEAR, WE ORGANIZE AND HOST A ONE-NIGHT EVENT EVERY TWO
YEARS FOR THE BENEFIT OF A LOCAL NON-PROFIT. KNOWN AS THE RIVERWOODS
GALA. RESIDENTS SELECT THE BENEFICIARY FROM AMONG DOZENS OF APPLICANTS,
WITH THE GALA AS A GRAND FINALE FOR EACH TWO-YEAR CHARITABLE

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2018)

832211 10-10-18

Name of the organization	THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	Employer identification number	02-0400703
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PARTNERSHIP.

IN FY19 OUR PARTNER WAS SEACOAST FAMILY PROMISE (SFP), SELECTED FROM A POOL OF 22 LOCAL CHARITIES WHO SUBMITTED APPLICATIONS. FOUNDED IN 2003, SFP HELPS FAMILIES EXPERIENCING HOMELESSNESS FIND STABLE HOUSING AND LASTING SELF-SUFFICIENCY. THE ORGANIZATION WORKS WITH 1,300 COMMUNITY VOLUNTEERS ANNUALLY, INCLUDING FAITH COMMUNITIES OF ALL DENOMINATIONS, BUSINESSES AND COMMUNITY ORGANIZATIONS. SINCE SFP'S FOUNDING 15 YEARS AGO, MORE THAN 87% OF FAMILIES WHO HAVE GONE THROUGH SFP'S PROGRAM HAVE SECURED PERMANENT HOUSING AND HAVE REMAINED STABLE.

THE STAFF AT RWE TEAMED UP WITH SFP FOR SEVERAL VOLUNTEER PROJECTS THROUGHOUT THE PAST TWO YEARS. THIS INCLUDES HELPING SFP WITH VARIOUS MAILINGS AND TRANSPORTATION SERVICES. THE PARTNERSHIP CULMINATED IN A GALA EVENT IN OCTOBER 2018 AT RWE IN WHICH OVER \$165,000 WAS RAISED IN ONE EVENING, A RECORD FOR ANY GALA EVENT. THIS BROUGHT THE TOTAL AMOUNT RAISED OVER THE LAST TEN GALAS TO OVER \$765,000. BOTH RWE AND SEACOAST FAMILY PROMISE FEEL THE VALUE OF THIS PARTNERSHIP WILL BE SHOWN NOT ONLY IN DOLLARS, BUT IN THE STRENGTH IT BRINGS TO THE GREATER COMMUNITY.

VOLUNTEERING OUR TIME:

RWE RESIDENTS CONTRIBUTE HUNDREDS OF HOURS EACH YEAR TO NUMEROUS LOCAL, REGIONAL, AND NATIONAL NON-PROFIT ORGANIZATIONS. OUR VOLUNTEER TIME HAPPENS BOTH INDIVIDUALLY AND IN GROUP SETTINGS FOR CIVIC-MINDED RESIDENTS AND STAFF ALIKE. OUR RESIDENTS RUN AN OUTREACH COMMITTEE, WHICH WORKS AS THE CONNECTION POINT FOR NEW RESIDENTS WHO ARE LOOKING FOR VOLUNTEER OPPORTUNITIES, AS WELL AS LOCAL ORGANIZATIONS WHO ARE

Name of the organization	THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	Employer identification number	02-0400703
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LOOKING FOR VOLUNTEERS. SOME OF THE MOST POPULAR CAUSES FOR RESIDENTS INCLUDE HELPING ORGANIZATIONS FOCUSED ON ISSUES OF FAMILY, HUNGER, HOMELESSNESS, HEALTH, EDUCATION, VETERANS AND ANIMAL WELL-BEING. SPECIFIC ORGANIZATIONS TO WHICH RESIDENTS VOLUNTEER THEIR TIME INCLUDE SAINT VINCENT DE PAUL FOOD PANTRY, FRIENDS FOREVER INTERNATIONAL, ARTS IN REACH, SEACOAST FAMILY PROMISE, GREAT BAY STEWARDS, END 68 HOURS OF HUNGER, AND SERVING AS PEN PALS WITH LOCAL ELEMENTARY SCHOOL STUDENTS LEARNING TO READ AND WRITE CURSIVE.

RWE IS PROUD OF THE CONTINUED PARTNERSHIP WITH OUR PREVIOUS BIENNIAL GALA RECIPIENT SOCIETY OF ST VINCENT DE PAUL EXETER NH (SVDP). WITH MORE THAN 100 VOLUNTEERS, SVDP HELPS LOCAL FAMILIES AND ORGANIZATIONS IN A VARIETY OF WAYS INCLUDING PROVIDING FOOD AND OTHER SUPPORT TO PEOPLE IN THE EXETER AREA. IN FY19, RWE RESIDENTS AND STAFF SPENT TIME VOLUNTEERING AT THE SVDP FOOD PANTRY, ORGANIZED A FOOD DRIVE, AND WERE ABLE TO DONATE MULTIPLE BOXES OF FOOD ITEMS AS WELL AS CASH AND GROCERY GIFT CARDS TO BE USED BY SVDP.

OUR EMPLOYEES PARTICIPATE ON MANY LOCAL NOT-FOR-PROFIT BOARDS AND SPEND MANY VOLUNTEER HOURS IN THE COMMUNITY. STAFF DONATE THEIR TIME TO MANY WORTHY PROJECTS, INCLUDING THE NEW HAMPSHIRE PUBLIC TELEVISION AUCTION, STRAFFORD COUNTY JAIL, PORTSMOUTH HOSPITAL, AND SEACOAST UNITED WAY'S DAY OF CARING. RWE ALSO ENCOURAGES EMPLOYEES TO VOLUNTEER DURING WORK HOURS FOR SPECIAL NON-PROFIT PROJECTS.

IN DECEMBER OF 2018, RWE DONATED RESIDENT DECORATED TREES TO THE FESTIVAL OF TREES; A FUNDRAISER ORGANIZED BY THE EXETER AREA CHAMBER OF COMMERCE. THE TREES WERE AUCTIONED OFF WITH PROCEEDS BENEFITTING THE

Name of the organization THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	Employer identification number 02-0400703
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EXETER CHAMBER CHILDREN'S FUND.

MAIN STREET AND LINCOLN STREET SCHOOLS, THE LOCAL ELEMENTARY SCHOOLS, HAVE WELCOMED RWE RESIDENTS AS TUTORS AND CLASSROOM AIDES FOR MANY YEARS. IN FY19 WE BEGAN A UNIQUE PARTNERSHIP WITH A 4TH GRADE CLASS AT LINCOLN STREET SCHOOL. THEIR TEACHER WAS LOOKING FOR A UNIQUE WAY OF HELPING HER STUDENTS LEARN TO READ AND WRITE CURSIVE HANDWRITING. THROUGHOUT THE COURSE OF THE SCHOOL YEAR, HER STUDENTS EXCHANGED LETTERS WITH A GROUP OF RWE RESIDENT VOLUNTEERS. BOTH RESIDENTS AND STUDENTS ENJOYED THE PROJECT IMMENSELY!

RWE CONTINUES TO FOSTER A GREAT PARTNERSHIP WITH GREAT BAY KIDS CO. STUDENTS FROM GREAT BAY KIDS COME TO RWE TWICE A MONTH DURING THE SCHOOL YEAR AND READ WITH RESIDENT READING BUDDIES. THIS OPPORTUNITY ALLOWS STUDENTS AND RESIDENTS TO INTERACT WITH EACH OTHER AND HELPS THE STUDENTS (RANGING FROM AGE SEVEN TO TWELVE) IMPROVE THEIR READING SKILLS. GREAT BAY KIDS HAS BEEN VISITING OUR HEALTH CARE RESIDENTS FOR YEARS, BUT THIS NEW READING PROGRAM STARTED AT THE BEGINNING OF 2017.

THIS PAST YEAR, RWE PROVIDED A NUMBER OF FREE EDUCATIONAL PROGRAMS FOR THE PUBLIC, ON TOPICS INCLUDING HEALTH, WELLNESS, FITNESS AND FINANCES.

VETERAN'S HISTORY PROJECT: IN FY19, RWE PROVIDED THE SPACE FOR FILMING A PORTION OF THE VETERAN'S HISTORY PROJECT, CREATED BY BOB STEVENS, A RESIDENT OF OUR SISTER COMMUNITY BIRCH HILL IN MANCHESTER. MR. STEVENS CONDUCTED INTERVIEWS OF RWE VETERANS FROM WWII, KOREA, VIETNAM AND DESERT STORM.

Name of the organization	THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	Employer identification number	02-0400703
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THE VETERAN'S HISTORY PROJECT CREATED A LIVING HISTORY USING VIDEO INTERVIEWS TO PRESERVE THE TRUE HISTORY OF THE MEN AND WOMEN WHO SERVED OUR COUNTRY. THE VIDEOS ARE AVAILABLE ON LOCAL ACCESS TV AND A COPY WAS SENT TO THE LIBRARY OF CONGRESS.

PHYSICAL DONATIONS:

ANNUAL SUPPLY AND FOOD DRIVES: THE RWE OUTREACH COMMITTEE ORGANIZED A CAMPUS-WIDE TOY DRIVE TO SUPPORT THE EXETER FIREFIGHTER'S HOLIDAY DRIVE, A SCHOOL SUPPLY & SNACK DRIVE FOR LOCAL CHILDREN AND SFP, AND A BABY CLOTHING DRIVE FOR THE STORK PROJECT, AN INITIATIVE THAT PROVIDES WELCOME BUNDLES THAT ARE GIVEN TO LOW INCOME NEW MOMS IN NEW HAMPSHIRE. A FOOD DRIVE FOR ST. VINCENT DE PAUL IS ALSO AN ANNUAL EVENT.

THE FOLLOWING IS A LIST OF JUST SOME OF THE ORGANIZATIONS WHERE RWE RESIDENTS VOLUNTEERED IN FY19:

- ANNIE'S ANGLES
- ATHENAEUM, PORTSMOUTH, NH
- BSA SCOUTS OF AMERICA
- CASA
- CROSSROADS HOUSE
- EXETER FESTIVAL OF TREES
- EAST KINGSTON LIBRARY
- EXETER HISTORICAL SOCIETY
- EXETER HOSPITAL
- EXETER LIBRARY TRUSTEE
- EXETER LIONS CLUB
- FRIENDS FOREVER INTERNATIONAL
- GIRL SCOUTS OF AMERICA

Name of the organization THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE	Employer identification number 02-0400703
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- GREAT BAY STEWARDS
- GREAT BAY KIDS
- HIGH PEAKS EDUCATIONAL FOUNDATION
- IMEC
- LEAGUE OF WOMEN VOTERS
- LIBERTY HOUSE-MANCHESTER
- LINCOLN STREET SCHOOL
- LINUS PROJECT
- MAIN STREET SCHOOL, EXETER, NH
- MASSACHUSETTS COMMUNITY LAND TRUST
- MEALS ON WHEELS
- NATIONAL AUDUBON SOCIETY
- NEW ENGLAND HOSTA SOCIETY
- NEW HAMPSHIRE ASSOCIATION FOR THE BLIND
- NEW HAMPSHIRE HISTORICAL SOCIETY
- NH LONG TERM CARE FOUNDATION
- NH HORTICULTURAL SOCIETY
- NHSPCA
- OPERATION BLESSING-PORTSMOUTH
- PEASE GREETERS (GREETING TROOPS RETURNING FROM DUTY)
- SEACOAST HOSPICE
- SEACOAST SCIENCE CENTER
- SELT
- STRAWBERY BANKE MUSEUM
- THE MUSIC HALL, PORTSMOUTH, NH
- TOWER HILL BOTANIC GARDEN
- UNH COASTAL PROGRAM
- WOMENADE OF GREATER SQUAMSCOTT

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RWE DONATED ITEMS TO OPERATION BLESSING IN PORTSMOUTH, NH, A LOCAL NON-PROFIT HELPING THE HOMELESS. THESE ITEMS INCLUDED 565 PIECES OF CHINA.

A NUMBER OF ITEMS WERE DONATED TO RESTORE DURING FY19 INCLUDING THREE LARGE FILING CABINETS, ONE EXECUTIVE DESK, TWO BOOKCASES, AND 23 ROLLING DINING CHAIRS.

FORM 990, PART III, LINE 4A CONTINUED:

SHARING OUR KNOWLEDGE:

PART OF THE RWE MISSION IS NOT ONLY TO SHARE AN ENHANCED QUALITY OF LIFE WITH AS MANY OLDER ADULTS AS POSSIBLE, BUT ALSO TEACH OTHERS HOW THEY CAN DO THE SAME. EMPLOYEES REGULARLY SHARE THEIR KNOWLEDGE BY INVITING STUDENTS INTO THE RWE COMMUNITY WHO CAN LEARN FROM THE VAST KNOWLEDGE AND EXPERIENCE OF THE STAFF. OVER THE YEARS WE HAVE HOSTED STUDENTS FROM A VARIETY OF SCHOOLS IN A VARIETY OF COURSEWORK, FROM MARKETING TO FINANCE TO SOCIAL WORK AND HEALTH CARE.

FRIENDS FOREVER INTERNATIONAL: IN AN EFFORT TO BRIDGE THE MULTIGENERATIONAL DIVIDE, SUPPORT YOUTH VOLUNTEERS AND LEARN ABOUT THE MANY POWERFUL USES OF NEW COMMUNICATION TOOLS, IN FY19 RWE ONCE AGAIN WELCOMED THE GROUP FRIENDS FOREVER INTERNATIONAL, A 501(C)(3) ORGANIZATION WHICH ALLOWS PEOPLE OF ALL AGES AND BACKGROUNDS TO PARTICIPATE FIRST-HAND IN THE INTERNATIONAL PEACE PROCESS. IN JULY OF 2019, SIX ALUMNI FROM FRIENDS FOREVER INTERNATIONAL CAME TO LIVE AT RWE ON A TWO-WEEK ROTATION. SPONSORING THE TOTAL COST FOR THEIR ROOM AND BOARD, RWE PROVIDED WAYS FOR THE STUDENTS TO CONTINUE ADVANCING THEIR

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LEADERSHIP SKILLS BY LEADING PROGRAMS, CLASSES AND WORKSHOPS WITH RESIDENTS, AS WELL AS OFFERING OPPORTUNITIES FOR INTERACTION AND GAMES.

INTERNSHIPS: SINCE RWE OPENED ITS DOORS IN 1994, A KEY OBJECTIVE HAS NOT ONLY BEEN TO SHARE OUR EXPERIENCES WITH OTHERS, BUT TO LEARN FROM OTHERS IN THE INDUSTRY AT THE SAME TIME. IN THIS WAY WE BELIEVE WE CAN ELEVATE OUR OWN STANDARDS AT RWE WHILE ALSO PARTICIPATING IN THE ADVANCEMENT OF THE SENIOR LIVING INDUSTRY AS WHOLE. WE HAVE ACCOMPLISHED THIS THROUGH CLOSE INDUSTRY INVOLVEMENT OF OUR SENIOR MANAGEMENT, PARTICIPATION IN TRADE SHOW ACTIVITIES, AND CONTRIBUTING TIMELY AND INFORMATIVE ARTICLES TO INFLUENCING PUBLICATIONS.

OUR MANAGEMENT TEAM, RESIDENTS AND STAFF ARE FREQUENTLY ASKED TO SPEAK AT NATIONAL AND REGIONAL INDUSTRY CONFERENCES, ON A NUMBER OF DIVERSE TOPICS WITHIN THE INDUSTRY INCLUDING SOCIAL ACCOUNTABILITY, STRATEGIC ACTION, MANAGING GROWTH, AND PROFESSIONAL DEVELOPMENT.

THE COLLABORATIVE RELATIONSHIPS DEVELOPED CONTINUE THROUGHOUT THE YEAR IN ONE-ON-ONE CONVERSATIONS AND LARGER GROUP DISCUSSIONS. THAT SPIRIT OF COLLABORATION POSITIONS ALL OF US IN THE NON-PROFIT SENIOR LIVING INDUSTRY TO BEST SERVE THE EVER-GROWING GROUP OF OLDER ADULTS.

IN FY19, THE FINANCE AND MARKETING TEAMS BOTH HOSTED SUMMER INTERNS FROM UNH WHO WORKED FULL TIME IN THEIR RESPECTIVE DEPARTMENTS, OR APPROXIMATELY 160 HOURS THROUGH THE END OF FY19. HUMAN RESOURCES HOSTED INTERNS OVER THE WINTER HOLIDAY BREAK.

ADDITIONAL INTERNSHIPS AND ON-SITE TRAINING INCLUDED:

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- SEACOAST SCHOOL OF TECHNOLOGY-STUDENTS VIRTUAL DEMENTIA TRAINING AND SHADOWING (240 TOTAL CUMULATIVE HOURS)
- RESIDENT ASSESSMENT TOOL TRAINING (15 OUTSIDE ATTENDEES, DONATED COST OF FOOD AND SPACE)
- NURSE PRACTITIONER STUDENT INTERNSHIPS (130 HOURS)
- GREAT BAY NURSING STUDENTS (160 HOURS)
- UNH STUDENT INTERNSHIP (128 HOURS)
- UNIVERSITY OF SOUTH DAKOTA INTERNSHIP (80 HOURS)
- MCPHS STUDENT INTERNSHIP-SENIORS IN MCPHS BSN PROGRAM (19.5 HOURS)

BUSINESS MANAGEMENT PROGRAM FOR STAFF: ESTABLISHED IN 2016, THE RWE BUSINESS MANAGEMENT PROGRAM (RWBMP) OFFERS A VERSION OF A BUSINESS SCHOOL GEARED TOWARD NEW FRONT-LINE LEADERS FROM WITHIN THE RWE STAFF, DEVELOPED AND TAUGHT BY RWE RESIDENTS. THE PROGRAM ACCOMPLISHES TWO CRITICAL OBJECTIVES; PROVIDING STAFF WITH REAL WORLD TOOLS THAT WILL HELP THEM GROW PROFESSIONALLY, AS WELL AS PROVIDING RESIDENTS WITH A MEANINGFUL WAY TO GIVE BACK; ENGAGING RESIDENTS AND STAFF FROM DIFFERENT CAMPUSES WITH VARYING AREAS OF RESPONSIBILITY. IN FY19 THERE WERE 12 RESIDENT FACULTY MEMBERS AND ONE DEAN WHO TAUGHT THE 8-MONTH LONG PROGRAM.

IN THE SPRING OF 2018, RWE INTRODUCED A SECOND PROGRAM FOR STAFF CALLED PERSONAL FINANCE, A SIX-WEEK PROGRAM TAUGHT BY FIVE RESIDENT FACULTY MEMBERS AND ONE DEAN. THE PERSONAL FINANCE COURSE CHANGES OVER TIME DEPENDING ON THE NEED AND INTEREST OF THE PARTICIPANTS, COVERING TOPICS LIKE SAVING FOR COLLEGE, PLANNING FOR RETIREMENT, HOW TO CREATE AND LIVE ON A BUDGET, OR EXPLAINING COMPOUND INTEREST.

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RWE BUSINESS MANAGEMENT PROGRAM - 5 PART COURSE

JAN - JUNE 2016 8 GRADUATES

OCT - JUNE 2017 16 GRADUATES (36 TOOK PART, MANY TAKING COURSES AL A CARTE)

OCT - MAY 2018 11 GRADUATES

OCT - MAY 2019 6 GRADUATES

PERSONAL FINANCE

FEB - APRIL 2018 9 GRADUATES

OCT - NOV 2018 6 GRADUATES

MARCH - APR 2019 7 GRADUATES

IN TOTAL, 71 PARTICIPANTS HAVE TAKEN SOME PORTION OF ONE OF THESE COURSES SINCE THE INCEPTION OF PROGRAMS. 63 HAVE GRADUATED FROM THE PROGRAMS (COMPLETED ENTIRE COURSE) SOME STAFF HAVE EVEN TAKEN AND COMPLETED BOTH COURSES.

COMMUNITY SPONSORSHIPS:

RWE IS A STRONG COMMUNITY PARTNER AND IN ADDITION TO RESIDENT AND STAFF TIME SPENT VOLUNTEERING, RWE HAS ALSO HELPED A NUMBER OF COMMUNITY-WIDE EVENTS AND ORGANIZATIONS WITH FINANCIAL SUPPORT.

ORGANIZATIONS AND CHARITABLE CAMPAIGNS RECEIVING SUPPORT FROM RWE

INCLUDE:

- AMERICAN INDEPENDENCE MUSEUM
- ARTS IN REACH
- CONNOR'S CLIMB FOUNDATION
- END 68 HOURS OF HUNGER

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- EXETER HISTORICAL SOCIETY
- EXETER HOLIDAY PARADE
- EXETER, DOVER, PORTSMOUTH AND MANCHESTER CHAMBERS OF COMMERCE
- EXETER RUN CLUB
- EXETER YOUTH BASEBALL AND SOFTBALL LEAGUE
- FESTIVAL OF TREES 2018, EXETER
- FRIENDS FOREVER INTERNATIONAL
- LEADERSHIP SEACOAST PROGRAM
- LEADING AGE DISASTER RELIEF
- LEADING AGE MAINE AND NEW HAMPSHIRE
- NEW HAMPSHIRE CHILDREN'S TRUST
- NEW HAMPSHIRE FOOD BANK
- NH LONG TERM CARE FOUNDATION
- NEW HAMPSHIRE LETTER CARRIERS
- NEW HAMPSHIRE WOMEN'S FOUNDATION
- OLLI (OSHER LIFELONG LEARNING INSTITUTE) AT GRANITE STATE COLLEGE
- PALACE THEATRE
- PONTINE THEATRE
- PORTSMOUTH PRO MUSICA
- PRESCOTT PARK ARTS FESTIVAL
- RACIAL UNITY DAY WALK
- SEACOAST AREA CROP
- SEACOAST CHIEF FIRE OFFICIALS MUTUAL AID DISTRICT
- SEACOAST FAMILY PROMISE
- SEACOAST OUTRIGHT
- SEACOAST REPERTORY THEATER
- SEACOAST WIND ENSEMBLE
- ST. ANDREW'S BY THE SEA MUSIC, MUSIC BY THE SEA 2018

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- TEAM (TOWN EXETER ARTS AND MUSIC) ARTS FESTIVAL
- TEAM (TOWN EXETER ARTS AND MUSIC) ARTS FIRST FRIDAYS
- YMCA, SOUTHERN NEW HAMPSHIRE DISTRICT
- SOCIETY ST. VINCENT DE PAUL EXETER
- THE EXETER CHAMBER "FESTIVAL OF TREES" CHRISTMAS AUCTION
- THE EXETER CHAMBER OF COMMERCE ANNUAL DINNER
- THE EXETER PARENT TEACHER ORGANIZATION'S "GET FIT IN MAY" RACE
- THE GREAT BAY STEWARDS
- THE MUSIC HALL, PORTSMOUTH
- VETERANS OF FOREIGN WARS (VFW), EXETER, NH POST #2181
- VICTORIA'S VICTORY FOUNDATION
- WOMENADE OF GREATER SQUAMSCOTT

RWE HAS PROVIDED SMALL HONORARIUMS/DONATIONS TO A NUMBER OF GROUPS WHO HAVE PROVIDED SPEAKERS FOR OUR ON-CAMPUS EDUCATION PROGRAMS, INCLUDING:

- ACTIVITIES DIRECTOR'S NETWORK (MEPAP TRAINING)
- AMERICAN FRIENDS SERVICE COMMITTEE
- AMERICAN INDEPENDENCE MUSEUM
- BEDROCK GARDENS
- BIRCHTREE CENTER
- CASA OF NEW HAMPSHIRE
- CHRIST CHURCH BUILDING FUND
- CONCORD COMMUNITY MUSIC SCHOOL
- CONSERVATION LAW SOCIETY
- EDUCATION AND HOPE
- EXETER HIGH SCHOOL
- EXETER HISTORICAL SOCIETY
- FRIENDS FOREVER, INC.

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- GULF OF MAINE RESEARCH INSTITUTE
- INSTITUTE FOR THE STUDY OF EARTH, OCEAN AND SCIENCE, UNIVERSITY OF
NEW HAMPSHIRE
- MOUNT WASHINGTON OBSERVATORY
- MURRAY IRISH DANCE
- NEW HAMPSHIRE ACADEMY FOR PERFORMING ARTS
- PRESBYTERIAN DISASTER ASSISTANCE
- THE WAYSMEET CENTER OF CAMPUS MINISTRY AT UNH
- TOWN OF NOTTINGHAM THEATRE PROGRAM
- UNIVERSITY OF NEW HAMPSHIRE DEPARTMENT OF POLITICAL SCIENCE
- UNH DEPARTMENT OF SOCIOLOGY BEST GRADUATE PAPER
- WALTHAM HOME FOR LITTLE WANDERERS
- WOMENADE OF GREATER SQUAMSCOTT

RWE ALSO PROVIDES MEETING AND FUNCTION SPACE FREE OF CHARGE FOR SEVERAL
LOCAL CIVIC AND RELIGIOUS GROUPS ON A REGULAR BASIS, INCLUDING:

- AMERICAN RED CROSS BLOOD DRIVE
- CHRIST CHURCH
- DAUGHTERS OF THE AMERICAN REVOLUTION
- EXETER FIRE DEPARTMENT
- EXETER WOMEN'S CLUB
- FRIENDS FOREVER INTERNATIONAL
- KURN HATTIN HOME FOR CHILDREN
- LEADINGAGE MAINE AND NEW HAMPSHIRE
- NEW HAMPSHIRE PUBLIC TELEVISION (NHPBS)
- PHILANTHROPIC EDUCATIONAL ORGANIZATION (PEO)
- RICHIE MCFARLAND CHILDREN'S CENTER
- ST. VINCENT DE PAUL BOARD OF TRUSTEES

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- TOASTMASTER'S INTERNATIONAL

- WOMENADE OF GREATER SQUAMSCOTT

RWE ALSO PROVIDES TRANSPORTATION TO RESIDENTS VOLUNTEERING IN THE COMMUNITY. FOR EXAMPLE, RWE SHUTTLES ARE USED TO TRANSPORT RESIDENTS WHO VOLUNTEER AS TROOP GREETERS AT THE LOCAL AIRPORT, THOSE WHO VOLUNTEER AT THE NEW HAMPSHIRE PUBLIC TELEVISION AUCTION AND RWE RESIDENTS AND STAFF WHO VOLUNTEER FOR UNITED WAY'S DAY OF CARING.

FORM 990, PART III, LINE 4A CONTINUED:

ANNUAL RWE SCHOLARSHIPS:

FY19 WAS THE LARGEST YEAR TO DATE, WITH \$38,000 AWARDED TO 10 RECIPIENTS OF OUR 13TH ANNUAL STUDENT SCHOLARSHIP AWARDS. BOUTIQUE SCHOLARSHIPS WERE AWARDED TO HIGH SCHOOL STUDENTS WHO ARE ON THEIR WAY TO COLLEGE. MEMORIAL SCHOLARSHIPS WERE PRESENTED TO RWE LICENSED NURSING ASSISTANTS PURSUING CONTINUING EDUCATION IN THE NURSING FIELD. THE ARCHIBALD AND ALMA MAE PEABODY SCHOLARSHIP TO ASSIST WITH COLLEGE EDUCATION WAS PRESENTED TO CHILDREN OF RWE EMPLOYEES. SINCE 2007, WHEN THE FIRST SCHOLARSHIPS WERE ESTABLISHED, 80 SCHOLARSHIPS HAVE BEEN DISTRIBUTED, WORTH MORE THAN \$300,000 TOWARD GOALS OF HIGHER EDUCATION.

ADDITIONALLY, A PARTNERSHIP BETWEEN RWE AND GREAT BAY COMMUNITY COLLEGE WAS ESTABLISHED IN 2018 BY THE RWE CHARITABLE FUNDS COMMITTEE MEMBERS IN THE HOPES OF OPENING STUDENTS' MINDS ABOUT THE RICH VARIETY OF CAREER OPPORTUNITIES AVAILABLE AT RWE. IN FY18, RWE RESIDENTS CREATED A SCHOLARSHIP PROGRAM FOR FIRST-YEAR NURSING STUDENTS AT GREAT BAY COMMUNITY COLLEGE. IN FY19, RWE AWARDED \$8,000 IN SCHOLARSHIP DOLLARS TO FOUR NURSING STUDENTS AS PART OF THIS NEW INITIATIVE.

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C.A.R.E. PROGRAM FOR EMPLOYEES IN NEED:

C.A.R.E. STANDS FOR CARING, AIDING, AND RESPONDING TO EMPLOYEE'S FINANCIAL NEEDS. IN JULY OF 2016, A GROUP OF RWE EMPLOYEES CREATED THE C.A.R.E. FUND, DESIGNED TO ASSIST EMPLOYEES OF RWE WHO DEMONSTRATE A FINANCIAL EMERGENCY BEYOND THEIR CONTROL AND PROVIDE THEM WITH LIMITED ASSISTANCE.

SINCE THE CREATION OF THE C.A.R.E. FUND, RWE'S HUMAN RESOURCES TEAM AND THE C.A.R.E. COMMITTEE HAS AWARDED 16 GRANTS TOTALING \$7,500. IN A TESTIMONIAL FROM A CURRENT RWE EMPLOYEE THE INDIVIDUAL SAID "I WISH I KNEW ALL WHO GAVE SUCH A GENEROUS DONATION, SO I COULD THANK EACH OF YOU. BUT WORDS CANNOT EXPRESS MY GRATITUDE FOR ALL YOUR HELP AND SUPPORT DURING THE WORST TIME IN MY LIFE. I FEEL BLESSED, LOVED AND GRATEFUL TO BE A PART OF THE RWE FAMILY." THE POSITIVE IMPACT OF THE C.A.R.E. PROGRAM IS EVIDENT FROM EACH EMPLOYEE WHO HAS BENEFITTED FROM IT.

RWE BENEVOLENCE PROGRAM:

AS A NOT-FOR-PROFIT CCRC, RWE HAS A BENEVOLENCE FUND TO HELP RESIDENTS WHO HAVE OUTLIVED THEIR ASSETS, OR HAVE FOUND THEMSELVES UNABLE TO MAKE THEIR FINANCIAL COMMITMENT, THROUGH NO FAULT OF THEIR OWN. IF NEEDED, A RESIDENT CAN TURN TO THE RWE BENEVOLENT FUND, RATHER THAN PLACING FINANCIAL BURDEN ON SENIOR ASSISTANCE PROGRAMS OUTSIDE THE RWE COMMUNITY.

RETAIL SUPPORT:

THE RWE CONCIERGE SERVICE OFFERS THREE DAYS EACH WEEK OF FREE

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TRANSPORTATION TO LOCAL GROCERY STORES, DOCTOR'S OFFICES, HAIRDRESSERS AND TO THE ACTIVE DOWNTOWN DISTRICT. RWE RESIDENTS ESPECIALLY CONTRIBUTE TO THE LOCAL ECONOMY, AS DO OUR EMPLOYEES. THIS PAST FISCAL YEAR RWE ONCE AGAIN ORGANIZED AND HOSTED THE SEVENTH ANNUAL EXETER HOLIDAY FAIR. THE WELL-ATTENDED EVENT FEATURED SEVERAL DOZEN AREA BUSINESSES FROM EXETER TO HAMPTON. EACH BUSINESS HAD A BOOTH SHOWCASING THEIR GOODS AND/OR SERVICES FOR RESIDENTS AND EMPLOYEES.

FORM 990, PART VI, SECTION A, LINE 1:
THE CURRENT RESIDENT BOARD REPRESENTATIVES ARE VOTING MEMBERS OF THE BOARD OF TRUSTEES.

THE EXECUTIVE DIRECTOR OF RWE WILL SERVE ON THE BOARD OF TRUSTEES (THE BOARD) AS EX-OFFICIO WITH FULL VOTING RIGHTS. THE BOARD MAY VOTE TO EXCLUDE THE EXECUTIVE DIRECTOR OF RWE FROM ITS MEETINGS IF DISCUSSING PERSONNEL MATTERS RELATING TO THE EXECUTIVE DIRECTOR AND/OR THE COMPENSATION OF THE EXECUTIVE DIRECTOR.

THE EXECUTIVE COMMITTEE WILL CONSIST OF THE OFFICERS OF THE BOARD, CURRENTLY THE CHAIR, VICE-CHAIR, TREASURER AND CLERK, AND WILL EXERCISE THE FULL AUTHORITY OF THE BOARD BETWEEN MEETINGS OF THE BOARD. THE EXECUTIVE COMMITTEE WILL BE RESPONSIBLE TO THE BOARD AND WILL REPORT ITS ACTIONS AT EACH MEETING OF THE BOARD. THE EXECUTIVE COMMITTEE SHALL ALSO SERVE AS THE COMPENSATION COMMITTEE OF THE BOARD.

MEMBERS OF THE BOARD OF TRUSTEES WILL NOT RECEIVE COMPENSATION FOR THEIR SERVICES AS TRUSTEES; HOWEVER, A MEMBER OF THE BOARD OF TRUSTEES MAY RECEIVE REIMBURSEMENT OF DIRECT OUT-OF-POCKET EXPENSES FOR EFFORTS MADE ON

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BEHALF OF RIVERWOODS EXETER.

FORM 990, PART VI, SECTION A, LINE 3:

THE RIVERWOODS GROUP (TRWG), A RELATED PARTY, PROVIDES OVERSIGHT TO THE OVERALL FRAMEWORK OF RWE. TRWG PRIMARILY PROVIDES ADMINISTRATIVE SERVICES TO RWE WHICH DO NOT INVOLVE ANY SIGNIFICANT MANAGERIAL DECISION MAKING, BUT TRWG DOES HAVE ULTIMATE AUTHORITY AND RESPONSIBILITY FOR RWE'S BUDGET. RWE PAID TRWG A MANAGEMENT FEE OF \$1,127,482 FOR SERVICES RENDERED DURING THE TAX YEAR. COMPENSATION FROM TRWG IS DISCLOSED ON FORM 990, PART VII, COLUMN (E) AND (F) AS WELL AS ON SCHEDULE J, PART II AS COMPENSATION FROM A RELATED ORGANIZATION; NO COMPENSATION IS DEEMED TO HAVE BEEN PAID BY RWE.

FORM 990, PART VI, SECTION A, LINE 6:

TRWG, AN IRC SECTION 501(C)(3) SUPPORTING ORGANIZATION, IS THE SOLE MEMBER OF RWE.

FORM 990, PART VI, SECTION A, LINE 7A:

THE BOARD OF TRWG IS REQUIRED TO APPROVE/ELECT ALL TRUSTEES OF RWE.

FORM 990, PART VI, SECTION A, LINE 7B:

EACH OF THE FOLLOWING ACTIONS BY RWE'S BOARD MUST BE APPROVED BY TRWG BEFORE IT BECOMES EFFECTIVE:

- (A) REMOVAL OF A MEMBER OF THE RWE'S BOARD;
- (B) FINAL ADOPTION OF, AND ANY APPROVAL OF A MATERIAL DEVIATION FROM, THE ANNUAL AND ANY REVISED OPERATING AND CAPITAL BUDGETS OF RWE;
- (C) FINAL ADOPTION OF, AND ANY APPROVAL OF A MATERIAL DEVIATION FROM, RWE'S STRATEGIC PLAN;
- (D) TRANSFER TO ANY PERSON OR ORGANIZATION, WITH OR WITHOUT CONSIDERATION,

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DURING ANY TWELVE (12) MONTH PERIOD OF TANGIBLE, INTANGIBLE OR MIXED ASSETS WITH A VALUE IN EXCESS OF \$500,000;

(E) ANY SINGLE INCURRENCE, OR CUMULATIVE INCURRENCES IN ANY TWELVE (12) MONTH PERIOD, OF INDEBTEDNESS BY RWE IN EXCESS OF \$2.5 MILLION;

(F) SALE, LEASE OR EXCHANGE OF ANY MATERIAL PORTION OF THE ASSETS OF, OR THE STATUTORY MERGER, CONSOLIDATION, CORPORATE DIVISION, DISSOLUTION, OR LIQUIDATION OF RWE OR ANY SUBSIDIARY OF RWE;

(G) APPOINTMENT OF A FIRM OF INDEPENDENT PUBLIC ACCOUNTANTS TO CONDUCT AN INDEPENDENT AUDIT OF RWE'S FINANCIAL STATEMENTS OR A SPECIAL PROJECT WHICH MATERIALLY IMPACTS ASSETS, REVENUES OR OPERATIONS;

(H) THE PARTICIPATION BY RWE OR ANY SUBSIDIARY OF RWE IN A KEY STRATEGIC RELATIONSHIP;

(I) APPOINTMENT, EVALUATION, AND COMPENSATION OR TERMINATION OF THE EXECUTIVE DIRECTOR OF RWE;

(J) ELIMINATION OR ADDITION OF ANY MATERIAL HEALTH CARE SERVICE OR PROGRAM BY RWE OR ANY SUBSIDIARY OF RWE;

(K) THE AMENDMENT OF THE ARTICLES OF AGREEMENT, BYLAWS OR OTHER GOVERNING DOCUMENTS OF RWE WHERE SUCH PROPOSED AMENDMENT WOULD (I) IMPACT THE POWERS RESERVED TO TRWG IN THESE BYLAWS, (II) REASONABLY BE EXPECTED TO HAVE ANY MATERIAL STRATEGIC, COMPETITIVE OR FINANCIAL IMPACT ON ONE OR MORE PARTICIPANT ORGANIZATIONS OR ON THE SYSTEM AS A WHOLE, OR (III) IMPACT THE OBLIGATIONS OF RWE UNDER ANY AGREEMENT BETWEEN OR AMONG THE PARTICIPANT ORGANIZATIONS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM. RWE HAS AUTHORIZED REVIEW AND FILING OF THE FORM 990 TO THE TRWG AUDIT COMMITTEE.

DRAFT COPIES WERE DISTRIBUTED AND REVIEWED BY THE AUDIT COMMITTEE PRIOR TO

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FILING AT THE MEETING WHICH WAS HELD ON OCTOBER 31, 2019. AFTER REVIEW BY TRWG'S AUDIT COMMITTEE, A FULL COPY OF THE FINAL FORM 990 WILL BE PROVIDED TO RWE'S BOARD VIA A LINK TO A SECURE WEBSITE AND THE RWE'S BOARD WILL BE NOTIFIED THAT IT IS AVAILABLE FOR REVIEW PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE IS SENT TO ALL TRUSTEES, OFFICERS AND KEY EMPLOYEES. THE QUESTIONNAIRE IS PREPARED AND AFFIRMATIVE ANSWERS ARE REVIEWED BY RWE'S LEGAL COUNSEL.

NO TRUSTEE SHALL PARTICIPATE AS A MEMBER OF THE BOARD IN ANY DECISION AFFECTING THAT TRUSTEE'S PERSONAL FINANCIAL WELFARE OR THE FINANCIAL WELFARE OF ANY OTHER PERSON, ORGANIZATION OR INSTITUTION WITH WHICH THAT TRUSTEE IS AFFILIATED AS AN OWNER, EMPLOYEE, BOARD MEMBER, OR STOCKHOLDER. THIS SHALL NOT PRECLUDE A TRUSTEE FROM VOTING ON MATTERS AFFECTING THE OPERATION OF RWE FOR THE SOLE REASON THAT A FAMILY MEMBER IS A RESIDENT OF THE FACILITY. IN THE EVENT A TRUSTEE HAS SUCH A CONFLICT IN A MATTER WHICH IS BEING EXPOUNDED, DELIBERATED AND/OR VOTED UPON BY THE BOARD, SAID TRUSTEE SHALL ABSENT HIMSELF/HERSELF FROM THE BOARD, AND IF THE BOARD MEETING IS NOT OPEN TO THE PUBLIC AT LARGE, SHALL ABSENT HIMSELF/HERSELF FROM THE MEETING ROOM FOR THE TIME PERIOD DURING WHICH THE TOPIC IS UNDER DELIBERATION AND VOTE.

FORM 990, PART VI, SECTION B, LINE 15:

FORM 990, PART VI, SECTION B, LINE 15A:

THE EXECUTIVE DIRECTOR'S SALARY IS REVIEWED AND APPROVED ANNUALLY BY THE BOARD. THIS PROCESS IS DOCUMENTED IN THE EXECUTIVE COMMITTEE MINUTES. PAY RANGES FOR SIMILAR POSITIONS ARE ANALYZED ANNUALLY AND COMPARED TO WAGE

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INFORMATION OBTAINED THROUGH SALARY SURVEYS AND OTHER LABOR MARKET RESOURCES WITH SIMILAR CONDITIONS. THE CEO OF TRWG ALSO CONTRACTS WITH AN INDEPENDENT CONTRACTOR WHO HELPS FACILITATE THE GATHERING OF SALARY INFORMATION AND SHARES THAT INFORMATION WITH THE RWE EXECUTIVE COMMITTEE. CONSIDERATION IS GIVEN TO THE FOLLOWING IN DEVELOPING PAY RANGES:

- PREVAILING RATES FOR SIMILAR WORK IN OTHER SIMILAR INSTITUTIONS
- NATIONAL, REGIONAL AND LOCAL SALARY PATTERNS
- APPLICABLE LEGAL REQUIREMENTS
- STANDARDS ESTABLISHED BY PROFESSIONAL ORGANIZATIONS
- THE FINANCIAL STATUS OF RWE

THE EXECUTIVE DIRECTOR'S COMPENSATION WAS MOST RECENTLY PROPOSED BY THE CEO OF TRWG AND APPROVED BY THE EXECUTIVE COMMITTEE DURING 2019.

FORM 990, PART VI, SECTION B, LINE 15B:

TOP MANAGEMENT POSITIONS ARE OVERSEEN BY THE EXECUTIVE DIRECTOR, BUT FINAL REVIEW AND APPROVAL IS CONDUCTED BY THE BOARD. THIS PROCESS AND FINAL DETERMINATIONS ARE TIMELY DOCUMENTED IN THE BOARD MINUTES. ALL EXECUTIVE POSITIONS WERE REVIEWED BY AN INDEPENDENT CONSULTANT IN 2018. IN ADDITION, SALARY SURVEYS, FORM 990'S OF OTHER ENTITIES AND INTERNAL EQUITY WERE ALL CONSIDERED. SALARY RANGES FOR ALL POSITIONS WERE DEVELOPED USING SIMILAR DATA AS OUTLINED ABOVE FOR THE EXECUTIVE DIRECTOR. THE INFORMATION IS USED BY THE EXECUTIVE DIRECTOR IN THE DEVELOPMENT OF SALARY RANGES. DURING THE BUDGETING PROCESS, THE BOARD APPROVES THE COMPENSATION BUDGET WHICH LISTS EACH OFFICER AND KEY EMPLOYEE SEPARATELY. THE DIRECTOR OF FINANCE'S COMPENSATION WAS MOST RECENTLY REVIEWED DURING 2019.

FORM 990, PART VI, SECTION C, LINE 19:

RWE MAKES IT GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND

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FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	-680,599.
CHANGE IN CHARITABLE GIFT ANNUITY LIABILITY	-15,051.
GALA EVENT-CONTRIBUTIONS	-108,325.
GALA EVENT-DONATION TO SFP	165,000.
GALA EVENT-NET INCOME	-44,287.
TOTAL TO FORM 990, PART XI, LINE 9	-683,262.

DISCLOSURE COPY

SCHEDULE R (Form 990)
Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Department of the Treasury
Internal Revenue Service

Name of the organization: **THE RIVERWOODS COMPANY AT EXETER NEW HAMPSHIRE**

Go to www.irs.gov/Form990 for instructions and the latest information.

Employer identification number: **02-0400703**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
THE RIVERWOODS GROUP - 45-1450956 5 WHITE OAK DRIVE EXETER, NH 03833	FURTHER THE MISSIONS OF THE RIVERWOODS GROUP MEMBERS	NEW HAMPSHIRE	501(C)(3)	LINE 12A, I N/A	THE RIVERWOODS GROUP		X
RIVERWOODS DURHAM - 82-0719418 5 WHITE OAK DRIVE EXETER, NH 03833	CONTINUING CARE RETIREMENT COMMUNITY IN THE DEVELOPMENT STAGES	NEW HAMPSHIRE	501(C)(3)	LINE 10	THE RIVERWOODS GROUP		X
BIRCH HILL TERRACE - 22-3015416 200 ALLIANCE WAY MANCHESTER, NH 03102	ESTABLISH, OWN AND MAINTAIN A CONTINUING CARE RETIREMENT COMMUNITY	NEW HAMPSHIRE	501(C)(3)	LINE 10	THE RIVERWOODS GROUP		X
WOMEN'S AID D/B/A PEARL MANOR - 02-0222249 200 ALLIANCE WAY MANCHESTER, NH 03102	PROVIDE SUPPORT FOR BIRCH HILL TERRACE	NEW HAMPSHIRE	501(C)(3)	PF	BIRCH HILL TERRACE		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

THE RIVERWOODS COMPANY AT EXETER
NEW HAMPSHIRE

Schedule R (Form 990) 2018
Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes No	(k) Percentage ownership
							Yes	No			

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

PUBLIC DISCLOSURE COPY

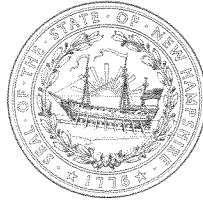
APPENDIX D

Charitable Trusts Director No Action Letter for TRWG

**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

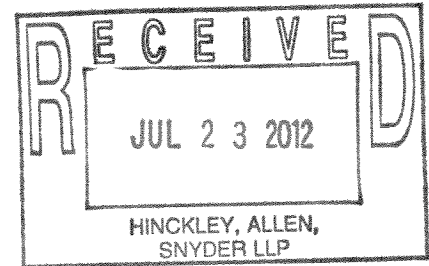
MICHAEL A. DELANEY
ATTORNEY GENERAL



ANN M. RICE
DEPUTY ATTORNEY GENERAL

July 19, 2012

Mark McCue, Esquire
Hinckley Allen Snyder LLP
11 South Main Street, Suite 400
Concord, NH 03301-4846



Re: Riverwoods Company/The Riverwoods Group
Registration #1580

Dear Attorney McCue:

I am writing in response to your letter and enclosures dated June 7, 2012 relative to the applicability of RSA 7:19-b to the proposed transaction involving the creation of a parent company, The RiverWoods Group (TRG), to be named as the sole member of RiverWoods. We completed our review of the documentation and conclude the naming of TRG as the sole member of RiverWoods does not constitute a change of control under RSA 7:19-b. I am also confirming that, when and if the TRG is expanded in order to establish an integrated system of non-profit, charitable continuing care retirement communities, such a transaction would be subject to review under RSA 7:19-b.

The Charitable Trusts Unit hereby issues a no action letter, effective July 19, 2012, relative to this transaction contingent upon the following provisos:

RiverWoods at Exeter and The RiverWoods Group will amend the MOU to state expressly that any restricted assets, including those subject to a charitable gift annuity, will not be available for reallocation to the RiverWoods system if one develops. They will remain under the sole control of the RiverWoods at Exeter Board, and dedicated solely to further RiverWoods at Exeter's charitable purposes.

If you have any questions please do not hesitate to contact me or Assistant Director Terry Knowles.

Very truly yours,

A handwritten signature in black ink, appearing to read "A. Blenkinsop".

Anthony I. Blenkinsop, Director
Charitable Trusts Unit
(603) 271-3591
anthony.blenkinsop@doj.nh.gov

APPENDIX E

TRWG Articles of Agreement

ARTICLES OF AGREEMENT
OF
THE RIVERWOODS GROUP

THE UNDERSIGNED, BEING PERSONS OF LAWFUL AGE, ASSOCIATE TO FORM A VOLUNTARY CORPORATION UNDER THE PROVISIONS OF NEW HAMPSHIRE RSA 292 BY THE FOLLOWING ARTICLES OF AGREEMENT:

ARTICLE 1:
Name.

The name of the corporation is "The RiverWoods Group."

ARTICLE 2:
Purposes.

The corporation is organized exclusively to support and further the charitable purposes and activities of The RiverWoods Company at Exeter, New Hampshire ("RiverWoods") and such other not-for-profit charitable organizations which are described in Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, as amended (the "Code") and which join the System described below (together with RiverWoods, each a "Participant Organization"). In furtherance of these purposes, the corporation is established to:

- (a) Establish, maintain and govern an integrated system of continuing care retirement communities and related organizations for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the "System");
- (b) Serve as the sole member of RiverWoods and each subsequent Participant Organization, and as the coordinating organization for the System; and
- (c) Provide centralized management, administrative and other similar functions; design and implement long-term strategic planning; develop key strategic relationships and alliances and identify new Participant Organizations to join the System; develop policies and methodologies for the effective and efficient delivery of quality health care, housing and related services throughout

State of New Hampshire
NonProfit - Articles of Agreement 6 Page(s)



the System; and conduct other similar activities, all for the support and benefit of the System and the Participant Organizations.

In limitation of, and not in addition to, the purposes stated above, the corporation will be operated exclusively to support RiverWoods and each Participant Organization and to further their respective charitable missions, and only in such a manner so that the corporation remains qualified as an entity exempt from federal income taxation under Section 501(c)(3) of the Code and is not a private foundation pursuant to Section 509(a) of the Code.

ARTICLE 3: Powers.

The corporation will have all of the powers and rights conferred to corporations under New Hampshire law and, subject to the limitation in Article 2 above, the power to do all acts and things reasonably incident or desirable to further the purposes described in Article 2, including but not limited to the power to receive by purchase, gift, grant, devise, bequest or in any other lawful manner any real or personal property and to hold, use, improve, operate, manage, lease, convey, convert and invest or otherwise dispose of by gift, sale, lease or otherwise any real or personal property, and to participate jointly with others in connection with any act or thing in which this corporation is empowered to engage.

Unless explicitly provided otherwise in writing by a testator or donor, a gift or contribution made to the corporation will not be an "endowment," as that term is defined in Section 2 of RSA 292-B, the New Hampshire Uniform Prudent Management of Institutional Funds Act or the corresponding provision of any future New Hampshire law (referred to in these Articles of Agreement as "UPMIFA"). Thus, the corporation's expenditure or accumulation of such a gift or contribution shall not be subject to the endowment expenditure restrictions set forth in Section 4 of UPMIFA.

ARTICLE 4: Governance

The corporation will be governed by a Board of Trustees, the election and duties of which are set forth in the corporation's Bylaws. The Board of Trustees will manage the corporation exclusively for the purposes set forth in these Articles of Agreement and in accordance with the provisions of the Bylaws.

**ARTICLE 5:
Dissolution**

The provisions for disposition of the corporation's assets in the event of dissolution are:

Upon the dissolution of the corporation, and following the payment or making of provisions for payment of all of the corporation's liabilities, its remaining assets will be distributed by the Board of Trustees to RiverWoods and any other Participant Organization on an equitable basis as determined by the Board, or to another charitable organization described in Section 501(c)(3) and exempt from taxes under Section 501(a) of the Code and which the Board of Trustees determines is best able to carry on the charitable purposes of RiverWoods and the Participant Organizations. If no such organization exists or is willing to receive the assets, the corporation's assets will be distributed only for one or more other exempt purposes within the meaning of Section 501(c)(3), or will be distributed to the United States government, or to a state or local government, solely for a public purpose. The dissolution of the corporation and the distribution of its assets will be conducted by the Board of Trustees in accordance with any then-applicable law or regulation.

**ARTICLE 6:
Tax-Exempt Qualifications.**

The corporation is intended to qualify at all times as an organization exempt from federal income taxation under Section 501(c)(3) of the Code and as a public charity under Section 509(a) of the Code. Therefore:

(a) No part of the net earnings of the corporation will inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the corporation will be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2 above.

(b) No substantial part of the activities of the corporation will be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation will not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

(c) Notwithstanding any other provision of these Articles, the corporation will not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are

deductible under Section 170(c)(2) of the Code, or corresponding section of any future federal tax code.

**ARTICLE 7:
Business Address**

The initial address at which the business of this corporation is to be carried on is:
7 RiverWoods Drive, Exeter, New Hampshire 03833.

**ARTICLE 8:
No Stock, Shares or Membership Certificates**

The corporation is not a membership corporation and will have no capital stock, and will not issue shares or membership certificates.

**ARTICLE 9:
Limitation on Liability**

No director or officer of the corporation will be liable to the corporation or any Participant Organization for monetary damages for breach of fiduciary duty as a director or an officer except with respect to:

1. Any breach of the director's or officer's duty of loyalty to the corporation or its members;
2. Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
3. Any transaction from which the director, officer, or both, derived an improper personal benefit.

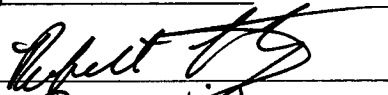
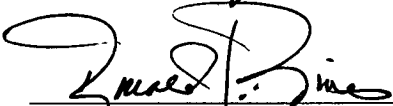
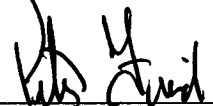
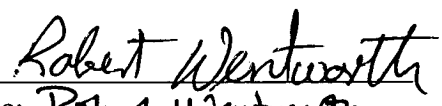

If, under New Hampshire law, a voluntary corporation may exempt directors and officers from additional liability than that set forth above, the directors and officers of the corporation will be so exempted.

**ARTICLE 10:
Amendment; Severability**

These Articles of Agreement may be amended by majority vote of the Board of Directors at a meeting duly called for that purpose and by recording a certified copy of such vote as specified in RSA 292:7.

If any provision of these Articles of Agreement is contrary to New Hampshire law or otherwise unenforceable, the Articles will remain in effect and will be construed as if the unenforceable or unlawful provision was omitted.

The signatures and mailing address of each of the persons associating together to form the corporation are set forth below:

	<u>Signature and Name</u>	<u>Mailing Address</u>
1.	 Print Name: <u>Robert Fietz</u>	<u>7 River Woods Drive</u> <u>Exeter</u> , NH <u>03833</u>
2.	 Print Name: <u>Ronald Rioux</u>	<u>7 River Woods Drive</u> <u>Exeter</u> , NH <u>03833</u>
3.	 Print Name: <u>Peter Frid</u>	<u>7 River Woods Drive</u> <u>Exeter</u> , NH <u>03833</u>
4.	 Print Name: <u>Robert Wentworth</u>	<u>7 River Woods Drive</u> <u>Exeter</u> , NH <u>03833</u>
5.	 Print Name: <u>Sheila Francoeur</u>	<u>7 River Woods Drive</u> <u>Exeter</u> , NH <u>03833</u>

Town Clerk's Office, Town of Exeter, New Hampshire.
Received and recorded this ____ day of _____, 2010.

Signature

Name (Please Print)

Title



February 16, 2011

New Hampshire Secretary of State
Corporate Division
25 Capitol Street, Floor 3
Concord, New Hampshire 03301-6312

Re: The Riverwoods Group

To Whom It May Concern:

As President and Chief Executive Officer of The Riverwoods Company at Exeter, New Hampshire and on behalf of Riverwoods at Exeter and The Ridge at Riverwoods, both trade names registered by The Riverwoods Company at Exeter, New Hampshire, I hereby consent to the use of the name The Riverwoods Group in connection with its formation.

Sincerely,

Justine Vogel,
President and CEO

The Woods
7 Riverwoods Drive
Exeter, NH 03833
603-772-4700

The Ridge
10 White Oak Drive
Exeter, NH 03833
603-658-1510

The Boulders
5 Timber Lane
Exeter, NH 03833
603-658-5959

#911193



RiverWoods is nationally accredited by the continuing Care Accreditation Commission.

www.riverwoodsrc.org

State of New Hampshire

Recording fee: \$25.00
Use black print or type.
Leave 1" margins both sides.

Form NP-3
RSA 292:7

AFFIDAVIT OF AMENDMENT OF

The RiverWoods Group
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, Sheila Francoeur, the undersigned, being the Clerk

(Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held on June 9, 2011, in Exeter, New Hampshire (Note 2), for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's Trustees. (Note 3)

VOTED: That ARTICLE 2 of the Corporation's Articles of Agreement be amended by adding the following new sentence after the first sentence of the first paragraph:


"These Articles of Agreement will be amended to name specifically each subsequent Participant Organization at the time it joins the System."

FURTHER

VOTED: That the Corporation's Articles of Agreement be amended by replacing the word "director" wherever it appears throughout the Articles with the word "trustee."

[If more space is needed, attach additional sheet(s).]

A true record, attest:


(Signature)

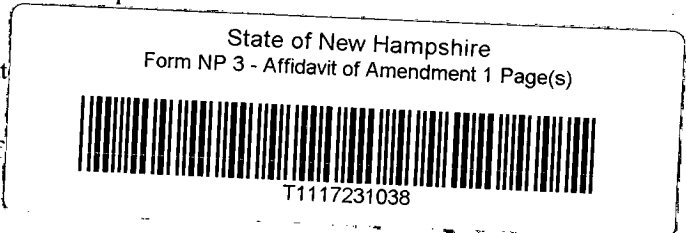
Date signed: June 9, 2011

- Notes:
1. Clerk, secretary or other officer.
 2. Town/city and state.
 3. Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fee with DATED AND SIGNED ORIGINAL to: Corporate
Street, Concord NH 03301-4989.

File a copy with Clerk of the town/city of the principal place of



State of New Hampshire

Recording fee: \$25.00
Use black print or type.

Form NP-3
RSA 292:7

AFFIDAVIT OF AMENDMENT OF

The RiverWoods Group
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, Beth Ann Roberts, the undersigned, being the Chair
(Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's Trustees. (Note 2)

VOTED: That Article 2 of the Corporation's Articles of Agreement, as previously amended, labeled "Purposes," be further amended by replacing the first sentence of the first paragraph with the following sentence:

"The corporation is organized exclusively to support and further the charitable purposes and activities of The RiverWoods Company at Exeter, New Hampshire ("RiverWoods"), Hillcrest Manor, Inc. ("HMI"), and such other not-for-profit charitable organizations which are described in Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986 (the "Code") and which join the System described below (together with RiverWoods and HMI, each a "Participant Organization").

See attached Addendum for remaining amendments.

[If more space is needed, attach additional sheet(s).]

A true record, attest: Beth Ann Roberts
(Signature)

Print or type name: Beth Ann Roberts

Title: Chair

Date signed: 7/1/2016

- Notes: 1. Clerk, secretary or other officer.
2. Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporation Division become public records and will be available for public inspection in either tangible or electronic form.

Mailing Address - Corporation Division, NH Dept. of State, 107 N Main St, Rm 204, Concord, NH 03301-4989
Physical Concord, NH

File a copy with Clerk

State of New Hampshire
Form NP 3 - Affidavit of Amendment 2 Page(s)

Form NP-3 (9/2015)



T1618945011

Addendum to Affidavit of Amendment of The RiverWoods Group

FURTHER
VOTED:

That Article 2 of the Corporation's Articles of Agreement, as previously amended, be further amended by replacing subparagraph (b) with the following:

“(b) Serve as the sole member of each of RiverWoods and HMI and each subsequent Participant Organization, as the coordinating organization for the System; and”

FURTHER
VOTED:

That Article 2 of the Corporation's Articles of Agreement, as previously amended, be further amended by replacing the last paragraph with the following:

“In limitation of, and not in addition to, the purposes stated above, the corporation will be operated exclusively to support RiverWoods, HMI and each subsequent Participant Organization and to further their respective charitable missions, and only in such a manner so that the corporation remains qualified as an entity exempt from federal income tax under Section 501(c)(3) of the Code and is not a private foundation pursuant to Section 509(a) of the Code.”

APPENDIX F

TRWG Bylaws

Bylaws of The RiverWoods Group

ARTICLE I

Name and Location

Section 1 – Name

The name of the Corporation is "The RiverWoods Group." It is and will remain a voluntary corporation duly organized and existing under the laws of the State of New Hampshire.

Section 2 – Location

The location of the principal office of the Corporation will be in Exeter, New Hampshire or at such other place as the Board of Trustees may designate from time to time.

ARTICLE II

Nature of the Corporation

Section 1 – Purposes

(a) Sole Member and Support of Participant Organizations. The Corporation will be the sole member of The RiverWoods Company at Exeter, New Hampshire and such other tax-exempt charitable organizations which join the System described below and are named in the Corporation's Articles of Agreement as amended from time to time (each a "Participant Organization"). The purpose of the Corporation is to support the charitable purposes and activities of the Participant Organizations. The Corporation will not earn any profit and it is organized and will be operated only for charitable purposes.

(b) Establishment of Delivery System. The Corporation will support the Participant Organizations by establishing, maintaining and governing an integrated system of continuing care retirement communities and related organizations (the "System"). The System will provide for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons. The System will be comprised of the Corporation, The RiverWoods Company of Exeter, New Hampshire and each subsequent Participant Organization.

(c) Role of the Corporation in the System. The Corporation is formed to serve as the coordinating organization for the System. The Corporation's responsibilities include the: provision of centralized management, administrative and other similar functions in a cost-effective manner; design and implementation of long-term strategic planning; development of key strategic relationships and alliances and identification of new Participant Organizations to join the System; and development of policies and methodologies for the effective and efficient

delivery of quality health care, housing and related services throughout the System.

Section 2 -- Powers

(a) General Corporate Powers. In furtherance of the purposes set forth in the preceding paragraph, this Corporation will have the power to purchase or otherwise acquire, hold, own, sell, encumber, mortgage, lease or otherwise deal in and with property of all kinds, real or personal, tangible or intangible, including without limitation the securities and obligations of any issuer, whether or not incorporated; to become the sole member of a Participant Organization and exercise the powers reserved to it under the governing documents of such Participant Organization; to finance and arrange the financing and borrowing of funds of any type necessary or convenient for the purposes of acquisition, construction, remodeling, or reconstruction of any kind of any buildings and structures, the acquisition of any personal property or services, or the acquisition of the sole membership interest in a prospective Participant Organization; to carry on any or all of the business of the Corporation as principal, agent or contractor; to carry on any other business incidental to and in furtherance of the foregoing; to have and exercise all the powers conferred by the laws of New Hampshire upon Corporations formed under the Voluntary Corporation Law of New Hampshire; to do any or all things hereinbefore set forth in the same extent as natural persons might or could do; to do any and all other acts, matters and things necessary or incidental or convenient to these purposes which are not contrary to the laws of the State of New Hampshire; provided, however, that all of the activities and actions set forth in this Section 2 will be carried out in furtherance of those corporate purposes set forth in this Section 1.

(b) Powers Necessary to Oversee the System. Without limiting the foregoing, the Board of Trustees will have the power to do the following in connection with the System: (i) establish the goals, objectives and strategy for the System; (ii) review and approve for consistency with the mission, goals and objectives of the System the proposals and/or decisions of the governing bodies of the Participant Organizations which affect the operation of the System and its governance and administration; (iii) oversee the financial condition of the System, including the financial condition of each of the Participant Organizations and each of its subordinate organizations; (iv) approve policies for the management and investment of all funds within the System including, without limitation, endowment funds of the Corporation, the Participant Organizations and their subordinate organizations; (v) make decisions regarding the selection, evaluation, compensation and discharge of the President or Chief Executive Officer of the Corporation; (vi) approve the decisions of the Participant Organizations with respect to the selection, evaluation, compensation and discharge of their president or chief executive officer; (vii) plan for the location, addition, repositioning or elimination of facilities and services throughout the System; (viii) guide the expansion and evolution of the System to include other institutions and organizations as appropriate; (ix) oversee compliance with applicable laws and regulations; and (x) approve policies for quality of care. The Board will have the authority and responsibility to assess each of the Participant Organizations for a monetary amount, which need not be equal among the Participant Organizations which will provide for payment of the operating expenses of the Corporation and the establishment of reasonable financial reserves for the Corporation's activities and to reallocate assets and resources of the Participant Organizations and their subordinate organizations among the Participant Organizations and their

subordinate organizations as defined in the Memorandum of Understanding between the Corporation and each Participant Organization.

Section 3 – Restrictions on Activities

Notwithstanding anything to the contrary in these Bylaws, all of the activities and actions of the Corporation will be limited and restricted by the following provisions:

- a) No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, its trustees, officers or other private persons, except that the Corporation will be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.
- b) No substantial part of the activities of the Corporation will be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation will not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- c) In all of its activities, the Corporation will not engage in any activity in violation of the Civil Rights Act, including, but not limited to, any act of discrimination based on race, color, sex or national origin.

ARTICLE III

Board of Trustees

Section 1 – Role

The property and business of the Corporation will be managed and the policies of the Corporation will be set by a Board of Trustees. The Board may delegate such authority as it deems appropriate to the officers and to such Committees as may be designated by the Board under these Bylaws.

Section 2 – Size and Terms of Office

Except for the initial Board, the Board of Trustees will be composed of not less than five (5) nor more than fifteen (15) persons, as determined by the Board. The current members of The RiverWoods Company, at Exeter, New Hampshire Board of Trustees will serve as the Corporation's initial Board of Trustees; thereafter the Corporation's Trustees will be elected as described below. To the extent possible, the terms of the Trustees will be staggered such that one-third (1/3) of the Trustees not serving *ex-officio* will be elected in each year. All Trustees will be permitted to serve no more than two subsequent three year terms. If a Trustee initially serves a partial term to fill a vacancy, however, such partial term will not be considered for purposes of the foregoing limitation, and the Trustee will be eligible to serve up to two subsequent three year terms following the initial partial term. The Board of Trustees will have

the authority to request that a retiring Trustee serve up to three (3) additional one (1) year terms. A former Trustee who may no longer serve as a Trustee may serve on a committee of the Trustees if so appointed by the Chairman. Term limits will not apply to Ex-Officio members. The Board will be composed as follows:

- (a) Ex-Officio. The Chief Executive Officer of the Corporation will serve on the Board of Trustees, *ex-officio*, with full voting rights. The Board of Trustees may vote to exclude the Chief Executive Officer of the Corporation from its meetings if discussing personnel matters relating to the Chief Executive Officer and/or the compensation of the Chief Executive Officer.
- (b) Participant Organization Representatives. To ensure that the Corporation is sufficiently accountable to the Participant Organizations and responsive to their needs as required by applicable tax regulations, more than fifty percent (50%) of the Board of Trustees will be representatives nominated by The RiverWoods Company, at Exeter, New Hampshire and elected by the Board of Trustees and each Participant Organization will have at least one representative on the Board of Trustees.
- (c) Public Members. The number of persons representing the difference between the total number determined by the Board and the total of the Ex Officio and Participant Organization Representatives will be representatives of the general public, and will be elected by the Corporation's Board of Trustees from among individuals nominated by the Nominating Committee.

Section 3 – Meetings

The Board of Trustees will meet quarterly, or either more or less often if appropriate. A special meeting of the Board of Trustees may be called, either by the Chairman or the President or by any three Trustees by notice given at least three (3) days prior to such meeting. If all Trustees sign a waiver of notice to any such meeting, actions taken thereat will be considered proper.

Section 4 – Quorum

A majority of the Trustees elected and serving will constitute a quorum at all meetings of the Board of Trustees provided, however, that if one-third of the Trustees are present, they may, by unanimous vote, declare themselves to be a quorum for the transaction of the business of the Corporation.

Section 5 – Duties of Trustees

Each member of the Board of Trustees will perform the duties of Trustee, including as a member of any committee of the Corporation on which the Trustee may serve, in good faith, in a manner the Trustee believes to be in the best interest of the Corporation and the fulfillment of its purposes, and with such care, including reasonable inquiry, as a prudent person of ordinary judgment would use in carrying out that person's own affairs. In exercising the powers reserved

to it under Section 6 below, the Board of Trustees will act in a fiduciary capacity toward the Participant Organizations and take into account their respective interests while acting in furtherance of the System and the Corporation's purposes set forth in Article II, Section 1 above.

Section 6 – Powers Reserved to the Board by Participant Organizations

The RiverWoods Company at Exeter, New Hampshire has agreed to incorporate into its governing documents a provision that all material governance, programmatic and financial decisions of its governing bodies will be subject to the approval of, or disapproval or modification by, the Board of Trustees of the Corporation. Except as otherwise agreed by the Board of Trustees, in its discretion, any additional Participant Organization will agree and incorporate into its governing documents, as a condition of admission to the System, that it will not take any of the following actions without an affirmative vote of a majority of the Corporation's Board of Trustees then in office:

- (a) Removal of a member of the governing board of a Participant Organization;
- (b) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of a Participant Organization;
- (c) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of that amount specified from time to time by the Board for each Participant Organization, which amounts need not be equal;
- (d) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of Debt by a Participant Organization in excess of that amount specified from time to time by the Board for each Participant Organization, which amounts need not be equal;
- (e) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, any Participant Organization or a subordinate organization of a Participant Organization;
- (f) Appointment of a firm of independent public accountants to conduct an independent audit of a Participant Organization's financial statements or a special project which materially impacts assets, revenues or operations;
- (g) The participation by a Participant Organization or a subordinate organization of a Participant Organization in a Key Strategic Relationship (The term "Key Strategic Relationship" means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a Participant Organization);

- (h) Appointment, evaluation, and compensation or termination of the president or chief executive officer of a Participant Organization;
- (i) Elimination or addition of any material service or program by a Participant Organization or a subordinate organization of a Participant Organization; and
- (j) The amendment of the Articles of Agreement, Bylaws or other governing documents of a Participant Organization where such proposed amendment would (i) impact the powers reserved to the Corporation in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of such Participant Organization under any agreement between or among the Participant Organizations.

In addition to the above reserved powers, the Corporation's Board of Trustees will have the power to elect the members of each Participant Organization's governing board from a slate of nominees presented by the Participant Organization to the Corporation's Board of Trustees. The Corporation's Board of Trustees will vote such nominees up or down in whole as a slate, which vote will be exercised reasonably and in good faith. If any such slate is voted down, the Participant Organization then will provide a new slate of nominees for election by the Corporation's Board of Trustees.

Section 7 – Compensation and Disclosure

- a) As a fiduciary, the Board of Trustees and each of its members has a duty of loyalty to the Corporation and its charitable purposes and a duty to act impartially in its role as Trustee. The Board will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in an ethical manner.
- b) The Board of Trustees will identify all "pecuniary benefit transactions" and comply with the requirements of New Hampshire RSA 7:19-a, as it may be amended from time to time, and any successor statute. To the extent that the Corporation or its Participant Organizations provides services to the elderly, members of the Board of Trustees and their families will not be prohibited from availing themselves of said services provided that said services are offered under the same terms and conditions as to any member of the general public and the Trustee or family member meets all the eligibility criteria that any other person would have to meet to obtain such benefits.
- c) Members of the Board of Trustees will not receive compensation for their services as Trustees; however, a Member of the Board of Trustees may receive reimbursement of direct out-of-pocket expenses for efforts made on behalf of the Corporation.

Section 8 – Removal

Any Trustee may be removed from office by a two-thirds (2/3) majority vote of the Board of Trustees. However, no such vote will be taken until after a written petition for removal is filed with the Board and the person whose removal is sought is given notice of said petition by first class mail and the opportunity to make an oral or written response to the Board of Trustees at the next regularly scheduled meeting of the Board of Trustees or at a Board of Trustees meeting

specially called and noticed to include the vote on removal. The mailing of the notice will be at least fourteen (14) days before any meeting at which the vote on removal may occur.

ARTICLE IV

Officers

Section 1 – Description

The officers of the Corporation will be a Chairman, Vice-Chairman, President, Treasurer, and Clerk. The Trustees may elect more than one Vice-Chairman but, in doing so, will designate the order of succession to the duties of the Chairman in the event the Chairman is unable to fulfill those duties during his term of office. The terms of all such officers will be for one (1) year, or until their successors are duly elected and qualified. Officers may serve multiple successive terms.

Section 2 – Election

All officers will be elected by the Trustees, from among those Trustees duly elected and serving in office, at the June meeting of the Trustees.

Section 3 – Vacancies

If any of the offices will become vacant for any reason, the Trustees may elect a successor or successors who will hold said office for the unexpired term.

Section 4 – Resignation

Any Trustee or Officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Corporation, unless some other time be fixed in the resignation.

Section 5 – Chair of the Board

The Chairman will preside at all meetings of the Board of Trustees. He will perform all duties incident to the office of the Chairman including handling administrative details for the smooth functioning of the Corporation, and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 6 - Vice Chair of the Board

The Vice-Chairman will act in the absence or incapacity of the Chairman.

Section 7 – Treasurer

The Treasurer will be responsible for ensuring that the financial affairs of the Corporation are properly administered. The Treasurer will ensure that books and accounts of income and expenditures are kept, and will perform such other duties as may be prescribed by the Board of Trustees.

Section 8 – Clerk

The Clerk will ensure that the minutes of all Board of Trustees' meetings are kept, will ensure that notifications of upcoming meetings are sent, will handle correspondence with other persons and organizations when required, and will perform such other duties as may be prescribed by the Board of Trustees from time to time.

Section 9 – President of the Corporation

The President will be the Chief Executive Officer of the Corporation and will have those powers, duties and responsibilities as may be assigned from time to time by the Board of Trustees.

ARTICLE V

Indemnification Clause

Each present and future Trustee and Officer, whether or not then in office, will be indemnified by the Corporation against expenses actually and reasonably incurred by or imposed upon him (including but without being limited to, settlements, judgments, costs, and counsel fees) in connection with the defense of any administrative, civil or criminal action, suit or proceeding in which he or she is made a party by reason of being or having been a Trustee or Officer of the Corporation, except in relation to matters as to which he will be actually adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of duty. Such indemnification will be not deemed exclusive of any other rights to which such Trustee or Officer may be entitled, under any other by-law, agreement, vote of the members or as a matter of law, or otherwise. Pursuant to N.H. RSA 508:16, Trustees and Officers will not be liable for bodily injury, personal injury and/or property damage if the claim for such damages arises from an act or acts committed in good faith and without willful or wanton negligence, in the course of an activity carried on to accomplish the purposes of the Corporation.

ARTICLE VI

Fiscal Year

The fiscal year of the Corporation begins July 1 and ends June 30.

Article VII

Committees of Board of Trustees

Section 1 – Designation

The Chairman may designate any committees that may become necessary or convenient for undertaking the purposes of the Corporation. The composition and appointment of members and chairmen of all committees will be made and determined by the Chairman, subject to approval of the Board of Trustees.

Section 2 – Executive Committee

The Executive Committee will exercise the full authority of the Board of Trustees between meetings of the Board of Trustees. The Executive Committee will be responsible to the Board of Trustees and will report its actions at each meeting of the Board of Trustees. The Executive Committee shall serve as the Compensation Committee of the Board of Trustees.

Section 3 – Finance Committee

The Finance Committee will be responsible for ensuring financial affairs of the Corporation are properly administrated and for overseeing investments and investment policies. Duties and membership will be described by the Finance Committee Charter.

Section 4 – Audit Committee

The Audit Committee will serve as the conduit with the external auditor as described by the Audit Committee Charter.

ARTICLE VIII

Amendments of By-Laws

These By-Laws may be amended at any duly called meeting of the Trustees by a vote of two-thirds (2/3) of the Trustees, in person or by proxy, or by written consent delivered to the Clerk, duly acknowledged. A notice of any amendment proposed for adoption will be circulated to all Trustees at least seven (7) days in advance of a meeting called to act thereon.

Revised: May 10, 2011
Revised: January 26, 2017

Attest: _____, Clerk

APPENDIX G

Birch Hill Change of Control Notice

NOTICE TO THE DIRECTOR OF CHARITABLE TRUSTS

PURSUANT TO RSA 7:19-b

This Notice is submitted pursuant to RSA 7:19-b, III by Hillcrest Manor, Inc. (“HMI”) with respect to a proposed affiliation between HMI and The RiverWoods Group (“TRWG”). As set forth in the Affiliation Agreement (the “Agreement”) and described herein, the Agreement contemplates that TRWG will become the sole member of HMI, with certain reserved powers over HMI’s operations and governance.

I. Parties to the Transaction (RSA7:19-b, III)

Hillcrest Manor, Inc. is a voluntary corporation formed in 2004 pursuant to RSA 292 and is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (the “Code”). HMI is the parent company of Birch Hill Terrace (sometimes referred to as “Birch Hill”), a charitable nonprofit Continuing Care Retirement Community (“CCRC”) and Pearl Manor (formerly “The Women’s Aid Home” and “The Manchester Women’s Aid and Relief Society”, a charitable entity formed in 1875). Birch Hill is located on 29 acres at 200 Alliance Way in Manchester, New Hampshire and provides independent and assisted living, memory support and nursing care to 180 residents. The current Articles of Agreement and Bylaws for Hillcrest Manor, Birch Hill Terrace and Pearl Manor are attached in **Appendices A-1, A-2 and A-3**. A list of current HMI Board of Trustees is attached as **Appendix B**. Audited financial statements for the years ended 2014 and 2015 are attached in **Appendix C**.

The RiverWoods Group is a New Hampshire voluntary corporation and exempt from federal income tax under Section 501(c)(3) of the Code. In November, 2012 it

became the sole member of The RiverWoods Company at Exeter, New Hampshire (“RiverWoods”). RiverWoods is also a voluntary and charitable corporation exempt from federal income taxes. It is a nationally-accredited CCRC located on 200 acres in Exeter, New Hampshire. Founded in 1994 by a small group of area residents, today RiverWoods has three distinct campuses, with close to 400 apartments and cottages, home to 620 residents, supported by more than 510 staff. RiverWoods established TRWG as a supporting organization to further the founders’ original mission by extending its services and expertise to a broader group of seniors, while maintaining strong core campuses. TRWG will serve as the coordinator and steward of an integrated system of CCRCs and related organization dedicated to the effective and efficient delivery of quality housing, food services, and health and other services to improve the lives of elderly persons. The Articles of Agreement and Bylaws of The RiverWoods Group are attached in **Appendix D**. Audited financial statements of The RiverWoods Company and Form 990s for TRWG for the years ended 2014 and 2015 are attached in **Appendix E**.

II. Background and History of Hillcrest Manor and the Proposed Affiliation

Hillcrest Manor has a long history of supporting seniors in the Manchester community. Hillcrest Manor was established in 2004 as the parent company for two then separate entities, Hillcrest Terrace and Pearl Manor.

Hillcrest Terrace was formed in 1989 as a wholly owned subsidiary of Catholic Medical Center (“CMC”) for the purpose of providing a comprehensive retirement community for elderly citizens in the Manchester community. An independent living facility, with 138 units was constructed at 200 Alliance Way in Manchester.

Pearl Manor was originally organized as a voluntary association in 1875 to provide relief to the poor and needy of the City of Manchester. In 1891 the association was formally incorporated by an act of legislature for the purpose of providing “aid, care, support and treatment of the poor, sick and disabled” in the City of Manchester. The Bartlett Place on Pearl Street was purchased and renovated as a “hospital” providing care to between forty and fifty patients. By the early 1900s, however, the “hospital” began caring for an increased number of chronically ill patients and those in need of a permanent home and thereafter was referred to as the “Home”. In 1951, the property was demolished and a new Home was built. In the same year, the legislature changed the name to the “Women’s Aid Home” and amended the purpose to be for the care of aged women in Manchester and nearby communities.

In 1989, Pearl Manor became affiliated with the Elliot Hospital as part of the Elliot Health System and in 1996 it relocated to the Hillcrest Terrace facility located at 200 Alliance Way in Manchester and the home on Pearl Street was closed. At that time, Catholic Medical Center was affiliated with Elliot Hospital as part of Optima Health. Hillcrest had vacant assisted living units which could accommodate the Pearl Manor residents. Nine (9) of those units were converted to nursing beds to accommodate the residents requiring a greater level of care. Pearl Manor relocated and assumed operational responsibility for 58 assisted living units and 9 skilled nursing beds. Hillcrest Terrace continued to operate the independent units. However, because Pearl Manor and Hillcrest were in essence affiliated under Optima Health, they were operated as a *de facto* continuing care community offering independent living, assisted living and nursing care.

In 1999, CMC and Elliot began the process of dissolving their affiliation and eventually Hillcrest Terrace and Pearl Manor were restored as affiliates of CMC and Elliot respectively. Yet, they continued to be operated in the same facility by their separate, and competing, hospital parents. In 2002, faced with this operational challenge as well as Pearl Manor's diminishing endowment, the hospitals began formal discussions to relinquish their respective control over Hillcrest Terrace and Pearl Manor and jointly create a new independent entity to serve as the sole corporate member of both.

In 2004, Hillcrest Manor was created as a non-profit corporation and following approval by the Director of Charitable Trusts, became the sole member of Hillcrest Terrace and Pearl Manor. A Change of Control Notice was filed under RSA 7:19-b on December 8, 2004. A copy of the notice (without attachments) is attached as **Appendix F**. A copy of the no action letter issued by the Director of Charitable Trusts is attached as **Appendix G**. At the same time, a Cy Pres Petition was filed in the Hillsborough County Probate Court, seeking to modify the charitable mission of Pearl Manor. A copy of the Probate Court order is attached as **Appendix H**.

Following the approvals of the Charitable Trust Division and the Probate Court, Hillcrest Manor, Inc. became the sole member of Hillcrest Terrace and Pearl Manor. Hillcrest Terrace became the operating company which ran the facility which then included 138 independent living apartments, 58 assisted living apartments and 9 nursing beds. Pearl Manor retained an endowment of \$3.5 million plus \$1 million in Board designated funds, for the sole mission of supporting the Hillcrest Terrace operation and residents. This restructuring allowed the operations to be more coordinated and focused on meeting the needs of seniors in the Manchester community. In an effort to position

itself for success without the control and support of the hospitals, the new organization developed a comprehensive Master Plan for future growth and expansion. The Plan included three phases and the construction of independent cottages. In 2009 Hillcrest Terrace became certified with the Department of Insurance as a continuing care retirement community. This certification allowed Hillcrest Terrace to restructure its financial model to include entrance fees.

In October 2010, thanks to an anonymous donation of \$5,000,000, Hillcrest Terrace broke ground on an expansion and redevelopment project that included redesign of its common areas and the acquisition of a 12-acre parcel adjacent to the current property for the development of an independent cottage community.¹ As part of a re-branding effort, on September 12, 2011, Hillcrest Terrace changed its name to Birch Hill Terrace. In October 2014, Birch Hill Terrace opened the Pines at Birch Hill Terrace, a new, person-centered memory care community consisting of 12 apartments and new renovated and expanded common spaces.

Unfortunately, the timing of all these expansion efforts coincided with the slowing of the real estate market in 2008 and occupancy rates did not increase as quickly as anticipated. With sluggish occupancy, Birch Hill Terrace also experienced revenue shortfalls. By this point, it was apparent that Birch Hill's existing debt was inhibiting its ability to maintain and improve its facility. Birch Hill attempted to refinance its debt but was unsuccessful. It was also clear that capital improvements would be needed to

¹ The anonymous donor initially restricted the donation to the development of the independent cottages, but eventually agreed to allow for the improvement of the common space, including a redesigned entrance, and new café, tavern and salon. The 12 acre lot was purchased by HMI and two duplex cottages have been constructed.

increase occupancy rates, but without a debt refinancing, there was insufficient cash flow to make these improvements. HMI began to explore opportunities to reverse this trend as early as January of 2012. Following a HMI Board Retreat the decision was made to look at potential affiliations with other organizations. The primary goal of this effort would be to identify an organization which would be a good cultural fit for HMI while at the same time providing the opportunity to refinance the existing debt on more competitive terms. The Board Chair, Treasurer and CEO were given the assignment to explore affiliation possibilities and report back to the full board. The first organization that the team approached was Kendal Corporation. Discussions with the Kendal Corporation ended when Kendal decided that they had too many projects going on and felt unable to invest the time that was need to proceed with an affiliation.

In September 2012 HMI reached out to Asbury Communities in regards to their possible interest in an affiliation with Birch Hill Terrace. Asbury Communities showed immediate interest in working with HMI and discussions progressed quickly. In February 2013, HMI and Asbury signed a confidentially agreement. However, based on the business model proposed by Asbury Communities in May of 2013, HMI decided that Asbury Communities was not a viable option.

HMI and The RiverWoods Group (“TRWG”) began discussing a possible affiliation as early as 2013, but the discussions became serious in the summer of 2015. A Letter of Intent was executed in August of 2015. A copy of the Letter of Intent is attached in **Appendix I**. A working team was formed consisting of the HMI Board Chair, Trustee Emeritus, CEO, and a business consultant from ARI. Meetings between the HMI team and TRWG Board representatives, the CEO and other executives occurred

throughout the late summer and fall. The parties considered ways in which their respective missions could be enhanced through an affiliation and in particular identified an opportunity for HMI to obtain better financing terms as part of The RiverWoods Group. The teams ultimately determined that the two organizations had similar missions and that the affiliation would serve the interests of both organizations by adding another campus with different services to the RiverWoods family and providing HMI with the support of a larger, financially sound organization.

Throughout the fall and winter of 2015, the parties conducted their own due diligence reviews and at the same time began negotiations regarding the actual terms of the affiliation. The HMI Board was presented with a general overview of the proposed affiliation in November of 2015. Following further negotiations, the TRWG Board voted to approve the affiliation on February 18, 2016. A detailed presentation of the affiliation terms was made to the HMI Board on February 25, 2016 and the HMI Board voted to approve the affiliation on March 17, 2016. The HMI Board Resolution is attached as **Appendix J**. The Affiliation Agreement was executed by the parties on March 21, 2016 and is attached hereto in **Appendix K**.

III. Material Terms of the Affiliation (RSA 7:19-b, III)

The specific terms and conditions of the Affiliation are set forth in the Affiliation Agreement (Appendix K). The HMI Articles of Agreement will be amended as of the effective date of the Affiliation to make The RiverWoods Group the sole member of HMI. The Bylaws of HMI, Birch Hill Terrace and Pearl Manor will also be amended to reflect the material terms of the affiliation. The proposed amended Articles and Bylaws are attached in **Appendices L-1, L-2 and L-3**.

The affiliation is anticipated to be relatively seamless for residents and staff. Current residents at Birch Hill will experience no change in the terms of their residencies. The same services will be provided, by the same staff, for the same fees. The only change they will see is the planned renovations and upgrades to the facility. While the CEO and other key managers will have significant interface with TRWG, especially during the implementation of the Advancement Plan described below, most staff will experience no significant change in the terms and conditions of their employment. They will continue to be employees of Birch Hill and will receive the same pay and benefits. While policies may be revised to foster greater consistency and eventually some consolidation may occur, it is expected that these changes will be gradual.

The essential terms of the Affiliation Agreement are summarized below:

Statement of Purpose and Mutual Vision. As set forth in Articles 1.1 – 1.4 of the Affiliation Agreement, the Affiliation is intended to further the compatible charitable missions of both HMI and TRWG; to achieve greater integration and collaboration in the delivery of services to the elderly citizens of the Exeter and Manchester communities, which the parties anticipate will result in more cost effective and efficient services. The parties also anticipate that the Affiliation will provide HMI, as part of the RiverWoods organization, greater access to capital which will greatly enhance its ability to maintain and improve its facility.

Guiding Principles. Recognizing that their relationship will necessarily evolve as the market for elderly housing and health services changes, the parties agreed to a number of principles which they anticipate will help guide the evolution of their relationship to be consistent with the intent of the Affiliation Agreement. Section 2.1 –

2.4 of the Agreement reflect the parties' mutual commitment to meeting the needs of elderly residents in the Manchester community, providing the highest quality and effective continuing care services for the residents they serve, and operating both organizations in a manner which furthers their charitable missions. Article 5.4 of the Agreement also sets forth processes for conflict resolution and Article 5.8 reflects the parties' joint commitment to reviewing their relationship at five year intervals to assure that they are continuing to meet their intended goals.

TRWG as Sole Member of HMI. As set forth in Article 3.1 of the Affiliation Agreement, TRWG will become the sole corporate member of HMI.

TRWG Reserved Powers. As set forth in Articles 3.1.1 – 3.1.10 of the Affiliation Agreement, TRWG shall retain certain reserved powers over key HMI actions, including appointment and removal of Trustees; budget adoption, asset transfers and indebtedness; decisions related to strategic relationships and programmatic changes; and amendment of governance documents. TRWG will also have reserved power to approve the termination of the HMI CEO.

Composition and Selection of HMI Board. As set forth in Article 3.2 of the Agreement, TRWG shall have the authority to appoint one-third of the Trustees of HMI with the TRWG CEO included, ex officio with voting rights, as part of the one-third constituency. The remaining two-thirds of the HMI Board shall be appointed by HMI, subject to approval by TRWG. The Chair of the HMI Board shall be appointed from the HMI nominated trustees unless otherwise determined by a majority of the HMI nominated trustees. The Pearl Manor and Birch Hill Boards will be identical in composition to the HMI Board.

Integrated Advancement Plan and Management Services. As set forth in Article 3.4 of the Agreement the parties have developed a comprehensive business plan for Birch Hill (the “Advancement Plan”) Terrace which includes debt refinancing (described in more detail below in Section VI), facility improvements and a focused marketing effort which the parties believe will result in increased occupancy and cash flow at Birch Hill. The goal is to reverse the negative revenue trend within five years. The Advancement Plan also includes TRWG providing access to executive expertise and management resources, for a fee which is discounted during the first five years. In order to ensure a consistent and dedicated focus on the accomplishment of the Advancement Plan, the HMI CEO will be supervised by the TRWG CEO, who will retain ultimate authority for the implementation of the Plan. Article 3.4.4 outlines the process for evaluating the HMI CEO performance and compensation, which will include input from the HMI Board, and allows for termination of the HMI CEO by the TRWG Board, but only after input from the HMI Board and upon a vote of at least two-thirds of the TRWG Board.

Permanently Restricted Funds. TRWG has agreed, and the Affiliation Agreement (Article 3.5.1) expressly states, that all permanently restricted funds, including any endowment funds of HMI, Birch Hill or Pearl Manor, will remain under the control of the Board(s) of HMI, Birch Hill and Pearl Manor and will continue to be dedicated and used exclusively for the support of the Birch Hill Community, consistent with donor restriction and board designation.

IV. Description of Change of Control or Ownership of Assets (RSA 7:19-b, III)

As of the Effective Date of the Affiliation, control of HMI will change in that TRWG will become the sole corporate member of HMI. HMI will continue to be the

sole corporate member of Birch Hill Terrace and Pearl Manor. TRWG will have those reserved powers over HMI, including the nomination and election powers with respect to the HMI Board as are set forth in Article 3.2 of the Agreement and in the Amended Articles of Agreement and Bylaws (Appendices L-1), and summarized above in Section III above. HMI in turn will have similar reserved powers over Birch Hill and Pearl Manor.

The proposed Affiliation will not result in any change in the ownership of HMI, Birch Hill or Pearl Manor assets. HMI, Birch Hill and Pearl Manor will retain their identities as separate legal entities and will retain ownership of all real and personal property, including the approximately 29 acres which comprise the Birch Hill Terrace campus. Pursuant to Section 3.5.1 of the Agreement, HMI, Birch Hill and Pearl Manor will retain exclusive control over all permanently restricted and board-designated funds and such funds will continue to be used only for the designated purposes. Subject to the limitations set forth in Section 3.6 of the Agreement, Available Assets may be utilized to serve the best interests of the TRWG System as a whole, but only after a meaningful opportunity for input by the HMI Board of Trustees and upon a vote of two-thirds of the TRWG Board.

V. Acquisition Price/Compensation Paid (RSA 7:19-b, III)

There is no acquisition price nor will any compensation be paid to complete the Affiliation, although TRWG has committed to provide support of HMI's planned refinancing as described in Section VI below.

VI. Description of Changes in Capital Structure and Management
(RSA 7:19-b, III)

While there will be no change in the capital structure of HMI, the parties anticipate refinancing Birch Hill's current debt following the Affiliation. A loan commitment has been received from People's United Bank. The current debt consists of a 1994 Series Bond, issued by Franklin Templeton, with a balance of \$10,500,000 and an interest rate of 7.5 % and a subordinated debt from Catholic Medical Center of \$820,000. The proposed refinancing will be sufficient to pay off both loans and provide capital of \$3 million to fund facility renovations and upgrades. With a significantly reduced interest rate, Birch Hill's debt payment will be essentially the same. In order to obtain this favorable refinancing, TRWG has agreed to two (2) conditions. First, TRWG will provide an initial loan to Birch Hill which will allow it to meet certain liquidity covenants required by the bank. This infusion of cash will be treated as a subordinated loan to Birch Hill and the parties will execute a separate agreement to reflect the terms of this loan. Second, TRWG will provide a Debt Service Coverage ("DSC") guarantee that would require TRWG to contribute cash to assure that Birch Hill maintains a 1.25 DSC ratio. This guarantee will not exceed \$5 million. As part of the proposed affiliation, the parties have outlined and agreed to an Advancement Plan which includes an enhanced marketing effort and the capital plan for facility renovations. Five year financial projections are included in the Advancement Plan which is attached as an exhibit to the Affiliation Agreement in **Appendix K**.

As described above, the HMI Board of Trustees will be appointed by TRWG (one-third) and HMI (two-thirds) and TRWG will have certain reserved powers over the operation of HMI. Pursuant to Articles 3.41, 3.4.3 and 3.4.4 of the Agreement, the

current HMI CEO will continue to be employed by HMI, pursuant to an Employment Agreement, but will report to and be evaluated by the TRWG CEO, with input from the HMI Board. The TRWG Board may terminate the HMI CEO, but only after input from the HMI Board and a two-thirds vote of the TRWG Board. Successor HMI CEOs will be selected through a joint process and may be employed by TRWG. All other employees of HMI will continue to be employed by HMI. However, the parties will explore future opportunities for consolidation (Article 3.5.2).

In addition to the Advancement Plan, the Affiliation Agreement also includes a Management Services Agreement under which TRWG will provide, for a fee, certain management services. It is anticipated that the day to day management of Birch Hill Terrace will continue to be the responsibility of the HMI CEO, but with the support of additional executive resources and expertise. The Management Services Agreement is attached as an exhibit to the Affiliation Agreement in **Appendix K**.

VII. Continuation of Charitable Mission (RSA 7:19-b, II(e))

Since 2004, HMI's mission, and that of Birch Hill and Pearl Manor, has been to provide a continuity of care for aging residents in Manchester and the surrounding communities. The economy has been a hindrance to HMI's growth and financial independence over the past ten (10) years. With occupancy rates declining, revenues were below anticipated levels and without the support of the hospitals, HMI was not able to embark on all of the capital improvement plans it had anticipated. Without making the necessary capital improvements, it is unlikely that Birch Hill will be able to reverse the occupancy trend.

The Pearl Manor endowment has continued to be used for the purpose of supporting Birch Hill and its residents. In the last ten years income and interest from the investing of the endowment funds has enabled the organization to provide \$1,900,000 in financial assistance to Birch Hill Terrace residents. Using endowment funds to meet expenses or depleting the endowment to upgrade the facility, would likely result in the Pearl Manor funds no longer being available to support residents in need.

Given the financial challenge of continuing to operate Birch Hill with its current debt obligations and declining revenues, it became apparent that an affiliation with a larger organization would be of benefit to HMI. With greater access to capital and the support of a strong organization, HMI can thrive and continue to provide the kind of quality housing and services for the elderly in the Manchester community for which it has been known.

The Affiliation Agreement requires TRWG to exercise its reserved powers and provide its management services in a way that will allow HMI to continue to operate in furtherance of its charitable mission, and TRWG has certified that it intends to do so. See Statement of TRWG Board re: Continuation of HMI Charitable Mission, attached in **Appendix M**. Following the affiliation, Birch Hill Terrace will continue to exist for the benefit of the Manchester Community and the Pearl Manor funds will continue to be used for the designated purpose of supporting Birch Hill and its residents.

VIII. Public Notice of the Proposed Affiliation (RSA 7:19-b, II(g))

HMI has taken steps to inform key stakeholders about this proposed affiliation. The first notification to residents occurred in August 2015 when CEO Gary Zabierek spoke at a monthly Residents' Forum and announced that the affiliation was being

considered. Updates were provided at subsequent Resident Forums and on March 21, 2016, Mr. Zabierek informed residents that the Board had voted to approve the affiliation on March 17, 2016. The HMI Board also includes two resident trustees who individually spoke to many residents and solicited their input prior to the Board vote on March 17, 2016. Employees were similarly informed via memo attached to their pay checks on August 17, 2015 and at staff meetings on March 21, 2016.

A joint press release was released to the Manchester Union Leader, the Portsmouth Herald and other media outlets on March 22, 2016. A story appeared in the Seacoast Online News on March 24, 2016 and in the Union Leader Sunday edition on March 27, 2016. Announcements have been posted on the parties' websites and Facebook pages and have also appeared in the New Hampshire Business News and the New Hampshire Business Review. HMI is also planning to send an announcement of the proposed affiliation to all of its donors and supporters.

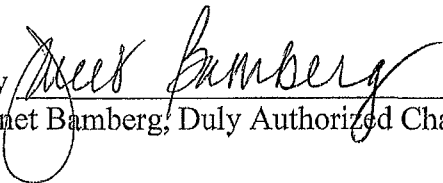
A resident forum is scheduled for April 18, 2016 at Birch Hill Terrace. Representatives of both HMI and TRWG will be present to describe the proposed affiliation and answer questions. Residents, families, staff and the public are invited to attend and provide input. Notices of this forum have been delivered to residents, families and staff and will be posted throughout the facility. A notice will also appear on the Birch Hill website and in the Union Leader. Copies of the press release, news articles and notices are attached in **Appendix N**.

IX. Certification by HMI Board (RSA 7:19-b, II)

The Board of Trustees of Hillcrest Manor, Inc. has acted in good faith and in a manner consistent with its fiduciary duties and has certified that the minimum standards of RSA 7:19-b,II have been satisfied. See Certification attached in **Appendix O**.

Respectfully submitted this 11th day of April, 2016

HILLCREST MANOR, INC.

By 
Janet Bamberg, Duly Authorized Chair of the Board of Trustees

APPENDIX H

Plan of Reorganization

**RIVERWOODS EXETER
BIRCH HILL
RIVERWOODS DURHAM**

PLAN OF REORGANIZATION

[January 1, 2021]

PLAN OF REORGANIZATION

The following is the Plan of Reorganization (the “Plan”) of **The RiverWoods Company, at Exeter, New Hampshire of Exeter, New Hampshire** (“RWE”), **Birch Hill Terrace** of Manchester, New Hampshire (“BHT”) and **RiverWoods Durham** of Durham, New Hampshire (“RWD”), each a New Hampshire voluntary corporation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (RWE, BHT and RWD sometimes are referred to collectively as the “Communities”).

1. Background. Each of the Communities operates a continuing care retirement community (“CCRC”) and is a participant in an integrated system (the “System”) managed by The RiverWoods Group (“TRWG”), a nonprofit corporation. TRWG is the sole corporate member of each of the Communities, and its purpose is to support and further the charitable missions of the Communities by managing the System and by identifying and evaluating strategic opportunities to better serve seniors and sustain the Communities. To enable TRWG to fulfill its purposes, each of RWE, BHT and RWD has reserved to TRWG certain governance and approval powers.

RWE and BHT have been in operation for years, while RWD has just opened and begun operations. Each of the Communities is managed by an Executive Director who reports to the TRWG Chief Executive Officer. Each of the Communities also has an agreement with TRWG regarding the provision of management and other System services and the possible reallocation of available assets. Each of RWE and BHT has a Board of Trustees the members of which are approved by TRWG. During its development phase, RWD had a mirror board with TRWG but is now prepared to establish a board of trustees with oversight of its strategic, financial and operational resources and needs.

This Plan is the result of a thoughtful and deliberative process among the Communities. The Boards of the Communities and TRWG formed a task force to address whether the Communities could be more effectively governed in a System setting. The task force engaged the professional services of consultants and legal counsel, and presented its findings to and received input from each of the Boards of Trustees of the Communities and the residents of RWE and BHT. The initial Plan was revised in response to the input received from these constituencies. The Plan now is being presented to the Board of Trustees of each of RWE, BHT, RWD and TRWG for approval, after which it will be submitted to the requisite regulatory review and approval processes.

2. Purpose and Objectives of the Reorganization. Each of the Communities has determined that its charitable mission will be furthered by participation in the System, which: (i) establishes an integrated approach to serving the myriad needs of seniors and disseminating best practices; (ii) provides for the diversity of services and geographic locations in a coordinated manner; (iii) enables a more global strategic vision for serving the needs of seniors; and (iv) provides the efficiency and effectiveness of centralized management and administrative services. The Communities now have determined that the maintenance of three separate Boards of Trustees is hampering the effectiveness of the System structure by fostering a less-informed, siloed perspective among the Communities' respective Boards, hindering the coordination of System activities and dissemination of best practices, and burdening TRWG senior management who interact with, and serve *ex officio* on, all three Boards. Through the proposed Reorganization, the Communities seek to establish a governance structure that fosters coordination and cooperation among the Communities, promotes System-mindedness in decision-making, allows for more efficient and effective governance and the dissemination of best practices, and facilitates the recruitment and retention of qualified and talented Trustees. The Reorganization also is intended to support the local operation of each of the Communities, enhance the voice of residents, and maintain the fiduciary duties of Trustees to each of the Communities.

3. General Design of the Reorganization. RWE, BHT and RWD agree to establish a single unitary Board of Trustees to serve as the governing body of the Communities (the "CCRC Board"). It is expected that the CCRC Board also will be the governing body for future CCRCs that are participants in the System and have reached stability (generally meaning approximately 85% total occupancy, the operation of all facilities and services, and positive cash flow). The CCRC Board will have independent fiduciary roles and duties to each of the Communities, and any conflicts among these roles and duties will be resolved in accordance with the Conflict of Interest Guidelines attached as Appendix A, as they may be amended in the future by the CCRC Board with the approval of TRWG (the "Conflict Guidelines").

The CCRC Board will determine the number of trustees who will comprise the CCRC Board, provided that it includes: (i) four (4) trustees two (2) of whom are residents of RWE and nominated by its Resident Council and two of whom are residents of the Communities other than RWE and nominated by one of their respective Resident Councils (for so long as there are three Communities, there will be a resident trustee from each of BHT and RWD); (ii) one (1) "at large" trustee who either may be a resident of one of the Communities or an external member as determined by the Governance Committee (which will consider nominees from the Resident Council of each Community); and (iii) the

TRWG Chief Executive Officer serving *ex officio*. The initial CCRC Board will be comprised as described in Section 4(d) below. The resident trustees and the remaining trustees of the CCRC Board will be nominated by its Governance Committee as a slate, confirmed by the CCRC Board, and elected as a slate by TRWG, as the sole corporate member of the Communities. The CCRC Board will have the following standing committees: Governance; Finance; Investment; and Executive. TRWG will have a standing Audit Committee which will include members from the CCRC Board and the TRWG Board.

The CCRC Board will be responsible for overseeing the operations of the Communities consistent with the System strategic plan, and subject to the powers reserved to TRWG. The CCRC Board will establish rates, operating budgets and capital budgets for each Community based on its individual financial performance and goals established pursuant to each Community's individualized Financial Philosophy. TRWG will continue to maintain a memorandum of understanding with each of RWE, BHT and RWD regarding System services and the potential reallocation of assets (the "MOU"), although the format of the MOU will be standardized.

4. Process for Effecting the Reorganization. Following receipt of all necessary approvals as identified in Sections 6 and 7 below, the Communities will take the following actions to implement this Plan (the "Reorganization") with an effective date of January 1, 2021 (the "Effective Date"):

(a) *Amended Articles of Agreement.* Each of RWE, BHT and RWD will approve and file with the New Hampshire Secretary of State's Office (the "NHSOS Office") and with the clerks of the Town of Exeter, the City of Manchester and the Town Durham, respectively, amendments to its respective Articles of Agreement, substantially in the form attached as Appendices B-1, B-2 and B-3.

(b) *Restated Bylaws.* Each of RWE, BHT and RWD will adopt amended Bylaws substantially in the form attached as Appendices C-1, C-2, and C-3.

(c) *Restated MOUs.* Each of RWE, BHT and RWD will enter into amended and restated MOUs, substantially in the format attached as Appendix D.

(d) *Identification of Members of CCRC Board.* The initial CCRC Board will be comprised of those trustees of RWE and BHT whose current term in office does not expire until after the Effective Date, provided that the resident trustees will be chosen as described in Section 3 above. Prior

to the date of the Reorganization, the RWD Board will select an RWD resident to serve on the CCRC Board. The TRWG Chief Executive Officer will continue to serve *ex officio*, with full voting rights. Once identified, the initial members of the CCRC Board and their terms will be set forth in Appendix E, to be attached upon completion. Thereafter, the size of the CCRC Board and the election of new trustees to serve on the CCRC Board will be determined in accordance with the restated Bylaws of the Communities.

(e) *Initial Meeting of CCRC Board.* As soon as possible after the Effective Date, the CCRC Board will meet to adopt the restated charters of its Governance, Finance, and Executive Committees, substantially in the form attached as Appendices F-1, F-2 and F-3. It also will adopt the Conflict Guidelines and the Meeting Format Guidelines attached as Appendix G.

5. Transition of Board Terms. To assist with the transition to the CCRC Board, the term of any trustee of RWE, BHT and RWD which is scheduled to expire before the Effective Date will be extended until (and will expire on) the Effective Date, regardless of the provisions of the applicable bylaws. With respect to any trustee term described in the foregoing sentence, this Plan will constitute a waiver of the existing provision of the RWE, BHT and RWD bylaws pertaining to board terms and term limits.

6. No Asset Transfer; Continued Corporate Identity. The creation of the CCRC Board under this Plan will not involve the transfer of any assets, nor will it include a change in use of any donor-restricted funds, which will remain under the ownership and control of each of RWE, BHT and RWD, respectively. Any future transfer of assets among the Communities and the System will be made only in accordance with the applicable Memorandum of Understanding between the Community and TRWG. Nothing in this Plan is intended to establish a common enterprise, or to commingle the governance and operation of the Communities, and each of RWE, BHT and RWD (and future mature CCRCs that participate in the System) will remain separate and discrete corporations.

7. Corporate Approvals. This Plan is being submitted to the respective Boards of Trustees of RWE, BHT, and RWD for approval. Thereafter, the Plan must be approved by TRWG. Each of the foregoing must approve the Plan for it to become effective.

8. Regulatory Approvals. Following the approval of this Plan by the Board of Trustees of each of RWE, BHT, RWD and TRWG, it will be submitted to the New Hampshire Director of Charitable Trust for approval under the Change of Control law, RSA 7:19-b, and to the New Hampshire Insurance Department

for approval under RSA 420-D:13. No other regulatory approvals are required to effect the Plan.

9. Authority to Execute Documents. The Chief Executive Officer of TRWG, and the Chair of the Board or Executive Director of each of RWE, BHT and RWD, each is authorized to execute and deliver, on behalf of their respective organizations, such documents as may be necessary to effect this Plan in substantial accordance with its terms.

Attachments:

APPENDIX A:	<i>Conflict of Interest Guidelines</i>
APPENDIX B-1:	<i>Amended Articles of Agreement of RWE</i>
APPENDIX B-2:	<i>Amended Articles of Agreement of RWD</i>
APPENDIX C-1:	<i>Restated Bylaws of RWE</i>
APPENDIX C-2:	<i>Restated Bylaws of BHT</i>
APPENDIX C-3:	<i>Restated Bylaws of RWD</i>
APPENDIX C-4:	<i>Restated Bylaws of TRWG</i>
APPENDIX D-1:	<i>Restated RWE MOU</i>
APPENDIX D-2:	<i>Restated BHT MOU</i>
APPENDIX D-3:	<i>Restated RWD MOU</i>
APPENDIX E:	<i>Initial CCRC Board Members and Remaining Terms</i>
APPENDIX F-1:	<i>CCRC Board Governance Committee Charter</i>
APPENDIX F-2:	<i>CCRC Board Finance Committee Charter</i>
APPENDIX F-3:	<i>CCRC Board Executive Committee Charter</i>
APPENDIX F-4:	<i>CCRC Board Investment Committee Charter</i>
APPENDIX G:	<i>CCRC Board Meeting Format Guidelines</i>
APPENDIX H:	<i>CCRC Board Governance – Resident Trustee Nomination and Election</i>

Plan of Reorganization

APPENDIX A

Conflict of Interest Guidelines

APPENDIX A

THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE BIRCH HILL TERRACE RIVERWOODS DURHAM

CCRC Board of Trustees: Conflict of Interest Guidelines

PREAMBLE:

The RiverWoods Company, at Exeter, New Hampshire, Birch Hill Terrace and RiverWoods Durham, each a New Hampshire nonprofit, voluntary corporation (collectively the “System CCRC Participants”), have established a shared, unitary Board of Trustees (the “CCRC Board”) pursuant to a Plan of Reorganization effective as of January 1, 2021. The CCRC Board maintains independent fiduciary duties to each System CCRC Participant, subject to the reserved powers of The RiverWoods Group (“TRWG”), a New Hampshire nonprofit corporation which is the sole corporate member of the System CCRC Participants.

Although the CCRC Board will endeavor to address governance matters separately and independently for each System CCRC Participant, it is possible that a decision by the CCRC Board could be beneficial to one or more System CCRC Participants while potentially being detrimental to one or more other CCRC Participants. To assist the CCRC Board in the fulfillment of its duty of loyalty, the System CCRC Participants have jointly adopted these Conflict of Interest Guidelines (the “Guidelines”).

I. FIDUCIARY STANDARDS GENERALLY

Each of the System CCRC Participants is a separate legal organization which owns its assets and is solely responsible for its liabilities and obligations. Although they have established a unitary Board of Trustees, the governance and operation of the System CCRC Participants is not a common enterprise or joint venture and it will not give rise to a commingling of assets or to joint liability. Therefore, the CCRC Board owes independent fiduciary obligations to each of the System CCRC Participants.

II. PROCEDURES INTENDED TO AVOID CONFLICTS OF INTEREST

In an effort to minimize, if not avoid, conflicts of interest in the exercise of its duties, the CCRC Board will observe the following procedures:

A. Conduct of Meetings. At each regular meeting, the CCRC Board will receive and review a written report from the TRWG CEO and from the Executive Director of each of the System CCRC Participants. The Resident Council of each System CCRC Participant also may submit a written report for review at each regular meeting of the CCRC Board. The CCRC Board will address issues regarding the System separately from matters specific to one or more of the System CCRC Participants. The CCRC Board also will consider any matters affecting an individual System CCRC Participant separately from matters pertaining to other System CCRC

Participants, and will ensure that it considers matters pertaining to each System CCRC Participant in sequence. If the CCRC Board must make a decision regarding a System CCRC Participant, it will seek input about the matter from the TRWG CEO and the Executive Director of that System CCRC Participant. The Executive Director of each System CCRC Participant will have a standing invitation to attend and participate (without vote) in the CCRC Board meeting discussions.

B. Financial Matters. When setting rates, establishing operating and capital budgets, evaluating the incurrence of indebtedness or making other financial decisions pertaining to a System CCRC Participant, the CCRC Board will consider the financial performance, resources and objectives of that particular System CCRC Participant and will make its decision in a manner consistent with the individualized Financial Philosophy adopted for that System CCRC Participant. Any loan made by a System CCRC Participant, the proceeds of which are intended to benefit another System CCRC Participant, will be made only through a loan agreement between the lending System CCRC Participant and TRWG. The CCRC Board will have no authority to approve and enforce a loan arrangement directly between System CCRC Participants.

III. IDENTIFICATION AND RESOLUTION OF CONFLICTS

If any decision by the CCRC Board could benefit one or more System CCRC Participants but possibly be detrimental or more risky for one or more other System CCRC Participants, then the CCRC Board will identify the potential conflict of interest and observe the following procedure:

1. With input from the TRWG CEO and the Executive Directors and Resident Councils of the affected System CCRC Participants, if appropriate, the CCRC Board will identify the ultimate objective of the proposed action and determine whether it is in furtherance of the shared charitable missions of the System CCRC Participants.
2. The CCRC Board then will engage in a discussion and reach an understanding about the potential impact (both real and perceived) of the proposed action on each of: (a) the affected System CCRC Participants; (b) the current and future residents of the affected System CCRC Participants and the communities they serve; and (c) the System.
3. In reaching the understanding described in Step 2 above, the CCRC Board will seek detailed information about any potential negative impacts, including their likely nature, duration and cost.
4. The CCRC Board then will conduct a cost-benefit analysis of the relative benefits and burdens to each of: (a) the affected System CCRC Participants; (b) the current and future residents of the affected System CCRC Participants and the communities they serve; and (c) the System. The analysis must identify and consider the source of funding for any proposed action requiring an investment or expenditure of funds and determine if and how any negative impacts can be ameliorated.
5. The CCRC Board then will consider and evaluate (using Steps 2 through 4 above) alternatives to the proposed action.

6. The CCRC Board then will make a decision about the proposed action based on the foregoing discussion and evaluation and its good faith determination as to what is best for the collective interests of the affected System CCRC Participants and the System. A decision of the CCRC Board that may be detrimental to a System CCRC Participant in the short-term but will be beneficial to the System as a whole and provide support for that System CCRC Participant's mission in the long-term will not be deemed a breach of the CCRC Board's fiduciary duties to that System CCRC Participant. The CCRC Board may not approve a proposed action, however, if the action could prevent a System CCRC Participant from continuing its operations in furtherance of its mission or meeting its contractual obligations, including without limitation those obligations to residents and creditors of the System CCRC Participant.
7. The CCRC Board will identify the rationale for its decision in detail and document the rationale and decision in the CCRC Board meeting minutes.
8. The CCRC Board then will submit its decision to the TRWG Board of Trustees for ratification. The TRWG Board of Trustees will observe its limited fiduciary obligations to each of the affected System CCRC Participants in determining whether to ratify the CCRC Board's decision. The TRWG Board's vote will be retained in the records of the CCRC Board in addition to the minutes of the TRWG Board.

Plan of Reorganization

APPENDIX B-1

Amended Articles of Agreement of RWE

State of New Hampshire

Recording fee: \$25.00
Use black print or type.

Form NP-3
RSA 292:7

AFFIDAVIT OF AMENDMENT OF

The RiverWoods Company, at Exeter, New Hampshire
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, _____, the undersigned, being the _____
(Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's _____ Trustees. (Note 2)

VOTED: To amend Article II of the corporation's Articles of Agreement by adding the following sentence at the end of Paragraph 1:

"In furtherance of the foregoing, this voluntary corporation may participate in the delivery system of affiliated nonprofit senior housing and care organizations developed and managed by The RiverWoods Group, the corporation's sole corporate member."

FURTHER

VOTED: To amend Article VI of the corporation's Articles of Agreement by adding the following sentence at the end of the first paragraph of Article VI:

"The Board of Trustees also may serve as unitary or common board of trustees for this voluntary corporation and other affiliated nonprofit senior housing and care organizations of which The RiverWoods Group is the sole member."

[If more space is needed, attach additional sheet(s).]

A true record, attest: _____
(Signature)

Print or type name: _____

Title: _____

Date signed: _____

- Notes: 1. Clerk, secretary or other officer.
2. Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporation Division become public records and will be available for public inspection in either tangible or electronic form.

Mailing Address - Corporation Division, NH Dept. of State, 107 N Main St, Rm 204, Concord, NH 03301-4989
Physical Location - State House Annex, 3rd Floor, Rm 317, 25 Capitol St, Concord, NH

File a copy with Clerk of the town/city of the principal place of business.

Plan of Reorganization

APPENDIX B-2

Amended Articles of Agreement of RWD

State of New Hampshire

Recording fee: \$25.00
Use black print or type.

Form NP-3
RSA 292:7

AFFIDAVIT OF AMENDMENT OF

RIVERWOODS DURHAM
A NEW HAMPSHIRE NONPROFIT CORPORATION

I, _____, the undersigned, being the _____
(Note 1) of the above named New Hampshire nonprofit corporation, do hereby certify that a meeting was held for the purpose of amending the articles of agreement and the following amendment(s) were approved by a majority vote of the corporation's _____ Trustees. (Note 2)

VOTED: To amend Article 5 of the corporation's Articles of Agreement by adding the following sentence at the end of Article 5:

"The Board of Trustees also may serve as unitary or common board of trustees for this voluntary corporation and other affiliated nonprofit senior housing and care organizations of which The RiverWoods Group is the sole member."

[If more space is needed, attach additional sheet(s).]

A true record, attest: _____
(Signature)

Print or type name: _____

Title: _____

Date signed: _____

- Notes: 1. Clerk, secretary or other officer.
2. Enter either "Board of Directors" or "Trustees".

DISCLAIMER: All documents filed with the Corporation Division become public records and will be available for public inspection in either tangible or electronic form.

Mailing Address - Corporation Division, NH Dept. of State, 107 N Main St, Rm 204, Concord, NH 03301-4989
Physical Location - State House Annex, 3rd Floor, Rm 317, 25 Capitol St, Concord, NH

File a copy with Clerk of the town/city of the principal place of business.

Plan of Reorganization

APPENDIX C-1

Restated Bylaws of RWE

**Bylaws of The RiverWoods Company
at Exeter, New Hampshire**

ARTICLE I

Name and Location

Section 1 – Name

The name of the corporation is "The RiverWoods Company at Exeter, New Hampshire," hereafter referred to as "the corporation" or "RWE." It is and shall remain a voluntary corporation duly organized and existing under the laws of the State of New Hampshire.

Section 2 – Location

The location of the principal office of the corporation shall be in Exeter, New Hampshire or at such other place as the CCRC Board of Trustees (defined below) may designate.

ARTICLE II

Purposes

Section 1 – Purposes

The purposes for which this corporation is established shall be to establish, own, manage, maintain and/or operate homes and/or services for the elderly, and to participate in the System defined in Article III, Section 1 below, as more specifically described in the Corporation's Articles of Agreement as they may be amended from time to time.

Section 2 – Activities

Notwithstanding anything to the contrary in these Bylaws, all of the activities and actions of the corporation shall be limited and restricted by the following provisions:

- a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II, Section 1 hereof.
- b) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- c) In extending its services to persons using the facilities of the corporation, and in all of its other activities, the corporation will not engage in any activity in violation of the Civil Rights Act of

1964 or similar federal or state laws prohibiting discriminatory acts in the provision of services or housing, including, but not limited to, any act of discrimination based on race, color, national origin, religion, sex, sexual preference, marital status or handicap or other disability.

ARTICLE III

TRWG and Reserved Powers

Section 1 – TRWG

The RiverWoods Group (TRWG), a New Hampshire tax-exempt, nonprofit corporation, will be the sole member of the corporation and will possess those powers set forth in the corporation’s Articles of Agreement and these Bylaws in connection with TRWG’s establishment, maintenance and governance of an integrated system for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the “System”), of which the corporation is a part.

Section 2 –Powers Reserved to TRWG

Each of the following actions by the CCRC Board of Trustees with respect to the corporation must be approved by TRWG before it becomes effective:

- a) Removal of a member of the CCRC Board of Trustees;
- b) Election of the slate of Trustee candidates;
- c) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of the corporation;
- d) Final adoption of, and any approval of a material deviation from, the corporation’s strategic plan;
- e) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of \$500,000;
- f) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of indebtedness by the corporation in excess of \$2.5 Million;
- g) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, the corporation or any subsidiary of the corporation;
- h) Appointment of a firm of independent public accountants to conduct an independent audit of the corporation’s financial statements or a special project which materially impacts assets, revenues or operations;
- i) The participation by the corporation or any subsidiary of the corporation in a Key Strategic Relationship (The term “Key Strategic Relationship” means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a Participant Organization, as defined in TRWG’s bylaws);
- j) Appointment, evaluation, and compensation or termination of the Executive Director of the corporation;

- k) Elimination or addition of any material health care service or program by the corporation or any subsidiary of the corporation; and
- l) The amendment of the Articles of Agreement, Bylaws, the Conflict of Interest Guidelines appended hereto, or other governing documents of the corporation where such proposed amendment would (i) impact the powers reserved to TRWG in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of the corporation under any agreement between or among the Participant Organizations.

Section 3 – System Assessments and Reallocation

The corporation recognizes the power and responsibility of TRWG to assess the corporation for a monetary amount, which need not be equal among the other Participant Organizations in the System and which will provide for payment of the operating expenses of TRWG and the establishment of reasonable financial reserves for its activities as the coordinator and steward of the System, and to reallocate assets and resources of the corporation and any subsidiary of the corporation among the Participant Organizations and their subordinate organizations in accordance with the terms of the Memorandum of Understanding between the corporation and TRWG.

Section 4 – Information

The corporation will provide TRWG with such information as TRWG may reasonably request to fulfill its role as the integrator of the System, including without limitation financial statements, budgets, strategic plans and quality improvement plans.

ARTICLE IV

Board of Trustees

Section 1 – Unitary Board; Role

The property and business of the corporation shall be governed and the policies of the corporation shall be established by a Board of Trustees (the “CCRC Board” or the “CCRC Board of Trustees”). Pursuant to the Plan of Reorganization among the corporation, Birch Hill Terrace and RiverWoods Durham effective as of January 1, 2021 (the “Plan of Reorganization”), the CCRC Board will serve as the governing board for each of RWE, Birch Hill Terrace and RiverWoods Durham, and for any future System participant organizations which have similar, stable operations and for which TRWG has approved governance by the CCRC Board (collectively the “System CCRC Participants”). The purpose and objectives of the establishment of a unitary board of trustees is set forth in the Plan of Reorganization, which is incorporated into these bylaws by reference. As described in Section 8 below, the CCRC Board has an independent fiduciary duty to the corporation and to each of the other System CCRC Participants, and neither the corporation nor the other System CCRC Participants is engaged in, or intends to engage in or to be governed as, a common enterprise or joint venture. The CCRC Board will govern RWE and other System CCRC Participants separately, although it may consider the relative strengths and needs of each when assessing opportunities or implementing any System initiatives or strategies. The CCRC Board will establish rates, operating

budgets and capital budgets for RWE based on RWE’s individual financial performance and goals established pursuant to RWE’s Financial Philosophy. Although the corporation has determined that participation in the System will support its charitable purposes, it has not assumed and will not be responsible for any of the liabilities of the other System CCRC Participants as a result of the establishment of a unitary board of trustees.

Section 2 -- Size

The CCRC Board will be composed of not less than five (5) nor more than twenty (20) persons, at least five (5) of whom are not of the same immediate family or related by blood or marriage. The CCRC Board may decide to alter the size of the CCRC Board from time to time (and will do so as contemplated by Appendix E to the Plan of Reorganization), provided that the CCRC Board will include the following trustees at all times: (i) the resident Trustees described in Section 6 below; (ii) one (1) “at large” trustee who either may be a resident of one of the System CCRC Participants, including RWE, or an external member as determined by the Governance Committee (which will consider nominees from the Resident Council of each System CCRC Participant); and (iii) the TRWG Chief Executive Officer serving *ex officio*.

Section 3 – Terms of Office

To the extent possible, the terms of the trustees shall be staggered such that one-third (1/3) of the Trustees not serving *Ex Officio* shall be elected in each year. Nominations for Trustees shall be made by the Governance Committee of the CCRC Board of Trustees and presented to the CCRC Board of Trustees for confirmation. Following confirmation, the slate of Trustee candidates shall be presented to TRWG for election in accordance with its Bylaws. Trustees shall be permitted to serve two (2) successive three (3) year terms. The CCRC Board of Trustees shall have the authority to request of TRWG that a retiring Trustee serve up to three (3) additional one (1) year terms. Resident Trustees may not be granted additional terms except that Resident Trustees who are elected to fill an unexpired term may be considered for an additional full term.

Section 4 – Meetings

The CCRC Board of Trustees shall meet at least quarterly, or either more or less often if appropriate, generally including at least one educational retreat per year. The Chair will determine the location of CCRC Board meetings, and may establish a central location and/or a rotating schedule at the campuses of the System CCRC Participants (including RWE) which it governs. A special meeting of the CCRC Board of Trustees may be called either by its Chair or the TRWG Chief Executive Officer or by any four (4) Trustees of the CCRC Board (sometimes referred to as “Trustees”) by notice given to all Trustees at least three (3) days prior to such meeting. At every regular meeting, the CCRC Board is expected to address matters pertaining to each of the System Participants, including RWE, which it governs.

Section 5 – Quorum; Voting

- a) *Quorum*. A majority of the Trustees elected and serving shall constitute a quorum at all meetings of the CCRC Board of Trustees; provided, however, that if one-third (1/3) of the

Trustees are present, they may, by unanimous vote, declare themselves to be a quorum for the transaction of the business of the corporation. If all Trustees sign a waiver of notice to any such meeting, actions taken thereat shall be considered proper.

- b) *Voting.* Each Trustee has one vote on all matters to be considered by the CCRC Board of Trustees. The vote of a majority of the Trustees present at the meeting or by written consent is an official act of the CCRC Board, except as otherwise provided by statute, the Articles of Agreement or these Bylaws.
- c) *Action Approved in Writing.* Any action approved in writing by all Trustees will be valid, regardless of whether a meeting of the CCRC Board of Trustees has taken place. Email or other electronic transmissions intended to constitute the consent and signature of the sender and otherwise complying with New Hampshire RSA 294-E will constitute a writing for the purpose of this provision.
- d) *Meetings by Electronic Means.* Trustees and members of any committee may participate in a meeting by means of a conference telephone or similar communication equipment if all persons participating in the meeting can communicate with each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 6 – Resident Board Members

- a) *Nomination and Election.*
 - i) The CCRC Board will include at least four (4) Trustees who are residents of the facilities of RWE or of the other System CCRC Participants (each a “Resident Trustee”). As described in paragraph (b) below, a fifth resident also may serve on the CCRC Board as an “at large” Trustee. The Resident Trustees will serve staggered terms of three (3) years each, and two (2) of the Resident Trustees must be residents of RWE (the “RWE Resident Trustees”).
 - ii) The Governance Committee of the CCRC Board will establish a written nomination policy and process by which RWE’s Resident Council shall nominate two (2) RWE Resident Trustee candidates from among the residents of RWE’s facilities and the Resident Council of each of the other System CCRC Participants will nominate one resident of those respective facilities to fill the remaining two (2) Resident Trustee seats on the CCRC Board. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to TRWG for election.
- b) *At Large Trustee Position.* As described in Section 2 above, the CCRC Board will include one “at large” Trustee position which may be filled either by a resident of a System CCRC Participant nominated by its Resident Council or by an external individual, as determined by the Governance Committee and the CCRC Board.

- c) *Vacancy; Term Limit.* If a Resident Trustee becomes unable or unwilling to continue his or her term, then the Governance Committee may nominate a replacement from among residents of the same System CCRC Participant who then is serving on a CCRC Board Committee. If the Governance Committee is unable to identify a candidate from among its committees, then it will request the Resident Council that nominated the Resident Trustee vacating his or her seat to nominate a replacement. The nominee will be elected by the CCRC Board to fill the unexpired term of such Resident Trustee. A Resident Trustee may not serve more than two (2) three-year terms.

Section 7 – Ex Officio Members and Invitees

Ex Officio members shall not be subject to the term limits described in Article III, Section 2 of these bylaws.

- a) The Chief Executive Officer of TRWG (the “TRWG CEO”) shall serve on the CCRC Board of Trustees Ex Officio with one vote.
- b) The Executive Director shall be privileged to be present at all meetings of the CCRC Board of Trustees, except that the CCRC Board of Trustees may exclude the Executive Director from its meetings if discussing personnel matters relating to the Executive Director role and/or the compensation of the Executive Director. The Executive Director will report to the TRWG CEO, but will be available as a standing invitee and resource of the CCRC Board to inform the CCRC Board’s discussion regarding the operation of RWE’s facilities and the needs of the residents and communities which it serves.

Section 8 – Duties of Trustees; Conflicts of Interest

- a) *Trustee Fiduciary Duties.* Each member of the CCRC Board of Trustees shall perform the duties of Trustee, including as a member of any committee of the corporation on which the Trustee may serve, in good faith, in a manner the Trustee believes to be in the best interest of the corporation and in furtherance of its charitable mission, and with such care, including reasonable inquiry, as a prudent person of ordinary judgment would use in carrying out that person’s own affairs.
- b) *Conflicts of Interest.* The CCRC Board has independent fiduciary duties, as described in paragraph (a) above, to each of the corporation and the other System CCRC Participants that the CCRC Board governs. At each regular meeting, the CCRC Board will address in sequence the governance and other matters pertaining to each of the corporation and the other System CCRC Participants which the CCRC Board governs, and will act as it determines is in the best interest of the organization to which the matter pertains. If action by the CCRC Board in any matter has the potential to be beneficial for one or more System CCRC Participants which it governs but detrimental to the others, then the CCRC Board will follow the Conflict of Interest Guidelines appended as Appendix A. The CCRC Board may amend the Conflict of Interest Guidelines by following the same process required for an amendment to these bylaws. The CCRC Board also will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in

an ethical manner.

Section 9 – Pecuniary Benefit; No Compensation

The CCRC Board of Trustees will identify all “pecuniary benefit transactions” and comply with the requirements of New Hampshire RSA 7:19-a, as it may be amended from time to time, and any successor statute. To the extent that the corporation provides services to the elderly, members of the CCRC Board of Trustees and their families will not be prohibited from availing themselves of said services provided that said services are offered under the same terms and conditions as to any member of the general public and the Trustee or family member meets all the eligibility criteria that any other person would have to meet to obtain such benefits.

Members of the CCRC Board of Trustees serve as Trustees solely for the purpose of furthering the corporation’s charitable purposes and will not receive compensation for their services as Trustees; however, a Member of the CCRC Board of Trustees may receive reimbursement of direct out-of-pocket expenses for efforts made on behalf of RWE provided that expenses are approved by the CCRC Board Chair or otherwise comply with an applicable corporation policy.

Section 10 – Removal

Any Trustee may be removed from office by a two-thirds (2/3) majority vote of the CCRC Board of Trustees, subject to the approval of TRWG under Article III, Section 2(a) above. However, no such vote shall be taken until after a written petition for removal is filed with the CCRC Board and TRWG and the person whose removal is sought is given notice of said petition by first class mail and the opportunity to make an oral or written response to the CCRC Board of Trustees at the next regularly scheduled meeting of the CCRC Board of Trustees or at a CCRC Board of Trustees meeting specially called and noticed to include the vote on removal. The mailing of the notice shall be at least fourteen (14) days before any meeting at which the vote on removal may occur.

ARTICLE V

Officers

Section 1 – Description

The officers of the CCRC Board shall be a Chair, Vice-Chair, Treasurer, and Clerk. The Trustees may elect more than one Vice-Chair but, in doing so, shall designate the order of succession to the duties of the Chair in the event the Chair is unable to fulfill those duties during his term of office. The term of the Chair shall initially be for two years, with up to three additional one year terms if appropriate. The terms of other officers shall be for one (1) year, or until their successors are duly elected and qualified. Officers may serve multiple successive terms.

Section 2 – Election

All officers shall be elected by the Trustees, from among those Trustees duly elected and serving in office, at the June meeting of the Trustees.

Section 3 – Vacancies

If any of the offices shall become vacant for any reason, the Trustees may elect a successor or successors who shall hold said office for the unexpired term.

Section 4 – Resignation

Any Trustee or Officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the corporation, unless some other time be fixed in the resignation.

Section 5 – Chair of the CCRC Board

The Chair shall preside at all meetings of the CCRC Board of Trustees, and shall perform all duties incident to the office of the Chair including handling administrative details for the smooth functioning of the corporation, and such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

Section 6 - Vice Chair of the CCRC Board

The Vice-Chair shall act in the absence or incapacity of the CCRC Board Chair.

Section 7 – Treasurer

The Treasurer shall be responsible for ensuring that the financial affairs of the corporation are properly administered. The Treasurer shall ensure that books and accounts of income and expenditures are kept, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees.

Section 8 – Clerk

The Clerk shall ensure that the minutes of all CCRC Board of Trustees' meetings are maintained, shall ensure that notifications of upcoming meetings are sent, shall handle correspondence with other persons and organizations when required, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

ARTICLE VI

Executive Director

The Executive Director will be hired or terminated, and evaluated and compensated annually, by the TRWG CEO, following input from the CCRC Board of Trustees. The Executive Director will be the senior executive employee of the corporation but will report to and be supervised by the TRWG CEO, who will have both day-to-day and long-term responsibility for the direction and operations of the corporation, consistent with the strategic plan, policies and budgets established by the CCRC

Board. The Executive Director will perform the duties set forth in his or her employment contract, if any, as well as such other specific duties as the TRWG CEO may direct or the CCRC Board may designate.

ARTICLE VII

Indemnification Clause

Each present and future Trustee and Officer, whether or not then in office, shall be indemnified by the corporation against expenses actually and reasonably incurred by or imposed upon him (including but without being limited to, settlements, judgments, costs, and counsel fees) in connection with the defense of any administrative, civil or criminal action, suit or proceeding in which he or she is made a party by reason of being or having been a Trustee or Officer of the corporation, except in relation to matters as to which he shall be actually adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of duty. Such indemnification shall be not deemed exclusive of any other rights to which such Trustee or Officer may be entitled, under any other by-law, agreement, vote of the members or as a matter of law, or otherwise. Pursuant to N.H. RSA 508:16, Trustees and Officers shall not be liable for bodily injury, personal injury and/or property damage if the claim for such damages arises from an act or acts committed in good faith and without willful or wanton negligence, in the course of an activity carried on to accomplish the purposes of the corporation.

ARTICLE VIII

Fiscal Year

The fiscal year of the corporation begins July 1 and ends June 30.

Article IX

Committees of the CCRC Board of Trustees

Section 1 – Designation

The CCRC Board Chair may designate any committees that may become necessary or convenient for undertaking the purposes of the corporation. All designated committees shall have a charter approved by the CCRC Board of Trustees. The CCRC Board Chair, with the Governance Committee, shall determine the composition and appoint committee members. The chairpersons of all committees will be recommended by the Governance Committee for one year terms, subject to approval of the CCRC Board of Trustees; Committee members need not be Trustees except that committee chairs must be full voting members of the CCRC Board of Trustees.

Section 2 – Executive Committee

The Executive Committee shall be composed of the officers of the CCRC Board and shall exercise the full authority of the CCRC Board of Trustees between meetings of the CCRC Board of Trustees.

The Executive Committee shall be responsible to the CCRC Board of Trustees and shall report its actions at each meeting of the CCRC Board of Trustees.

Section 3 – Finance Committee

The Finance Committee shall be responsible for ensuring financial affairs of the corporation are properly administrated. Duties and membership shall be described by the Finance Committee Charter.

Section 4 – Audit Committee

The Audit functions of the corporation are delegated to a centralized Audit Committee of the System. It shall serve as the conduit with the external auditor as described by the Audit Committee Charter. As a centralized committee of the system the audit committee shall report to TRWG and to the CCRC Board regarding results and concerns, either in person or in writing. Committee membership shall include at least one member of the Board of Trustees of TRWG and at least one representative from the CCRC Board. The committee chair must be a full voting member of the Board of Trustees of TRWG or the CCRC Board.

Section 5- Governance Committee

The Governance Committee shall be responsible for making Trustee and CCRC Board Officer nominations to the CCRC Board of Trustees. The Governance Committee will also be responsible for Board Officer succession planning, as described by the Governance Committee Charter. The Governance Committee will periodically review the corporation's bylaws and CCRC Board policies, and bring any suggested changes to the CCRC Board for consideration and approval. The Governance Committee shall review all whistleblower complaints and board conflict of interest statements and report any issues to the CCRC Board for consideration. Duties and membership shall be described by the Governance Committee charter.

Section 6 – Investment Committee

The Investment Committee shall be responsible for establishing an investment policy and overseeing the investment of the funds of the corporation. Duties and membership shall be described by the Investment Committee Charter.

ARTICLE X

Amendments of By-Laws

These Bylaws may be amended at any duly-called meeting of the Trustees by a vote of two-thirds (2/3) of the Trustees, in person or by proxy, or by written consent delivered to the Clerk, duly acknowledged. A notice of any amendment proposed for adoption shall be circulated to all Trustees at least seven (7) days in advance of a meeting called to act thereon. If any proposed amendment would (i) impact the powers reserved to TRWG in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more System organizations or on

the System as a whole, or (iii) impact the obligations of such System organizations under any agreement between or among the System organizations, then such amendment must be approved by TRWG in order for it to become effective.

(These Bylaws were adopted by a majority vote of the members of the corporation present at the Annual Meeting of the corporation on October 21, 1986; amended by a majority vote of the members of the corporation present at a special meeting of the corporation on April 4, 1990; amended by a majority vote of the members of the corporation present at a special meeting of the corporation on July 9, 1991; amended by a meeting of the Board of Trustees on January 20, 1994; amended by an annual meeting of the corporation on October 28, 1995; amended by a special meeting of the Board of Trustees on October 24, 1996; amended by a meeting of the corporation on October 31, 1996; amended by a meeting of the Board of Trustees on August 28, 1997; amended by meeting of the Board of Trustees on August 27, 1998; amended by meeting of the Board of Trustees on November 4, 1999; amended by meeting of the Board of Trustees on January 16, 2003; amended by meeting of the Board of Trustees on October 23, 2003; amended by meeting of the Board of Trustees on September 23, 2004, amended by meeting of the Board of Trustees on May 25, 2006; amended by meeting of the Board of Trustees on June 26, 2008; amended by meeting of the Board of Trustees on June 25, 2009; amended by meeting of the Board of Trustees on September 27, 2012; amended by meeting of the Board of Trustees on November 13, 2013; amended by meeting of the Board of Trustees on June 5, 2014; amended by meeting of the Board of Trustees on June 3, 2015; amended by meeting of the Board of Trustees on June 1, 2017; and amended by meeting of the Board of Trustees on June 14, 2018; and amended by meeting of the Board of Trustees on _____, 2020 pursuant to the Plan of Reorganization, with an effective date of January 1, 2021.)

Plan of Reorganization

APPENDIX C-2

Restated Bylaws of BHT

BYLAWS OF BIRCH HILL TERRACE

ARTICLE I

Name, Location, Membership, Seal, Tax Exempt Status

Section 1 - Name; Location.

The name of this Corporation is Birch Hill Terrace (hereinafter referred to as the “Corporation” or “Birch Hill”). Its registered office shall be in the City of Manchester, in the County of Hillsborough, and in the State of New Hampshire. The CCRC Board of Trustees (defined below) may determine its location(s) therein as is necessary or desirable for the operation of the Corporation.

Section 2 - Membership.

The Sole Member shall be The RiverWoods Group, a New Hampshire voluntary corporation (“TRWG” or “Sole Member” or “Member”).

Section 3 - Seal.

The seal of this Corporation shall be a circular metal die with the name of the Corporation, the words “New Hampshire” and the year of its incorporation incised thereon.

Section 4 - Tax Exempt Status.

The Corporation shall at all times be organized and operated exclusively for charitable, scientific, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or of any corresponding provision of subsequent Federal law.

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation’s Trustees, Officers, or other private persons, provided that the Corporation may pay reasonable compensation for services actually rendered and may make payments and distributions in furtherance of the purposes set forth in Article II, below.

No substantial part of the activities of the Corporation shall include the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene (including by the publication or distribution of statements) in any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not conduct any activities not permitted to be conducted by a corporation exempt from taxation under Section 501(c)(3) of the Code or by a corporation the contributions to which are deductible by a contributor under Section 170(c)(2) of the Code.

ARTICLE II

Purposes

The purposes for which this Corporation has been formed are set forth in the Corporation's Articles of Agreement on file with the New Hampshire Secretary of State, as they may be amended from time to time.

ARTICLE III

Member's Reserved Powers

Section 1 - Sole Member Powers Generally.

In connection with the Member's establishment, maintenance and governance of an integrated system for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the "System"), of which the corporation is a part, and as set forth in the Affiliation Agreement dated March 21, 2016 (the "Affiliation Agreement") between the Member and Hillcrest Manor, Inc., formerly the Corporation's member but which subsequently has been merged into the Corporation, the Sole Member, acting through its Board of Trustees, will have the powers over the Corporation described in the Corporation's Articles of Agreement and in these Bylaws.

Section 2 - Approval of Actions.

The following actions by the CCRC Board (defined below) on behalf of the Corporation must be approved by the Sole Member's Board of Trustees before they can become effective:

- a) Removal of a member of the CCRC Board of Trustees;
- b) Final adoption of, and any approval of a material deviation (as defined in the Affiliation Agreement) from, the annual and any revised operating and capital budgets;
- c) Final adoption of, and any approval of a material deviation from, the Corporation's strategic plan;
- d) Transfer to any person or organization with or without consideration, during any twelve (12) month period of any tangible, intangible or mixed assets with a value in excess of \$100,000, other than Permanently Restricted Funds as defined in the Affiliation Agreement;
- e) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of indebtedness in excess of \$100,000 unless included in an approved budget;
- f) Sale, lease or exchange of all or substantially all of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of the Corporation or any subsidiary;
- g) Appointment of a firm of independent public accountants to conduct an independent audit of the Corporation's financial statements or a special project which materially impacts assets, revenues or operations;
- h) Acquisition by the Corporation of substantially all of the assets of another entity;

- i) Affiliation or participation by the Corporation in a Key Strategic Relationship, as defined in the Affiliation Agreement, with an organization that is not affiliated with Member or with The RiverWoods Group;
- j) Elimination or addition of any line of business or any service or program with actual or projected revenues in excess of one percent (1%) of the total budgeted revenue;
- k) Amendment of the Articles of Agreement, Bylaws or other governing documents or financial impact on another Participant Organizations or the System (as such terms are defined in the Affiliation Agreement) as a whole, or impact the obligations of the Corporation under any agreement between Participant Organizations; and
- l) The exercise of the Corporation's reserved powers over its subsidiaries.

Section 3 - System Assessments and Reallocation.

The Corporation recognizes the power and responsibility of the Member to assess the Corporation for a monetary amount, which need not be equal among the other Participant Organizations in the System and which will provide for payment of the operating expenses of the Member and the establishment of reasonable financial reserves for its activities as the coordinator and steward of the System, and to reallocate assets and resources of the Corporation and any subsidiary of the Corporation among the Participant Organizations and their subordinate organizations in accordance with terms to be mutually-established between the Corporation and the Member.

Section 4 - Information.

The Corporation will provide the Member with such information as the Member may reasonably request to fulfill its role as the integrator of the System, including without limitation financial statements, budgets, strategic plans and quality improvement plans.

ARTICLE IV

CCRC Board of Trustees

Section 1 - Authority and Responsibility of the Board of Trustees.

- a) The property, affairs and business of the Corporation shall be controlled and managed by a Board of Trustees (the "CCRC Board"), who may exercise all of the powers of the Corporation, except for and subject to those powers reserved to the Sole Member by Article IX of the Corporation's Articles of Agreement and by these Bylaws.
- b) Pursuant to the Plan of Reorganization among Birch Hill, RiverWoods Durham and The RiverWoods Company, at Exeter, New Hampshire ("RiverWoods Exeter") effective as of January 1, 2021 (the "Plan of Reorganization"), the CCRC Board will serve as the governing board for each of RiverWoods Durham, Birch Hill and RiverWoods Exeter, and for any future System participant organizations which have similar, stable operations and for which the Member has approved governance by the CCRC Board (collectively the "System CCRC Participants"). The purpose and objectives of the establishment of a unitary board of trustees is set forth in the Plan of Reorganization, which is incorporated

into these bylaws by reference. As described in Section 4.2 below, the CCRC Board has an independent fiduciary duty to the Corporation and to each of the other System CCRC Participants, and neither the Corporation nor the other System CCRC Participants is engaged in, or intends to engage in or to be governed as, a common enterprise or joint venture. The CCRC Board will govern Birch Hill and other System CCRC Participants separately, although it may consider the relative strengths and needs of each when assessing opportunities or implementing any System initiatives or strategies. The CCRC Board will establish rates, operating budgets and capital budgets for Birch Hill based on Birch Hill's individual financial performance and goals established pursuant to Birch Hill's Financial Philosophy. Although the Corporation has determined that participation in the System will support its charitable purposes, it has not assumed and will not be responsible for any of the liabilities of the other System CCRC Participants as a result of the establishment of a unitary board of trustees.

- c) By majority vote of the Trustees then in office, the CCRC Board of Trustees may adopt such rules and regulations for the conduct of the CCRC Board's business and such policies, purposes and goals for the Corporation as the CCRC Board deems advisable, and may, in the execution of its powers, delegate certain of its authority and responsibility to, or seek advice from, one or more committees as provided in Article VIII below.
- d) The CCRC Board of Trustees shall not permit any part of the revenues, assets, capital, or other property of the Corporation to inure to the benefit of any Trustee, officer or other individual. However, the Corporation may employ such person or persons, including officers, attorneys, agents, and assistants, as it deems necessary or desirable for the administration and management of the Corporation, and may pay reasonable compensation for the services performed and expenses incurred by any such person, subject to the provisions of Article XI, below.

Section 2 - Duties of Trustees.

- a) *Trustee Fiduciary Duties.* Each member of the CCRC Board of Trustees shall perform the duties of Trustee, including as a member of any committee of the corporation on which the Trustee may serve, in good faith, in a manner the Trustee believes to be in the best interest of the corporation and in furtherance of its charitable mission, and with such care, including reasonable inquiry, as a prudent person of ordinary judgment would use in carrying out that person's own affairs.
- b) *Conflicts of Interest.* The CCRC Board has independent fiduciary duties, as described in paragraph (a) above, to each of the corporation and the other System CCRC Participants that the CCRC Board governs. At each regular meeting, the CCRC Board will address in sequence the governance and other matters pertaining to each of the corporation and the other System CCRC Participants which the CCRC Board governs, and will act as it determines is in the best interest of the organization to which the matter pertains. If action by the CCRC Board in any matter has the potential to be beneficial for one or more System CCRC Participants which it governs but detrimental to the others, then the CCRC Board will follow the Conflict of Interest Guidelines appended as Appendix A. The CCRC Board

may amend the Conflict of Interest Guidelines by following the same process required for an amendment to these bylaws. The CCRC Board also will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in an ethical manner.

Section 3 - Number, Nomination and Election.

The CCRC Board of Trustees will consist of not less than five (5) and no more than twenty (20) individuals, as determined by the CCRC Board from time to time. The Member will act reasonably and in good faith to elect the slate of Trustee candidates and, if the slate is rejected, the Member will provide reasons for the rejection and the process described above will be repeated until a slate of nominees is elected. The slate of nominees will be determined and presented to the Member for election as follows:

- a) *Resident Trustees.* The CCRC Board will include at least four (4) Trustees who are residents of the facilities of Birch Hill or of the other System CCRC Participants (each a “Resident Trustee”). As described in paragraph (b) below, a fifth resident also may serve on the CCRC Board as an “at large” Trustee. The Resident Trustees will serve staggered terms of three (3) years each, and two (2) of the Resident Trustees must be residents of RiverWoods Exeter (the “RWE Resident Trustees”). Resident Trustees will be nominated and replaced as follows:
 - i) The Governance Committee of the CCRC Board will establish a written nomination policy and process by which Birch Hill’s Resident Council will nominate one (1) Resident Trustee candidate from among the residents of the Corporation’s facilities to fill one of the two Resident Trustee seats not filled by RWE Resident Trustees. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to the Member for election.
 - ii) If a Resident Trustee becomes unable or unwilling to continue his or her term, then the Governance Committee may nominate a replacement from among residents of the same System CCRC Participant who then is serving on a CCRC Board Committee. If the Governance Committee is unable to identify a candidate from among its committees, then it will request the Resident Council that nominated the Resident Trustee vacating his or her seat to nominate a replacement. The nominee will be elected by the CCRC Board to fill the unexpired term of such Resident Trustee. A Resident Trustee may not serve more than two (2) three-year terms.
- b) *At Large.* The CCRC Board will include one “at large” Trustee position which may be filled either by a resident of a System CCRC Participant nominated by its Resident Council or by an external individual, as determined by the Governance Committee and the CCRC Board.
- c) *Ex Officio.* The Member’s Chief Executive Officer will serve as a Trustee on the CCRC Board, *ex officio*, with full voting rights. The Corporation’s Executive Director will report to the Member CEO, but will be available as a standing invitee and resource of the CCRC

Board to inform the CCRC Board's discussion regarding the operation of Birch Hill's facilities and the needs of the residents and communities which it serves.

- d) *Governance Committee Nominees.* The remaining Trustee candidates will be nominated by the Governance Committee of the CCRC Board. Following confirmation, the slate of Trustee candidates, including the Resident Trustee candidates, will be presented to the Member for election in accordance with its Bylaws. If any of the Trustees nominated by the Governance Committee resigns, is removed, or otherwise is unable to continue to serve on the CCRC Board, the Governance Committee promptly will nominate his or her successor to the CCRC Board for election by the Member.

Section 4 - Term.

To the extent possible, the terms of the trustees shall be staggered such that one-third (1/3) of the Trustees not serving Ex Officio shall be elected in each year. Nominations for Trustees shall be made by the Governance Committee of the CCRC Board of Trustees and presented to the CCRC Board of Trustees for confirmation. Following confirmation, the slate of Trustee candidates shall be presented to TRWG Board of Trustees for election in accordance with its Bylaws. Trustees shall be permitted to serve two (2) successive three (3) year terms. The CCRC Board of Trustees shall have the authority to request of TRWG Board of Trustees that a retiring Trustee serve up to three (3) additional one (1) year terms. Resident Trustees may not be granted additional terms except that Resident Trustees who are elected to fill an unexpired term may be considered for an additional full term.

Section 5 - Resignation.

Any Trustee may resign at any time by written notice to the Chair of the CCRC Board. Such resignation shall take effect at the time specified in the notice, or if no time is specified, then upon receipt. A resignation need not be accepted to be effective. A Resident Trustee shall be deemed to have resigned at such time as the Resident Trustee (or the Resident Trustee's Family Member who is a Resident of Birch Hill Terrace) ceases to reside at Birch Hill Terrace.

Section 6 - Removal.

Subject to the Member's reserved powers, any Trustee of the CCRC Board may be removed, with or without cause, by the affirmative vote of two-thirds (2/3) of the members of the CCRC Board of Trustees present and voting at any annual meeting of the CCRC Board or any regular or special meeting, if notice of the purpose of acting upon such removal shall have been given in the notice calling such meeting.

Section 7 - Attendance.

All CCRC Board members will make every effort to attend all board meetings and committee meetings to which they are assigned.

If circumstances arise which prevent regular attendance, the CCRC Board Chair, in the Chair's

sole discretion, may confer with the CCRC Board member regarding a plan for participation and, if the Chair deems advisable, request an alternate committee assignment and/or resignation from the member.

ARTICLE V

Meetings and Action of the CCRC Board of Trustees

Section 1 - Regular Meetings; Place of Meetings.

The CCRC Board of Trustees shall meet at least quarterly, or either more or less often if appropriate, generally including at least one educational retreat per year. The Chair will determine the location of CCRC Board meetings, and may establish a central location and/or a rotating schedule at the campuses of the System CCRC Participants (including Birch Hill) which it governs. Notice of regular meetings may be given by either announcing the date, time and place of the meeting at the annual or any other duly called meeting of the Board, or by providing no less than seven (7) days' notice thereof. At every regular meeting, the CCRC Board is expected to address matters pertaining to each of the System Participants, including Birch Hill, which it governs.

Section 2 - Special Meetings: Notice.

Special meetings of the Board of Trustees may be called by or at the request of the Chair, the Member Chief Executive Officer or any four (4) Trustees in office at that time. Unless waived as contemplated in Section 6.2, notice of the date, time, place, and purpose of any special meeting of the Board of Trustees shall be given by the Secretary (or in his/her absence, by any member of the Board), in accordance with Section 6.1, at least seventy-two (72) hours before such meeting.

Section 3 - Waiver.

Waiver of notice of all meetings of the CCRC Board of Trustees shall be governed by Section 6.2 of these bylaws.

Section 4 - Quorum.

At meetings of the CCRC Board of Trustees, a majority of the Trustees then in office shall be necessary to constitute a quorum for the transaction of business.

Section 5 - Vote Required for Action

Except as otherwise provided in these bylaws, the act of a majority of the Trustees present at the meeting at which a quorum is present shall be the act of the CCRC Board of Trustees.

Section 6 - Action by Trustees Without a Meeting.

Any action required or permitted to be taken at a meeting of the CCRC Board of Trustees may be taken without a meeting if a consent in writing, including consent by electronic record

transmission, email, or other form of wire or wireless communication, setting forth the action so taken, is signed by all of the Trustees then in office. A Trustee or committee member may submit his or her vote by electronic record and transmission, email, or other form of wire or wireless communication, within ten days of the call for such a vote, including by way of consent resolution. Such written consent may be obtained by electronic signature facsimile signature on multiple copies, or similar electronic expression of assent. Such consent shall have the same force and effect as an affirmative vote at a meeting duly called. The signed consent, signed copy, or email, or other form of wire or wireless communication, shall be placed in the minute book. The consents may be executed in any number of counterparts, all of which, when taken together shall constitute a single original consent.

Section 7 - Telephone and Similar Meetings.

Trustees of the CCRC Board may participate in and hold a meeting by means of conference telephone, videoconference or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other during the meeting. Participation in such a meeting at the commencement thereof shall constitute presence in person at the meeting.

Section 8 - Adjournments.

A meeting of the CCRC Board of Trustees, whether or not a quorum is present, may be adjourned by a majority of the Trustees present to reconvene at a specific time and place. Notice of the reconvened meeting shall be provided in accordance with procedures in Section 5.2.

ARTICLE VI

Notice and Waiver

Section 1 - Procedure.

Whenever these Bylaws require notice to be given to any Trustee of the CCRC Board, the notice shall be given in accordance with this Section 6.1. Notice shall be in writing unless oral notice is reasonable under the circumstances. Notice may be communicated in person by telephone, telegraph, teletype, facsimile, telecopy, by electronic record and transmission, by e-mail or other form of wire or wireless communication; or by mail or private carrier. Notice given orally or by telephone, telegraph, teletype, facsimile, telecopy, e-mail or other form of wire or wireless communication shall be deemed given on the day communicated or transmitted. Notice provided by mail shall be deemed given on the second day following its deposit in the mail and notice delivered by private carrier shall be deemed given on the next day following its deposit with the private carrier.

Section 2 - Waiver.

A Trustee may waive the receipt of any notice before or after the date and time stated in the notice. The waiver must be in writing, signed by the Trustee entitled to the notice, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A Trustee's attendance

at or participation in a meeting waives any required notice to that Trustee of the meeting.

ARTICLE VII

Officers

Section 1 - Description.

The officers of the CCRC Board shall be a Chair, Vice-Chair, Treasurer, and Clerk. The Trustees may elect more than one Vice-Chair but, in doing so, shall designate the order of succession to the duties of the Chair in the event the Chair is unable to fulfill those duties during his term of office. The term of the Chair shall initially be for two years, with up to three additional one-year terms if appropriate. The terms of other officers shall be for one (1) year, or until their successors are duly elected and qualified. Officers may serve multiple successive terms.

Section 2 - Election.

All officers shall be elected by the Trustees, from among those Trustees duly elected and serving in office, at the June meeting of the Trustees.

Section 3 - Other Agents.

The CCRC Board of Trustees may appoint from time to time such agents as it may deem necessary or desirable, each of whom shall hold office during the pleasure of the CCRC Board and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the CCRC Board of Trustees may from time to time determine.

Section 4 - Removal.

Any officer or agent elected or appointed by the CCRC Board of Trustees may be removed by the CCRC Board of Trustees at any time, with or without cause.

Section 5 - Vacancies.

A vacancy in any office arising, at any time and from any cause may be filled for the unexpired term at any meeting of the CCRC Board of Trustees.

Section 6 - Chair.

The Chair shall preside at all meetings of the CCRC Board of Trustees, and shall perform all duties incident to the office of the Chair including handing administrative details for the smooth functioning of the corporation, and such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

Section 7 - Vice Chair

The Vice-Chair, unless otherwise determined by the CCRC Board of Trustees, shall, in the absence or disability of the Chair, perform the duties and have the authority and exercise the powers of the Chair. The Vice-Chair shall perform such other duties and have such other authority and powers as the CCRC Board of Trustees may from time to time prescribe or as the chairperson may from time to time delegate.

Section 8 - Clerk.

The Clerk shall ensure that the minutes of all CCRC Board of Trustees' meetings are maintained, shall ensure that notifications of upcoming meetings are sent, shall handle correspondence with other persons and organizations when required, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

Section 9 - Treasurer.

The Treasurer shall be responsible for ensuring that the financial affairs of the corporation are properly administered. The Treasurer shall ensure that books and accounts of income and expenditures are kept, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees.

ARTICLE VIII

Executive Director

The Executive Director of the Corporation will be hired, and evaluated and compensated annually, by the Member's Chief Executive Officer, following input from the CCRC Board of Trustees. The Executive Director will be the senior executive employee of the Corporation but will report to and be supervised by the Member's Chief Executive Officer, who will have both day-to-day and long-term responsibility for the direction and operations of the Corporation, consistent with the strategic plan, policies and budgets established by the CCRC Board. The Executive Director will perform the duties set forth in his or her employment contract, if any, as well as such other specific duties as the Member's Chief Executive Officer may direct or the CCRC Board may designate. The Executive Director will attend all CCRC Board meetings, as a resource and to report on the progress of the Corporation and to address questions, although the Executive Director will be excused for any evaluation of his or her performance. The Executive Director will attend any committee meetings in an advisory capacity at the request of the committee chair or in his or her discretion.

ARTICLE VIII

Committees of the CCRC Board of Trustees

Section 1 - General.

The CCRC Board Chair may designate any committees that may become necessary or convenient for undertaking the purposes of the corporation. All designated committees shall have a charter approved by the CCRC Board of Trustees. The CCRC Board Chair, with the Governance Committee, shall determine the composition and appoint committee members. The chairpersons of all committees will be recommended by the Governance Committee for one-year terms, subject to approval of the CCRC Board of Trustees; Committee members need not be Trustees except that committee chairs must be full voting members of the CCRC Board of Trustees.

Section 2 - Executive Committee.

The Executive Committee shall be composed of the officers of the CCRC Board and shall exercise the full authority of the CCRC Board of Trustees between meetings of the CCRC Board of Trustees. The Executive Committee shall be responsible to the CCRC Board of Trustees and shall report its actions at each meeting of the CCRC Board of Trustees.

Section 3 - Finance Committee.

The Finance Committee shall be responsible for ensuring financial affairs of the corporation are properly administrated. Duties and membership shall be described by the Finance Committee Charter.

Section 4 - Audit Committee

The Audit functions of the corporation are delegated to a centralized Audit Committee of the System. It shall serve as the conduit with the external auditor as described by the Audit Committee Charter. As a centralized committee of the system the audit committee shall report to TRWG and to the CCRC Board regarding results and concerns, either in person or in writing. Committee membership shall include at least one member of the Board of Trustees of TRWG and at least one representative from the CCRC Board. The committee chair must be a full voting member of the Board of Trustees of TRWG or the CCRC Board.

Section 5 - Governance Committee.

The Governance Committee shall be responsible for making Trustee and CCRC Board Officer nominations to the CCRC Board of Trustees. The Governance Committee will also be responsible for Board Officer succession planning, as described by the Governance Committee Charter. The Governance Committee will periodically review the corporation's bylaws and CCRC Board policies, and bring any suggested changes to the CCRC Board for consideration and approval. The Governance Committee shall review all whistleblower complaints and board conflict of interest statements and report any issues to the CCRC Board for consideration. Duties and membership shall be described by the Governance Committee charter.

Section 6 - Investment Committee

The Investment Committee shall be responsible for establishing an investment policy and overseeing the investment of the funds of the corporation. Duties and membership shall be

described by the Investment Committee Charter.

Section 7 - Other Committees.

The CCRC Board of Trustees may authorize the appointment of other committees having such authority of the CCRC Board of Trustees in the management of the Corporation as is set forth by resolution adopted by a majority of Trustees present at a meeting at which a quorum is present. Each committee so designated shall consist of one (1) or more current Trustees and may include persons who are not members of the CCRC Board of Trustees. Except as otherwise provided in such resolution, members of each such committee and the chair of such committee shall be appointed by the Chair of the CCRC Board of Trustees.

Section 8 - Term of Appointment.

Each member of a committee shall serve at the pleasure of the CCRC Board of Trustees.

Section 9 - Vacancies.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 10 - Quorum.

Unless otherwise provided in the resolution of the CCRC Board of Trustees designating a committee, a majority of the whole committee shall constitute a quorum; and the act of a majority of members present at a meeting at which a quorum is present shall be the act of the committee.

Section 11 - Notice of Meetings.

Each member of a committee shall be provided not less than two (2) days' notice of each committee meeting. The provisions of Sections 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 6.1 and 6.2 shall be applicable to the meetings of all committees.

Section 12 - Rules.

Each committee may adopt rules for its own governance, so long as such rules are not inconsistent with these bylaws or with rules adopted by the CCRC Board of Trustees.

ARTICLE X

Indemnification

The Corporation shall indemnify its Trustees, officers and committee members and its former Trustees, officers and committee members and their respective heirs, executors and Administrators, against all judgments and assessments and reasonable costs and expenses, including attorney's fees, incurred by or imposed upon them in connection with any action, suit or

proceedings to which they may be a made party or with which they shall be threatened by reason of their being or having been Trustees, officers or committee members of the Corporation, except with respect to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of their duties as Trustee, officer or committee member. The Corporation shall have the right, but not the duty, to assume the defense of such Trustee, officer or committee member or former Trustee, officer or committee member in any such action, suit or proceeding. In the event that the Corporation does not assume the defense, the Corporation's liability for indemnification in the event of a proposed settlement of the action, suit or proceeding shall be conditioned upon the Corporation's express written approval of the settlement. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any Trustee, officer or committee member may otherwise be entitled as a matter of law or contract.

ARTICLE XI

Miscellaneous

Section 1 - Books and Records.

The Corporation shall maintain books and records of account and minutes of the proceedings of the CCRC Board of Trustees and committees having any of the authority of the CCRC Board of Trustees, executed consents evidencing all actions taken by the CCRC Board of Trustees without a meeting, and waivers of notice of all meetings of the CCRC Board of Trustees and its committees. In addition, the Corporation shall keep copies of all records required to be kept under New Hampshire law.

Section 2 - Corporate Seal.

The corporate seal (of which there may be one or more exemplars) shall be in such form as the Board of Trustees may from time to time determine.

Section 3 - Fiscal Year.

The Board of Trustees is authorized to fix the fiscal year of the Corporation and to change the year from time to time as it deems appropriate.

Section 4 - Internal Revenue Code.

All references in these bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law.

Section 5 - Relation to Articles of Agreement.

These bylaws are subject to, and governed by, the Corporation's Articles of Agreement.

Section 6 - Dissolution

Upon the dissolution or other termination of existence of this Corporation, which shall be subject to the Sole Member's approval, the assets of the Corporation, after payment of all debts and obligations of the Corporation, if any, shall be distributed to one or more other organizations qualified as a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code") which has as a charitable purpose the care for or providing of services to the elderly in the greater Manchester New Hampshire area, as determined by the CCRC Board of Trustees at the time.

ARTICLE XIII

Amendments

Subject to the Member's reserved powers, the Trustees of the CCRC Board, acting by a two-thirds (2/3) majority vote, shall have the power to alter, amend or repeal these bylaws and to adopt new bylaws, provided that notice of the proposed change is given in the notice of the meeting.

Adopted April 5, 2005

Amended September 2014; June 2016; June 2017; January 1, 2021

Plan of Reorganization

APPENDIX C-3

Restated Bylaws of RWD

Bylaws of RiverWoods Durham

The following constitutes the Bylaws of RiverWoods Durham (the “Corporation” or “RWD”), a nonprofit voluntary corporation organized under New Hampshire RSA 292.

ARTICLE I

Name, Purposes, Location, Corporate Seal and Fiscal Year

Section 1 – Name and Purposes.

The name and purposes of the Corporation are as set forth in the Corporation’s Articles of Agreement, as they may be amended from time to time (the “Articles of Agreement”).

Section 2 – Location.

The principal place of business of the Corporation initially is the place set forth in the Articles of Agreement. The Trustees may change the location of the principal place of business in the State of New Hampshire from time to time in their discretion.

Section 3 – Corporate Seal.

The Trustees may adopt and alter the seal of the Corporation in their discretion.

Section 4 – Fiscal Year.

The fiscal year of the Corporation, unless otherwise decided by the Trustees, ends on June 30 of each year.

ARTICLE II

Member and Reserved Powers

Section 1 – Sole Member.

The RiverWoods Group, a New Hampshire tax-exempt, nonprofit corporation, will be the sole member of the corporation (the “Member”) and will possess those powers set forth in the Corporation’s Articles of Agreement and these Bylaws in connection with the Member’s establishment, maintenance and governance of an integrated system for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the “System”), of which the Corporation is a part.

Section 2 – Powers Reserved to Member.

Each of the following actions by the CCRC Board of Trustees (defined in Article III below) must be approved by the Member before it becomes effective:

- a) Removal of a member of the CCRC Board of Trustees;
- b) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of the Corporation;
- c) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of
- d) \$100,000;
- e) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of indebtedness by the Corporation in excess of \$100,000;
- f) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, the Corporation or any subsidiary of the Corporation;
- g) Appointment of a firm of independent public accountants to conduct an independent audit of the corporation's financial statements or a special project which materially impacts assets, revenues or operations;
- h) The participation by the Corporation or any subsidiary of the Corporation in a Key Strategic Relationship (The term "Key Strategic Relationship" means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a "Participant Organization", as such term is defined in the Member's Bylaws);
- i) Appointment, evaluation, and compensation or termination of the Executive Director of the Corporation;
- j) Elimination or addition of any material health care service or program by the Corporation or any subsidiary of the Corporation; and
- k) The amendment of the Articles of Agreement, Bylaws or other governing documents of the Corporation where such proposed amendment would (i) impact the powers reserved to the Member in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of the Corporation under any agreement between or among the Participant Organizations.
- l) In exercising the foregoing reserved powers, the Member will act in a limited fiduciary capacity toward the Corporation in accordance with Article III, Section 5 of the Member's Bylaws.

Section 3 – System Assessments and Reallocation.

The Corporation recognizes the power and responsibility of the Member to assess the Corporation for a monetary amount, which need not be equal among the other Participant Organizations in the System and which will provide for payment of the operating expenses of the Member and the establishment of reasonable financial reserves for its activities as the coordinator and steward of the System, and to reallocate assets and resources of the Corporation and any subsidiary of the Corporation among the Participant Organizations and their subordinate organizations in accordance with terms to be mutually-established between the Corporation and the Member.

Section 4 – Information.

The Corporation will provide the Member with such information as the Member may reasonably request to fulfill its role as the integrator of the System, including without limitation financial statements, budgets, strategic plans and quality improvement plans.

ARTICLE III

CCRC Board of Trustees

Section 1 – Powers and Responsibilities.

The affairs of the Corporation will be managed by a Board of Trustees (the “CCRC Board”) which will have and may exercise all the powers of the Corporation, subject to those powers reserved to the Member by the Articles of Agreement and/or these Bylaws. Pursuant to the Plan of Reorganization among RWD, Birch Hill Terrace and The RiverWoods Company, at Exeter, New Hampshire (“RiverWoods Exeter”) effective as of January 1, 2021 (the “Plan of Reorganization”), the CCRC Board will serve as the governing board for each of the RWD, Birch Hill Terrace and RiverWoods Exeter, and for any future System participant organizations which have similar, stable operations and for which the Member has approved governance by the CCRC Board (collectively the “System CCRC Participants”). The purpose and objectives of the establishment of a unitary board of trustees is set forth in the Plan of Reorganization, which is incorporated into these bylaws by reference. As described in Article II, Section 2 above, the CCRC Board has an independent fiduciary duty to the Corporation and to each of the other System CCRC Participants, and neither the Corporation nor the other System CCRC Participants is engaged in, or intends to engage in or to be governed as, a common enterprise or joint venture. The CCRC Board will govern RWD and other System CCRC Participants separately, although it may consider the relative strengths and needs of each when assessing opportunities or implementing any System initiatives or strategies. The CCRC Board will establish rates, operating budgets and capital budgets for RWD based on RWD’s individual financial performance and goals established pursuant to RWD’s Financial Philosophy. Although the Corporation has determined that participation in the System will support its charitable purposes, it has not assumed and will not be responsible for any of the liabilities of the other System CCRC Participants as a result of the establishment of a unitary board of trustees.

Section 2 – Composition and Appointment; Vacancies.

The CCRC Board of Trustees will consist of not less than five (5) and no more than twenty (20) individuals, as determined by the CCRC Board from time to time. The Member will elect the slate of Trustee candidates determined and presented to it as follows:

- a) Resident Trustees. The CCRC Board will include at least four (4) Trustees who are residents of the facilities of RWD or of the other System CCRC Participants (each a “Resident Trustee”). As described in paragraph (b) below, a fifth resident also may serve on the CCRC Board as an “at large” Trustee. The Resident Trustees will serve staggered terms of three (3) years each, and two (2) of the Resident Trustees must be residents of

RiverWoods Exeter (the “RWE Resident Trustees”). Resident Trustees will be nominated and replaced as follows:

- i) The Governance Committee of the CCRC Board will establish a written nomination policy and process by which RWD’s Resident Council will nominate one (1) Resident Trustee candidates from among the residents of the Corporation’s facilities to fill one of the two Resident Trustee seats not filled by RWE Resident Trustees. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to the Member for election.
 - ii) If a Resident Trustee becomes unable or unwilling to continue his or her term, then the Governance Committee may nominate a replacement from among residents of the same System CCRC Participant who then is serving on a CCRC Board Committee. If the Governance Committee is unable to identify a candidate from among its committees, then it will request the Resident Council that nominated the Resident Trustee vacating his or her seat to nominate a replacement. The nominee will be elected by the CCRC Board to fill the unexpired term of such Resident Trustee. A Resident Trustee may not serve more than two (2) three-year terms.
- b) At Large. The CCRC Board will include one “at large” Trustee position which may be filled either by a resident of a System CCRC Participant nominated by its Resident Council or by an external individual, as determined by the Governance Committee and the CCRC Board.
 - c) Ex Officio. The Member’s Chief Executive Officer will serve as a Trustee on the CCRC Board, ex officio, with full voting rights. The Corporation’s Executive Director will report to the Member CEO, but will be available as a standing invitee and resource of the CCRC Board to inform the CCRC Board’s discussion regarding the operation of RWD’s facilities and the needs of the residents and communities which it serves.
 - d) Governance Committee Nominees. The remaining Trustee candidates will be nominated by the Governance Committee of the CCRC Board. Following confirmation, the slate of Trustee candidates, including the Resident Trustee candidates, will be presented to the Member for election in accordance with its Bylaws. If any of the Trustees nominated by the Governance Committee resigns, is removed, or otherwise is unable to continue to serve on the CCRC Board, the Governance Committee promptly will nominate his or her successor to the CCRC Board for election by the Member.

Section 3 – Tenure.

Each Trustee will serve a three (3) year term and until his or her successor is duly qualified and appointed, and the terms will be staggered to the extent possible so that approximately one-third of the CCRC Board is elected each year. Trustees will be permitted to serve two (2) successive three (3) year terms; thereafter, the CCRC Board will have the authority to request of the

Member that a retiring Trustee serve up to three (3) additional one (1) year terms. Notwithstanding the foregoing, Resident Trustees may not be granted additional terms except that Resident Trustees who are elected to fill an unexpired term may be considered for one additional full term.

Section 4 – Meetings.

Regular meetings of the Trustees may be held at such places and at such times as the CCRC Board Chair may determine. The CCRC Board Chair may establish a central location and/or a rotating schedule at the campuses of the System CCRC Participants (including RWD) which it governs. Special meetings of the Trustees may be held at any time and at any place when called by the Chair or the Member CEO, or upon request of four (4) or more Trustees of the CCRC Board. At every regular meeting, the CCRC Board is expected to address matters pertaining to each of the System Participants, including RWD, which it governs.

Section 5 – Notice.

- a) *Regular Meetings.* No notice will be required for regular meetings of the CCRC Board, provided that reasonable notice of the first regular meeting following the determination by the Trustees of the times and places for regular meetings will be given to absent Trustees.
- b) *Special Meetings.* Written notice of the time, place and purpose or purposes of special meetings of the CCRC Board will be given to each Trustee by first class mail, electronic mail (“email”), facsimile communication, overnight carrier, or similar means of communication at least five (5) days before the meeting addressed to the Trustee at his or her usual or last known business or residence address. If a matter is urgent and the foregoing notice cannot be given, then notice will be given to each Trustee in person or by telephone at least seventy-two (72) hours before the meeting.
- c) *Waiver of Notice.* Whenever notice of a meeting is required, such notice need not be given to any Trustee if a written waiver of notice, executed by the Trustee (or his or her authorized attorney) before or after the meeting, is filed with the records of the meeting, or to any Trustee who attends the meeting without first protesting the lack of notice. A waiver of notice need not specify the purposes of the meeting unless such purposes were required to be specified in the notice of such meeting.

Section 6 – Quorum.

At any meeting of the CCRC Board, the attendance of at least a majority of the elected and serving Trustees will constitute a quorum for the transaction of business; provided, however, that if one-third (1/3) of the Trustees are present, they may by unanimous vote declare themselves to be a quorum for the transaction of the business of the Corporation. Except as otherwise required by these Bylaws, any proposed action will require the favorable vote of at least a majority of those present and participating in the vote.

Section 7 – Action by Writing.

Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting if all the Trustees consent to the action in writing and the written consents are filed with the records of the meetings of the Trustees. Such consents will be treated for all purposes as a vote at a meeting. Email or other electronic transmissions intended to constitute the consent and signature of the sender and otherwise complying with New Hampshire RSA 294-E will constitute a writing for the purpose of this Section 7.

Section 8 – Meetings by Telephone or Other Means of Communication.

Meetings of the Trustees may take place by conference telephone, videoconference, or other means of communication as long as all Trustees participating in any such meeting can hear all the other participating Trustees and can be heard by all then participating Trustees.

ARTICLE IV

Officers

Section 1 – Officers and Qualification.

The officers of the CCRC Board will be a Chair, Vice Chair, Treasurer, and Clerk, and such other officers, if any, as the Trustees may determine. Only actively-serving Trustees of the CCRC Board are eligible to be an officer. The Clerk will be a resident of New Hampshire unless the Corporation has a resident agent duly-appointed for the purpose of service of process. A person may hold more than one office at the same time except that the offices of Chair and Treasurer may not be held by the same person.

Section 2 – Election.

The officers will be elected annually by the Trustees at their annual meeting.

Section 3 – Tenure; Vacancies.

The officers each will hold office until the annual meeting of the Trustees and until his or her successor is chosen and qualified, unless he or she dies, resigns, is removed or becomes disqualified before the expiration of the term. If the office of any officer becomes vacant, the Trustees, at their next regular or special meeting, may elect a successor who will hold office for the unexpired term.

Section 4 – Chair.

The Chair shall preside at all meetings of the CCRC Board of Trustees, and shall perform all duties incident to the office of the Chair including handing administrative details for the smooth functioning of the corporation, and such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

Section 5 – Vice Chair.

The Vice Chair will act on behalf of the CCRC Board Chair in his or her absence or incapacity.

Section 6 – Treasurer.

The Treasurer shall be responsible for ensuring that the financial affairs of the corporation are properly administered. The Treasurer shall ensure that books and accounts of income and expenditures are kept, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees.

Section 7 – Clerk.

The Clerk shall ensure that the minutes of all CCRC Board of Trustees' meetings are maintained, shall ensure that notifications of upcoming meetings are sent, shall handle correspondence with other persons and organizations when required, and shall perform such other duties as may be prescribed by the CCRC Board of Trustees from time to time.

Section 8 – Suspension or Removal; Resignation.

An officer may be suspended or removed with or without cause by vote of a majority of the Trustees of the CCRC Board then in office. An officer may resign by delivering his or her written resignation to the Chair or Clerk of the Corporation, or to the CCRC Board of Trustees. Such resignation will be effective upon receipt (unless specified to be effective at some other time), and acceptance thereof will not be necessary to make it effective unless it so states.

ARTICLE V

Executive Director

The Executive Director will be hired, and evaluated and compensated annually, by the Member's Chief Executive Officer, following input from the CCRC Board of Trustees. The Executive Director will be the senior executive employee of the Corporation but will report to and be supervised by the Member's Chief Executive Officer, who will have both day-to-day and long-term responsibility for the direction and operations of the Corporation, consistent with the strategic plan, policies and budgets established by the CCRC Board. The Executive Director will perform the duties set forth in his or her employment contract, if any, as well as such other specific duties as the Member's Chief Executive Officer may direct or the CCRC Board may designate. The Executive Director will attend all CCRC Board meetings as a resource and to report on the progress of the Corporation and to address questions, although the Executive Director will be excused for any evaluation of his or her performance. The Executive Director will attend any committee meetings in an advisory capacity at the request of the committee chair or in his or her discretion.

ARTICLE VI

Committees

Section 1 – Committees Generally.

The Trustees of the CCRC Board may establish one or more committees, the purpose, duties and scope of authority of which will be set forth in a charter or other written direction from the Trustees. Committee members will be appointed by the CCRC Board Chair and will serve at the discretion of the CCRC Board, and any vacancies occurring between annual meetings of the CCRC Board will be filled by the Chair. Committees of the CCRC Board may include members who are not Trustees. Unless otherwise determined by the Trustees, each committee will follow the procedures set forth in these Bylaws. The CCRC Board will have the following standing committees as described below: Executive Committee; Finance Committee; Audit Committee; Governance Committee; and Investment Committee.

Section 2 – Executive Committee.

The Executive Committee will be composed of the officers of the CCRC Board and will exercise the full authority of the CCRC Board of Trustees between meetings of the CCRC Board of Trustees. The Executive Committee will be responsible to the CCRC Board of Trustees and will report its actions at each meeting of the CCRC Board of Trustees.

Section 3 – Finance Committee.

The Finance Committee will be responsible for ensuring financial affairs of the Corporation are properly administrated, as further described in its charter. Duties and membership shall be described by the Finance Committee charter.

Section 4 – Audit Committee.

The Audit functions of the corporation are delegated to a centralized Audit Committee of the System. It shall serve as the conduit with the external auditor as described by the Audit Committee Charter. As a centralized committee of the system the audit committee shall report to TRWG and to the CCRC Board regarding results and concerns, either in person or in writing. Committee membership shall include at least one member of the Board of Trustees of TRWG and at least one representative from the CCRC Board. The committee chair must be a full voting member of the Board of Trustees of TRWG or the CCRC Board.

Section 5 – Governance Committee.

The Governance Committee will be responsible for making Trustee and CCRC Board officer nominations to the CCRC Board of Trustees. The Governance Committee also will be responsible for Board Officer succession planning, as described in its charter. The Governance Committee periodically will review the Corporation's Bylaws and policies and procedures and bring the suggested changes to the CCRC Board for consideration and approval. The

Governance Committee also will review all whistleblower complaints and CCRC Board conflict of interest statements. Duties and membership shall be described by the Governance Committee charter.

Section 6 – Investment Committee.

The Investment Committee will be responsible for establishing an investment policy and overseeing the investment of the funds of the Corporation. Duties and membership shall be described by the Investment Committee charter.

ARTICLE VII

Contracts, Loans, Checks, and Deposits

Section 1 – Contracts.

The CCRC Board of Trustees may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. In the absence of such authorization, the CCRC Board Chair may sign such contracts or instruments on behalf of the Corporation.

Section 2 – Loans.

No loans will be contracted on behalf of the Corporation and no evidences of indebtedness will be issued in its name unless authorized by a resolution of the CCRC Board of Trustees, subject to the Member's approval rights. Such authority may be general or confined to specific instances.

Section 3 – Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences or indebtedness issued in the name of the Corporation will be signed by such officers or agents of the Corporation and in such manner as will from time to time be determined by resolution of the CCRC Board of Trustees. In the absence of such authorization, the Chair or the Treasurer may sign such checks, drafts or other orders on behalf of the Corporation.

Section 4 – Deposits.

All funds of the Corporation, not otherwise utilized, will be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the CCRC Board of Trustees may select.

ARTICLE VIII

Conflicts of Interest

Section 1 – Duty of Loyalty.

- a) *Conflict of Interest Between the Corporation and a Trustee.* As a fiduciary, the CCRC Board of Trustees and each of its members has a duty of loyalty to the Corporation and its charitable purposes and a duty to act impartially in its role as Trustee. The CCRC Board will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in an ethical manner. The CCRC Board also will follow the Conflict of Interest Guidelines attached to these Bylaws.
- b) *Conflict of Interest among the System CCRC Participants.* The CCRC Board also has independent fiduciary duties to each of the other System CCRC Participants that the CCRC Board governs. At each regular meeting, the CCRC Board will address in sequence the governance and other matters pertaining to each of the Corporation and the other System CCRC Participants which the CCRC Board governs, and will act as it determines is in the best interest of the organization to which the matter pertains. If action by the CCRC Board in any matter has the potential to be beneficial for one or more System CCRC Participants which it governs but detrimental to the others, then the CCRC Board will follow the Conflict of Interest Guidelines appended as Appendix A. The CCRC Board may amend the Conflict of Interest Guidelines by following the same process required for an amendment to these bylaws.

Section 2 – Pecuniary Benefit Transactions.

The CCRC Board of Trustees will identify all “pecuniary benefit transactions” and comply with the requirements of New Hampshire RSA 7:19-a, as it may be amended from time to time, and any successor statute.

Section 3 – No Compensation.

Members of the Board of Trustees (except any *ex officio* Trustees who also are employees) will not receive compensation for their services as Trustees; however, a Member of the CCRC Board of Trustees may receive reimbursement of direct out-of-pocket expenses for efforts made on behalf of the Corporation.

ARTICLE IX

Antidiscrimination Clause

No otherwise qualified individual will be excluded from participation in, or denied the benefits of, or subjected to discrimination under any housing, programs or activities of this Corporation solely by reason of race, color, national origin, religion, age, sex, sexual preference, marital status or handicap or other disability.

ARTICLE X

No Private Inurement

The Corporation may hire and pay employees, contract for goods and services, and purchase real or personal property in the pursuit of its objectives, but no part of its net revenues will be distributed to any private individuals or entities which operate for the benefit of private individuals.

ARTICLE XI

Exempt Activities

Notwithstanding any other provision of these Bylaws, no member, Trustee, employee, or representative of this Corporation will take any action to carry on any activity by or on behalf of the Corporation which is not permitted by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and its regulations as they now exist or as they may hereafter be amended (the "Regulations"). No such action may be taken which may violate Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

ARTICLE XII

Amendments

These Bylaws may be amended or repealed only by the unanimous vote of the CCRC Board of Trustees, subject to the approval of the Member.

Adopted: March 23, 2017

Amended: [As of January 1, 2021]

Attest: _____, Clerk

Plan of Reorganization

APPENDIX C-4

Restated Bylaws of TRWG

Bylaws of The RiverWoods Group

ARTICLE I

Name and Location

Section 1 – Name

The name of the Corporation is "The RiverWoods Group." It is and will remain a voluntary corporation duly organized and existing under the laws of the State of New Hampshire.

Section 2 – Location

The location of the principal office of the Corporation will be in Exeter, New Hampshire or at such other place as the Board of Trustees may designate from time to time.

ARTICLE II

Nature of the Corporation

Section 1 – Purposes

(a) Sole Member and Support of Participant Organizations. The Corporation will be the sole member of The RiverWoods Company at Exeter, New Hampshire and such other tax-exempt charitable organizations which join the System described below and are named in the Corporation's Articles of Agreement as amended from time to time (each a "Participant Organization"). The purpose of the Corporation is to support the charitable purposes and activities of the Participant Organizations. The Corporation will not earn any profit and it is organized and will be operated only for charitable purposes.

(b) Establishment of Delivery System. The Corporation will support the Participant Organizations by establishing, maintaining and governing an integrated system of continuing care retirement communities and related organizations (the "System"). The System will provide for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons. The System will be comprised of the Corporation, The RiverWoods Company of Exeter, New Hampshire and each subsequent Participant Organization.

(c) Role of the Corporation in the System. The Corporation is formed to serve as the coordinating organization for the System. The Corporation's responsibilities include the: provision of centralized management, administrative and other similar functions in a cost-effective manner; design and implementation of long-term strategic planning; development of key strategic relationships and alliances and identification of new Participant Organizations to join the System; and development of policies and methodologies for the effective and efficient

delivery of quality health care, housing and related services throughout the System.

Section 2 -- Powers

(a) General Corporate Powers. In furtherance of the purposes set forth in the preceding paragraph, this Corporation will have the power to purchase or otherwise acquire, hold, own, sell, encumber, mortgage, lease or otherwise deal in and with property of all kinds, real or personal, tangible or intangible, including without limitation the securities and obligations of any issuer, whether or not incorporated; to become the sole member of a Participant Organization and exercise the powers reserved to it under the governing documents of such Participant Organization; to finance and arrange the financing and borrowing of funds of any type necessary or convenient for the purposes of acquisition, construction, remodeling, or reconstruction of any kind of any buildings and structures, the acquisition of any personal property or services, or the acquisition of the sole membership interest in a prospective Participant Organization; to carry on any or all of the business of the Corporation as principal, agent or contractor; to carry on any other business incidental to and in furtherance of the foregoing; to have and exercise all the powers conferred by the laws of New Hampshire upon Corporations formed under the Voluntary Corporation Law of New Hampshire; to do any or all things hereinbefore set forth in the same extent as natural persons might or could do; to do any and all other acts, matters and things necessary or incidental or convenient to these purposes which are not contrary to the laws of the State of New Hampshire; provided, however, that all of the activities and actions set forth in this Section 2 will be carried out in furtherance of those corporate purposes set forth in this Section 1.

(b) Powers Necessary to Oversee the System. Without limiting the foregoing, the Board of Trustees will have the power to do the following in connection with the System: (i) establish the goals, objectives and strategy for the System; (ii) review and approve for consistency with the mission, goals and objectives of the System the proposals and/or decisions of the governing bodies of the Participant Organizations which affect the operation of the System and its governance and administration; (iii) oversee the financial condition of the System, including the financial condition of each of the Participant Organizations and each of its subordinate organizations; (iv) approve policies for the management and investment of all funds within the System including, without limitation, endowment funds of the Corporation, the Participant Organizations and their subordinate organizations; (v) make decisions regarding the selection, evaluation, compensation and discharge of the President or Chief Executive Officer of the Corporation; (vi) approve the decisions of the Participant Organizations with respect to the selection, evaluation, compensation and discharge of their president or chief executive officer; (vii) plan for the location, addition, repositioning or elimination of facilities and services throughout the System; (viii) guide the expansion and evolution of the System to include other institutions and organizations as appropriate; (ix) oversee compliance with applicable laws and regulations; and (x) approve policies for quality of care. The Board will have the authority and responsibility to assess each of the Participant Organizations for a monetary amount, which need not be equal among the Participant Organizations which will provide for payment of the operating expenses of the Corporation and the establishment of reasonable financial reserves for the Corporation's activities and to reallocate assets and resources of the Participant Organizations and their subordinate organizations among the Participant Organizations and their

subordinate organizations as defined in the Memorandum of Understanding between the Corporation and each Participant Organization.

Section 3 – Restrictions on Activities

Notwithstanding anything to the contrary in these Bylaws, all of the activities and actions of the Corporation will be limited and restricted by the following provisions:

- a) No part of the net earnings of the Corporation will inure to the benefit of, or be distributable to, its trustees, officers or other private persons, except that the Corporation will be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.
- b) No substantial part of the activities of the Corporation will be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation will not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- c) In all of its activities, the Corporation will not engage in any activity in violation of the Civil Rights Act, including, but not limited to, any act of discrimination based on race, color, sex or national origin.

ARTICLE III

Board of Trustees

Section 1 – Role

The property and business of the Corporation will be managed and the policies of the Corporation will be set by a Board of Trustees. The Board may delegate such authority as it deems appropriate to the officers and to such Committees as may be designated by the Board under these Bylaws.

Section 2 – Size and Terms of Office

Except for the initial Board, the Board of Trustees will be composed of not less than five (5) nor more than fifteen (15) persons, as determined by the Board. The current members of The RiverWoods Company, at Exeter, New Hampshire Board of Trustees will serve as the Corporation's initial Board of Trustees; thereafter the Corporation's Trustees will be elected as described below. To the extent possible, the terms of the Trustees will be staggered such that one-third (1/3) of the Trustees not serving *ex-officio* will be elected in each year. All Trustees will be permitted to serve no more than two subsequent three year terms. If a Trustee initially serves a partial term to fill a vacancy, however, such partial term will not be considered for purposes of the foregoing limitation, and the Trustee will be eligible to serve up to two subsequent three year terms following the initial partial term. The Board of Trustees will have

the authority to request that a retiring Trustee serve up to three (3) additional one (1) year terms. A former Trustee who may no longer serve as a Trustee may serve on a committee of the Trustees if so appointed by the Chairman. Term limits will not apply to Ex-Officio members. The Board will be composed as follows:

- (a) Ex-Officio. The Chief Executive Officer of the Corporation will serve on the Board of Trustees, *ex-officio*, with full voting rights. The Board of Trustees may vote to exclude the Chief Executive Officer of the Corporation from its meetings if discussing personnel matters relating to the Chief Executive Officer and/or the compensation of the Chief Executive Officer.
- (b) Participant Organization Representatives. To ensure that the Corporation is sufficiently accountable to the Participant Organizations and responsive to their needs as required by applicable tax regulations, more than fifty percent (50%) of the Board of Trustees will be representatives nominated by the unitary Board of Trustees responsible for governing The RiverWoods Company, at Exeter, New Hampshire, Birch Hill Terrace, RiverWoods Durham and any future Participant Organization which is a continuing care retirement community that has reached stability (the “CCRC Board”), and elected by the Board of Trustees.
- (c) Public Members. The number of persons representing the difference between the total number determined by the Board and the total of the Ex Officio and Participant Organization Representatives will be representatives of the general public, and will be elected by the Corporation’s Board of Trustees from among individuals nominated by the Nominating Committee.

Section 3 – Meetings

The Board of Trustees will meet quarterly, or either more or less often if appropriate. A special meeting of the Board of Trustees may be called, either by the Chairman or the President or by any three Trustees by notice given at least three (3) days prior to such meeting. If all Trustees sign a waiver of notice to any such meeting, actions taken thereat will be considered proper.

Section 4 – Quorum

A majority of the Trustees elected and serving will constitute a quorum at all meetings of the Board of Trustees provided, however, that if one-third of the Trustees are present, they may, by unanimous vote, declare themselves to be a quorum for the transaction of the business of the Corporation.

Section 5 – Duties of Trustees

Each member of the Board of Trustees will perform the duties of Trustee, including as a member of any committee of the Corporation on which the Trustee may serve, in good faith, in a manner the Trustee believes to be in the best interest of the Corporation and the fulfillment of its purposes, and with such care, including reasonable inquiry, as a prudent person of ordinary judgment would use in carrying out that person's own affairs. In exercising the powers reserved to it under Section 6 below, the Board of Trustees will act in a fiduciary capacity toward the Participant Organizations and take into account their respective interests while acting in furtherance of the System and the Corporation's purposes set forth in Article II, Section 1 above.

Section 6 – Powers Reserved to the Board by Participant Organizations

The RiverWoods Company at Exeter, New Hampshire has agreed to incorporate into its governing documents a provision that all material governance, programmatic and financial decisions of its governing bodies will be subject to the approval of, or disapproval or modification by, the Board of Trustees of the Corporation. Except as otherwise agreed by the Board of Trustees, in its discretion, any additional Participant Organization will agree and incorporate into its governing documents, as a condition of admission to the System, that it will not take any of the following actions without an affirmative vote of a majority of the Corporation's Board of Trustees then in office:

- (a) Removal of a member of the governing board of a Participant Organization;
- (b) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of a Participant Organization;
- (c) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of that amount specified from time to time by the Board for each Participant Organization, which amounts need not be equal;
- (d) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of Debt by a Participant Organization in excess of that amount specified from time to time by the Board for each Participant Organization, which amounts need not be equal;
- (e) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, any Participant Organization or a subordinate organization of a Participant Organization;
- (f) Appointment of a firm of independent public accountants to conduct an independent audit of a Participant Organization's financial statements or a special project which materially impacts assets, revenues or operations;

- (g) The participation by a Participant Organization or a subordinate organization of a Participant Organization in a Key Strategic Relationship (The term “Key Strategic Relationship” means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a Participant Organization);
- (h) Appointment, evaluation, and compensation or termination of the Executive Director of a Participant Organization;
- (i) Elimination or addition of any material service or program by a Participant Organization or a subordinate organization of a Participant Organization; and
- (j) The amendment of the Articles of Agreement, Bylaws or other governing documents of a Participant Organization where such proposed amendment would (i) impact the powers reserved to the Corporation in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of such Participant Organization under any agreement between or among the Participant Organizations.

In addition to the above reserved powers, the Corporation’s Board of Trustees will have the power to elect the members of each Participant Organization’s governing board from a slate of nominees presented by the Participant Organization to the Corporation’s Board of Trustees. The Corporation’s Board of Trustees will vote such nominees up or down in whole as a slate, which vote will be exercised reasonably and in good faith. If any such slate is voted down, the Participant Organization then will provide a new slate of nominees for election by the Corporation’s Board of Trustees.

Section 7 – Compensation and Disclosure

- a) As a fiduciary, the Board of Trustees and each of its members has a duty of loyalty to the Corporation and its charitable purposes and a duty to act impartially in its role as Trustee. The Board will adopt a policy for identifying conflicts of interest, in compliance with applicable law, and will conduct itself at all times in an ethical manner.
- b) The Board of Trustees will identify all “pecuniary benefit transactions” and comply with the requirements of New Hampshire RSA 7:19-a, as it may be amended from time to time, and any successor statute. To the extent that the Corporation or its Participant Organizations provides services to the elderly, members of the Board of Trustees and their families will not be prohibited from availing themselves of said services provided that said services are offered under the same terms and conditions as to any member of the general public and the Trustee or family member meets all the eligibility criteria that any other person would have to meet to obtain such benefits.
- c) Members of the Board of Trustees will not receive compensation for their services as Trustees; however, a Member of the Board of Trustees may receive reimbursement of direct out-of-pocket expenses for efforts made on behalf of the Corporation.

Section 8 – Removal

Any Trustee may be removed from office by a two-thirds (2/3) majority vote of the Board of Trustees. However, no such vote will be taken until after a written petition for removal is filed with the Board and the person whose removal is sought is given notice of said petition by first class mail and the opportunity to make an oral or written response to the Board of Trustees at the next regularly scheduled meeting of the Board of Trustees or at a Board of Trustees meeting specially called and noticed to include the vote on removal. The mailing of the notice will be at least fourteen (14) days before any meeting at which the vote on removal may occur.

ARTICLE IV

Officers

Section 1 – Description

The officers of the Corporation will be a Chairman, Vice-Chairman, President, Treasurer, and Clerk. The Trustees may elect more than one Vice-Chairman but, in doing so, will designate the order of succession to the duties of the Chairman in the event the Chairman is unable to fulfill those duties during his term of office. The terms of all such officers will be for one (1) year, or until their successors are duly elected and qualified. Officers may serve multiple successive terms.

Section 2 – Election

All officers will be elected by the Trustees, from among those Trustees duly elected and serving in office, at the June meeting of the Trustees.

Section 3 – Vacancies

If any of the offices will become vacant for any reason, the Trustees may elect a successor or successors who will hold said office for the unexpired term.

Section 4 – Resignation

Any Trustee or Officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Corporation, unless some other time be fixed in the resignation.

Section 5 – Chair of the Board

The Chairman will preside at all meetings of the Board of Trustees. He will perform all duties incident to the office of the Chairman including handling administrative details for the smooth functioning of the Corporation, and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 6 - Vice Chair of the Board

The Vice-Chairman will act in the absence or incapacity of the Chairman.

Section 7 – Treasurer

The Treasurer will be responsible for ensuring that the financial affairs of the Corporation are properly administered. The Treasurer will ensure that books and accounts of income and expenditures are kept, and will perform such other duties as may be prescribed by the Board of Trustees.

Section 8 – Clerk

The Clerk will ensure that the minutes of all Board of Trustees' meetings are kept, will ensure that notifications of upcoming meetings are sent, will handle correspondence with other persons and organizations when required, and will perform such other duties as may be prescribed by the Board of Trustees from time to time.

Section 9 – President of the Corporation

The President will be the Chief Executive Officer of the Corporation and will have those powers, duties and responsibilities as may be assigned from time to time by the Board of Trustees.

ARTICLE V

Indemnification Clause

Each present and future Trustee and Officer, whether or not then in office, will be indemnified by the Corporation against expenses actually and reasonably incurred by or imposed upon him (including but without being limited to, settlements, judgments, costs, and counsel fees) in connection with the defense of any administrative, civil or criminal action, suit or proceeding in which he or she is made a party by reason of being or having been a Trustee or Officer of the Corporation, except in relation to matters as to which he will be actually adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of duty. Such indemnification will be not deemed exclusive of any other rights to which such Trustee or Officer may be entitled, under any other by-law, agreement, vote of the members or as a matter of law, or otherwise. Pursuant to N.H. RSA 508:16, Trustees and Officers will not be liable for bodily injury, personal injury and/or property damage if the claim for such damages arises from an act or acts committed in good faith and without willful or wanton negligence, in the course of an activity carried on to accomplish the purposes of the Corporation.

ARTICLE VI

Fiscal Year

The fiscal year of the Corporation begins July 1 and ends June 30.

Article VII

Committees of Board of Trustees

Section 1 – Designation

The Chairman may designate any committees that may become necessary or convenient for undertaking the purposes of the Corporation. The composition and appointment of members and chairmen of all committees will be made and determined by the Chairman, subject to approval of the Board of Trustees.

Section 2 – Executive Committee

The Executive Committee will exercise the full authority of the Board of Trustees between meetings of the Board of Trustees. The Executive Committee will be responsible to the Board of Trustees and will report its actions at each meeting of the Board of Trustees. The Executive Committee shall serve as the Compensation Committee of the Board of Trustees.

Section 3 – Finance Committee

The Finance Committee will be responsible for ensuring financial affairs of the Corporation are properly administrated and for overseeing investments and investment policies. Duties and membership will be described by the Finance Committee Charter.

Section 4 – Audit Committee

The Audit Committee will serve as the conduit with the external auditor as described by the Audit Committee Charter.

ARTICLE VIII

Amendments of By-Laws

These By-Laws may be amended at any duly called meeting of the Trustees by a vote of two-thirds (2/3) of the Trustees, in person or by proxy, or by written consent delivered to the Clerk, duly acknowledged. A notice of any amendment proposed for adoption will be circulated to all Trustees at least seven (7) days in advance of a meeting called to act thereon.

Revised: May 10, 2011
Revised: January 26, 2017

Revised: Effective January 1, 2021

Attest: _____, Clerk

Plan of Reorganization

APPENDIX D-1

Restated RWE MOU

THIRD AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING

[NOTE: The following is a third restatement of the Memorandum of Understanding originally adopted on May 1, 2011. This third restatement incorporates the amendments and revisions to the original Memorandum of Understanding adopted in October 2012, June 2013, November 2013, October 2016, June 2019 and [January] 2020 respectively]

This MEMORANDUM OF UNDERSTANDING is an agreement between **The RiverWoods Group**, a New Hampshire non-profit voluntary corporation, and **The RiverWoods Company at Exeter, New Hampshire**, a New Hampshire non-profit voluntary corporation (“RiverWoods at Exeter”).

Preamble:

The RiverWoods Group was established exclusively to support RiverWoods at Exeter and other Participant Organizations (as defined in The RiverWoods Group Bylaws (the “Group Bylaws”)) and to further their charitable missions by establishing, maintaining and governing an integrated System of continuing care retirement communities and related organizations (the “System”). The RiverWoods Group was established by RiverWoods at Exeter in recognition that it could better serve its Mission and Vision by ceding certain authority to a sole member and to allow that sole member to focus on the goals of the System described below. The RiverWoods Group serves as the “Sole Member” and controlling organization for the System, as described in Article II, Section 1(c) of the Group Bylaws, a copy of which is attached as Schedule 1. Pursuant to a Plan of Reorganization effective January 1, 2021, RiverWoods at Exeter and the other existing Participant Organizations are governed by a single, unitary Board of Trustees (the “CCRC Board”). To ensure that the parties have a productive and cooperative relationship, this Memorandum of Understanding outlines the parties’ agreement regarding certain important elements of their respective obligations to each other and under the System.

Agreement:

IN CONSIDERATION of the promises described below, the parties agree as follows:

1. Statement of Purpose and Mutual Vision for the System. To help guide future leaders and constituents of the parties in understanding, implementing and evaluating the terms of this Memorandum of Understanding, the parties declare the following purposes and shared vision for The RiverWoods Group and the System:

a. *Goals of the System*. The System is designed to achieve two primary goals: (i) improvement in the efficiency, quality and effectiveness of the delivery of housing, food services, health services and other services in the continuum of care to elderly persons; and (ii) the expansion of those services across a broader geographic region and to a larger and more diverse elderly population. The parties envision that these improvements in delivery and the diversification of, and greater access to, these services will enhance the sustainability and further the charitable missions of the System’s Participant Organizations.

b. *System Structure.* The System is an integrated System of continuing care retirement communities and related organizations following a model of governance under which a centralized organization is granted limited and defined powers by local organizations who retain power over all other matters. The RiverWoods Group is organized to support the Participant Organizations by creating and maintaining the System; therefore, the Participant Organizations have ceded certain rights and duties to The RiverWoods Group so that it can operate and manage the System in an integrated manner in furtherance of the Participant Organizations' operations and missions as a whole. The Participant Organizations remain separate legal organizations, however, and retain authority over their "local" activities and all other matters, subject to the powers expressly ceded to The RiverWoods Group.

c. *Role of The RiverWoods Group Board.* The role of The RiverWoods Group Board is specified in the attached Article II, Section 1(c) of the Group Bylaws. Essentially, The RiverWoods Group will further the two goals of the System: (i) the centralizing and improving of services which can be delivered to the Participant Organizations on a System-wide basis; and (ii) the development and implementation of a System-wide strategic plan designed to expand and diversify the breadth of services offered by the System and its Participant Organizations.

d. *Role of The CCRC Board in Fulfillment of its Fiduciary Duties to RiverWoods Exeter.* The CCRC Board will focus on how best to meet the needs of RiverWoods Exeter's current and future residents specifically and the needs of seniors in the communities it serves generally, and how best to position RiverWoods at Exeter strategically in its local marketplace, while furthering RiverWoods Exeter's mission and serving as stewards of its assets.

e. *Funding.* The RiverWoods Group will allocate the cost of providing centralized services equitably among the Participant Organizations. The strategic initiatives of The RiverWoods Group will be funded to the extent of "Available Assets" of the Participant Organizations, as defined in each Participant Organization's Bylaws or by contract with The RiverWoods Group. Essentially, Available Assets include only those unrestricted assets not needed by the Participant Organizations to meet their operational and capital requirements, including reasonable reserves and indebtedness, or to fund new local initiatives or projects that are consistent with the System-wide strategic plan.

2. Services Provided by The RiverWoods Group.

a. *System-Wide Management.* The RiverWoods Group will perform the services described in Article II, Section 2(b) of the Group Bylaws attached as Schedule 2 (the "System Management Services").

b. *Ongoing Supportive Management Services to RiverWoods at Exeter.* In addition to the System Management Services, The RiverWoods Group will provide to RiverWoods at Exeter Supportive Management Services as described in Schedule 3. Except as noted, the parties anticipate that The RiverWoods Group and its Executives will not play a primary role in the day- to-day operations of RiverWoods at Exeter but will provide supportive executive, marketing, financial, risk management, quality, special project and other administrative services to RiverWoods at Exeter. The parties will review the scope of Supportive Management Services

at least annually, and may modify the Supportive Management Services by amending or replacing Schedule 3. Any amendment to Schedule 3 must be approved by The RiverWoods Group Board Chair and the CCRC Board Chair, but will not require a formal amendment to this Memorandum of Understanding.

c. *Management Services Fee.* RiverWoods at Exeter agrees to compensate The RiverWoods Group for the System Management Services and the Supportive Management Services (collectively the “Management Services”) in an amount based on a percentage of the RiverWoods at Exeter’s budgeted revenues from resident service fees (excluding entrance fees) (the “Management Fee”), which percentage will be determined annually in advance and in good faith by the parties and will include consideration of any changes in the list of Supportive Management Services. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua. In no event may the Management Fee exceed the fair market value of the Management Services.

3. Additional Supportive Services and Associated Fees Provided by The RiverWoods Group.

Information Technology Support Services. The RiverWoods Group will provide to RiverWoods at Exeter comprehensive Information Technology Services, the scope of which is set forth in Schedule 4 to this Memorandum of Understanding. The Information Technology Support Service fee will be in an amount based on a percentage of the RiverWoods at Exeter’s budgeted revenues from resident service fees (excluding entrance fees) which percentage will be determined annually and in good faith by the parties and will include consideration of any changes to the scope of services set forth in corresponding schedules. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price index for All Urban Consumers, Boston-Brockton- Nashua. In no event may the IT Fee exceed the fair market value of the IT Services.

4. Support of the System by RiverWoods at Exeter.

a. *Lease of Office Space; Equipment; Support Services.* RiverWoods at Exeter agrees to lease to The RiverWoods Group from time to time during the term of this Memorandum of Understanding such office space and equipment, and to make available to The RiverWoods Group such administrative services and office supplies, as are needed by The RiverWoods Group. The RiverWoods Group agrees to pay to RiverWoods at Exeter a proportionate share of the budgeted costs of such office space, equipment, administrative services and supplies as calculated by RiverWoods at Exeter, which payments will not exceed fair market value.

b. *RiverWoods at Exeter Employees Available to The RiverWoods Group.* From time to time and for so long as The RiverWoods Group determines that it is operationally feasible and economically efficient for the parties, RiverWoods at Exeter may provide to The RiverWoods Group such management, administrative, and other personnel as needed for The RiverWoods Group to perform the Management Services for the System, the fee for which will be negotiated by the parties but in no event will exceed fair market value.

c. *Financial Support of the System by RiverWoods at Exeter.* In addition to the annual Management Fee described in Section 2(c) above, RiverWoods at Exeter agrees to distribute to The RiverWoods Group on an annual basis its “Available Assets” as defined in paragraph (d) below and pursuant to the process described in paragraph (e) below. The RiverWoods Group will retain such Available Assets on its books for use in furtherance of the collective goals or needs of the System, as The RiverWoods Group Board of Trustees may determine consistent with the System-wide strategic plan.

d. *Distribution Formula.* For purposes of this Memorandum of Understanding, “Available Assets” means:

- (i) Those liquid assets that:
 - (A) Meet the more restrictive of the following tests:
 - (1) Propel Days Cash on Hand above 450 days and the Total Cash and Investments to Debt Ratio greater than 60% (both targets must be met); or
 - (2) Propel Days Cash on Hand and Total Cash and Investments above the three year rolling average of the Fitch BBB Median for Type A CCRCs; and
 - (B) Are not required to meet an obligation or covenant under a bond document or other loan agreement with a financial institution; and
- (ii) Then are reduced by an amount equal to twice (2x) any negative Net Cash Flow of the previous fiscal year, defined as Operating Margin, plus Net Entrance Fees, less Debt Principal Payments and less Capital Expenditures; and
- (iii) Then are further reduced by the amount of the CCRC Board Restricted Capital Replacement Reserve; and
- (iv) Then are further reduced by the amount needed to fund any initiatives or projects identified by the CCRC Board and approved by The RiverWoods Group in the exercise of its Reserve Powers.

The foregoing distribution formula will be reviewed annually by the Boards of each party, either one of which may propose an amendment which will require the mutual agreement of both parties before becoming effective.

e. *Process For Distribution.*

- (i) Each year, after the completion of the annual audit and on or about September 30, the CCRC Board, acting through its Finance Committee (*the “CCRC Finance Committee”*), will prepare for review and acceptance by the Boards of both parties a calculation of the Available Assets. The calculation will clearly identify each component of the distribution formula described in paragraph (d) above and will be accompanied by any relevant and available supporting documentation. Any errors in the calculation will be corrected upon receipt of notice from either Board.

(ii) If Available Assets are identified by the calculation in subparagraph (i), then the CCRC Finance Committee will transmit the calculation and supporting documentation to the New Hampshire Insurance Department (the “Insurance Department”) simultaneously with the transmittal to the Boards. This transmittal is with the reservation of any rights and defenses available to RiverWoods at Exeter. The Insurance Department may request additional information which is relevant to its review and consistent with its regulation of continuing care retirement communities.

(iii) Within thirty (30) days of the dissemination of the Available Assets calculation, the CCRC Board may raise an objection to the distribution, and state the basis for the objection (which may include, by way of example only, the need for additional funding for local initiatives or an anticipated issue not covered by the budget or the Distribution Formula). If an objection is raised, it must be considered at a regular or special meeting of The RiverWoods Group Board at which the CCRC Board will be entitled to have representation. The proposed calculation of Available Assets, with or without any modification thereto, then must be approved by at least two-thirds (2/3) of The RiverWoods Group Trustees entitled to vote (i.e., 2/3 of all eligible Trustees and not just 2/3 of those present at the meeting). If approved by a super- majority of The RiverWoods Group Trustees as required, the modified calculation will not be subject to further objection by the CCRC Board.

(iv) Upon the acceptance of the Available Assets calculation by the CCRC Board and The RiverWoods Group under subparagraph (i) above or the approval of the Available Assets calculation and any modifications by The RiverWoods Group Board under subparagraph (iii), the Available Assets will be transferred from the accounts of RiverWoods at Exeter to the accounts of The RiverWoods Group, subject to the prior receipt of any necessary regulatory or other third party approvals.

f. *Unavailable Assets.* The Available Assets do not include any assets of RiverWoods at Exeter which are subject to donor restrictions, such as charitable gift annuities or grants, or otherwise identified as permanently restricted assets on its financial statements (the “Restricted Assets”). The RiverWoods Group agrees that all Restricted Assets will remain under the sole control of the CCRC Board for the exclusive use of RiverWoods at Exeter’s charitable mission.

5. Governance and Management.

a. *The RiverWoods Group Board of Trustees.* To ensure that The RiverWoods Group utilizes the Available Assets transferred to it by RiverWoods at Exeter in support of the System and in furtherance of RiverWoods at Exeter’s mission (in conjunction with the mission of other Participant Organizations), the Group Bylaws will be amended to entitle the CCRC Board to nominate a majority of members of The RiverWoods Group Board of Trustees. If The RiverWoods Group Board objects to any such nominee for good reason, then the CCRC Board will identify a new nominee, and the process will be repeated as necessary until a full complement of CCRC Board nominees are elected by and to The RiverWoods Group Board of Trustees.

b. *Management Oversight of RWE Executive Director.* To ensure consistency in the management of the Participant Organizations and the implementation of the System-wide strategic plan, the RWE Executive Director will report to The RiverWoods Group CEO. The CEO, in consultation with the CCRC Board, will prepare the annual review for the Executive Director. If there is a need to terminate the Executive Director, the CEO will consult with the CCRC Board prior to making any final decision. If there is a need to hire an Executive Director, the RiverWoods Group CEO will establish a search committee that includes at least two members of the CCRC Board, and will solicit input from the Resident Council during the search/interview process.

6. Reporting of Activities by The RiverWoods Group. To ensure that it is responsive to the needs of the RiverWoods at Exeter and each Participant Organization, The RiverWoods Group will communicate openly and regularly to the Participant Organizations regarding its activities on their behalf. Specifically, The RiverWoods Group CEO will communicate regularly with the CCRC Board of Trustees regarding the Management Services for RiverWoods Exeter, the implementation of the System strategic plan, the operation and opportunities of RiverWoods at Exeter and other matters pertinent to the CCRC Board's retained fiduciary responsibilities for RiverWoods Exeter, and the performance of the Executives and the RWE Executive Director under this Agreement. The CCRC Board may request additional information from The RiverWoods Group at any time.

7. Effective Date; Duration of Affiliation. The original Memorandum of Understanding became effective as of May 1, 2011 (the "Original Effective Date"), the Second Amended and Restated Memorandum of Understanding became effective as of October 28, 2016 (the "Second Restated Effective Date"), and this Third Amended and Restated Memorandum of Understanding will become effective as of January 1, 2021 (the "Effective Date"). To ensure the stability and success of the System, the parties expect their affiliation to be a long-term commitment. Therefore, this Memorandum of Understanding and the parties' affiliation will continue unless and until the Boards of Trustees of each party determine by a duly-authorized vote that either: (a) the purposes of the System cannot be achieved or furthered; or (b) a subsequent and material change in applicable law or regulations occurs which prohibits, or substantially impairs the parties' abilities to effect, their affiliation under the System structure. Upon such a mutual determination, the parties will amend their governing documents to remove The RiverWoods Group as the sole member of RiverWoods at Exeter and its reserved powers over actions of the CCRC Board of Trustees. The foregoing will not prevent the parties, however, from amending the other provisions of this Memorandum of Understanding by mutual agreement.

8. Conflict Resolution. The parties will use their best efforts to cooperate in the operation of the System for the mutual benefit of all Participant Organizations, and regular and open communications will be encouraged. If there is a concern or dispute which cannot be resolved promptly by either The RiverWoods Group CEO and/or the Board chairs of the parties, then the matter will be addressed as follows:

a. Within fifteen (15) days of notice from either party that an unresolved concern or dispute exists, the parties will form a joint committee comprised of two representatives from the CCRC Board and The RiverWoods Group Board of Trustees, and The RiverWoods Group CEO.

b. The committee will meet promptly and in good faith to resolve the concern or dispute.

c. If the committee reaches a mutually satisfactory resolution, it will be binding upon the parties.

If the parties are unable to resolve a dispute after observing the above process, they first must refer the matter to non-binding mediation before initiating any legal proceedings.

9. Legal Provisions. The following legal provisions will apply in interpreting this Agreement and applying its provisions to the parties:

a. *Choice of Law and Jurisdiction*. This Agreement and the obligations of the parties under it will be governed by and interpreted under New Hampshire law. Any legal action will be brought and conducted in a New Hampshire court with appropriate jurisdiction over the dispute, and any choice of law provisions to the contrary will not apply.

b. *Waiver*. A waiver of any right under this Agreement will be effective only if it is written and signed by the waiving party, and no waiver of any right will be deemed to be a waiver of any future right under this Agreement.

c. *Integration*. This Agreement represents the entire understanding and agreement between the parties and supersedes all prior negotiations, representations and agreements, both written and oral, made by and between them. It may be amended or modified only by a written document signed by the parties.

d. *Severability*. If any particular provision of this Agreement is determined to be invalid or illegal, it will not affect the other provisions of this Agreement; instead, the Agreement will be construed as if the invalid or unenforceable provisions were limited to the fullest extent permitted by law and consistent with the spirit and intent of this Agreement.

e. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

Execution by the Parties:

EXECUTED AND AGREED TO as of the Effective Date by the duly- authorized representatives of the parties.

THE RIVERWOODS GROUP

THE RIVERWOODS COMPANY
AT EXETER, NEW HAMPSHIRE

By:

Name: Beth Roberts
Title: TRWG Board Chair

By: _____
Name:
Title: CCRC Board Chair

SCHEDULE 1

Role of The RiverWoods Group

(Article II, Section 1(c) of The RiverWoods Group Bylaws)

(c) Role of the Corporation in the System. The Corporation is formed to serve as the coordinating organization for the System. The Corporation's responsibilities include the: provision of centralized management, administrative and other similar functions in a cost-effective manner; design and implementation of long-term strategic planning; development of key strategic relationships and alliances and identification of new Participant Organizations to join the System; and development of policies and methodologies for the effective and efficient delivery of quality health care, housing and related services throughout the System.

SCHEDULE 2

System Management Services

(Article II, Section 2(b) of The RiverWoods Group Bylaws)

(b) Powers Necessary to Oversee the System. Without limiting the foregoing, the Board (of The RiverWoods Group) Trustees will have the power to do the following in connection with the System: (i) establish the goals, objectives and strategy for the System; (ii) review and approve for consistency with the mission, goals and objectives of the System the proposals and/or decisions of the governing bodies of the Participant Organizations which affect the operation of the System and its governance and administration; (iii) oversee the financial condition of the System, including the financial condition of each of the Participant Organizations and each of its subordinate organizations; (iv) approve policies for the management and investment of all funds within the System including, without limitation, endowment funds of the Corporation, the Participant Organizations and their subordinate organizations; (v) make decisions regarding the selection, evaluation, compensation and discharge of the President or Chief Executive Officer of the Corporation; (vi) approve the decisions of the Participant Organizations with respect to the selection, evaluation, compensation and discharge of their president or chief executive officer; (vii) plan for the location, addition, repositioning or elimination of facilities and services throughout the System; (viii) guide the expansion and evolution of the System to include other institutions and organizations as appropriate; (ix) oversee compliance with applicable laws and regulations; and (x) approve policies for quality of care. The Board will have the authority and responsibility to assess each of the Participant Organizations for a monetary amount, which need not be equal among the Participant Organizations which will provide for payment of the operating expenses of the Corporation and the establishment of reasonable financial reserves for the Corporation's activities and to reallocate assets and resources of the Participant Organizations and their subordinate organizations among the Participant Organizations and their subordinate organizations as defined in the Memorandum of Understanding between the Corporation and each Participant Organization.

SCHEDULE 3

Supportive Management Services

The Supportive Management Services will include, but not be limited to:

- i. Typical chief executive duties regarding strategic, financial and culture management;
- ii. Typical chief financial officer duties including:
 - Review and analysis of quarterly financial reporting - provided to local RiverWoods at Exeter leadership and the CCRC Board of Trustees;
 - Oversight and analysis of the annual operating budget and 5 year projections – provided to local RiverWoods at Exeter leadership and the CCRC Board of Trustees;
 - Annual review of the financial operating standards and philosophy;
 - Oversight and analysis of the annual capital budget and 5 year projections – provided to local RiverWoods at Exeter leadership and the CCRC Board of Trustees;
- iii. Development of benchmarking (within and outside the System) for financial, operational and quality metrics;
- iv. Development of an annual marketing plan to include oversight of an annual calendar of marketing events, market tracking, advertising, public relations and brand management;
- v. Oversight of the sales and marketing team
- vi. Leadership development for the RiverWoods at Exeter Executive Director;
- vii. Confer and consult with the RWE Executive Director regarding strategic planning and implementation; and
- viii. Evaluation of items that require The RiverWoods Group Board approval (Reserve Powers).
- ix. Typical Risk Management oversight including negotiation for all insurance contracts and compliance oversight for regulatory and insurance needs
- x. Human Resources consultation and facilitation where requested and appropriate
- xi. Quality assessment projects as agreed to by the Executive Director and the TRWG VP of Quality
- xii. Project oversight as appropriate for major construction projects within the community, including financing, regulatory approvals, and other special project management

SCHEDULE 4

Additional Supportive Services – Information Technology (IT) Support Services

- i. IT will be a centralized service within the system allowing RiverWoods at Exeter to utilize the expertise of a Chief Information Officer (CIO), Project Manager, Director of IT, System Administrator, and IT Technicians as needed and necessary within the scope of the community's IT project plan;
- ii. After consultation with and with approval of the Executive Director, IT will prepare a project plan for the community that will be updated at least quarterly and discussed with the Executive Director for prioritization and approval
- iii. The CIO will work with the Executive Director to set the strategy for IT investment and services, including priorities, operational spending and capital spending;
- iv. The CIO will manage the operational and capital projects and budget for IT, within the bounds previously agreed upon with the ED, and will regularly report to the ED on progress and budget;
- v. The IT team is directly responsible for the day-to-day technical operations of the community which include: all telecommunications/data networks, computing devices, data security and compliance, business applications software;
- vi. Funding for capital spending and non-payroll related operational IT expenses will be the responsibility of the community.

Plan of Reorganization

APPENDIX D-2

Restated BHT MOU

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is an agreement between **The RiverWoods Group**, a New Hampshire non-profit voluntary corporation, and **Birch Hill Terrace**, a New Hampshire non-profit voluntary corporation (“Birch Hill”).

Preamble:

The RiverWoods Group was established exclusively to support The RiverWoods Company, at Exeter, New Hampshire and other Participant Organizations (as defined in The RiverWoods Group Bylaws (the “Group Bylaws”)), including Birch Hill, and to further their charitable missions by establishing, maintaining and governing an integrated System of continuing care retirement communities and related organizations (the “System”). The RiverWoods Group serves as the “Sole Member” and controlling organization for the System, as described in Article II, Section 1(c) of the Group Bylaws, a copy of which is attached as Schedule 1. Pursuant to a Plan of Reorganization effective January 1, 2021, Birch Hill, The RiverWoods Company, at Exeter, New Hampshire and RiverWoods Durham are governed by a single, unitary Board of Trustees (the “CCRC Board”). To ensure that the parties have a productive and cooperative relationship, this Memorandum of Understanding outlines the parties’ agreement regarding certain important elements of their respective obligations to each other and under the System.

Agreement:

IN CONSIDERATION of the promises described below, the parties agree as follows:

1. Statement of Purpose and Mutual Vision for the System. To help guide future leaders and constituents of the parties in understanding, implementing and evaluating the terms of this Memorandum of Understanding, the parties declare the following purposes and shared vision for The RiverWoods Group and the System:

a. *Goals of the System.* The System is designed to achieve two primary goals: (i) improvement in the efficiency, quality and effectiveness of the delivery of housing, food services, health services and other services in the continuum of care to elderly persons; and (ii) the expansion of those services across a broader geographic region and to a larger and more diverse elderly population. The parties envision that these improvements in delivery and the diversification of, and greater access to, these services will enhance the sustainability and further the charitable missions of the System’s Participant Organizations.

b. *System Structure.* The System is an integrated System of continuing care retirement communities and related organizations following a model of governance under which

a centralized organization is granted limited and defined powers by local organizations who retain power over all other matters. The RiverWoods Group is organized to support the Participant Organizations by creating and maintaining the System; therefore, the Participant Organizations have ceded certain rights and duties to The RiverWoods Group so that it can operate and manage the System in an integrated manner in furtherance of the Participant Organizations' operations and missions as a whole. The Participant Organizations remain separate legal organizations, however, and retain authority over their "local" activities and all other matters, subject to the powers expressly ceded to The RiverWoods Group.

c. *Role of The RiverWoods Group Board.* The role of The RiverWoods Group Board is specified in the attached Article II, Section 1(c) of the Group Bylaws. Essentially, The RiverWoods Group will further the two goals of the System: (i) the centralizing and improving of services which can be delivered to the Participant Organizations on a System-wide basis; and (ii) the development and implementation of a System-wide strategic plan designed to expand and diversify the breadth of services offered by the System and its Participant Organizations.

d. *Role of The CCRC Board in Fulfillment of its Fiduciary Duties to Birch Hill.* The CCRC Board will focus on how best to meet the needs of Birch Hill's current and future residents specifically and the needs of seniors in the communities it serves generally, and how best to position Birch Hill strategically in its local marketplace, while furthering Birch Hill's mission and serving as stewards of its assets.

e. *Funding.* The RiverWoods Group will allocate the cost of providing centralized services equitably among the Participant Organizations. The strategic initiatives of The RiverWoods Group will be funded to the extent of "Available Assets" of the Participant Organizations, as defined in each Participant Organization's Bylaws or by contract with The RiverWoods Group. Essentially, Available Assets include only those unrestricted assets not needed by the Participant Organizations to meet their operational and capital requirements, including reasonable reserves and indebtedness, or to fund new local initiatives or projects that are consistent with the System-wide strategic plan.

2. Services Provided by The RiverWoods Group.

a. *System-Wide Management.* The RiverWoods Group will perform the services described in Article II, Section 2(b) of the Group Bylaws attached as Schedule 2 (the "System Management Services").

b. *Ongoing Supportive Management Services to Birch Hill.* In addition to the System Management Services, The RiverWoods Group will provide to Birch Hill Supportive Management Services as described in Schedule 3. Except as noted, the parties anticipate that

The RiverWoods Group and its Executives will not play a primary role in the day- to-day operations of Birch Hill but will provide supportive executive, marketing, financial, risk management, quality, special project and other administrative services to Birch Hill. The parties will review the scope of Supportive Management Services at least annually and may modify the Supportive Management Services by amending or replacing Schedule 3. Any amendment to Schedule 3 must be approved by The RiverWoods Group Board Chair and the CCRC Board Chair but will not require a formal amendment to this Memorandum of Understanding.

c. *Management Services Fee.* For Fiscal Year 2021, Birch Hill agrees to compensate The RiverWoods Group for the System Management Services and the Supportive Management Services (collectively the “Management Services”) in an amount equal to a rate of 3% of Birch Hill’s budgeted revenues from resident service fees (excluding entrance fees) (the “Discounted Management Fee”). Thereafter, Birch Hill agrees to compensate The RiverWoods Group for Management Services in an amount based on a percentage of the Birch Hill’s budgeted revenues from resident service fees (excluding entrance fees) (the “Management Fee”), which percentage will be determined annually in advance and in good faith by the parties and will include consideration of any changes in the list of Supportive Management Services. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua. In no event may the Management Fee exceed the fair market value of the Management Services.

3. Additional Supportive Services and Associated Fees Provided by The RiverWoods Group.

Information Technology Support Services. The RiverWoods Group will provide to Birch Hill comprehensive Information Technology Services, the scope of which is set forth in Schedule 4 to this Memorandum of Understanding (the “IT Services”). The Information Technology Support Service fee will be in an amount based on a percentage of the Birch Hill’s budgeted revenues from resident service fees (excluding entrance fees)(the “IT Fee”), which percentage will be determined annually and in good faith by the parties and will include consideration of any changes to the scope of services set forth in corresponding schedules. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price index for All Urban Consumers, Boston-Brockton- Nashua. In no event may the IT Fee exceed the fair market value of the IT Services.

4. Support of the System by Birch Hill.

a. *Provision of Office Space; Equipment; Support Personnel by Birch Hill.* Birch Hill agrees to make available to the RiverWoods Group Executives at the Birch Hill Community

such office and meeting space and equipment, and administrative services and office supplies, as are reasonably needed by the RiverWoods Group Executives when performing the Management Services at the Birch Hill Community.

b. *Financial Support of the System by Birch Hill.* In addition to the annual Management Fee described in Section 2(c) above, Birch Hill agrees to distribute to The RiverWoods Group on an annual basis its “Available Assets” as defined in paragraph (d) below and pursuant to the process described in paragraph (e) below. The RiverWoods Group will retain such Available Assets on its books for use in furtherance of the collective goals or needs of the System, as The RiverWoods Group Board of Trustees may determine consistent with the System-wide strategic plan.

c. *Distribution Formula.* For purposes of this Memorandum of Understanding, “Available Assets” means:

- (i) Those liquid assets that:
 - (1) Propel the Total Cash and Investments to Debt Ratio greater than 60% and
 - (2) Are not required to meet an obligation or covenant under a bond document or other loan agreement with a financial institution; and
 - (3) Are not needed to meet capital replacement plans as needed to fund any capital initiatives or projects at the Birch Hill Community identified by the CCRC Board and approved by The RiverWoods Group in the exercise of its Reserve Powers.

The foregoing distribution formula will be reviewed annually by the Boards of each party, either one of which may propose an amendment which will require the mutual agreement of both parties before becoming effective.

d. *Process For Distribution.*

(i) Each year, after the completion of the annual audit and on or about September 30, the CCRC Board, acting through its Finance Committee (*the “CCRC Finance Committee”*), will prepare for review and acceptance by the Boards of both parties a calculation of the Available Assets. The calculation will clearly identify each component of the distribution formula described in paragraph (d) above and will be accompanied by any relevant and available supporting documentation. Any errors in the calculation will be corrected upon receipt of notice from either Board.

(ii) If Available Assets are identified by the calculation in subparagraph (i), then the CCRC Finance Committee will transmit the calculation and supporting documentation to the New Hampshire Insurance Department (the “Insurance

Department”) simultaneously with the transmittal to the Boards. This transmittal is with the reservation of any rights and defenses available to Birch Hill. The Insurance Department may request additional information which is relevant to its review and consistent with its regulation of continuing care retirement communities.

(iii) Within thirty (30) days of the dissemination of the Available Assets calculation, the CCRC Board may raise an objection to the distribution, and state the basis for the objection (which may include, by way of example only, the need for additional funding for local initiatives or an anticipated issue not covered by the budget or the Distribution Formula). If an objection is raised, it must be considered at a regular or special meeting of The RiverWoods Group Board at which the CCRC Board will be entitled to have representation. The proposed calculation of Available Assets, with or without any modification thereto, then must be approved by at least two-thirds (2/3) of The RiverWoods Group Trustees entitled to vote (i.e., 2/3 of all eligible Trustees and not just 2/3 of those present at the meeting). If approved by a super- majority of The RiverWoods Group Trustees as required, the modified calculation will not be subject to further objection by the CCRC Board.

(iv) Upon the acceptance of the Available Assets calculation by the CCRC Board and The RiverWoods Group under subparagraph (i) above or the approval of the Available Assets calculation and any modifications by The RiverWoods Group Board under subparagraph (iii), the Available Assets will be transferred from the accounts of Birch Hill to the accounts of The RiverWoods Group, subject to the prior receipt of any necessary regulatory or other third party approvals.

e. *Unavailable Assets.* The Available Assets do not include any assets of Birch Hill or its subsidiary, Pearl Manor, which are subject to donor restrictions, such as charitable gift annuities or grants, or otherwise identified as permanently restricted assets on its financial statements (the “Restricted Assets”). The RiverWoods Group agrees that all Restricted Assets will remain under the sole control of the CCRC Board for the exclusive use of Birch Hill’s charitable mission.

5. Governance and Management.

a. *The RiverWoods Group Board of Trustees.* To ensure that The RiverWoods Group utilizes the Available Assets transferred to it by Birch Hill in support of the System and in furtherance of Birch Hill’s mission (in conjunction with the mission of other Participant Organizations), the Group Bylaws will be amended to entitle the CCRC Board to nominate a majority of members of The RiverWoods Group Board of Trustees. If The RiverWoods Group Board objects to any such nominee for good reason, then the CCRC Board will identify a new

nominee, and the process will be repeated as necessary until a full complement of CCRC Board nominees are elected by and to The RiverWoods Group Board of Trustees.

b. *Management Oversight of Birch Hill Executive Director.* To ensure consistency in the management of the Participant Organizations and the implementation of the System-wide strategic plan, the Birch Hill Executive Director will report to The RiverWoods Group CEO. The CEO, in consultation with the CCRC Board, will prepare the annual review for the Executive Director. If there is a need to terminate the Executive Director, the CEO will consult with the CCRC Board prior to making any final decision. If there is a need to hire an Executive Director The RiverWoods Group CEO will establish a search committee that includes at least two members of the CCRC Board, and will solicit input from the Resident Council during the search/interview process.

6. Reporting of Activities by The RiverWoods Group. To ensure that it is responsive to the needs of Birch Hill and each Participant Organization, The RiverWoods Group will communicate openly and regularly to the Participant Organizations regarding its activities on their behalf. Specifically, The RiverWoods Group CEO will communicate regularly with the CCRC Board of Trustees regarding the Management Services for Birch Hill, the implementation of the System strategic plan, the operation and opportunities of Birch Hill and other matters pertinent to the CCRC Board's retained fiduciary responsibilities for Birch Hill, and the performance of the Executives and the Birch Hill Executive Director under this Agreement. The CCRC Board may request additional information from The RiverWoods Group at any time.

7. Effective Date; Duration of Affiliation. The effective date of this Memorandum of Understanding shall be January 1, 2021. To ensure the stability and success of the System, the parties expect their affiliation to be a long-term commitment. Therefore, this Memorandum of Understanding and the parties' affiliation will continue unless and until the Boards of Trustees of each party determine by a duly-authorized vote that either: (a) the purposes of the System cannot be achieved or furthered; or (b) a subsequent and material change in applicable law or regulations occurs which prohibits, or substantially impairs the parties' abilities to effect, their affiliation under the System structure. Upon such a mutual determination, the parties will amend their governing documents to remove The RiverWoods Group as the sole member of Birch Hill and its reserved powers over actions of the CCRC Board of Trustees. The foregoing will not prevent the parties, however, from amending the other provisions of this Memorandum of Understanding by mutual agreement.

8. Conflict Resolution. The parties will use their best efforts to cooperate in the operation of the System for the mutual benefit of all Participant Organizations, and regular and open communications will be encouraged. If there is a concern or dispute which cannot be resolved promptly by either The RiverWoods Group CEO and/or the Board chairs of the parties, then

the matter will addressed as follows:

- a. Within fifteen (15) days of notice from either party that an unresolved concern or dispute exists, the parties will form a joint committee comprised of two representatives from the CCRC Board and The RiverWoods Group Board of Trustees, and The RiverWoods Group CEO.
- b. The committee will meet promptly and in good faith to resolve the concern or dispute.
- c. If the committee reaches a mutually satisfactory resolution, it will be binding upon the parties.

If the parties are unable to resolve a dispute after observing the above process, they first must refer the matter to non-binding mediation before initiating any legal proceedings.

9. Legal Provisions. The following legal provisions will apply in interpreting this Agreement and applying its provisions to the parties:

- a. *Choice of Law and Jurisdiction*. This Agreement and the obligations of the parties under it will be governed by and interpreted under New Hampshire law. Any legal action will be brought and conducted in a New Hampshire court with appropriate jurisdiction over the dispute, and any choice of law provisions to the contrary will not apply.
- b. *Waiver*. A waiver of any right under this Agreement will be effective only if it is written and signed by the waiving party, and no waiver of any right will be deemed to be a waiver of any future right under this Agreement.
- c. *Integration*. This Agreement represents the entire understanding and agreement between the parties and supersedes all prior negotiations, representations and agreements, both written and oral, made by and between them. It may be amended or modified only by a written document signed by the parties.
- d. *Severability*. If any particular provision of this Agreement is determined to be invalid or illegal, it will not affect the other provisions of this Agreement; instead, the Agreement will be construed as if the invalid or unenforceable provisions were limited to the fullest extent permitted by law and consistent with the spirit and intent of this Agreement.
- e. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

Execution by the Parties:

EXECUTED AND AGREED TO as of the Effective Date by the duly-authorized representatives of the parties.

THE RIVERWOODS GROUP

BIRCH HILL TERRACE

By: _____

Name: Beth Roberts

Title: TRWG Board Chair

By: _____

Name:

Title: CCRC Board Chair

SCHEDULE 1

Role of The RiverWoods Group

(Article II, Section 1(c) of The RiverWoods Group Bylaws)

(c) Role of the Corporation in the System. The Corporation is formed to serve as the coordinating organization for the System. The Corporation's responsibilities include the: provision of centralized management, administrative and other similar functions in a cost- effective manner; design and implementation of long-term strategic planning; development of key strategic relationships and alliances and identification of new Participant Organizations to join the System; and development of policies and methodologies for the effective and efficient delivery of quality health care, housing and related services throughout the System.

SCHEDULE 2

System Management Services

(Article II, Section 2(b) of The RiverWoods Group Bylaws)

(b) Powers Necessary to Oversee the System. Without limiting the foregoing, the Board (of The RiverWoods Group) Trustees will have the power to do the following in connection with the System: (i) establish the goals, objectives and strategy for the System; (ii) review and approve for consistency with the mission, goals and objectives of the System the proposals and/or decisions of the governing bodies of the Participant Organizations which affect the operation of the System and its governance and administration; (iii) oversee the financial condition of the System, including the financial condition of each of the Participant Organizations and each of its subordinate organizations; (iv) approve policies for the management and investment of all funds within the System including, without limitation, endowment funds of the Corporation, the Participant Organizations and their subordinate organizations; (v) make decisions regarding the selection, evaluation, compensation and discharge of the President or Chief Executive Officer of the Corporation; (vi) approve the decisions of the Participant Organizations with respect to the selection, evaluation, compensation and discharge of their president or chief executive officer; (vii) plan for the location, addition, repositioning or elimination of facilities and services throughout the System; (viii) guide the expansion and evolution of the System to include other institutions and organizations as appropriate; (ix) oversee compliance with applicable laws and regulations; and (x) approve policies for quality of care. The Board will have the authority and responsibility to assess each of the Participant Organizations for a monetary amount, which need not be equal among the Participant Organizations which will provide for payment of the operating expenses of the Corporation and the establishment of reasonable financial reserves for the Corporation's activities and to reallocate assets and resources of the Participant Organizations and their subordinate organizations among the Participant Organizations and their subordinate organizations as defined in the Memorandum of Understanding between the Corporation and each Participant Organization.

SCHEDULE 3

Supportive Management Services

The Supportive Management Services will include, but not be limited to:

- i. Typical chief executive duties regarding strategic, financial and culture management;
- ii. Typical chief financial officer duties including:
 - Review and analysis of quarterly financial reporting - provided to local Birch Hill leadership and the CCRC Board of Trustees;
 - Oversight and analysis of the annual operating budget and 5 year projections – provided to local Birch Hill leadership and the CCRC Board of Trustees;
 - Annual review of the financial operating standards and philosophy;
 - Oversight and analysis of the annual capital budget and 5 year projections – provided to local Birch Hill leadership and the CCRC Board of Trustees;
- iii. Development of benchmarking (within and outside the System) for financial, operational and quality metrics;
- iv. Development of an annual marketing plan to include oversight of an annual calendar of marketing events, market tracking, advertising, public relations and brand management;
- v. Oversight of the sales and marketing team
- vi. Leadership development for the Birch Hill Executive Director;
- vii. Confer and consult with the Birch Hill Executive Director regarding strategic planning and implementation; and
- viii. Evaluation of items that require The RiverWoods Group Board approval (Reserve Powers).
- ix. Typical Risk Management oversight including negotiation for all insurance contracts and compliance oversight for regulatory and insurance needs
- x. Human Resources consultation and facilitation where requested and appropriate
- xi. Quality assessment projects as agreed to by the Executive Director and the TRWG VP of Quality
- xii. Project oversight as appropriate for major construction projects within the community, including financing, regulatory approvals, and other special project management

SCHEDULE 4

Additional Supportive Services – Information Technology (IT) Support Services

- i. IT will be a centralized service within the system allowing Birch Hill to utilize the expertise of a Chief Information Officer (CIO), Project Manager, Director of IT, System Administrator, and IT Technicians as needed and necessary within the scope of the community's IT project plan;
- ii. After consultation with and with approval of the Executive Director, IT will prepare a project plan for the community that will be updated at least quarterly and discussed with the Executive Director for prioritization and approval
- iii. The CIO will work with the Executive Director to set the strategy for IT investment and services, including priorities, operational spending and capital spending;
- iv. The CIO will manage the operational and capital projects and budget for IT, within the bounds previously agreed upon with the ED, and will regularly report to the ED on progress and budget;
- v. The IT team is directly responsible for the day-to-day technical operations of the community which include: all telecommunications/data networks, computing devices, data security and compliance, business applications software;
- vi. Funding for capital spending and non-payroll related operational IT expenses will be the responsibility of the community.

Plan of Reorganization

APPENDIX D-3

Restated RWD MOU

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is an agreement between **RiverWoods Durham**, a New Hampshire non-profit corporation with a principal place of business in Durham, New Hampshire, and **The RiverWoods Group**, a New Hampshire non-profit corporation with a principal place of business in Exeter, New Hampshire.

Preamble:

The RiverWoods Group was established exclusively to support The RiverWoods Company, at Exeter, New Hampshire and other Participant Organizations (as defined in The RiverWoods Group Bylaws (the “Group Bylaws”)), including Riverwoods Durham, and to further their charitable missions by establishing, maintaining and governing an integrated System of continuing care retirement communities and related organizations (the “System”). The RiverWoods Group serves as the “Sole Member” and controlling organization for the System, as described in Article II, Section 1(c) of the Group Bylaws, a copy of which is attached as Schedule 1. Pursuant to a Plan of Reorganization effective January 1, 2021, RiverWoods Durham and the other existing Participant Organizations are governed by a single, unitary Board of Trustees (the “CCRC Board”). To ensure that the parties have a productive and cooperative relationship, this Memorandum of Understanding outlines the parties’ agreement regarding certain important elements of their respective obligations to each other and under the System. This Memorandum replaces the Management Services Agreement between RiverWoods Durham and The RiverWoods Group effective as of March 18, 2018.

Terms of Agreement:

IN CONSIDERATION of the mutual promises below and for other valuable consideration received, the parties agree as follows:

1. Statement of Purpose and Mutual Vision for the System. To help guide future leaders and constituents of the parties in understanding, implementing and evaluating the terms of this Memorandum of Understanding, the parties declare the following purposes and shared vision for The RiverWoods Group and the System:

a. *Goals of the System.* The System is designed to achieve two primary goals: (i) improvement in the efficiency, quality and effectiveness of the delivery of housing, food services, health services and other services in the continuum of care to elderly persons; and (ii) the expansion of those services across a broader geographic region and to a larger and more diverse elderly population. The parties envision that these improvements in delivery and the diversification of, and greater access to, these services will enhance the sustainability and further the charitable missions of the System’s Participant Organizations.

b. *System Structure.* The System is an integrated System of continuing care retirement communities and related organizations following a model of governance

under which a centralized organization is granted limited and defined powers by local organizations who retain power over all other matters. The RiverWoods Group is organized to support the Participant Organizations by creating and maintaining the System; therefore, the Participant Organizations have ceded certain rights and duties to The RiverWoods Group so that it can operate and manage the System in an integrated manner in furtherance of the Participant Organizations' operations and missions as a whole. The Participant Organizations remain separate legal organizations, however, and retain authority over their "local" activities and all other matters, subject to the powers expressly ceded to The RiverWoods Group.

c. *Role of The RiverWoods Group Board.* The role of The RiverWoods Group Board is specified in the attached Article II, Section 1(c) of the Group Bylaws. Essentially, The RiverWoods Group will further the two goals of the System: (i) the centralizing and improving of services which can be delivered to the Participant Organizations on a System-wide basis; and (ii) the development and implementation of a System-wide strategic plan designed to expand and diversify the breadth of services offered by the System and its Participant Organizations.

d. *Role of The CCRC Board in Fulfillment of its Fiduciary Duties to RiverWoods Durham.* The CCRC Board will focus on how best to meet the needs of RiverWoods Durham's current and future residents specifically and the needs of seniors in the communities it serves generally, and how best to position RiverWoods Durham strategically in its local marketplace, while furthering RiverWoods Durham's mission and serving as stewards of its assets.

e. *Funding.* The RiverWoods Group will allocate the cost of providing centralized services equitably among the Participant Organizations. The strategic initiatives of The RiverWoods Group will be funded to the extent of "Available Assets" of the Participant Organizations, as defined in each Participant Organization's Bylaws or by contract with The RiverWoods Group. Essentially, Available Assets include only those unrestricted assets not needed by the Participant Organizations to meet their operational and capital requirements, including reasonable reserves and indebtedness, or to fund new local initiatives or projects that are consistent with the System-wide strategic plan.

2. Services Provided by The RiverWoods Group.

a. *System-Wide Management.* The RiverWoods Group will perform the services described in Article II, Section 2(b) of the Group Bylaws attached as Schedule 2 (the "System Management Services").

b. *Ongoing Supportive Management Services to RiverWoods Durham.* In addition to the System Management Services, The RiverWoods Group will provide to RiverWoods Durham the Supportive Management Services as described in Schedule 3. Except as

noted, the parties anticipate that The RiverWoods Group and its Executives will not play a primary role in the day- to-day operations of RiverWoods Durham but will provide supportive executive, marketing, financial, risk management, quality, special project and other administrative services to RiverWoods Durham. The parties will review the scope of Supportive Management Services at least annually, and may modify the Supportive Management Services by amending or replacing Schedule 3. Any amendment to Schedule 3 must be approved by The RiverWoods Group Board Chair and the CCRC Board Chair, but will not require a formal amendment to this Memorandum of Understanding.

c. *Management Services Fee.* RiverWoods Durham agrees to compensate The RiverWoods Group for the System Management Services and the Supportive Management Services (collectively the “Management Services”) in an amount equal to the greater of \$30,000 per month or a percentage of RiverWoods Durham’s budgeted revenues from resident service fees (excluding entrance fees) (the “Management Fee”), which percentage will be determined annually in advance and in good faith by the parties and will include consideration of any changes in the Management Services. The initial rate will be set at 5%. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua. In no event may the Management Fee exceed the fair market value of the Management Services.

3. Additional Supportive Services Provided by The RiverWoods Group and Associated Fees - Information Technology Support Services.

The RiverWoods Group will provide to RiverWoods Durham comprehensive Information Technology Services, the scope of which is set forth in Schedule 4 to this Memorandum of Understanding (the “IT Services”). The Information Technology Support Service fee will be in an amount based on a percentage of the RiverWoods Durham’s budgeted revenues from resident service fees (excluding entrance fees)(the “IT Fee”), which percentage will be determined annually and in good faith by the parties and will include consideration of any changes to the scope of services set forth in corresponding schedules. If the parties are unable to reach agreement in a timely fashion, the percentage will equal the prior year’s percentage increased by the percentage increase, if any, in the Consumer Price index for All Urban Consumers, Boston-Brockton- Nashua. In no event may the IT Fee exceed the fair market value of the IT Services.

4. Support of the System by RiverWoods Durham.

a. *Provision of Office Space; Equipment; Support Personnel by RiverWoods Durham.* RiverWoods Durham agrees to make available to the RiverWoods Group Executives at the RiverWoods Durham Community such office and meeting space and equipment, and

administrative services and office supplies, as are reasonably needed by the RiverWoods Group Executives when performing the Management Services at the RiverWoods Durham Community.

b. *Financial Support of the System by RiverWoods Durham.* In addition to the annual Management Fee described in Section 2(c) above, RiverWoods Durham agrees to distribute to The RiverWoods Group on an annual basis its "Available Assets" as defined in paragraph (d) below and pursuant to the process described in paragraph (e) below. Any distribution of Available Assets will be considered after RiverWoods Durham has (i) paid the Series 2018B Bonds in full and (ii) maintained an IL occupancy ratio of at least 85% for three consecutive quarters. The RiverWoods Group will retain such Available Assets on its books for use in furtherance of the collective goals or needs of the System, as The RiverWoods Group Board of Trustees may determine consistent with the System-wide strategic plan.

c. *Distribution Formula.* For purposes of this Memorandum of Understanding, "Available Assets" means:

- (i) Those liquid assets that:
 - (A)
 - (1) Propel Days Cash on Hand above 450 days and the Total Cash and Investments to Debt Ratio greater than 60% (both targets must be met); and
 - (2) Are not required to meet an obligation or covenant under a bond document or other loan agreement with a financial institution;
 - (ii) Then are further reduced by the amount needed to fund any initiatives or projects at RiverWoods Durham identified by the CCRC Board and approved by The RiverWoods Group in the exercise of its Reserve Powers.

The foregoing distribution formula will be reviewed annually by the Boards of each party, either one of which may propose an amendment which will require the mutual agreement of both parties before becoming effective.

d. *Process For Distribution.*

- (i) Each year, after the completion of the annual audit and on or about September 30, the CCRC Board, acting through its Finance Committee (*the "CCRC Finance Committee"*), will prepare for review and acceptance by the Boards of both parties a calculation of the Available Assets. The calculation will clearly identify each component of the distribution formula described in paragraph (d) above and will be accompanied by any relevant and available

supporting documentation. Any errors in the calculation will be corrected upon receipt of notice from either Board.

(ii) If Available Assets are identified by the calculation in subparagraph (i), then the CCRC Finance Committee will transmit the calculation and supporting documentation to the New Hampshire Insurance Department (the “Insurance Department”) simultaneously with the transmittal to the Boards. This transmittal is with the reservation of any rights and defenses available to RiverWoods Durham. The Insurance Department may request additional information which is relevant to its review and consistent with its regulation of continuing care retirement communities.

(iii) Within thirty (30) days of the dissemination of the Available Assets calculation, the CCRC Board may raise an objection to the distribution, and state the basis for the objection (which may include, by way of example only, the need for additional funding for local initiatives or an anticipated issue not covered by the budget or the Distribution Formula). If an objection is raised, it must be considered at a regular or special meeting of The RiverWoods Group Board at which the CCRC Board will be entitled to have representation. The proposed calculation of Available Assets, with or without any modification thereto, then must be approved by at least two-thirds (2/3) of The RiverWoods Group Trustees entitled to vote (i.e., 2/3 of all eligible Trustees and not just 2/3 of those present at the meeting). If approved by a super- majority of The RiverWoods Group Trustees as required, the modified calculation will not be subject to further objection by the CCRC Board.

(iv) Upon the acceptance of the Available Assets calculation by the CCRC Board and The RiverWoods Group under subparagraph (i) above or the approval of the Available Assets calculation and any modifications by The RiverWoods Group Board under subparagraph (iii), the Available Assets will be transferred from the accounts of RiverWoods Durham to the accounts of The RiverWoods Group, subject to the prior receipt of any necessary regulatory or other third party approvals.

e. *Unavailable Assets.* The Available Assets do not include any assets of RiverWoods Durham which are subject to donor restrictions, such as charitable gift annuities or grants, or otherwise identified as permanently restricted assets on its financial statements (the “Restricted Assets”). The RiverWoods Group agrees that all Restricted Assets will remain under the sole control of the CCRC Board for the exclusive use of RiverWoods Durham’s charitable mission.

5. Governance and Management.

a. *The RiverWoods Group Board of Trustees.* To ensure that The RiverWoods Group utilizes the Available Assets transferred to it by RiverWoods Durham in support of the System and in furtherance of RiverWoods Durham's mission (in conjunction with the mission of other Participant Organizations), the Group Bylaws will be amended to entitle the CCRC Board to nominate a majority of members of The RiverWoods Group Board of Trustees. If The RiverWoods Group Board objects to any such nominee for good reason, then the CCRC Board will identify a new nominee, and the process will be repeated as necessary until a full complement of CCRC Board nominees are elected by and to The RiverWoods Group Board of Trustees.

b. *Management Oversight of RiverWoods Durham Executive Director.* To ensure consistency in the management of the Participant Organizations and the implementation of the System-wide strategic plan, the RiverWoods Durham Executive Director will report to The RiverWoods Group CEO. The CEO, in consultation with the CCRC Board, will prepare the annual review for the Executive Director. If there is a need to terminate the Executive Director, the CEO will consult with the CCRC Board prior to making any final decision. If there is a need to hire an Executive Director The RiverWoods Group CEO will establish a search committee that includes at least two members of the CCRC Board, and will solicit input from the RiverWoods Durham Resident Council during the search/interview process.

6. Reporting of Activities by The RiverWoods Group.

To ensure that it is responsive to the needs of the RiverWoods Durham and each Participant Organization, The RiverWoods Group will communicate openly and regularly to the Participant Organizations regarding its activities on their behalf. Specifically, The RiverWoods Group CEO will communicate regularly with the CCRC Board of Trustees regarding the Management Services for RiverWoods Durham, the implementation of the System strategic plan, the operation and opportunities of RiverWoods Durham and other matters pertinent to the CCRC Board's retained fiduciary responsibilities for RiverWoods Durham, and the performance of the RiverWoods Group Executives and the RiverWoods Durham Executive Director under this Agreement. The CCRC Board may request additional information from The RiverWoods Group at any time.

7. Effective Date; Duration of Affiliation.

This Memorandum of Understanding will become effective as of January 1, 2021 (the "Effective Date"). To ensure the stability and success of the System, the parties expect their affiliation to be a long-term commitment. Therefore, this Memorandum of Understanding and the parties' affiliation will continue unless and until the Boards of

Trustees of each party determine by a duly-authorized vote that either: (a) the purposes of the System cannot be achieved or furthered; or (b) a subsequent and material change in applicable law or regulations occurs which prohibits, or substantially impairs the parties' abilities to effect, their affiliation under the System structure. Upon such a mutual determination, the parties will amend their governing documents to remove The RiverWoods Group as the sole member of RiverWoods Durham and its reserved powers over actions of the CCRC Board of Trustees. The foregoing will not prevent the parties, however, from amending the other provisions of this Memorandum of Understanding by mutual agreement.

8. Conflict Resolution.

The parties will use their best efforts to cooperate in the operation of the System for the mutual benefit of all Participant Organizations, and regular and open communications will be encouraged. If there is a concern or dispute which cannot be resolved promptly by either The RiverWoods Group CEO and/or the Board chairs of the parties, then the matter will be addressed as follows:

- a. Within fifteen (15) days of notice from either party that an unresolved concern or dispute exists, the parties will form a joint committee comprised of two representatives from the CCRC Board and The RiverWoods Group Board of Trustees, and The RiverWoods Group CEO.
- b. The committee will meet promptly and in good faith to resolve the concern or dispute.
- c. If the committee reaches a mutually satisfactory resolution, it will be binding upon the parties.

If the parties are unable to resolve a dispute after observing the above process, they first must refer the matter to non-binding mediation before initiating any legal proceedings.

9. Legal Provisions.

The following legal provisions will apply in interpreting this Agreement and applying its provisions to the parties:

- a. *Choice of Law and Jurisdiction.* This Agreement and the obligations of the parties under it will be governed by and interpreted under New Hampshire law. Any legal action will be brought and conducted in a New Hampshire court with appropriate jurisdiction over the dispute, and any choice of law provisions to the contrary will not apply.
- b. *Waiver.* A waiver of any right under this Agreement will be effective only if it is written and signed by the waiving party, and no waiver of any right will be deemed

to be a waiver of any future right under this Agreement.

c. *Integration.* This Agreement represents the entire understanding and agreement between the parties and supersedes all prior negotiations, representations and agreements, both written and oral, made by and between them. It may be amended or modified only by a written document signed by the parties.

d. *Severability.* If any particular provision of this Agreement is determined to be invalid or illegal, it will not affect the other provisions of this Agreement; instead, the Agreement will be construed as if the invalid or unenforceable provisions were limited to the fullest extent permitted by law and consistent with the spirit and intent of this Agreement.

e. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

Execution by the Parties:

EXECUTED AND AGREED TO as of the Effective Date by the duly-authorized representatives of the parties.

THE RIVERWOODS GROUP

RIVERWOODS DURHAM

By: _____

By: _____

Name: Beth Roberts

Name: _____

Title: TRWG Board Chair

Title: CCRC Board Chair

SCHEDULE 1

Role of The RiverWoods Group

(Article II, Section 1(c) of The RiverWoods Group Bylaws)

(c) Role of the Corporation in the System. The Corporation is formed to serve as the coordinating organization for the System. The Corporation's responsibilities include the: provision of centralized management, administrative and other similar functions in a cost-effective manner; design and implementation of long-term strategic planning; development of key strategic relationships and alliances and identification of new Participant Organizations to join the System; and development of policies and methodologies for the effective and efficient delivery of quality health care, housing and related services throughout the System.

SCHEDULE 2

System Management Services

(Article II, Section 2(b) of The RiverWoods Group Bylaws)

(vii) Powers Necessary to Oversee the System. Without limiting the foregoing, the Board (of The RiverWoods Group) Trustees will have the power to do the following in connection with the System: (i) establish the goals, objectives and strategy for the System; (ii) review and approve for consistency with the mission, goals and objectives of the System the proposals and/or decisions of the governing bodies of the Participant Organizations which affect the operation of the System and its governance and administration; (iii) oversee the financial condition of the System, including the financial condition of each of the Participant Organizations and each of its subordinate organizations; (iv) approve policies for the management and investment of all funds within the System including, without limitation, endowment funds of the Corporation, the Participant Organizations and their subordinate organizations; (v) make decisions regarding the selection, evaluation, compensation and discharge of the President or Chief Executive Officer of the Corporation; (vi) approve the decisions of the Participant Organizations with respect to the selection, evaluation, compensation and discharge of their president or chief executive officer; (vii) plan for the location, addition, repositioning or elimination of facilities and services throughout the System; (viii) guide the expansion and evolution of the System to include other institutions and organizations as appropriate; (ix) oversee compliance with applicable laws and regulations; and (x) approve policies for quality of care. The Board will have the authority and responsibility to assess each of the Participant Organizations for a monetary amount, which need not be equal among the Participant Organizations which will provide for payment of the operating expenses of the Corporation and the establishment of reasonable financial reserves for the Corporation's activities and to reallocate assets and resources of the Participant Organizations and their subordinate organizations among the Participant Organizations and their subordinate organizations as defined in the Memorandum of Understanding between the Corporation and each Participant Organization.

SCHEDULE 3

Supportive Management Services

The Supportive Management Services will include, but not be limited to:

- i. Typical chief executive duties regarding strategic, financial and culture management;
- ii. Typical chief financial officer duties including:
 - Review and analysis of quarterly financial reporting - provided to local RiverWoods Durham leadership and the CCRC Board of Trustees;
 - Oversight and analysis of the annual operating budget and 5 year projections - provided to local RiverWoods Durham leadership and the CCRC Board of Trustees;
 - Annual review of the financial operating standards and philosophy;
 - Oversight and analysis of the annual capital budget and 5 year projections - provided to local RiverWoods Durham leadership and the CCRC Board of Trustees;
- iii. Development of benchmarking (within and outside the System) for financial, operational and quality metrics;
- iv. Development of an annual marketing plan to include oversight of an annual calendar of marketing events, market tracking, advertising, public relations and brand management;
- v. Oversight of the sales and marketing team
- vi. Leadership development for the RiverWoods Durham Executive Director;
- vii. Confer and consult with the RiverWoods Durham Executive Director regarding strategic planning and implementation; and
- viii. Evaluation of items that require The RiverWoods Group Board approval (Reserve Powers).
- ix. Typical Risk Management oversight including negotiation for all insurance contracts and compliance oversight for regulatory and insurance needs
- x. Human Resources consultation and facilitation where requested and appropriate
- xi. Quality assessment projects as agreed to by the Executive Director and the The RiverWoods Group VP of Quality
- xii. Project oversight as appropriate for major construction projects within the community, including financing, regulatory approvals, and other special project management.

SCHEDULE 4

Additional Supportive Services - Information Technology (IT) Support Services

- i. IT will be a centralized service within the system allowing RiverWoods Durham to utilize the expertise of a Chief Information Officer (CIO), Project Manager, Director of IT, System Administrator, and IT Technicians as needed and necessary within the scope of the community's IT project plan;
- ii. After consultation with and with approval of the Executive Director, IT will prepare a project plan for the community that will be updated at least quarterly and discussed with the Executive Director for prioritization and approval
- iii. The CIO will work with the Executive Director to set the strategy for IT investment and services, including priorities, operational spending and capital spending;
- iv. The CIO will manage the operational and capital projects and budget for IT, within the bounds previously agreed upon with the ED, and will regularly report to the ED on progress and budget;
- v. The IT team is directly responsible for the day-to-day technical operations of the community which include: all telecommunications/data networks, computing devices, data security and compliance, business applications software;
- vi. Funding for capital spending and non-payroll related operational IT expenses will be the responsibility of the community.

Plan of Reorganization

APPENDIX E

Initial CCRC Board Members and Remaining Terms

	December	2021	2022	2023	2024	2025	2026	2027	2028	2029
1	Sarah Donnelly (RWE Seat)	Second Term		Replace			Renew for 2 nd term possible			Replace
2	Steve McPherson	Second Term		Replace			Renew for 2 nd term possible			Replace
3	Dave Brownell	Second Term			Replace			Renew for 2 nd term possible		
4	Denise Burke	Second Term			Replace			Renew for 2 nd term possible		
5	Susan Desjardins	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
6	Dan Chartrand	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
7	Mike Hickey	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
8	Bill Stafford (RWE Seat)	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
9	John Prochilo	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
10	Tim Riley	Original Term	Renew for 2 nd term possible			Replace				
11	Becky Smith	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
12	BH Resident	Original Term	Renew for 2 nd term possible			Replace			Renew for 2 nd term possible	
13	Howie Ulfelder (At Large Seat)	Transition Term	RWE Resident Original Term		RWE Resident renew for 2 nd term possible		Replace-open to all 3-year term			Renew for 2 nd term possible
14	RWD Resident	Original term			Renew for 2 nd term possible			Replace		
15	Patty Prue	Second Term		Eliminate Seat						
16	Susan Woods	Second Term		Eliminate Seat						
17	Cathy Trower	Second Term	Eliminate Seat							
18	Mike Dupuis	Second Term	Eliminate Seat							
19	Justine Vogel	Ex Officio								

- * 19 members for 2021
- 17 members for 2022
- 15 members thereafter

*End of original term says “renew” to show that as a possibility. Second terms are not guaranteed.

*Anticipate new members

2023 = 2

2024 = 2

2025 = 8 (2 residents, 6 external) My suggestion is we plan for 2-3 board members to extend to 2026, so we have less than 8 terming in 2025

2027 = 2 (residents)

Plan of Reorganization

APPENDIX F-1

CCRC Board Governance Committee Charter

Title: Board Governance Purpose and Function**Approved By:****Date Approved:****Revised By:****Date Revised:**

General

The Governance Committee will provide guidance and input to the CCRC Board for all governance, nominating and board education matters of the Communities (collectively “the CCRCs”, individually RiverWoods Exeter, RiverWoods Durham, Birch Hill).

The Governance Committee will advise the CCRC Board as it relates to the recruitment of new external board member, the recruitment of resident board members, board education and overall governance matters.

Duties:

1. Responsible for the recruitment of new Board members and recommendation of new Board members to the full Board of Trustees for approval.
 - a. Determine the appropriate skills and characteristics for Board members and follow a selection process that accounts for the needs of the Board at the time of selection.
 - b. Establish a standard process to use with the Resident Council of each Community that will result in viable candidates for CCRC Board positions (See attached)
2. Recommend, as required, Board members to fill the positions of chairman, vice chairman, treasurer and clerk.
3. Work in collaboration with the Board chair and the CEO for the orientation of new trustees and the periodic presentation of board educational sessions.
4. Work in collaboration with the Board chair and the CEO for the annual Board self-evaluation.
5. Monitor and oversee the Board’s organizational structure. This includes making recommendations to the Board chair and the Board, as a committee of the whole, regarding committee structure and member tenure.
6. Periodically review the corporation’s bylaws and edit as necessary.

Membership

- As noted in Article IX, Section 1 of the Bylaws of The RiverWoods Company, at Exeter, New Hampshire, Article VII, Section 7.6 of the Bylaws of Birch Hill Terrace, and Article VI, Section 1 of the Bylaws of RiverWoods Durham, the Chair of the Board shall determine the composition and appoint the membership of this committee.
- All Executive Directors will be voting members of the committee.

Plan of Reorganization

APPENDIX F-2

CCRC Board Finance Committee Charter

Title: Finance Committee Purpose and Function**Approved By:****Date Approved:****Revised By:****Date Revised:**

General

The Finance Committee will provide guidance and input to the CCRC Board for all financial matters of the Communities (collectively “the CCRCs”, individually RiverWoods Exeter, RiverWoods Durham, Birch Hill).

The Finance Committee will advise the CCRC Board as it relates to establishing establish rates, operating budgets and capital budgets for each Community. This guidance will be based on each Community’s individual financial performance and the goals established pursuant to each Community’s individualized Financial Philosophy.

The purpose and function of the Finance Committee is as follows:

Duties

1. Responsible for ensuring the financial affairs of each Community are properly administered through oversight of budgeting (capital, operating and long-term projections), and financial reporting.
2. Review financial statements of each Community no less than quarterly
3. Review policies and procedures on expense accounts and perquisites, including the use of company assets and use of company credit cards.
4. Report committee activities/actions to the CCRC Board at each meeting of the Board.
5. Review the MOU between each Community and TRWG as it relates to financial matters.
6. Conduct or authorize special investigations into any matters within the committee’s scope of responsibilities.
7. Consult legal counsel for any matters that may be of concern related to not establishing a common enterprise among the Communities, or the comingling of assets between the Communities.
8. These duties may be met by the committee as a whole or through the formulation of sub committees.

Membership

1. Membership shall consist of at least three members of the CCRC Board who are financially literate (or who will become so within a reasonable period of time).
2. The Committee shall be chaired by the Treasurer of the CCRC Board, unless a separate member is recommended as Chair of the Committee by the Governance Committee of the CCRC Board, subject to approval by the full Board of Trustees.
3. As noted in Article IX, Section 1 of the Bylaws of The RiverWoods Company, at Exeter, New Hampshire, Article VII, Section 7.6 of the Bylaws of Birch Hill Terrace, and Article VI, Section 1 of the Bylaws of RiverWoods Durham, the Chair of the Board shall determine the composition and appoint the membership of this committee.

Plan of Reorganization

APPENDIX F-3

CCRC Board Executive Committee Charter

Title: Executive Committee Purpose and Function**Approved By:****Date Approved:****Revised By:****Date Revised:**

The Purpose and Function of the Executive Committee

Duties

- Act for the Board of Trustees, as required, when it is not possible for the full board to be assembled.
- Address confidential personnel and resident issues in general; particularly those issues that may lead to litigation and which should be kept confidential until acknowledgement to the full board is required.

Restrictions

- All actions taken by the Executive Committee will be reported to the Board of Trustees at the next regularly scheduled meeting of the Board of Trustees

Membership

- The Executive Committee is composed of the officers of the corporation.
- The Executive Committee shall be chaired by the Chairman of the Board.

Plan of Reorganization

APPENDIX F-4

CCRC Board Investment Committee Charter

Title: Investment Committee Purpose and Function**Approved By:****Date Approved:****Revised By:****Date Revised:**

General

The Investment Committee will provide guidance and input to the CCRC Board for all investment matters of the Communities (collectively “the CCRCs”, individually RiverWoods Exeter, RiverWoods Durham, Birch Hill).

The Investment Committee will advise the CCRC Board as it relates to establishing an investment policy for each Community. This guidance will be based on each Community’s individual financial performance and situation, and the goals established pursuant to each Community’s individualized Financial Philosophy.

The purpose and function of the Investment Committee is as follows:

Duties

1. Responsible for establishing an investment policy statement for each Community
2. Responsible for the selection and oversight of a professional investment advisor to implement the investment policy statement.
3. Provide investment education to the CCRC Board as requested.

Membership

1. Membership shall consist of at least three members.
2. As noted in Article IX, Section 1 of the Bylaws of The RiverWoods Company, at Exeter, New Hampshire, Article VII, Section 7.6 of the Bylaws of Birch Hill Terrace, and Article VI, Section 1 of the Bylaws of RiverWoods Durham, the Chair of the Board shall determine the composition and appoint the membership of this committee.

Plan of Reorganization

APPENDIX G

CCRC Board Meeting Format Guidelines

Title: CCRC Board Meeting Format Guidelines**Approved By:****Date Approved:****Revised By:****Date Revised:**

The CCRC Board will be the governing board for the three existing stable legal entities. As of January 1, 2021, this will include RiverWoods Exeter, RiverWoods Durham and Birch Hill. The complexity of the board meetings will increase with the unitary board structure, and this can be at least partially addressed by having good structure to the CCRC Board meetings.

For year one (projected to be calendar 2021)

Board meetings occur 6x per year, planned for three hours (January, March, May, September, November + one educational or team building retreat)

In future years the Board meetings are planned to return to a quarterly basis.

Standard shell agenda for Year One:

1. Consent Agenda items
 - Committee and Task Force written reports
 - Report from the Resident Councils
 - Other reports and appropriate votes
 - CEO and ED reports
2. Discussion of Resident Council reports - are there any issues that should be addressed at the Board level? (Yes/now, No, Yes/Future discussion topic)
3. Strategic or generative Board discussion that concerns the full system of CCRCs
4. Board level Community based discussions regarding a specific decision or vote to make (these would include presentation by the appropriate ED)
5. Education – staff presentation on a “hot topic” or issue of strategic importance (may be from an ED or a TRWG member)
6. CEO report – update on system wide or external issues (if necessary, to supplement CEO written report)

There may be times when the CCRC Board will need to make decisions where community priorities are in conflict (time allocation, strategic initiatives, etc.). The Board will follow the agreed upon process for these situations and will document the discussion in the meeting minutes.

Plan of Reorganization

APPENDIX H

CCRC Board Governance – Resident Trustee Nomination and Election

Title: Board Governance – Resident Trustee Nomination and Election**Approved By:****Date Approved:****Revised By:****Date Revised:**

Community Specific Process***RWE Process***

RWE will maintain two (2) Resident Board member seats on the CCRC Board. These trustees will serve in staggered terms.

Approximately four months before a Resident Board member's term expires, the Governance Committee chair will meet with the RWE Resident Council to describe the skills and qualities the CCRC Board is seeking for the position. The Governance Committee will ask the Resident Council to begin its process to provide nominations for the seat.

The Governance Committee will request three nominations from the Resident Council and will interview each nominee as it does in the regular process of Trustee recruitment.

It is the preference of the CCRC Board that the two Resident Board members reside in different campuses at RWE.

The Governance Committee will then select a candidate to bring forward for board confirmation. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to TRWG for election.

BH Process

BH will maintain one (1) Resident Board member seat on the CCRC Board.

Approximately four months before a Resident Board member's term expires, the Governance Committee chair will meet with the BH Resident Council to describe the skills and qualities the CCRC Board is seeking for the position. The Governance Committee will ask the Resident Council to begin its process to provide nominations for the seat.

The Governance Committee will request three nominations from the Resident Council and will interview each nominee as it does in the regular process of Trustee recruitment.

The Governance Committee will then select a candidate to bring forward for board confirmation. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to TRWG for election.

RWD Process

RWD will maintain one (1) Resident Board member seat on the CCRC Board.

Approximately four months before a Resident Board member's term expires, the Governance Committee chair will meet with the RWD Resident Council to describe the skills and qualities the CCRC Board is seeking for the position. The Governance Committee will ask the Resident Council to begin its process to provide nominations for the seat.

The Governance Committee will request three nominations from the Resident Council and will interview each nominee as it does in the regular process of Trustee recruitment.

The Governance Committee will then select a candidate to bring forward for board confirmation. Once the CCRC Board confirms the Resident Trustee nominations, it will include them in the slate of nominees presented to TRWG for election.

AT LARGE Seat

The CCRC Board will also include one "at large" seat that may be filled by a resident of any community within the system (nominated following a process as shown above with Resident Council input) or may be filled by an external candidate. The Governance Committee will seek nominations for this seat from internal (resident) and external candidates and will select a nominee to be brought to the CCRC Board for confirmation.

General

If and when there are more than RWE, RWD and BH as a part of the TRWG system, then RWE will maintain two seats on the TRWG Board and the two remaining resident board member seats will be filled by residents of the other CCRCs.

As Resident Board member terms for the non-RWE resident board member seats expire, the Governance Committee will request at least one nominee from the Resident Councils of the non-RWE communities. To allow for the broadest opportunity to serve among the various communities, the two non-RWE resident board member seats will not be filled by residents of the same community.

APPENDIX I

RWE Donor-Restricted Funds

Endowment Fund

Total Donations since inception	Total Earnings since inception	Total Expenditures since inception	Total Restricted balance
\$370,624	\$282,805	\$0	\$653,429

Spencer Scholarship Fund

Total Donations since inception	Total Earnings since inception	Total Expenditures since inception	Total Restricted balance
\$386,110	\$189,060	\$106,063	\$469,107

Peabody Scholarship Fund

Total Donations since inception	Total Earnings since inception	Total Expenditures since inception	Total Restricted balance
\$441,459	\$83,907	\$79,154	\$446,212

APPENDIX J

RWE Minutes Approving Reorganization

**The RiverWoods Company, at
Exeter, New Hampshire**

Meeting of the Board of Trustees

January 22, 2020

Conference Call

**RiverWoods Exeter
7 RiverWoods Drive, Exeter, NH 03833**

Trustees Present: D. Brownell; D. Burke; D. Chartrand; S. Desjardins; S. Donnelly; M. Hickey; T. Michaud; B. Stafford; C. Trower; H. Ulfelder; and J. Vogel, CEO

Also Present: K. Goyette, TRWG CFO and P. Teodorczyk, TRWG Executive Assistant

Chair Trower called the meeting to order at 4:00 p.m. and declared a quorum present.

J. Vogel noted that D. Riddell is unable to participate in this meeting due to a family medical situation.

Chair Trower noted that the purpose of this meeting is to vote on the proposed resolutions regarding corporate reorganization.

Corporate Reorganization Resolution

Chair Trower asked if there any items for discussion prior to the vote. The Trustees discussed the plan of reorganization.

J. Vogel reported that prior to submitting, the plan of reorganization, the documents will undergo non-substantive cleanup of typos and formatting.

Motion was made and seconded:

Resolutions Regarding Corporate Reorganization

The Boards of Trustees of The RiverWoods Company, at Exeter, New Hampshire (the "Corporation"), Birch Hill Terrace (BHT), RiverWoods Durham (RWD) and The RiverWoods Group commissioned a task force to determine whether the continuing care retirement communities in the RiverWoods System could be governed more effectively and efficiently. After considerable review and deliberation, the task force recommended that the Boards of Trustees of the Corporation, BHT and RWD be consolidated under a Plan of Reorganization into a unitary CCRC Board of Trustees.

The Corporation's Board of Trustees conducted its own diligence and deliberations, and engaged in several discussions with the Corporation's residents and Resident Council. Informed by this process, the Corporation made revisions to the initial Plan of Reorganization and the Corporation's governance documents. The Corporation's Board of Trustees also recognizes that it will need to relinquish the right to nominate a majority

of the Trustees of The RiverWoods Group, the Corporation's sole member, but that the interests of the Corporation remain protected in other ways.

Based on the foregoing, the Corporation's Board of Trustees adopts the following resolutions:

VOTED: That it is in the best interests of the Corporation to enter into and implement the Plan of Reorganization with BHT and RWD to establish a unitary Board of Trustees structure, which structure will enhance the effective and efficient governance of the Corporation.

FURTHER
VOTED: That the Corporation hereby approves and adopts the Plan of Reorganization substantially in the form presented to it, including without limitation the proposed amendments to the Corporation's Articles of Agreement and Bylaws and its Memorandum of Understanding with The RiverWoods Group, subject to the satisfaction of the conditions set forth in the Plan.

FURTHER
VOTED: To submit to the New Hampshire Director of Charitable Trusts a Notice of a proposed Change of Control pursuant to New Hampshire RSA 7:19-b.

FURTHER
VOTED: Upon receipt of approval from the NH Charitable Trusts Director, to take all of the actions required of the Corporation to implement the Plan of Reorganization, and to authorize each of the Chair and Secretary of the Board of Trustees, acting individually on behalf of the Corporation, to take all actions and execute, deliver and/or file such documentation as is necessary or desirable to implement the Plan of Reorganization in accordance with its terms.

Motion passed unanimously.

J. Vogel reported on the communication plan noting that the plan of reorganization will become a public document once it is filed, at which point the plan along with a summarizing memo, will be shared with all residents.

Other Business

There being no further business the Board adjourned at 4:24 p.m.

Penny Teodorczyk
Executive Assistant

APPENDIX K

Birch Hill Minutes Approving Reorganization

Birch Hill
200 Alliance Way
Manchester, NH 03102

Meeting of the Board of Trustees

January 30, 2020

Minutes

Board Members Present T. Dainesi, C. DiCroce, M. Dupuis, D. McMann, S. McPherson, J. Prochilo, P. Prue (via conference call), B. Smith, J. Vogel, S. Woods

Also Present: K. Goyette CFO TRWG, J. Lorden, Executive Assistant; L. Phypers, Executive Director,

Guests: Robbie Boyd, Director Environmental Services, Kathryn Mears Limric, Director Human Resources, Atty. Mark McCue

Absent: J. Anderson, D. Lubelczyk, and T. Riley

Chair McPherson called the meeting to order at 5:15 p.m.

Approval of Consent Agenda

Motion was made and seconded:

To approve the Consent Agenda as presented.

Motion passed unanimously

Department Updates

R. Boyd and K. Mears Limric provided updates on Environmental Services and Human Resources at Birch Hill.

Long Term Governance Update

J. Vogel reviewed the status of the proposed changes to long term governance for the organization. The Exeter Board voted recently, and the Birch Hill Board will be asked to vote tonight.

Motion was made and seconded:

To approve the following:

Proposed Resolutions Regarding Corporate Reorganization

The Board of Directors of Birch Hill Terrace (the “Corporation”) and the Boards of Trustees of The RiverWoods Company, at Exeter, New Hampshire (RWE), RiverWoods Durham (RWD) and The RiverWoods Group commissioned a task force to determine whether the continuing care retirement communities in the RiverWoods System could be governed more effectively and efficiently. After considerable review and deliberation, the task force recommended that the Board of Directors of the Corporation, and the Boards of Trustees of RWE and RWD be consolidated under a Plan of Reorganization into a unitary CCRC Board of Trustees.

The Corporation’s Board of Directors has conducted its own diligence and deliberations. The Board also engaged in discussions with the Corporation’s residents and Resident Council.

Based on the foregoing, the Corporation’s Board of Directors adopts the following resolutions:

VOTED: That it is in the best interests of the Corporation to enter into and implement the Plan of Reorganization with RWE and RWD to establish a unitary Board of Trustees structure, which structure will enhance the effective and efficient governance of the Corporation.

FURTHER

VOTED: That the Corporation hereby approves and adopts the Plan of Reorganization substantially in the form presented to it, including without limitation the proposed amendments to the Corporation’s Bylaws and its Memorandum of Understanding with The RiverWoods Group, subject to the satisfaction of the conditions set forth in the Plan.

FURTHER

VOTED: Upon receipt by RWE of approval from the NH Charitable Trusts Director and the NH Insurance Department, to take all of the actions required of the Corporation to implement the Plan of Reorganization, and to authorize each of the Chair and Secretary of the Board of Trustees, acting individually on behalf of the Corporation, to take all actions and execute, deliver and/or file such documentation as is necessary or desirable to implement the Plan of Reorganization in accordance with its terms.

Motion passed unanimously

Next steps: J. Vogel will ask to meet with the Birch Hill Resident Council next week to share the update and then a memo will be distributed to residents of both Exeter and Birch Hill announcing the vote to move forward. J. Vogel and Atty. McCue will meet with the Director of Charitable Trust and plan to file documents by the end of February. The Department of Insurance will have 180 days to review.

Future Cottage Project

The recent Greystone market survey shows this project to be generally positive. J. Vogel, L. Phypers, C. Toomey, K., Goyette, and B. Lietz will continue discussions with plans to present further information at the March or June meeting.

Benevolence Requests 013020a

K. Goyette reviewed the benevolence request being brought to the Board today.

Motion was made and seconded:

To approve benevolence request 013020a

Motion passed unanimously.

Items to Share with Residents

- BH Board approves the long-term governance plan
- Department updates received from Environmental Services and Human Resources
- Future Plans: Discussion started regarding more cottages
- Starting budget process

The meeting convened to Executive Session at 6:28 p.m.

Next meeting:	Monday, March 30	5:00pm	Board Meeting
	June, TBD	5:00pm	Board Meeting

APPENDIX L

RWD Minutes Approving Reorganization

**RiverWoods Durham
14 Stone Quarry Drive, Durham, NH 03824**

Meeting of Board of Trustees

January 31, 2020

Trustees Present: J. Bamberg; S. McPherson; D. Mercier; P. Parisi; J. Prochilo; B. Roberts, Chair; and J. Vogel, TRWG CEO

Also Present: K. Goyette, TRWG CFO; R. Lietz, TRWG VP of Special Projects; K. O’Keefe, RWD Executive Director; and P. Teodorczyk, TRWG Executive Assistant

Chair Roberts, called the meeting to order at 9:00 a.m. and declared a quorum present.

RWD Update

K. O’Keefe provided a tour of the RWD community followed by an update on the operations and financial impact to date. (A copy of the presentation is attached to these minutes.)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Corporate Reorganization Resolution

J. Vogel reported that the RiverWoods Exeter and Birch Hill Boards have voted to approve the corporate reorganization. Chair Roberts asked if there any items for discussion prior to the vote. The Trustees discussed the plan of reorganization.

J. Vogel reported that prior to submitting, the plan of reorganization, the documents will undergo non-substantive cleanup of typos and formatting.

Motion was made and seconded:

Proposed Resolutions Regarding Corporate Reorganization

The Boards of Trustees of RiverWoods Durham (the “Corporation”), The RiverWoods Company, at Exeter, New Hampshire (RWE) and The RiverWoods Group, and the Board of Directors of Birch Hill Terrace (BHT), commissioned a task force to determine whether the continuing care retirement communities in the RiverWoods System could be governed more effectively and efficiently. After considerable review and deliberation, the task force recommended that the Boards of Trustees of the Corporation and RWE, and the Board of Directors of BHT, be consolidated under a Plan of Reorganization into a unitary CCRC Board of Trustees.

The Corporation’s Board of Trustees has conducted its own diligence and deliberations.

Based on the foregoing, the Corporation’s Board of Trustees adopts the following resolutions:

VOTED: That it is in the best interests of the Corporation to enter into and implement the Plan of Reorganization with RWE and BHT to establish a unitary Board of Trustees structure, which structure will enhance the effective and efficient governance of the Corporation.

FURTHER
VOTED: That the Corporation hereby approves and adopts the Plan of Reorganization substantially in the form presented to it, including without limitation the proposed amendment to the Corporation’s Bylaws and the proposed Memorandum of Understanding between the Corporation and The RiverWoods Group, subject to the satisfaction of the conditions set forth in the Plan.

FURTHER
VOTED: Upon receipt by RWE of approval from the NH Charitable Trusts Director and the NH Insurance Department, to take all of the actions required of the Corporation to implement the Plan of Reorganization, and to authorize each of the Chair and Secretary of the Board of Trustees, acting individually on behalf of the Corporation, to take all actions and execute, deliver and/or file such documentation as is necessary or desirable to implement the Plan of Reorganization in accordance with its terms.

Motion passed unanimously.

There being no further business the Board adjourned at 10:05 a.m.

Penny Teodorczyk, Executive Assistant

APPENDIX M

TRWG Minutes Approving Reorganization

**The RiverWoods Group
Exeter, New Hampshire
5 White Oak Drive, Exeter, NH 03833**

Meeting of Board of Trustees

January 31, 2020

Trustees Present: J. Bamberg; S. McPherson; D. Mercier; P. Parisi; J. Prochilo; B. Roberts, Chair; and J. Vogel, TRWG CEO

Also Present: K. Goyette, TRWG CFO; R. Lietz, TRWG VP of Special Projects; K. O'Keefe, RWD Executive Director; and P. Teodorczyk, TRWG Executive Assistant

Chair Roberts, called the meeting to order at 10:05 a.m. and declared a quorum present.

Motion was made and seconded:

To approve the consent agenda as presented:

- Approve the minutes of the TRWG October 18 and December 13, 2019 Meetings
- Accept that there are no available assets from RWE to TRWG for fiscal year 2020

Motion passed unanimously.

Corporate Reorganization Resolution

J. Vogel reported that the RiverWoods Durham, RiverWoods Exeter and Birch Hill Boards have voted to approve the corporate reorganization. Chair Roberts asked if there any items for discussion prior to the vote. The Trustees discussed the plan of reorganization.

J. Vogel reported that prior to submitting, the plan of reorganization, the documents will undergo non-substantive cleanup of typos and formatting.

Motion was made and seconded:

Proposed Resolutions Regarding Corporate Reorganization of System Participants

The Board of Directors of Birch Hill Terrace (BHT), and the Boards of Trustees of The RiverWoods Group (the "Corporation"), The RiverWoods Company, at Exeter, New

Hampshire (RWE) and RiverWoods Durham (RWD), commissioned a task force to determine whether the continuing care retirement communities in the RiverWoods System could be governed more effectively and efficiently. After considerable review and deliberation, the task force recommended that the Boards of Trustees of RWE and RWD, and the Board of Directors of BHT, be consolidated under a Plan of Reorganization into a unitary CCRC Board of Trustees.

Following due diligence and discussions with residents, the Boards of Trustees of RWE and RWD, and the Board of Directors of BHT, have approved the Plan of Reorganization, subject to the satisfaction of its conditions. As the sole corporate member of each of RWE, BHT and RWD, the Corporation must ratify the approval by each organization of the Plan of Reorganization.

Based on the foregoing, the Corporation's Board of Trustees adopts the following resolutions:

VOTED: That the adoption and implementation of the Plan of Reorganization by RWE, BHT and RWD is in the best interests of the RiverWoods System and will enhance the effective and efficient governance of each of RWE, BHT and RWD.

FURTHER
VOTED: That the Corporation hereby approves and ratifies the adoption and implementation of the Plan of Reorganization by the Boards of Trustees of RWE and RWD, and the Board of Directors of BHT, including without limitation the amendments to the governance documents of each organization as contemplated by the Plan, subject to the satisfaction of the conditions set forth in the Plan.

FURTHER
VOTED: That the Corporation hereby approves the amendments to the Memorandum of Understanding between the Corporation and each of RWE and BHT, and the proposed Memorandum of Understanding between the Corporation and RWD, each substantially in the form attached to the Plan of Reorganization presented to the Board.

FURTHER
VOTED: Upon receipt by RWE of approval from the NH Charitable Trusts Director and the NH Insurance Department, to take all of the actions required of the Corporation to: (i) execute the amendments to the Memorandum of Understanding with each of RWE and BHT, and the new Memorandum of Understanding with RWD (collectively the "Memorandum of Understanding documentation"); and (ii) assist as necessary RWE, BHT and RWD with the implementation the Plan of Reorganization, and to authorize each of the Chair and Secretary of the Board of Trustees, acting individually on behalf of the Corporation, to sign and deliver the Memorandum of Understanding documentation and to take all actions and execute, deliver and/or file such documentation as is necessary or desirable to implement the Plan of Reorganization in accordance with its terms.

Motion passed unanimously.

Other Business

There being no further business the Board adjourned to executive session at 10:18 a.m.

Penny Teodorczyk
Executive Assistant

DRAFT

APPENDIX N

2019 Exeter Hospital Community Health Needs Assessment



2019 Exeter Hospital Community Health Needs Assessment

*Conducted by Exeter Health Resources,
on behalf of Exeter Hospital, Core Physicians
and Rockingham VNA & Hospice*

In collaboration with:

Exeter Area YMCA
Foundation for Seacoast Health
Greater Seacoast Community Health
Lamprey Health Care
Richie McFarland Children's Center
Society of St. Vincent de Paul Exeter
Seacoast Mental Health Center
Seacoast Public Health Network



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2019 Exeter Hospital Community Health Needs Assessment

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Exeter Hospital

Organization Overview

Exeter Hospital is a 100-bed, community-based hospital serving New Hampshire's Seacoast Region. The mission of Exeter Hospital is to improve the health of the community. The hospital's scope of care includes comprehensive medical and surgical health care services including, but not limited to: breast health, maternal/child and reproductive medicine, cardiovascular, gastroenterology, sleep medicine, occupational and employee health, oncology, orthopedics, general surgery and emergency care services. Exeter Hospital is accredited by DNV Healthcare, Inc., and is a Magnet®-recognized hospital. Magnet designation from the American Nurses Credentialing Center is the most prestigious distinction a health care organization can receive for nursing excellence and high quality patient care.

Core Physicians

Organization Overview

Core Physicians is a community-based, multi-specialty group practice affiliated with Exeter Health Resources that provides comprehensive primary, specialty and pediatric dental care throughout the greater Seacoast area. Over 160 providers in 15 locations pursue exceptional patient satisfaction through clinical competence and professional office administration.

Rockingham Visiting Nurse Association & Hospice

Organization Overview

Rockingham Visiting Nurse Association & Hospice is a community-based, home health and hospice agency providing individuals and families with the highest quality home care, hospice and community outreach programs within Rockingham County and surrounding towns.

I. Foreword

As required by Internal Revenue Code 501 (r) (3) Exeter Hospital, in collaboration with a representation of its community partners, has compiled the following report outlining the findings of its 2019 Community Health Needs Assessment (CHNA). Section 501 of the Code requires tax-exempt “hospital organizations” to conduct a CHNA at least once every three taxable years. The report and its findings are specific to the hospital’s geographic service area of 36 towns located within Rockingham County. The purpose of the CHNA is to identify and assess the significant health needs of the communities served by the hospital, and to “prioritize those health needs and identify potential measures and resources available to address the health needs.” (26 CFR)

The report includes:

(1) a definition of the communities served by the hospital facility and a description of how the communities were determined; (2) a description of the process and methods used to conduct the CHNA; (3) a description of how the hospital facility took into account input from persons who represent the broad interests of the community; (4) a prioritized description of the significant health needs identified through the CHNA; and (5) a description of potential measures and resources identified through the CHNA to address significant health needs.

To complete the assessment, a steering group convened in January 2019 composed of Seacoast area leaders with deep working knowledge of community health needs. The steering committee included representatives from Exeter Hospital, The Foundation for Seacoast Health, Greater Seacoast Community Health, Lamprey Health Care, Richie McFarland Children’s Center, Society of St. Vincent De Paul Exeter, Seacoast Mental Health Center, Seacoast Public Health Network, and the Exeter Area YMCA. The findings noted within this report provide insight to the health and well-being of the communities served by Exeter Hospital and its community partners. These findings allow the hospital to advance its mission of improving the health of the community by allocating resources to the greatest needs.

II. 2019 Steering Committee

Jay Couture, Executive Director, Seacoast Mental Health Center
Lauren Garza, Administrative Coordinator, Lamprey Health Care
Debra Grabowski, Chief Executive Officer, Foundation for Seacoast Health
Darren Guy, DO, FAAP, Medical Director of Population Health, Exeter Health Resources
Tanisha Johnson, Associate Branch Director, Exeter Area YMCA
Janet Laatsch, RN, MBA, Chief Executive Officer, Seacoast Community Health
(merger of Families First and Goodwin Community Health)
Jennifer McGowan, Community Impact Officer, Exeter Health Resources
Sarah Plante, DNP, RN, CNL, Director Population Health, Exeter Health Resources
Maria Reyes, Continuum of Care Facilitator, Seacoast Public Health Network
Anita Rozeff, Grants and Contracts Manager/Compliance Officer, Lamprey Health Care
Peggy Small-Porter, Executive Director, Richie McFarland Children’s Center
Alex Turek, Executive Director, Exeter Area YMCA
Debra Vasapolli, Director of Community Relations, Exeter Health Resources
Mark Whitney, VP Strategic Planning, Exeter Health Resources
Allison Yeagle, Marketing Strategy Consultant
Molly Zirillo, Executive Director, Society of St. Vincent de Paul Exeter

III. Key Findings

Although the key findings of the 2019 CHNA remain comparable to the 2016 report, it is worth noting that in some cases the contributing factors have shifted.

Access to Health Care

As shown in the 2016 Community Health Needs Assessment, access to comprehensive healthcare services continues to be a notable concern. Although more people have gained entry to the healthcare system through insurance coverage, the high cost of both deductibles and co-payments limit its use. Uninsured or underinsured community members face additional barriers to care. This leads to unmet health needs, delays in receiving care, and preventable hospitalizations. The need continues for improved access to medical care, dental services, and transportation for appointments. Concerns about cost appear to have increased since the last CHNA.

Behavioral Health (Substance Use Disorder and Mental Health Services)

Substance Use Disorder

Consistent with the 2016 CHNA, substance misuse and abuse treatment and recovery services for both the youth and adult populations remains a major need. There is a significant correlation between substance use and mental health needs, and therefore it is important to address both concerns under the theme of Behavioral Health. Unfortunately, many individuals suffering from mental health and substance use disorders do not, or cannot, receive treatment due to barriers such as cost and the scarcity of services.

Mental Health

Mental health services continue to be a prominent health need in the community. Since the 2016 report, the adult population has seen some improvement in accessing care. Unfortunately, youth populations continue to show a high prevalence of mental health issues combined with a lack of care options. Increasing access to community-based mental health services to better meet the needs of Rockingham County residents is crucial.

Elder Care and Support Services

Accessing services for seniors remains a key health concern. “The State of NH is now ranked as having one of the fastest growing number of older adults in the country, at the same time that the working age population is not growing. According to the NH Center for Public Policy Studies, the largest impact on NH is anticipated to occur after 2020, when the estimated number of older adults will rise from 106,086 to 247,740 (NH State Plan on Aging). Additional services needed include adult day programs, transportation, legal services, home health services, prevention and wellness programs, dental services, lower cost prescriptions, and end of life care. These findings are consistent with both the 2013 and 2016 CHNA’s. See addendum NH State Committee on Aging.

Transportation

Transportation is another area of continued need, especially for vulnerable populations including the elderly, disabled, and people with illnesses that require frequent healthcare appointments. Lack of transportation can also lead to social isolation, loneliness, and adverse health effects. “Transportation is a critical service for older adults and adults with disabilities, helping them to continue to live in their home and community.” (NH State Plan on Aging)

IV. Introduction

Health is not simply the result of clinical care. Other factors are now recognized as being equally, if not more important, in determining an individual's health. These other factors are called Social Determinants of Health (SDOH), defined as “conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.” (Healthy People 2020) Representatives from the Exeter Hospital Population Health team joined the CHNA advisory committee to advance the connections between Social Determinants of Health and the needs identified by the community.



The five key social determinants of health and their contributing factors are outlined below:

1. *Economic Stability*

Employment
Food Insecurity
Housing Instability
Poverty

2. *Education*

Early Childhood Education and Development
Enrollment in Higher Education
High School Graduation
Language and Literacy

3. Social and Community Context

Civic Participation
Discrimination
Incarceration
Social Cohesion

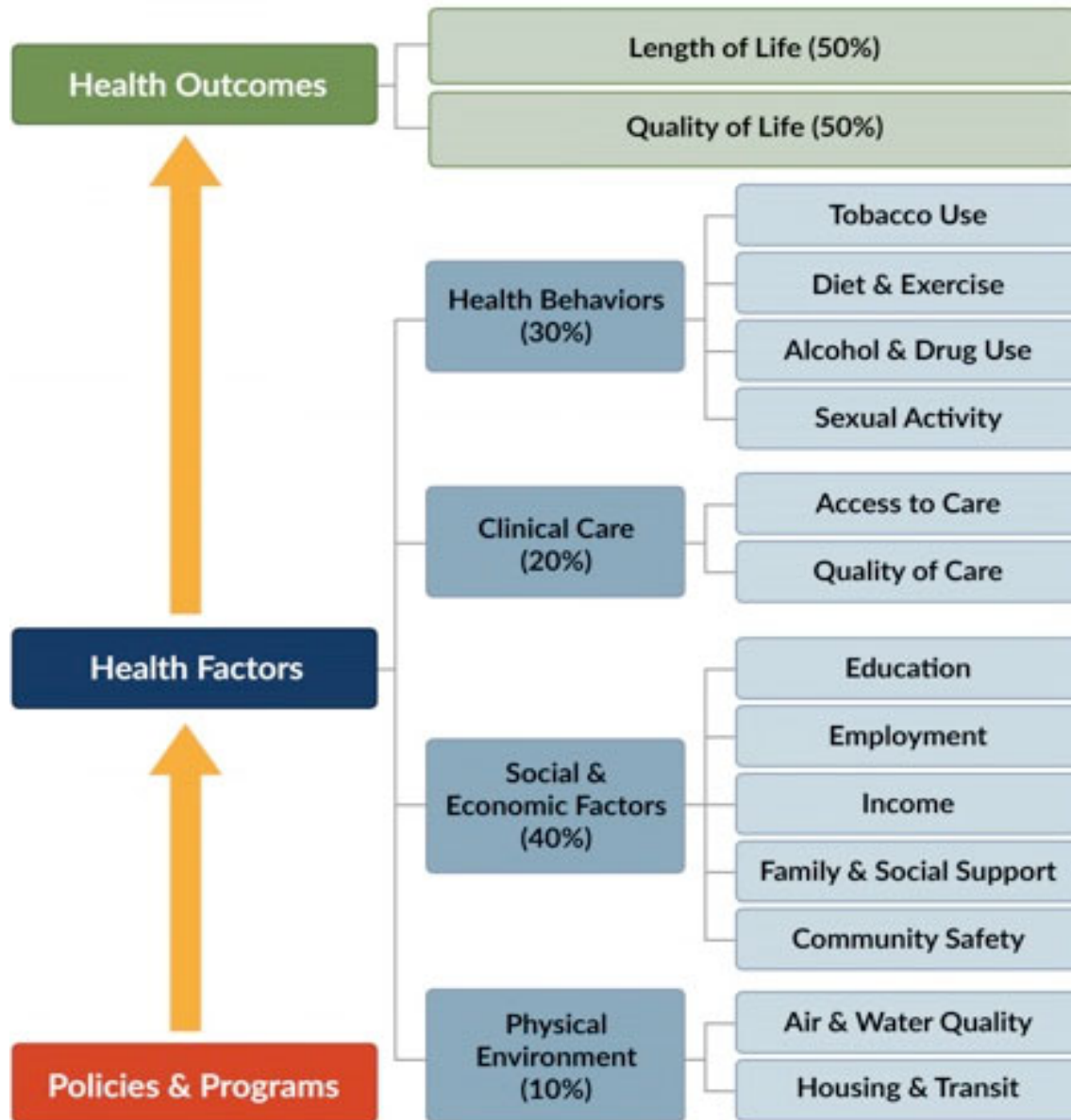
4. Health and Health Care

Access to Health Care
Access to Primary Care
Health Literacy

5. Neighborhood and Built Environment

Access to Foods that Support Healthy Eating Patterns
Crime and Violence
Environmental Conditions
Quality of Housing

The following chart from the County Health Rankings model further demonstrates the social determinants of health and their influence on health outcomes.



V. Geographic Service Area

Exeter Hospital's CHNA was conducted using service areas consistent with its system of care practice locations, with a focus on Rockingham County.

Exeter Hospital's service locations are as follows:

Central - Exeter, Newfields, Newmarket, Brentwood

East South East - Hampton, Hampton Falls, North Hampton, Seabrook

North East - Portsmouth, Greenland, New Castle, Rye, Stratham, Newington

South West - Atkinson, Danville, East Hampstead, East Kingston, Hampstead, Kingston, Kensington, Newton, Newton Junction, Plaistow, Sandown

West - Deerfield, Epping, Fremont, Raymond Nottingham

Note, for the purpose of the report, Rockingham County level data is used as many statistics are only available at that level.

Exeter Hospital Service Area Graphically (Rockingham County)



VI. Demographics of Rockingham County

The following demographic information is from the United States Census Bureau.

- Nearly 40% of Rockingham County residents are under 18 (19.4%) or older than age 65 (18.00%). These age groups tend to be higher users of healthcare services.
- The county is largely white with a limited percentage of minorities. Health disparities by race are well documented at the national level, with increasing research being conducted at the state level in New Hampshire. <https://www.dhhs.nh.gov/omh/documents/disparities.pdf>
- Approximately 7% of Rockingham County residents live with a disability, which can lead to increased need for services and social isolation.

Population estimates, July 1, 2018, (V2018)	309,176
PEOPLE	
Population	
Population estimates, July 1, 2018, (V2018)	309,176
Population estimates base, April 1, 2010, (V2018)	295,211
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	4.7%
Population, Census, April 1, 2010	295,223
Age and Sex	
Persons under 5 years, percent	4.6%
Persons under 18 years, percent	19.4%
Persons 65 years and over, percent	18.0%
Female persons, percent	50.4%
Race and Hispanic Origin	
White alone, percent	94.9%
Black or African American alone, percent (a)	1.1%
American Indian and Alaska Native alone, percent (a)	0.2%
Asian alone, percent (a)	2.2%
Native Hawaiian and Other Pacific Islander alone, percent (a)	Z
Two or More Races, percent	1.5%
Hispanic or Latino, percent (b)	3.2%
White alone, not Hispanic or Latino, percent	92.3%
Housing	
Housing units, July 1, 2018, (V2018)	133,178
Owner-occupied housing unit rate, 2013-2017	76.7%
Median value of owner-occupied housing units, 2013-2017	\$295,900
Median selected monthly owner costs -with a mortgage, 2013-2017	\$2,131
Median selected monthly owner costs -without a mortgage, 2013-2017	\$845
Median gross rent, 2013-2017	\$1,164
Households, 2013-2017	119,955
Persons per household, 2013-2017	2.50
Income & Poverty	
Median household income (in 2017 dollars), 2013-2017	\$85,619
Per capita income in past 12 months (in 2017 dollars), 2013-2017	\$43,474
Persons in poverty, percent	5.1%

https://www.census.gov/data-tools/demo/saipe/#/?map_geoSelector=aa_s&s_measures=aa_snc&s_year=2017

Health	
With a disability, under age 65 years, percent, 2013-2017	7.1%
Persons without health insurance, under age 65 years, percent	5.6%
Economy	
In civilian labor force, total, percent of population age 16 years+, 2013-2017	71.5%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	66.6%
Total accommodation and food services sales, 2012 (\$1,000) (c)	810,246
Total health care and social assistance receipts/revenue, 2012 (\$1,000) (c)	1,697,740
Total manufacturers shipments, 2012 (\$1,000) (c)	4,580,402
Total merchant wholesaler sales, 2012 (\$1,000) (c)	8,203,669
Total retail sales, 2012 (\$1,000) (c)	6,764,542
Total retail sales per capita, 2012 (c)	\$22,714
Transportation	
Mean travel time to work (minutes), workers age 16 years+, 2013-2017	30.2

Poverty is a leading Social Determinant of Health indicator. Access to services that contribute to a healthy lifestyle are limited when living at lower income levels. The chart below shows the percentage of Rockingham County residents living in poverty (defined as those living below 200% of the federal poverty level set by the US Census Bureau).

Small Area Income and Poverty Estimate (SAIPE) All Ages in Poverty, 2017						
Year	ID	Name	Number in Poverty	90% Confidence Interval	Percent in Poverty	90% Confidence Interval
2017	0	United States	42,583,651	42,342,619 - 42,824,683	13.4	13.3-13.5
2017	33000	New Hampshire	100,500	95,275-105,825	7.7	7.3-8.1
2017	33015	Rockingham County	15,533	13,063-18,003	5.1	4.3-5.9

Unemployment in Rockingham County is low and employers struggle to meet workforce demands. The unemployment rate is the percentage of workers who are not working.

2017 Annual Average Unemployment Rate by Town

Atkinson	3.2%	Hampstead	3.3%	Nottingham	2.3%
Auburn	2.5%	Hampton	2.7%	Plaistow	3.7%
Brentwood	2.4%	Hampton Falls	3.1%	Portsmouth	2.1%
Candia	2.1%	Kensington	2.5%	Raymond	2.9%
Chester	2.9%	Kingston	3.5%	Rye	2.0%
Danville	3.0%	Londonderry	2.7%	Salem	3.6%
Deerfield	2.3%	New Castle	2.0%	Sandown	3.0%
Derry	3.4%	Newfields	2.2%	Seabrook	4.1%
East Kingston	2.8%	Newington	2.0%	So. Hampton	2.6%
Epping	2.3%	Newmarket	2.0%	Stratham	2.2%
Exeter	2.6%	Newton	3.3%	Windham	3.1%
Fremont	2.8%	No. Hampton	2.6%		
Greenland	2.2%	Northwood	2.3%		

<https://www.nhes.nh.gov/elmi/products/cp/documents/rockingham-cp.pdf>

VII. Methodology/Process

The 2019 CHNA process included gathering and reviewing both qualitative and quantitative data with the use of a random telephone survey conducted by the University of New Hampshire Survey Center, open community forums, online surveys, key leader interviews, outreach to support agencies, and the review of relevant secondary data sources. As a component of the forums and online surveys, respondents participated in prioritizing qualitative health needs.

1. UNH Survey Center Household Telephone Survey

Utilizing the University of New Hampshire Survey Center, a random household telephone survey was conducted as a means to collect information regarding community members' health status and to identify their healthcare needs.

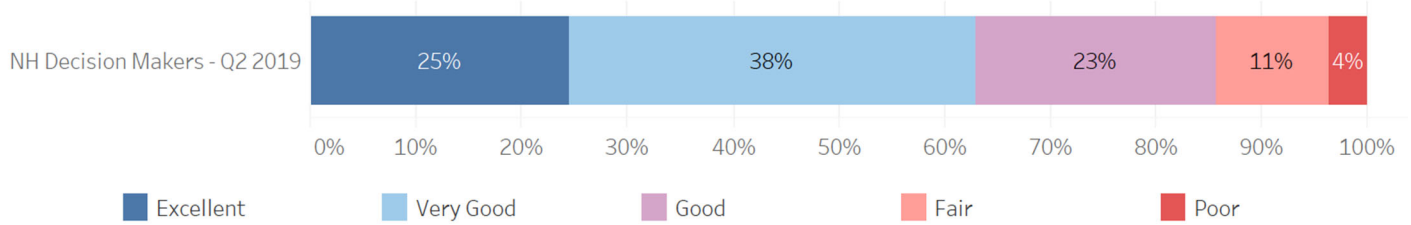
Outlined below is the telephone survey by year and number of respondents.

Year	# Respondents
2016	2,890
2017	1,820
2018	1,062
2019 (Quarter 1 and Quarter 2)	601

In total 6,373 healthcare decision makers residing within the hospital's service area participated in the survey from 2016- Q2 of 2019. Of those respondents, 86% rated their health status as good, very good or excellent; 93% reported having a primary care physician.

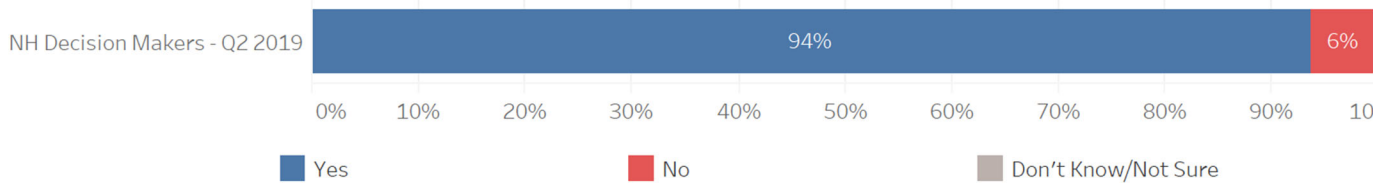
The following information is from the Q2 UNH Quarterly Survey Report July 2019. N=300

Figure 1a: In general, would you say your health is excellent, very good, good, fair, or poor?



Responses to this question have remained largely steady over time.

Current Health Primary Care Physicians

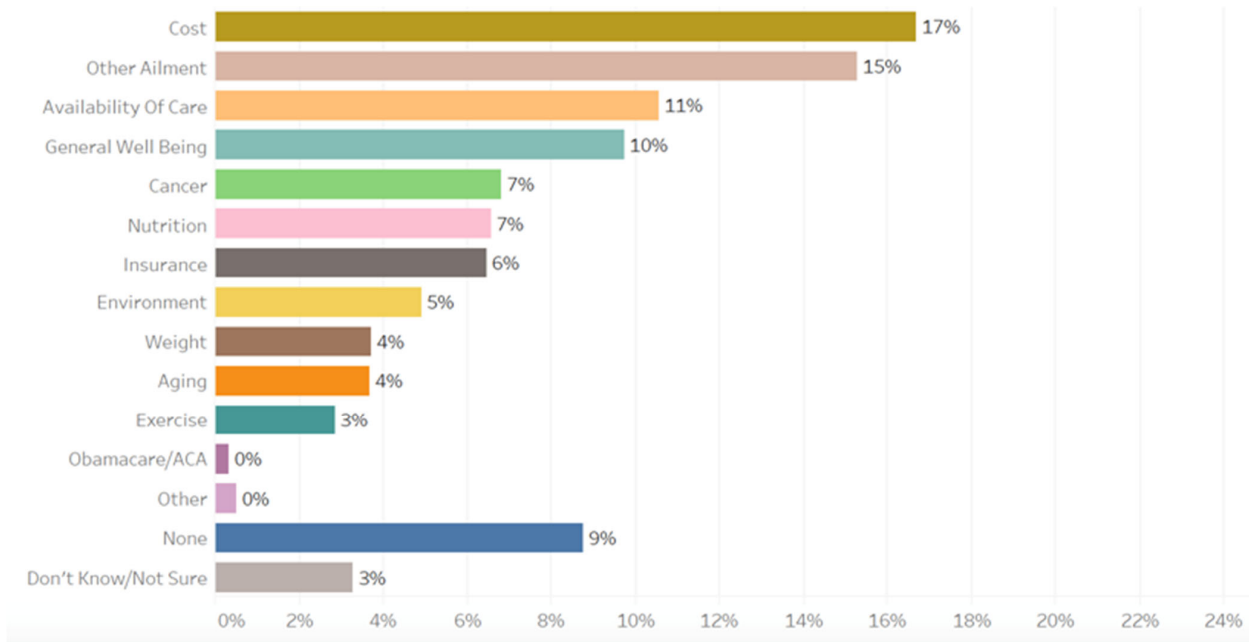


Responses to this question have remained largely stable over time.

Health Related Concerns

Respondents most frequently cite cost (17%), miscellaneous ailments (15%), availability of care (11%), general well-being (10%), cancer (7%), nutrition (7%), insurance (6%), and the environment (5%) as their most important health-related concern, while 9% say they have no health-related concerns.

Figure 2a: What is the most important health related concern that you have for you and your family?



2. Community Forums

Four community forums were planned and promoted to the public via email, social media, radio and paid print advertisements.

Scheduled forum dates and locations:

Wednesday, May 15, 2019
Epping Regional Health Center
Epping, NH

Wednesday, May 22, 2019
Exeter Hospital
Exeter, NH

Wednesday, May 29, 2019
Seabrook Library
Seabrook, NH

Thursday, May 30, 2019
Tuscan Kitchen
Portsmouth NH

*Note- An additional “pop-up” forum was held on July 24, 2019
Raymond Baptist Church Dinner July 24, 2019 (66 attendees)*

Top three issues:

- ***Transportation - for both medical and personal needs***
- ***Depression and anxiety - the majority felt that suicide prevention across life span was very important and needed***
- ***Financial stress to obtain basic human needs, i.e. vision, dental and hearing, co-pays and medications***

See attached promotions Appendix F

During each community forum, an overview of the CHNA requirements and the process through which the CHNA committee intended to gather information was reviewed. The overview also included the timeline for completing the project as well as notification that the report would be posted on Exeter Hospital’s website for community review and feedback following its completion. In addition, copies of the 2016 CHNA were distributed and key findings from the 2016 report were reviewed. Following the overview, community members engaged in an open discussion and provided verbal insight into the significant health needs of their communities. Comments and/or discussion points follow below.

Forum discussion themes are in order from most noted to least.

- Mental and behavioral health
- Transportation
- Elderly care services
- Lack of affordable housing
- Substance use disorders
- Workforce shortage/workforce development
- Timely access to care
- Dental services
- Homelessness
- Geriatric mental health
- Cost of insurance
- Access to prescriptions
- Access to nutrition
- Vaccinations

3. Exeter Hospital Staff Survey

Exeter Hospital together with its affiliates Core Physicians and Rockingham VNA & Hospice, offered a voluntary online health needs assessment to each organization’s employee base. In total, 206 people participated.*

In general, would you say your health is:

EH Survey

- Base 100%
- Very good 40%
- Good 54%
- Fair..... 6%
- Poor 0%

Please tell us: What is the most important health related concern you have for you and your family?

EH Survey

- Base 100%
- Access to care due to insurance coverage cost barriers such as high co-pays and deductibles. 39%**
- Access to care due to being uninsured.2%
- Access to care due to scheduling issues with provider. 19%
- Access to appropriate medications due to insurance coverage cost barriers such as high co-pays and deductibles.....8%
- Access to appropriate medications due to being uninsured.1%
- Other4%
- I do not have any health related concerns for me or for my family. 27%

In your opinion, what do you believe is the most prevalent health care need for Seacoast residents?

EH Survey

Base	100%
Access to primary care.....	10%
Drug/prescription drug/alcohol abuse.....	21%
Behavioral mental health	46%
Dental care.....	2%
Obesity	5%
Cancer services	3%
Other	6%
Not sure.....	8%

In your opinion, what is the primary reason Seacoast residents are not able to access health care services?

Base	100%
No insurance or underinsured	66%
No access to transportation.....	8%
No resources to find a physician	2%
Other	9%
Not sure.....	15%

**Note: See Appendix F for additional comments pertaining to the Exeter Hospital Staff Survey*

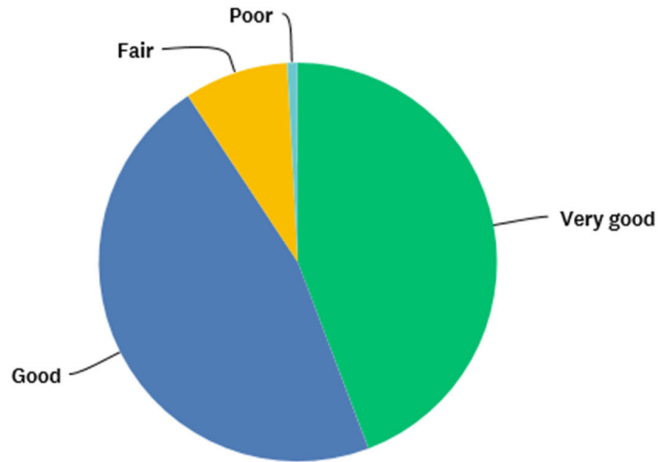
4. Public Online “Survey Monkey”

Exeter Hospital together with its community partners, released an online health needs survey to the public. The survey asked four questions and encouraged additional comments. In total, 710 people, affiliated with more than 19 different organizations, participated in the survey.

Q1

In general, would you say your health is ...

Answered: 710 Skipped: 0

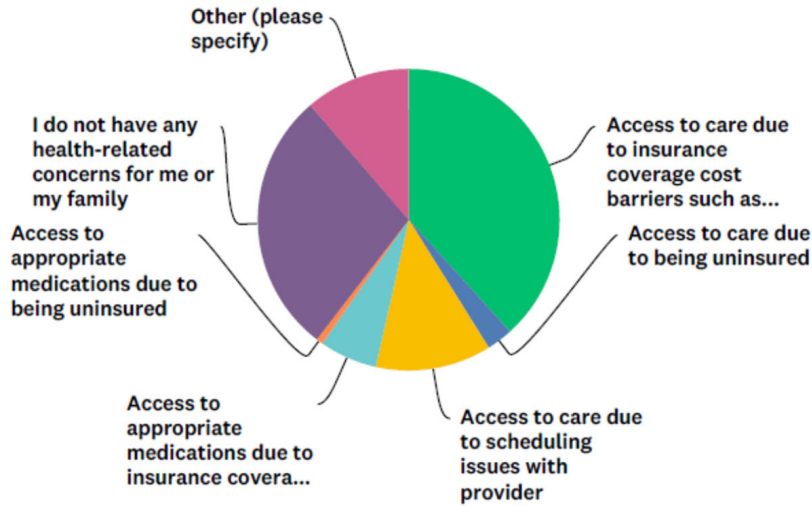


ANSWER CHOICES	RESPONSES	
▼ Very good	44.23%	314
▼ Good	46.48%	330
▼ Fair	8.45%	60
▼ Poor	0.85%	6
TOTAL		710

2019 Exeter Hospital Community Health Needs Assessment

Q2 Please tell us what is the MOST important health-related concern you have for you and your family.

Answered: 710 Skipped: 0

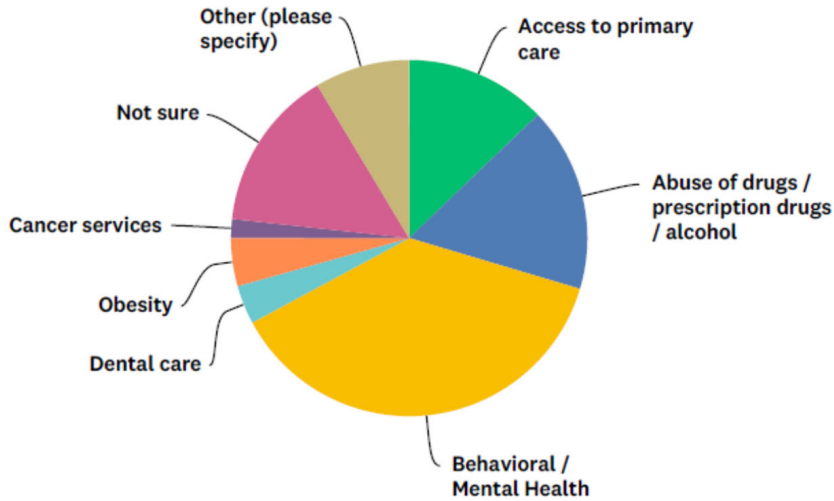


ANSWER CHOICES	RESPONSES
Access to care due to insurance coverage cost barriers such as high co-pays and deductibles	38.31% 272
Access to care due to being uninsured	2.82% 20
Access to care due to scheduling issues with provider	12.39% 88
Access to appropriate medications due to insurance coverage cost barriers such as high co-pays and deductibles	6.20% 44
Access to appropriate medications due to being uninsured	0.70% 5
I do not have any health-related concerns for me or my family	28.31% 201

2019 Exeter Hospital Community Health Needs Assessment

Q3 In your opinion, what is the MOST prevalent health care need for Seacoast residents?

Answered: 709 Skipped: 1

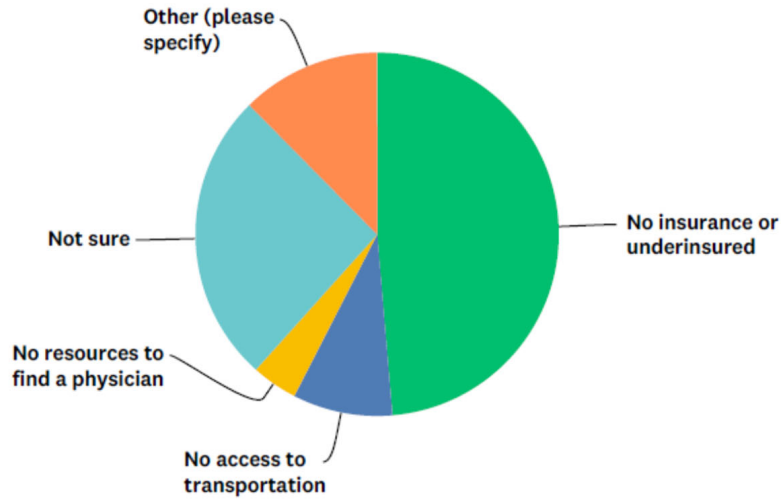


ANSWER CHOICES	RESPONSES	
Access to primary care	12.83%	91
Abuse of drugs / prescription drugs / alcohol	16.78%	119
Behavioral / Mental Health	37.52%	266
Dental care	3.53%	25
Obesity	4.37%	31
Cancer services	1.69%	12

2019 Exeter Hospital Community Health Needs Assessment

Q4 In your opinion, what is the PRIMARY reason Seacoast residents are NOT able to access health care services?

Answered: 709 Skipped: 1



ANSWER CHOICES	RESPONSES	
No insurance or underinsured	48.66%	345
No access to transportation	8.89%	63
No resources to find a physician	4.09%	29
Not sure	25.95%	184
Other (please specify)	12.41%	88
TOTAL		709

5. Key Leader Interviews

Interviews were conducted with community members, identified as having broad knowledge of the health needs of the communities served, including the underserved and low-income populations. A complete list of interviewees is included in the Appendix of this document as well as the key leader questionnaire.

In total, 26 key leader interviews were conducted during the months of May, June, and July 2019. Emerging themes regarding significant health needs are listed below:

- Integrated mental health services for all with easy access
- Cancer care
- Vaping and e-cigarette use in children
- Opioid addiction
- Surprise medical bills
- Transportation
- Geriatric care - support, housing, inpatient/outpatient psychology
- Pharmaceutical costs
- Chronic illness management
- End-of-life and palliative care
- Insurance insecurity
- Lack of affordable housing
- Rising autism rates

6. Secondary Research Sources:

1. *Behavioral Health Barometer New Hampshire, Volume 5*
2. *NH Department of Health and Human Services 2018 Annual Report*
3. *2019 County Health Rankings Report* www.countyhealthrankings.org
4. *NH Center for Public Policy Studies- Community Benefit and Market Changes in NH 2017*
5. *HEALTHY AGING DATA REPORT Highlights from New Hampshire 2019* www.HealthyAgingDataReports.org
6. *NH ORAL HEALTH BASELINE SURVEY I - Identifying Oral Health Resources and Promising Practices in Community-based, Non-traditional Settings 2017* www.nhoralhealth.org
7. *2019 NH Kids Count Data Book* www.new-futures.org/kidscount
8. *The state of New Hampshire's Babies Yearbook 2019*
9. *NH 10 Year Mental Health Plan 2019* <https://www.dhhs.nh.gov/dcbcs/bbh/documents/10-year-mh-plan.pdf>
10. *Status of Women in NH 2018* www.NHwomensfoundation.org
11. *The Commonwealth Fund* <https://interactives.commonwealthfund.org/2018/state-scorecard/state/new-hampshire>
12. *Health Indicators Report -Rockingham County, NH*
13. *The Behavioral Health Barometer: New Hampshire, Volume 5 (2017)* <https://store.samhsa.gov>
14. *The State of Mental Health in America* www.mentalhealthamerica.net/issues/ranking-states
15. *Substance Misuse in New Hampshire: An Update on Costs to the State's Economy and Initial Impacts of Public Policies to Reduce Them.* <https://new-futures.org/>
16. <https://www.drugabuse.gov/opioid-summaries-by-state/new-hampshire-opioid-summary>
17. <https://www.dhhs.nh.gov/dcbcs/bdas/documents/dmi-2018-overview.pdf>

VIII. 2019 CHNA Outcomes Prioritized

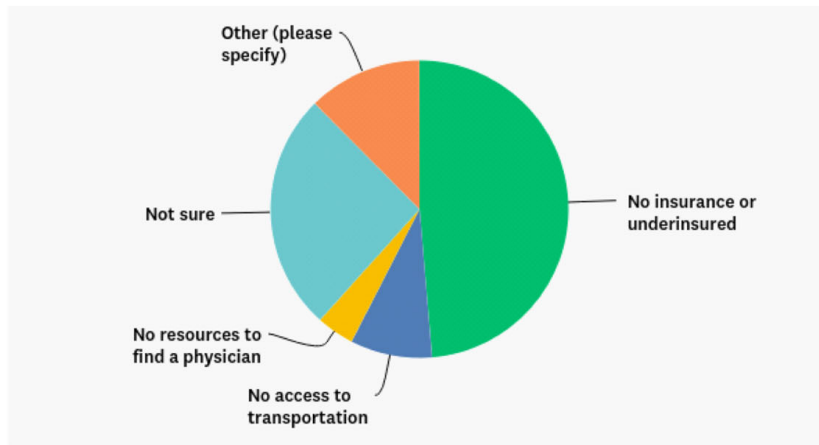
Access to Care

As depicted in the 2016 Community Health Needs Assessment, access to healthcare services continues to be a notable concern through 2019. Most significantly, respondents cited barriers to healthcare due to being uninsured or underinsured along with high cost deductibles and the high cost of co-payments.

Exeter Hospital received 702 responses to its electronic survey, hosted by Survey Monkey. Of those responses 49% noted insurance as the primary barrier to accessing healthcare.

Q4: In your opinion, what is the PRIMARY reason Seacoast residents are NOT able to access health care services?

Answered: 709 Skipped: 1



Powered by SurveyMonkey

In the Exeter Hospital Quarterly Market Survey conducted in July of 2019 by the University of New Hampshire Survey Center, respondents most frequently cite cost (17%) as their most important health related concern. N=300

“Respondents most frequently cite cost (17%), miscellaneous ailments (15%), availability of care (11%), general well-being (10%), cancer (7%), nutrition (7%), insurance (6%), and the environment (5%) as their most important health-related concern, while 9% say they have no health-related concerns.”

¹ Exeter Hospital Quarterly Survey, UNH Survey Center 2019

Figure 2a: What is the most important health related concern that you have for you and your family? (coded)

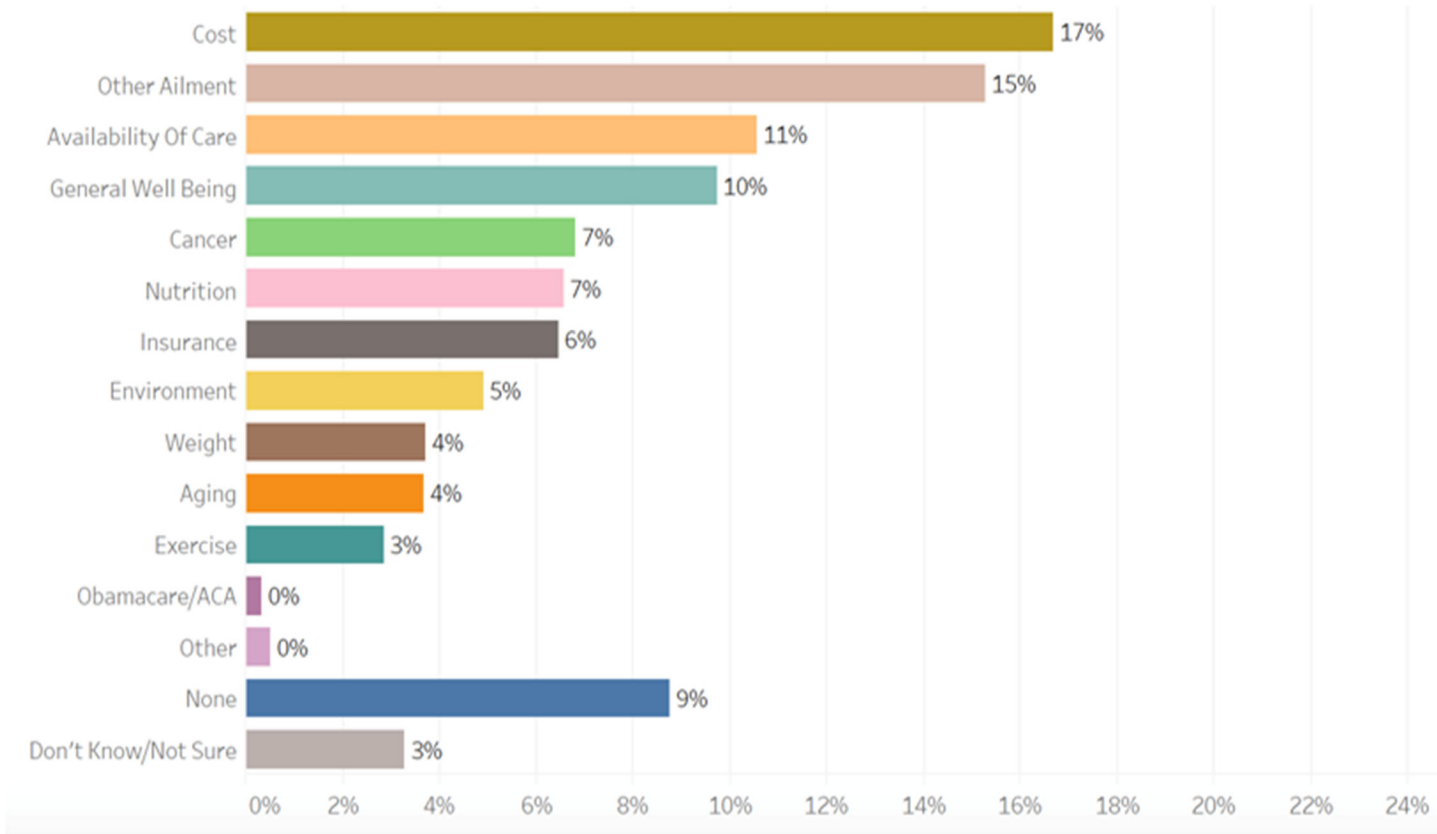
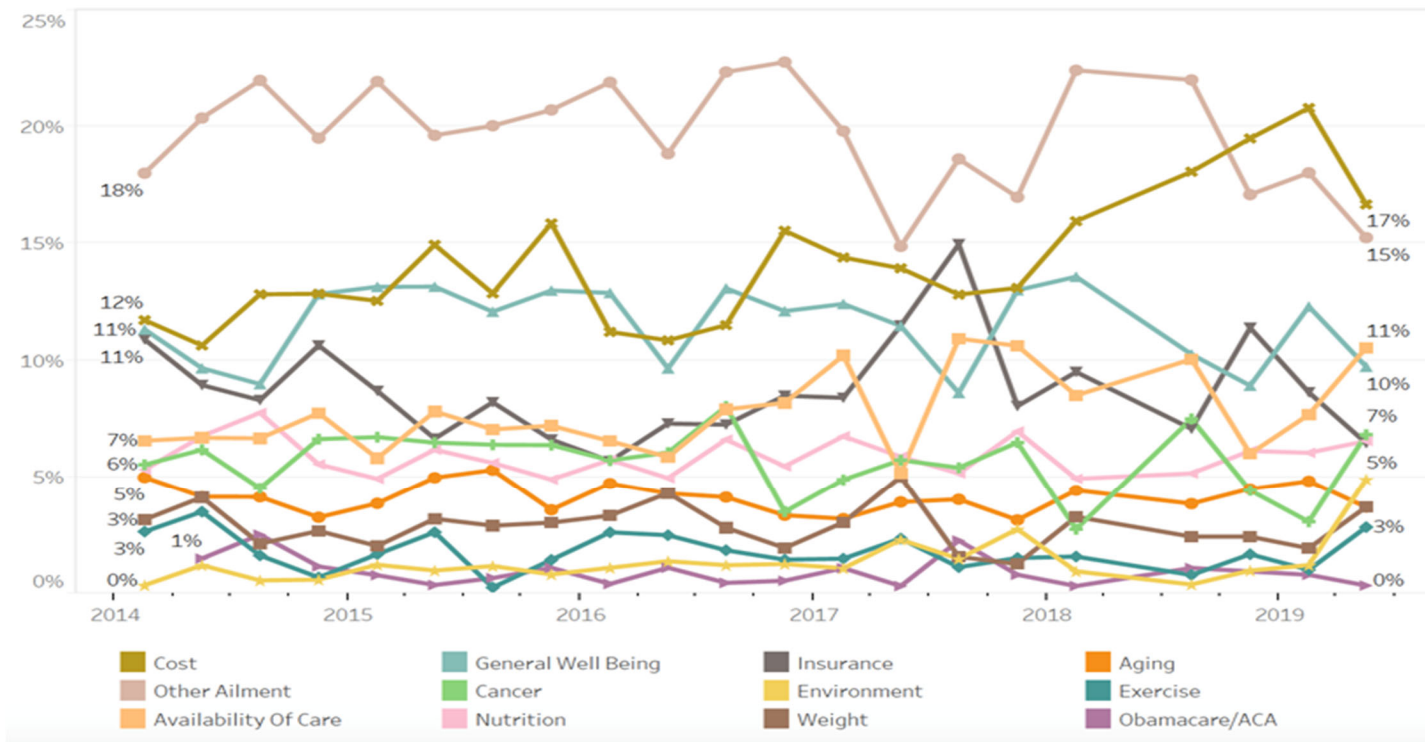


Figure 2b: Most Important Health Related Concern - Trends by Quarter



Exeter Hospital Staff Survey

Exeter Hospital, together with its affiliates Core Physicians and Rockingham VNA & Hospice, offered a voluntary online health needs assessment to each organization's employee base. In total 206 people participated.

Question: Please tell us what is the MOST important health related concern for you and your family:

Access to care due to insurance coverage cost barriers such as high co-pays and deductibles.....	39%
Access to care due to being uninsured.	2%
Access to care due to scheduling issues with providers.....	19%
Access to appropriate medications due to insurance coverage cost barriers such as high co-pays and deductibles.....	8%
Access to appropriate medications due to being uninsured.	1%
Other	4%
I do not have any health related concerns for me or for my family.	27%

Behavioral Services

Consistent with published secondary data, both at the state and national level, substance use disorder, addiction, and mental health services remain significant concerns for Seacoast residents.

According to the 2019 State of Mental Health in America, NH is ranked 10th in the country for mental illness and access to care. "A low overall ranking indicates a higher prevalence of mental illness and lower rates of access to care." (2019 *Mental Health in America*) Of concern is the prevalence of youth in NH with the prevalence of at least one major depressive episode. NH is worse than the national average. See chart on the next page.

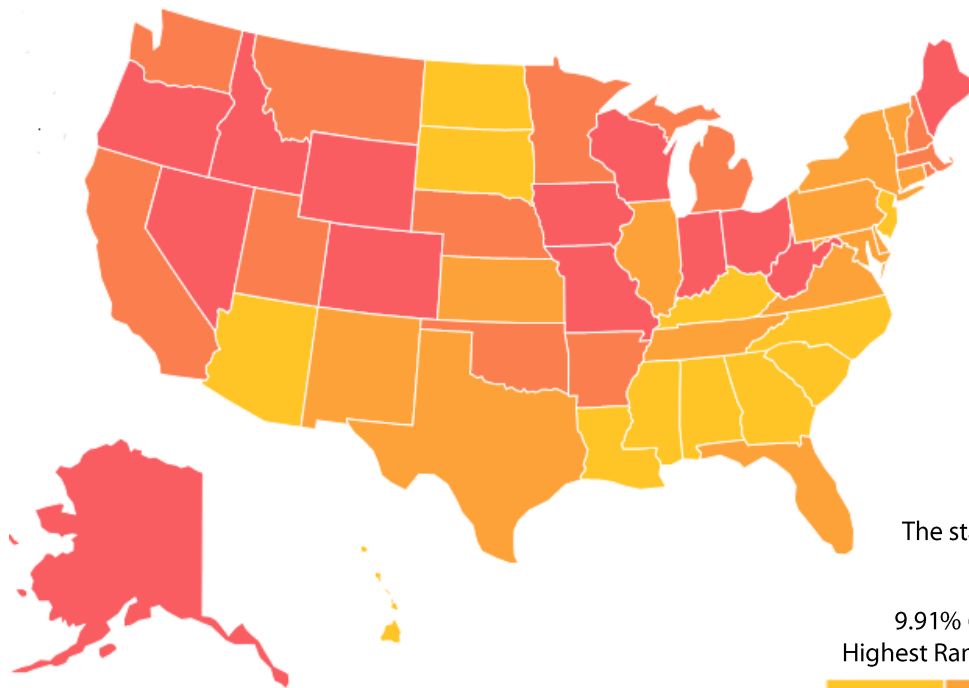
Youth Prevalence of Mental Illness

Youth with At Least One Major Depressive Episode (MDE) in the Past Year

12.63% of youth (age 12-17) report suffering from at least one major depressive episode (MDE) in the past year.

Childhood depression is more likely to persist into adulthood if gone untreated.

The number of youths experiencing MDE increased by 175,000 from last years' dataset.



The state prevalence of youth with MDE ranges from:



Rank	State	%	#	Rank	State	%	#
1	District of Columbia	9.91	3,000	27	California	12.93	393,000
2	Georgia	10.14	87,000	28	Nebraska	12.97	20,000
3	Louisiana	10.15	37,000	29	Arkansas	13.05	31,000
4	New Jersey	10.39	72,000	30	Washington	13.23	70,000
5	Mississippi	10.78	26,000	31	Michigan	13.27	103,000
6	South Carolina	10.83	40,000	32	Minnesota	13.39	57,000
7	Hawaii	10.99	11,000	33	New Hampshire	13.40	13,000
8	Alabama	11.18	42,000	34	Oklahoma	13.53	43,000
9	North Dakota	11.25	6,000	35	Montana	13.56	10,000
10	Arizona	11.68	64,000	36	Massachusetts	13.72	67,000
11	North Carolina	11.70	92,000	37	Rhode Island	13.72	10,000
12	Kentucky	11.72	40,000	38	Utah	13.81	41,000
13	South Dakota	11.79	8,000	39	West Virginia	13.90	18,000
14	New York	11.91	169,000	40	Ohio	13.98	127,000
15	Delaware	11.94	8,000	41	Iowa	14.09	34,000
16	Texas	11.95	286,000	42	Maine	14.25	13,000
17	Tennessee	12.13	62,000	43	Missouri	14.28	67,000
18	Pennsylvania	12.33	114,000	44	Wisconsin	14.45	64,000
19	Vermont	12.45	5,000	45	Colorado	14.59	62,000
20	Illinois	12.46	126,000	46	Indiana	14.70	79,000
21	Connecticut	12.52	35,000	47	Wyoming	15.00	7,000
22	Kansas	12.53	30,000	48	Alaska	15.22	9,000
23	Virginia	12.56	79,000	49	Oregon	15.66	46,000
24	New Mexico	12.61	21,000	50	Nevada	15.66	35,000
25	Maryland	12.69	58,000	51	Idaho	15.93	23,000
26	Florida	12.84	180,000		National	12.63	3,144,000

Exeter Hospital, and its Affiliates Core Physicians and RVNA and Hospice have taken the following steps to address the need for increased mental health services in 2018:

- Exeter Hospital awarded \$245,000 to local organizations through its *Youth Suicide Prevention Initiative*, with additional funds allocated to underwrite the statewide *Zero Suicide Community of Practice*, and sponsorship of suicide prevention events.
- With funding from Exeter Hospital and Connections for Health Initiative, Core Physicians has made the commitment to embed Social Work and licensed counselor services as a pilot project in two Primary Care locations with the hope for expansion in 2020.
- The Exeter Hospital Emergency Department front-line staff recently received focused training to reduce the stigma associated with behavioral health patients. As the improvement work continues, the Hospital is finalizing discussions to have a psychiatric Nurse Practitioner from Seacoast Mental Health to work both in the Emergency Department and on the inpatient units to improve the quality and continuity of care for behavioral health patients at Exeter Hospital.
- Core Physicians has made the commitment to screen all patients who walk through the doors and any Primary Care office, at least yearly, with the Patient Health Questionnaire (PHQ) +3. RVNA and Hospice also switched to the PHQ3 at intake.
- Core Physicians has partnered with Seacoast Mental Health for multiple initiatives, including expanded suicide screening and co-locating treatment services in several of our primary care and pediatric practices.
- The Exeter Hospital Emergency Department has worked diligently over recent years to improve their provision of care processes to assess and treat patients with suicidal ideation. The improvement work includes: physical environment enhancements for patients with suicidal ideation to ensure their safety, participation in a *NH State Behavioral Health Learning Collaborative* sponsored by the NH Foundation for Healthy Communities, and extensive collaboration with various regional hospitals to share best practices of assessing and treating patients with suicidal ideation.

Reports released in 2019 by the *National Institute on Drug Abuse* determined that “New Hampshire is among the top five states with the highest rate of opioid-involved deaths. In 2017, there were 424 drug overdose deaths involving opioids in New Hampshire—an age-adjusted rate of 34.0 deaths per 100,000 persons. This was more than twice the average national rate of 14.6 deaths per 100,000 persons.” See figure #1 below.

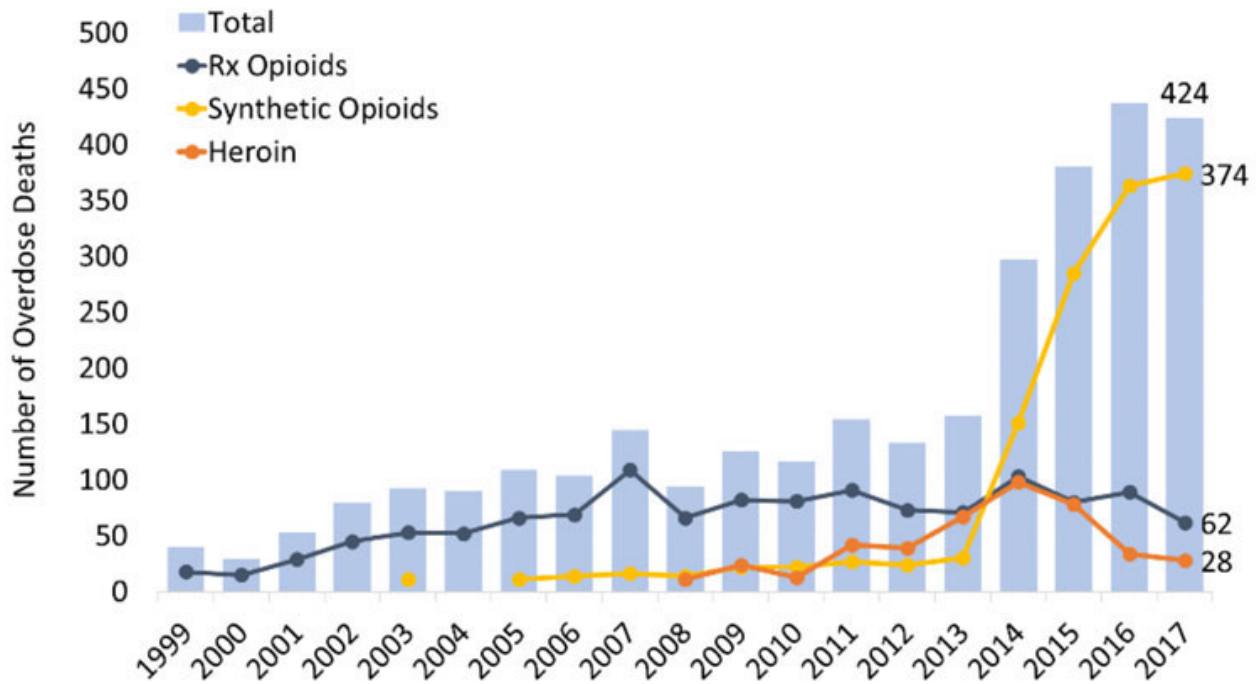


Figure 1. Number of overdose deaths involving opioids in New Hampshire, by opioid category. Drug categories presented are not mutually exclusive, and deaths might have involved more than one substance. Source: CDC WONDER.

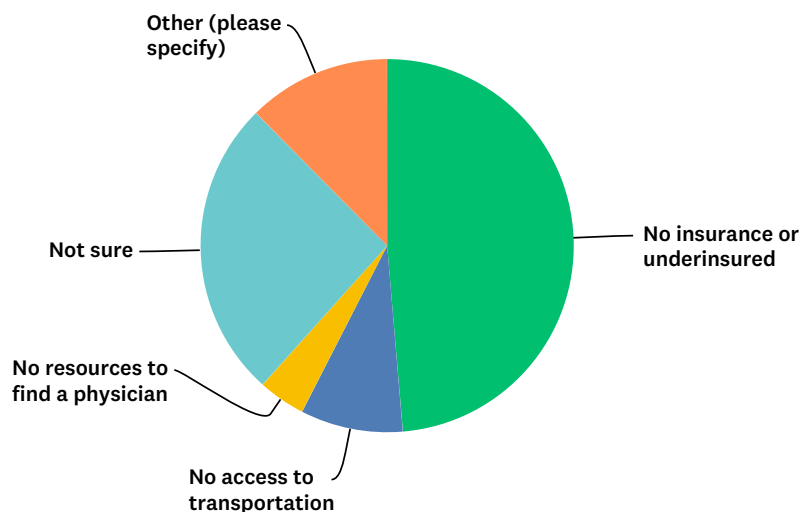
The *New Hampshire Drug Monitoring Initiative* data reflects that “as of 16 July 2019, the number of confirmed drug overdose deaths for 2018 have been finalized-471 confirmed drug overdose deaths occurred in 2018.”

According to the *New Hampshire Charitable Foundation*, “substance misuse costs the state \$2.36 billion a year in health and criminal justice costs, lost labor force participation and lost worker productivity – up from \$1.84 billion in 2014.”

Notably, 38% of respondents participating in the online survey noted Behavioral/Mental Health as the most prevalent need for Seacoast residents. When combining that with those who stated abuse of drugs/prescription drugs/alcohol that number increases to 55% of the total respondents.

Q4 In your opinion, what is the PRIMARY reason Seacoast residents are NOT able to access health care services?

Answered: 709 Skipped: 1



ANSWER CHOICES	RESPONSES	
No insurance or underinsured	48.66%	345
No access to transportation	8.89%	63
No resources to find a physician	4.09%	29
Not sure	25.95%	184
Other (please specify)	12.41%	88
TOTAL		709

Elder Care and Support Services

Consistent with the 2013 and 2016 Community Health Needs Assessment reports, Elder Care and Support Services remains a significant need in the area. According to the “New Hampshire State Plan on Aging- 2015-2019, published by the NH Department of Health and Human Services, New Hampshire is ranked the third state with the fastest growing older population.

By 2020, the population of individuals over 65 will reach 20%. In Rockingham County, the percent of those aged 65 and older reached 18% in 2018, according to the U.S. Department of Commerce, United States Census Bureau. The State of New Hampshire, Office of Energy and Regional Planning Commissions created a manual depicting, “County Population Projections, 2013 By Age and Sex.” Through this report the above graph was created, which depicts the projected population for Rockingham County through 2025.

As the elderly population rises, more social services are necessary to support their specific needs. These services include adult day programs, transportation, legal services, home health services, prevention and wellness programs, dental services, and end of life care.

**Population Projections for New Hampshire Counties
Age and Sex Detail, 2010 to 2040**

Rockingham County

	2010			2015			2020			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	7,541	7,442	14,983	6,633	6,505	13,138	7,073	6,936	14,009	7,418	7,274	14,692
5-9	9,376	8,957	18,333	8,061	7,995	16,056	7,177	7,043	14,220	7,629	7,483	15,112
10-14	10,623	10,076	20,699	9,870	9,267	19,137	8,590	8,339	16,929	7,624	7,319	14,943
15-19	10,282	9,528	19,810	9,859	8,874	18,733	9,291	8,242	17,533	8,060	7,388	15,448
20-24	8,050	7,096	15,146	8,420	7,470	15,890	8,204	7,033	15,237	7,703	6,502	14,205
25-29	7,381	7,190	14,571	8,961	8,218	17,179	9,486	8,716	18,202	9,216	8,176	17,392
30-34	7,198	7,488	14,686	8,618	8,636	17,254	10,582	9,939	20,521	11,172	10,509	21,681
35-39	9,172	9,800	18,972	8,015	8,124	16,139	9,712	9,443	19,155	11,892	10,831	22,723
40-44	11,794	12,320	24,114	9,569	9,961	19,530	8,470	8,327	16,797	10,234	9,644	19,878
45-49	13,959	14,412	28,371	11,661	12,184	23,845	9,592	9,937	19,529	8,469	8,278	16,747
50-54	13,607	13,539	27,146	13,613	14,037	27,650	11,537	11,975	23,512	9,468	9,734	19,202
55-59	10,965	11,221	22,186	12,986	13,154	26,140	13,192	13,767	26,959	11,160	11,709	22,869
60-64	9,215	9,567	18,782	10,128	10,810	20,938	12,197	12,801	24,998	12,378	13,364	25,742
65-69	6,196	6,501	12,697	8,434	9,067	17,501	9,439	10,358	19,797	11,371	12,243	23,614
70-74	4,012	4,507	8,519	5,499	5,958	11,457	7,640	8,414	16,054	8,568	9,603	18,171
75-79	3,029	3,641	6,670	3,379	4,156	7,535	4,746	5,572	10,318	6,628	7,876	14,504
80-84	1,958	2,943	4,901	2,325	3,104	5,429	2,676	3,611	6,287	3,798	4,864	8,662
85+	1,528	3,109	4,637	1,919	3,808	5,727	2,420	4,390	6,810	2,906	5,128	8,034
Total	145,886	149,337	295,223	147,950	151,327	299,277	152,023	154,843	306,866	155,694	157,925	313,619

Graph Courtesy of Department of Health and Human Services, Bureau of Elderly and Adult Services, The New Hampshire State Plan on Aging, 2015-2019. <http://www.dhhs.nh.gov/dcbcs/beas/documents/stateplan.pdf>.

Transportation

Similarly to both the 2013 and the 2016 CHNA’s, transportation remains both a health need priority and a barrier to care, most prominently for elderly and disabled community members. This is evident in the *UNH Telephone Survey data, Q2 2019*, and in chart 4b where it shows that transportation has been an on-going need throughout the past three years.

Figure 4a: Why couldn't you or someone in your household see a doctor?
(Select All That Apply)

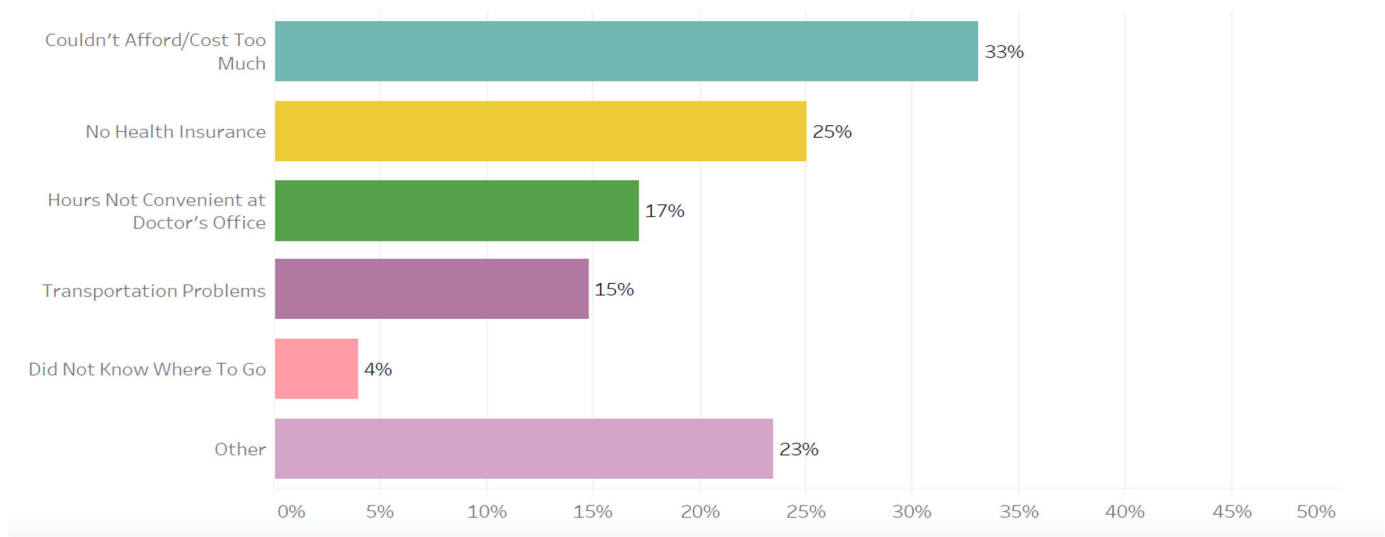
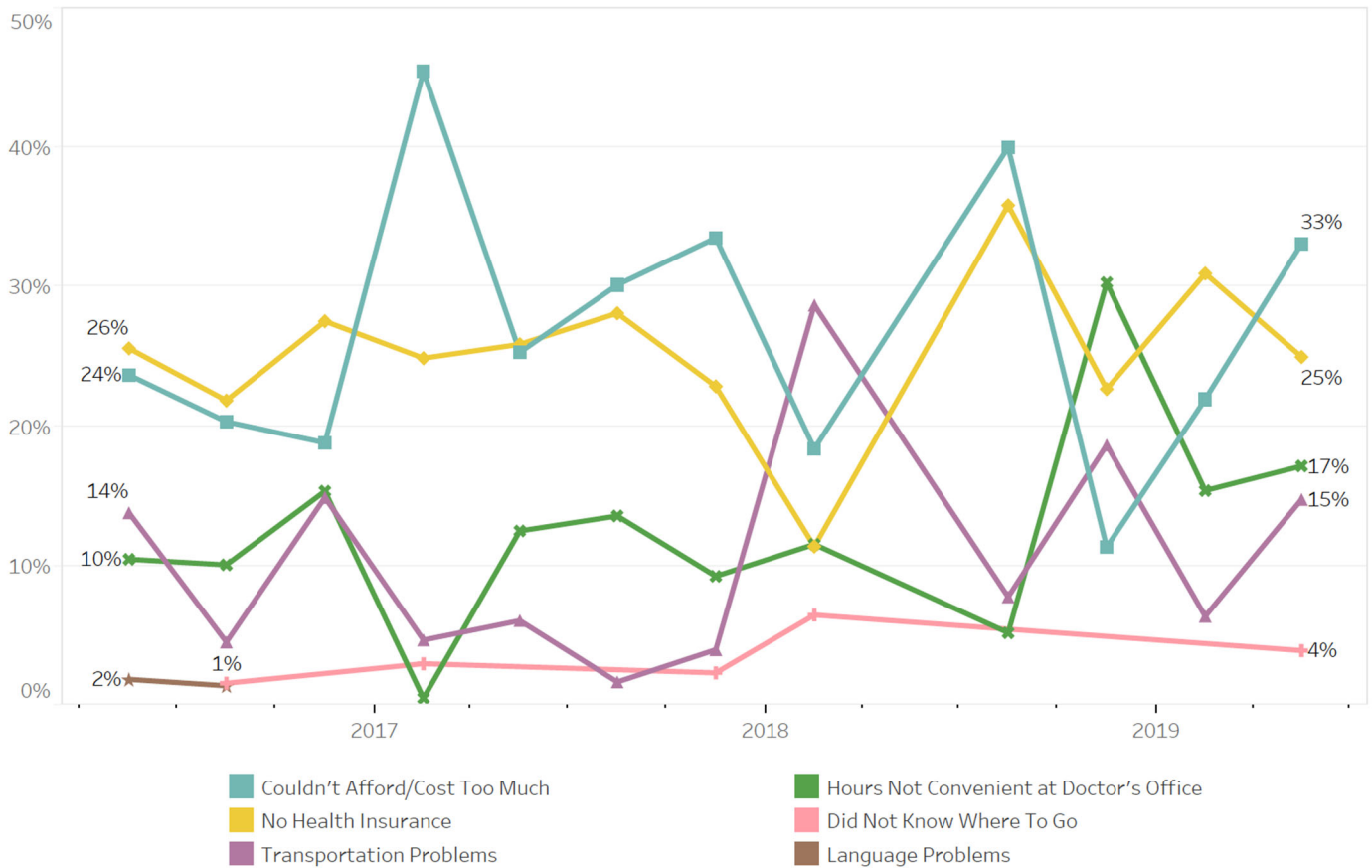


Figure 4b: Why couldn't you or someone in your household see a doctor? - Trends by Quarter



Transportation was also noted to be a barrier to care and healthy living options for both the elderly population and the younger population as expressed by Tanisha Johnson, Associate Branch Director, Exeter Area YMCA, in her key leader interview. This was a consistent theme throughout many of the key leader interviews.

According to Carol Gulla, Executive Director of TASC (Transportation Assistance for Seacoast Citizens), whose agency serves eligible residents of 10 communities in Rockingham County, “There simply aren’t enough transportation resources to meet all the needs” within the service area. The agency serves adults 55 years and older and people with disabilities.

In closing, according to the *2019 America Health Rankings*, published by the United Health Foundation, New Hampshire is now the sixth healthiest state in the nation. In addition, the *2019 America Health Rankings Senior Report* ranks New Hampshire sixth in the nation for senior health. Although the state consistently remains in the top tier overall, within Rockingham County there continues to be consistent themes identified in the 2013, 2016 and now the 2019 assessments.

With the implementation of the Insurance Exchange and the expansion of Medicaid an increased number of individuals living within Rockingham County have access to some level of insurance coverage however; the increasing high deductibles and the cost of co-payments have severely impacted access to care. Further according to the U.S Census Bureau as of 2018 there remained approximately 5.6% of the population ages 65 and under who remain uninsured.

Appendix A: Steering Committee Contact Information

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Appendix B: Participating Organizations

Exeter Hospital:

Exeter Hospital is a 100-bed, community-based hospital serving New Hampshire's Seacoast Region. The hospital's scope of care includes comprehensive medical and surgical health care including breast health, maternal/child and reproductive medicine, cardiovascular, sleep medicine, occupational and employee health, oncology, orthopedics and emergency care. Exeter Hospital is accredited by DNV Healthcare, Inc., and is a designated Magnet® hospital by the American Nurses Credentialing.

www.ExeterHospital.com

Families First Health and Support Center is a not-for-profit community health center and family resource center serving the Seacoast region of New Hampshire and southern Maine. A leader in integrated care, Families First offers high-quality health care, dental care and parent & family programs, all in one location. Families First's services are for everyone — infants to seniors, single people and families, insured or uninsured, all income levels. We are part of Greater Seacoast Community Health, which also includes Goodwin Community Health and Lilac City Pediatrics. Our mission: To deliver innovative, compassionate, integrated health services and support that are accessible to all in our community, regardless of ability to pay.

www.Familiesfirstseacoast.org

Foundation for Seacoast Health is a nonprofit, private non-operating foundation established in 1984 following the sale of Portsmouth Hospital to Hospital Corporation of America in 1983. The Foundation has been a catalyst for positive change on the Seacoast, promoting a wide range of initiatives to improve the health and well-being of area residents. Over the years we have convened several community partnerships to explore pressing needs awarding specific program grants as a result of what we learned. Two multi-year projects addressed childhood obesity in elementary schools and promoting healthy eating and active living in communities. Understanding the importance of infrastructure to a nonprofit's sustainability, the Foundation has been a leader in the area of providing unrestricted operating grants to organizations. Many of the Seacoast's strongest nonprofits have benefited from this funding over multiple years. At the end of 2018, the Foundation had awarded over \$31.2 million in grants and \$2.2 million in scholarships.

www.ffsh.org

Goodwin Community Health is the only FQHC (Federally Qualified Health Center) in the Strafford County area to provide access to primary, dental, prenatal, and behavioral health care as well as community wellness and public health services. We believe that everyone should be empowered to maximize health and well-being and strive to make our array of programs and health services integrated, convenient, high quality, affordable and easy to access.

The caring and helpful staff at Goodwin Community Health consistently deliver affordable, high quality care and services that families and people like you have been counting on for almost 50 years. We promise our community that whenever possible, we create access, guidance and assistance in removing the barriers that stand in your way to healthier living. Regardless of age, ethnicity or socioeconomic status, Goodwin Community Health connects you to helping hands and serving hearts so you can live a healthier life.

www.goodwinch.org

Lamprey Health Care

Lamprey Health Care provides high quality primary medical care and health related services, with an emphasis on prevention and lifestyle management, to all individuals regardless of ability to pay. As NH's oldest community

health center care is provided at three centers located in Newmarket, Raymond and Nashua. Services include primary care, prenatal care, OB/GYN, pediatrics and an integrated behavioral health program. Additional programs and services are designed to meet the needs of our target populations; the uninsured, the minority population and those with financial, language, cultural and transportation barriers to care. Serving over 10,000 patients in the Newmarket and Raymond service areas, all three centers are recognized as Level III Patient Centered Medical Homes by the National Committee for Quality Assurance, the highest level possible.

www.lampreyhealth.org

Richie McFarland Children's Center

Richie-McFarland Children's Center is an early childhood program whose purpose is to help young children reach their full developmental potential and to support their families through that process. The Center provides developmental and therapy services for children (ages birth through five years of age) with and without special needs, support and education to their families and guidance in accessing community and health resources.

www.richiemcfarland.org

Society of St. Vincent de Paul Exeter

The Society of St. Vincent de Paul Exeter offers food and emergency financial assistance to low income residents of Exeter, Stratham, Newfields, Brentwood, Kensington, and East Kingston. Their Food Pantry is one of the largest in the Seacoast and offers fresh produce, milk, pantry items, eggs, butter and bakery items. The Cleo Castonguay Community Assistance Center offers the following services to qualified low-income residents: urgent dental care, medical care, homeless support, fuel assistance, jail release programs and tax preparation. They are a source of financial assistance when all other resources have been exhausted. The Community Assistance Center hosts various local agencies five days a week to offer additional services to the community.

www.svdpxeter.com

Seacoast Mental Health Center is the state designated Community Mental Health Center for Region VIII, encompassing 24 towns in the eastern half of Rockingham County. The Center provides the full spectrum of mental health services to persons of all ages living in this region, substance misuse services including Medically Assisted Treatment for adults and 24/7 emergency services to those experiencing a psychiatric emergency. Services include prevention programs for older adults and treatment programs for all ages and acuity.

www.smhc-nh.org

Seacoast Public Health Network became a program of Lamprey Health Care in July 2015 two years after the state merged the work of Substance Misuse Prevention networks with Public Health Emergency Preparedness networks. Seacoast PHN provides health education promotion, substance use prevention, and network development. We are one of 13 public health regions in the state. The mission of Seacoast PHN is to strengthen public health partnerships in emergency preparedness, community health, and substance use prevention in order to better serve our communities.

www.seacoastphr.org

Exeter Area YMCA

The Exeter Area YMCA Southern District YMCA provides opportunities for youth development, healthy living and social responsibility in our southern New Hampshire community. We achieve this by putting Christian principles into practice through programs that build healthy spirit, mind and body for all - regardless of age, gender, sexuality, race, ability, religion or income. In all our locations, youth, adults, and families can connect with others, engage in programming to better their mental and physical health, and strengthen the community as a whole.

www.sdymca.org

Appendix C: Key Leader Interview Roster

1. Michael Guidi, DO, Core Physicians
2. Janine Richards, Director of Student Wellness, SAU 90
3. Jon Morgan, Senator, NH
4. Tom Sherman, Senator, NH
5. Gaby Grossman, Representative Exeter
6. Liz McConnell, Representative Brentwood
7. Tanisha Johnson, Associate Branch Director, Exeter Area YMCA
8. Kristyn LaFleur, Executive Director, Key Collective, Womenade of Greater Squamscott Board President
9. Kristina Currier, Art Instructor, Timberlane High School, SAU 55
10. Russ Dean, Town Manager, Exeter
11. Nikki Hill, Assistant Treasurer, Womenade of Greater Squamscott
12. Nancy Euchner, CEO, Age Quest
13. Katy Lilly MD, Medical Director, Philips Exeter Academy
14. Travis Harker MD, Medical Director, Appledore Medical Group
15. Greg Burwood, Executive Director, Connections Peer Support Center
16. Molly Zirillo, Executive Director, Society of St. Vincent de Paul Exeter
17. Tony Teixeira, Executive Director, Exeter Housing Authority
18. Carol Gulla, Executive Director, TASC
19. Maria Kenney, Administrative Director, Seacoast Youth Services
20. David O'Connor, Principal, Hampton Academy
21. Patti MacKenzie, Volunteer Executive Director, Hampton Community Coalition Services
22. Nita Niemczyk , Volunteer, Hampton Community Coalition Services
23. Lois Costa, Principal, Marston School
24. John Reagan, Senator NH
25. Michael Cahill, State Representative NH



COMMUNITY HEALTH NEEDS ASSESSMENT FORUMS

- ▼ Families First Health & Support Center
- ▼ Lamprey Health Care
- ▼ Seacoast Mental Health Center
- ▼ St. Vincent de Paul Community Assistance Center
- ▼ Public Health Advisory Network
- ▼ Goodwin Community Health
- ▼ Richie McFarland Children's Center
- ▼ Southern District YMCA
- ▼ Foundation for Seacoast Health
- ▼ United Way of the Greater Seacoast

In collaboration with the above non-profits, **Exeter Hospital** invites you to attend one of four Community Forums to provide input on what you consider to be the most important health needs in your community.

Your input will be a valuable contribution to the 2019 Community Health Needs Assessment.

The forums provide an opportunity to share your thoughts about the health of our communities. Please consider joining us at one of the following four important forums.

<p>Wednesday, May 15 6:00-7:00 pm Epping Regional Health Center 212 Calef Highway Epping, NH</p>	<p>Wednesday, May 22 6:00-7:00 pm Exeter Hospital Conference Room 2 Exeter, NH</p>	<p>Wednesday, May 29 6:00-7:00 pm Seabrook Library 25 Liberty Lane Seabrook, NH</p>	<p>Thursday, May 30 5:30-7:00 pm Tuscan Kitchen 581 Lafayette Road Portsmouth, NH</p>
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Space is limited at each presentation. These forums are open to the public and walk-ins are welcome. Please call Exeter Hospital's Information and Referral Center at 603-580-6668 or email healthreach@ehr.org to reserve your spot. Please be sure to indicate which forum you plan to attend.



an exeter health resource | The Art of Wellness

Like us on Facebook for news, healthy tips & medical information.

5 Alumni Drive, Exeter, NH 03833 | exeterhospital.com

Appendix E: Additional Comments from the Employee Survey

Additional Comments:

Please tell us what is the MOST important health related concern for you and your family:
access to community health resources for chronic disease prevention and mental health
Being able to access services outside of "standard" insurance coverage. ie private paying for a breast ultrasound (as a screening) Exeter Hospital does not offer this outside of the insurance "standards" patient request
concerns with excellent providers leaving their practices
Exeter hospital copays way too high
government interference
If you selected "other," above, please explain
no concerns
Oral health needs
Overall, happy now. But once I retire, I am worried about the "cost" of healthcare.
In your opinion, what is the MOST prevalent health care need for NH Seacoast residents?
.housing (AFFORDABLE) assistance helping finding places that are clean and caring employees
Access to speciality care
affordable, accessible excellent care
AUTOIMMUNE DISORDERS/LYME DISEASE TREATMENT
Community programs to address the needs of seniors to increase longevity and decrease accident rates. Driving, falls, safety at home and access to transportation if needed
Cost of medicines
If you selected "other," above, please explain:
Multiple: Drug misuse disorders, mental health, dental health
QUALITY coordinated health care with all record systems speaking to each other!
Support to keep people in their homes, home care, mental health counseling etc in the community
uninsured being unable/unwilling to seek care, especially preventative care, and the lack of mental health services.
Urgent care services, community education re: urgent care versus emergency care
wellbeing education and chronic disease prevention

In your opinion, what is the PRIMARY reason NH Seacoast residents are NOT able to access health care services?
Access/scheduling/pre-auth process accuracy
chose not to
difficult to get an appointment/get an appt & show up & doc is not there/get an appt & show up & they have no record of your appt/lost paperwork at doc office/doc late/not scheduling adequate time for the appt/doc rushed & not paying full attention/inadequate communication between front office & doc/scrip corrections not getting called incorrectly/rude front office staff - no better options for in-network service - too stressful, so just don't go
difficulty finding services; unsure where to look
Fear that the cost will be too high whether insured or not
Healthcare isn't transparent. You go in for a service and you often don't know how much it's going to cost. This scares people away from getting the treatment they need.
high deductibles for those that have insurance
income and coverage, Insurance Companies monopolizing New England. Not many choices
LACK OF AVAILABLE SERVICES
many believe health care is not the best here and seek care elsewhere
minimal community wellness resources
Need resources to help them figure out how to initiate health care for their needs and how to obtain the care whether or not there are insurance coverage or transportation needs
No appointment available
Not enough mental health services
Not enough resources
not proactive to get help when needed
Obamacare
practices are booking out so far patients cannot wait that long for some appointments
THERE ARE NO HOSPITALS

Please feel free to provide additional comments:
A health fair for new & non-CORE patient staff to get acquainted with our CORE providers and set up initial appointments. Special offers to become "in network". Address privacy concerns. Which provider is right for me and my family as an EH employee?
better coordination between providers, better follow up by some providers for their patients
community resources for prevention of chronic diseases and mental health problems are lacking compared to other regions in the country
Excessive co-pays is a reason I decide not to be seen
First hand I am aware of the need for improved education and intervention in middle and high school in relation to the dangers of addiction. Oftentimes there are great speakers and seminars at facilities after hours but young people that I know will not attend because they don't want anyone that they know to see them at such an event. I feel that if we brought the speakers and programs directly into the schools during school hours the students would have to attend and get the knowledge.
Getting old is frightening and need to start planning years in advance
Health care can't do much about what insurance will cover, but being able to tell the patient what the out of pocket costs will be at the time of treatment would help empower people to better make decisions about their health.
healthcare is a right, not a privilege.
Healthy active life styles should be promoted and local activities sponsored by the state would be a great step in the right direction
I BELIEVE IF SOMEONE HAS NO INSURANCE,PCP,ETC ITS BECAUSE OF CHOICES THERE MAKING AND ITS NOT UP TO EVERYONE ELSE TO TAKE CARE OF THEM
I FEEL THAT SUBSTANCE ABUSE IS A BIG ISSUE, BUT I THINK LACK OF MONEY AND HEALTH EDUCATION AND AWARENESS CONTRIBUTES.
I had to switch from Anthem due to the increase of cost overall and co-pay for labs, I do labs weekly and I would be broke within two months, the benefits card would be done. I really like the care I received at the hospital and through core. I had no choice. Maybe in the future I will be able to come back.
I have three adult children that refuse to go to the doctor because their deductibles are so high, they end up paying the full cost of the visit - often hundreds of dollars that they don't have. The days of the \$50 co-pay per visit eliminated that problem. Many won't get the health care they should because of this.
I work in woman's imaging center. Ive seen an increase in patient concerns when they are asked to come back for diagnostic imaging based on an abnormal screening. The percentage is higher of those that don't because insurance won't cover it . This is disturbing.
I'm so tired of hearing that my patients can't afford their medications, or the co-pays for specialists. There are not enough people in the community available to educate our patients to the extent required to care for their illnesses outside of the hospital setting.
In addition to where I think Seacoast Patients need help in are Cancer Care. A lot of PTs have insurance issues and have transportation issues especially in elderly people.
Need mobile drug misuse disorder assistance/availability to help those unable to seek help on their own.
no
no insurance, high cost of care

One of the biggest obstacles to finding/choosing affordable healthcare is the lack pricing/cost transparency.
Patients are waiting much too long for access to mental health care as there is a great lack of available resources
So many people rely on the ACA/Exchange policies. Hopefully this option will remain in place for those in need of affordable coverage.
The acuity level of patients being admitted to hospitals is getting worse. Seacoast citizens need to be more proactive in scheduling and seeing all practitioners to identify hidden risks in their initial phases
THE COST OF HEALTH INSURANCE IS TOO HIGH, PCP'S ARE OVERTAXED AND YOU ONLY GET 15 MIN WITH PT, HEALTH CARE NOW FEELS LIKE GOING TO YOUR AUTO MECHANIC (BEING NICKEL AND DIMED)
There needs to be more transportation available in Rockingham County for people. Geropsych/psych beds are lacking and the many ED holds of pts waiting for a psych inptn bed
we are in need of facilities that can deal with mental health issues and not have them dumped off at the hospital where we have to put them in "the box" till they have a place to accept them weeks out.
What else is being done to assess the health gaps and needs of our community?
While I am lucky to have decent health insurance, my children do not. The youngest will lose her coverage next year when she turns 26. The oldest works 2 part time jobs, neither of which provide health insurance. My middle child recently quit his job due to serious mental health issues, and is now uninsured. I fear for their future without adequate healthcare.
With the cost of medications sky rocketing and the addition of Rx deductibles, patients are less compliant with preventative medications and less likely to adhere to regimens. Patients are unaware of cost savings programs for discounted medications. Often times they are cheaper with cash pricing.

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Appendix F: CHNA Promotions

Community Forums

To promote the open community forums, Exeter Hospital placed the ad pictured above in the Seacoast Media Group publications including the *Portsmouth Herald*, *Hampton Union*, *Exeter Newsletter* and the *Foster's Daily* on May 9th, May 12th and again on May 23, 2019. In addition, the ad was widely distributed via email and social media.

Survey Monkey

The online survey was promoted to Rockingham County community members via email, *Facebook* and external web postings. In addition the survey was emailed to town managers and administrators in Stratham, Seabrook, Portsmouth, Greenland, Hampton, Exeter, Rye and North Hampton. It was further distributed by the Exeter Area and Chamber of commerce and was sent to the Portsmouth Chamber. In total 710 people completed the survey. The breakdown of response methods included 9 via electronic web link, 701 via social media.

Organizations that distributed the survey included:

Q7 Name of organization that sent this survey to you

Answered: 797 Skipped: 0

Seacoast United Exeter Rotary
Exeter Chamber of Commerce
Community Health
Seacoast Mental Health Center SMHC
Facebook Girls on the Run
Exeter Hospital
Richie McFarland Center **Stratham**
Senior Center **Families First** Portsmouth
YMCA Exeter Health Resources
Lamprey Health Care Survey Monkey **Sdymca**

Appendix H: Potential Measures and Resources Available to meet Identified Needs

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Housing Services & Utilities Assistance

Homelessness/Housing Services

Community Action Partnership of Strafford County- Greater Seacoast Coordinated Access

Description: Homeless prevention and diversion services as well as shelter referrals to individuals and families.

Phone: (603) 435 2500 ext. 8139

Website: <http://www.straftordcap.org/programs/homeless-a-housing-services>

Location: 642 Central Ave. Dover, NH

Community Action Partnership of Strafford County- Housing Services

Description: Assists eligible clients with first month's rent, back rent, mortgage payments (principal and interest only), utility assistance and some vehicle repairs as funding allows.

Phone: (603) 435 2500 ext. 8148

Website: <http://www.straftordcap.org/programs/homeless-a-housing-services>

Location: 642 Central Ave. Dover, NH

Community Action Partnership of Strafford County- Security Deposit

Description: Assistance in the form of a guarantee certificate to the landlord and a loan to the client.

Phone: (603) 435 2500 ext. 8148

Website: <http://www.straftordcap.org/programs/homeless-a-housing-services>

Location: 642 Central Ave. Dover, NH

Community Action Partnership of Strafford County- Homeless Outreach

Description: Conducts outreach and intervention services to the unsheltered homeless.

Phone: (603) 435 2500 ext. 8153

Website: <http://www.straftordcap.org/programs/homeless-a-housing-services>

Location: 642 Central Ave. Dover, NH

Crossroads House

Description: Provides emergency and transitional shelter to homeless men, women, and children.

Phone: (603) 436 2218

Website: <https://www.crossroadshouse.org>

Location: 600 Lafayette Road Portsmouth, NH

Fair Tide

Description: Provides homeless individuals and families with safe, affordable housing for up to 2 years paired with support services focusing on health and financial stability sufficient to obtain and maintain permanent housing.

Phone: (207) 439 2427

Website: <http://www.fairtide.org>

Location: 15 State Road Kittery, ME

Families First- Mobile Health Services

Description: Health and dental care can be hard to get to if you are homeless, don't have stable housing, or don't have money.

Phone: (888) 922 0005

Website: <https://www.familiesfirstseacoast.org/health-care/mobile-health-care/>

Families in Transition

Description: Provides shelter for individuals and families who face homelessness.

Phone: (603) 641 9441

Website: <https://www.housingbenefitsnh.org/dover>

Location: Dover, NH

HAVEN

Description: Short-term emergency shelter helps to provide women and their children with a safe and supportive environment to heal from abuse and to rebuild their lives.

Phone: (603) 994 7233

Website: <https://havennh.org/get-help/safe-shelter/>

Location: 20 International Drive, Suite 300 Portsmouth, NH

Homeless Center for Strafford County

Description: Seasonal shelter providing safety, support, and self-sufficiency to women, children, and families of our community.

Phone: (603) 435 2448

Website: <http://www.homelesscenterforstraffco.org>

Location: 9 Isinglas Drive Rochester, NH

Living Innovations

Description: Supports people with disabilities: a person in need of support living with a host family in a natural home.

Phone: (603) 430 5430

Location 1: 1950 Lafayette Road Building B Portsmouth, NH

Location 2: 273 Locust Street Unit 2C Dover, NH

Location 3: 16 Route 111 Bldg 2, Suites 1-3 Derry, NH

Website: <https://livinginnovations.com/areas-of-service/new-hampshire/>

Lydia's House of Hope

Description: Train and equip homeless families and single women with the necessary mind-set and skill-sets required to move out of chronic homelessness into sustainable self-supporting, independent living- Customized programs in budgeting and finance, classes in parenting, cooking and nutrition, counseling and continuing educational services.

Phone: (603) 692 3100

Location: 21 Grand St. Somersworth, NH

Website: <https://seedsoffaithnh.org/lydias-house-of-hope/>

My Friend's Place

Description: Provides home like emergency shelter and transitional housing, and exceptional support for the homeless men, women, and families.

Phone: (603) 749 3017

Location: 368 Washington Street Dover, NH

Website: <http://www.myfriendsplacenh.org>

New Generation, Inc.

Description: Providing a safe family-oriented shelter for homeless pregnant women, their babies and children.

Phone: (603) 436 4989

Website: <https://www.newgennh.org>

Location: 568 Portsmouth Avenue Greenland, NH

New Hampshire Legal Assistance

Description: Promotes equal access to housing for NHLA clients by working on preserving their housing- helps individuals and families who are either currently without shelter or are at imminent risk of becoming homeless.

Phone: 1(800) 639 5290

Website: <http://www.nhla.org/content/housing-16>

Location: 154 High Street, Portsmouth NH

Portsmouth Housing Authority

Description: Develops and manages quality affordable housing and provides rental assistance to families, seniors, and people with disabilities.

Phone: (603) 436 4310

Website: www.porthousing.org

Location: 245 Middle St. Portsmouth, NH

Southern New Hampshire Services, Inc.: Supportive Housing for Homeless

Description: Mary's House- non-treatment facility designed to provide subsidized single-room occupancy apartments for homeless women without children who are in need of a safe and supportive living environment assistance programs.

Phone: (603) 886 3562

Description: Robinson's House- non-treatment facility designed to provide subsidized single-room occupancy apartments for homeless men over 18 who are in need of a safe and supportive living environment.

Website: <https://www.snhs.org/programs/housing-homeless/robinson-house>

Seacoast Family Promise

Description: Empowers families with children experiencing homelessness to achieve sustainable independence through a community-based response.

Phone: (603) 658 8448

Website: <http://www.exeterarea.org/list/member/seacoast-family-promise-stratham-561>

Location: 27 Hampton Road Exeter, NH

The Chase Home for Children

Description: Providing supportive and restorative residential and family services to at-risk youth in a safe and nurturing environment.

Phone: (603) 436 2216

Website: <http://www.chasehome.org>

Location: 698 Middle Road Portsmouth, NH

The Housing Partnership

Description: Affordable housing.

Phone: (603) 431 3620

Website: http://www.housingpartnership.org/The_Housing_Partnership/Home.html

Location: 767 Islington Street Portsmouth, NH

The VA Medical Center: Healthcare for Homeless Veteran's Program

Description: Online Source- Residential treatment for homeless Veterans- myriad of housing and other services that provide VA with a way to reach and assist homeless Veterans by offering them entry to VA care.

Phone: (603) 624 4366 ext. 3199

Website: <https://www.va.gov/homeless/hchv.asp>

Housing/Utilities:

Community Action Partnership of Strafford County- Fuel Assistance:

Description: Provides certified eligible households with assistance in paying their energy bills during the winter.

Phone: (603) 435 2500

Location: 61 Locust Street, Suite 240 Dover, NH

Website: <http://www.straftordcap.org/programs/energy-services/fuel-assistance>

Community Action Program- Weatherization Assistance Program

Description: serve those low-income households that are most vulnerable to high-energy costs and who do not have the means of making cost-effective energy conservation improvements to their homes.

Phone: (603) 271-6359

Website: <https://www.nh.gov/osi/energy/programs/weatherization/index.htm>

Community House Calls

Description: Home accessibility modifications, home maintenance, healthy homes today, stair lift installation, bathroom modifications/upgrades, wheelchair ramp accessibility.

Phone: (603) 887 7878

Website: <http://www.communityhousecalls.com>

Location: 238 Jennifer Dr. Chester, NH

Community Toolbox, Inc.

Description: offers small critical home repairs to Seacoast neighbors in need.

Website: <http://www.commtoolbox.org>

Location: 1465 Woodbury Avenue #335 Portsmouth, NH

General Assistance/Local Welfare

Description: Online Source- assist in the delivery of legal services to low-income clients and to provide accurate information to the community.

Phone: 1 (800) 639 5290

Website: <https://www.nhlegalaid.org/contact>

Substance Use Disorder Services

HAMPSHIRE STATEWIDE ADDICTION HOTLINE 1-844-711-HELP (4357)

Education/Support Services

Al-Anon (New Hampshire Chapter):

Description: Online support group, individuals suffering from another's substance use disorder

Phone: (603) 369 6930

Website: <http://nhal-anon.org/meetings/>

Alcoholics Anonymous

Description: Support group, 12-step, mutual aid, alcohol abuse.

Phone: (603) 659 3892

Website: <http://newmarketchurch.org/events/alcoholics-anonymous/>

Location: 137 Main S., Newmarket, NH

Amethyst Foundation

Description: Professional substance abuse education, intervention and evaluation to individuals, courts, probation officers and other organizations.

Phone: (603) 679 2100

Location: 120 Hedding Road Epping, NH

Website: <https://amethystfoundation.com>

Families First Health & Support Center

Description: Both accept Medicaid, Medicare and many private insurance plans, offers sliding fee scale for uninsured and underinsured patients. 12-week program led by a licensed alcohol and drug counselor.

Phone: (603) 422 8208 ext. 1

Location 1: 100 Campus Drive, Suite 12 Portsmouth, NH

Location 2: 146 Lafayette Road Seabrook, NH

Granite Pathways- Regional Access Point Services (RAPS)

Description: Network, accessible by phone or in person; helps residents struggling with addiction, to get the timely, supportive services they need; helping both individuals and families navigate the complex systems of care to real solutions.

Phone: (877) 369 0928

Location: 865 Islington Street Portsmouth, NH

Website: <http://www.granitepathwaysnh.org/family-support-groups/>

Granite Pathways- Safe Harbor Recovery Center

Description: Peer-led recovery center, including family and friends of those most keenly affected.

Phone: (877) 369 0928

Location: 865 Islington Street Portsmouth, NH

Website: <http://www.granitepathwaysnh.org/family-support-groups/>

Health Care Resource Centers

Description: integrated medical and counseling approaches grounded in an individualized recovery-oriented philosophy that treats addiction as a bio-psychosocial disease.

Phone: (603) 953 0077

Location: 200 Route 108 Somersworth, NH

Hope on Haven Hill

Description: Comprehensive treatment for substance use for pregnant and parenting women.

Phone: (603) 841 5353

Website: <http://www.hopeonhavenhill.org/outpatient-services.html>

Location: 361 Route 108 Suite 2 Somersworth, NH

Lamprey Health Care

Description: Integrated behavioral health and substance abuse services.

Phone: (603) 659 3106

Location: 207 S Main St. Newmarket, NH

Website: <http://www.lampreyhealth.org/services/integrated-behavioral-health/>

Live Free Recovery

Description: Clinically Supported Peer Recovery Coaching- educate you and your families in all aspects of the substance abuse recovery process.

Phone: (603) 702 2461

Location: 2 puzzle lane BLDG 2 Unit 1 Newton, NH

Website: <https://www.livefreerecovery.com/adolescent-iop>

Narcotics Anonymous

Description: Support group, 12-step, mutual aid, narcotic addiction/other substances.

Phone: 1 (888) 624 3578

Website: <http://gsana.org>

Location: Seacoast, NH

Southeastern NH Alcohol & Drug Abuse Services

Description: Outpatient addiction treatment.

Phone: (603) 516 8160

Website: <http://senhs.org>

Location: 272 County Farm Road Dover, NH

SOS Community Recovery Center

Description: Provides a safe supportive environment for those impacted by substance misuse.

Phone: (603) 841 2350

Location 1: 4 Broadway Dover, NH

Location 2: 63 S. Main Street Rochester, NH

Website: <http://straffordrecovery.org/who-we-are/>

The Addict's Mom (New Hampshire Chapter)

Description: Online support group. Parents of individuals in active addiction/recovery.

Website: <http://www.facebook.com/groups/TAMNewHampshire/>

Inpatient Services

Granite House

Description: For men who have completed inpatient substance abuse programs to continue their recovery program in an environment that supports the new standards of behavior and personal conduct acquired in their treatment program.

Phone: (866) 837 3995

Location: 35 West Broadway Derry, NH

Website: <https://granitehousesl.com>

Hampstead Hospital

Description: supportive therapeutic environment that assists patients in crisis stabilization and/or detoxification.

Phone: (603) 329 5311

Website: http://www.hampsteadhospital.com/chemical_dependency.htm

Location: 218 East Road Hampstead, NH

Odyssey Adolescent Therapeutic Center

Description: Mental health and co-occurring substance abuse treatment services for adolescents

Phone: (603) 926 6702

Location: 30 Winnacunnet Rd. Hampton, NH

PACE Program

Description: 4 week residential substance abuse treatment program for adolescents

Phone: (603) 335 1003

Location: 180 Portland St. Rochester, NH

Outpatient Services

Addiction Recovery Services

Description: Intensive Outpatient (IOP)- provide accessible and effective group therapy, family education and medication management for addiction

Phone: (603) 433 6250

Location: 1145 Sagamore Ave. Portsmouth, NH

Website: <https://arsnh.com>

Seacoast Mental Health Center

Description: Evidenced-based practice of Integrated Treatment for Co-Occurring Disorders (ITCOD), and an outpatient Medication Assisted Treatment program (Suboxone).

Phone (603) 431 6703

Location: 1145 Sagamore Ave. Portsmouth, NH

Location 2: 30 Prospect St. Exeter, NH

Website: <https://www.smhc-nh.org/services/#toggle-id-6>

Quick Links

Drug Free NH

Description: Drug guide, resources- promote consistent statewide messages about the problems and solutions of substance misuse in New Hampshire.

Phone: (844) 711 4357

Website: <http://www.drugfreenh.org/about-us>

NH Alcohol and Drug Treatment Locator

Description: Find a treatment center.

Phone: (844) 711 4357

Website: <https://nhtreatment.org>

NH BDAS (Bureau of Drug and Alcohol Services)

Description: Resources, guides, and more.

Website: <https://www.dhhs.nh.gov/dcbcs/bdas/treatment.htm>

SAMHSA- substance abuse and mental health services administration

Description: Find treatment centers.

Phone: 1 (800) 487 4889

Website: <https://findtreatment.samhsa.gov/locator>

Smoking

QuitWorks New Hampshire

Description: Online Source- free, evidence-based, tobacco cessation service.

Phone: (866) 560 9113

Website: <https://quitworksnh.org>

QuitNowNH.org

Description: Online Source- serves the general public, tobacco control professionals, educators, health care providers, physicians, and others who want to quit tobacco use.

Phone: (800) 784 8669

Website: <https://quitnownh.org/the-new-hampshire-quitline-fact-sheet/>

Youth Services

Description: Online meetings- Support group, youth suffering from another's substance use disorder.

Website: <https://al-anon.org/al-anon-meetings/>

Child & Family Services

Description: Substance abuse treatment and counseling.

Phone: (603) 742 5662

Location 1: 279 Locust St. Dover, NH

Location 2: 9 Hampton Rd. Exeter, NH

Website: <http://www.cfsnh.org/>

Granite Pathways

Description: Support to adult family members with a loved one affected by substance use disorder.

Phone: (603) 969 1305

Location 1: 4 Broadway Dover, NH

Location 2: 2 Spring St. Exeter, NH

Website: <http://www.granitepathwaysnh.org/family-support-groups/>

Raymond Coalition for Youth

Description: Promotes positive youth development and reduces youth substance use.

Phone: (603) 895 7061

Website: <http://www.rcfy.org/resources/drugs-101>

Location: 4 Epping Street Raymond, NH

The Southern Rockingham Coalition for Health Youth (SoRock)

Description: Promote, support, and sustain healthy choices for youth by actively working to reduce and prevent alcohol, marijuana, prescription and other drug misuse.

Phone: (603) 642 3341 ext. 196

Website: <https://www.sorocknh.org/youth-resources>

Location: 17 Danville Road Kingston, NH

The Upper Room

Description: Challenge Course- Adolescent wellness service that includes drug and alcohol education and a self-awareness program.

Phone: (603) 437 8477 ext. 15

Website: <https://www.urteachers.org/new-page>

Location: 36 Tsienneto Road Derry, NH

Mental and Behavioral Health Services

Child & Youth

Birch Tree Center

Description: Educational consultant: Parent classes & social, behavioral skills for kids with autism.

Phone: (603) 433 4192

Website: <http://birchtreecenter.org>

Location: 2064 Woodbury Ave #204 Newington, NH

Center for Life Management

Description: Mental health and substance use services, psychiatric treatment, acute care, medication services, emergency intervention, and family support services for adults, children, adolescents and families.

Phone: (603) 434 1577

Website: <http://www.centerforlifemanagement.org/about/overview>

Location: 10 Tsienneto Road Derry, NH

Constellations Behavior Therapy & Services

Description: Help children with autism and other developmental delays with a wide range of developmental domains including language development, social skills, self help, play, and academic achievement.

Phone: (800) 778 5560

Website: <http://www.constellationsbehavioral.com>

Location: 200 Griffin Rd #5, Portsmouth, NH

Connor's Climb Foundation

Description: Suicide Prevention: Connor's Climb Foundation works to prevent suicide, the second leading cause of death for youth ages 10-24.

Phone: (800) 273 8255

Website: www.connorsclimb.org

Location: PO Box 283, Exeter, NH

One Sky Services

Description: Assist people with developmental disabilities or acquired brain disorders.

Phone: (603) 436 6111

Website: <http://www.oneskyservices.org/about/>

Location: 755 Banfield Rd Ste 3, Portsmouth NH

Richie McFarland Children's Center

Description: Child has special needs or needs some special encouragement

Phone: (603) 778 8193

Website: <https://www.richiemcfarland.org>

Location: 11 Sandy Point Road Stratham, NH

Safe Harbor Recovery Center

Description: Safe Harbor is a peer-led recovery center. It is a resource open to anyone impacted by addiction.

Phone: (603) 570 9444

Location: 865 Islington St. Portsmouth, NH

Seacoast Child Developmental Clinic- Autism

Description: Specializes in Autism (ages 0-5 yr).

Phone: (603) 862 0561

Website: <https://www.autismspeaks.org/resource/seacoast-child-development-clinic>

Location: 10 West Edge Drive, Suite 101 Durham, NH

Seacoast Mental Health

Description: Provide evaluations and treatment services to children, adolescents and families, adults, and the elderly who reside in our catchment area regardless of their ability to pay.

Phone: (603) 772 2710

Location 1: 30 Prospect Ave. Exeter, NH

Location 2: 1145 Sagamore Ave. Portsmouth, NH

Website: <https://www.smhc-nh.org/#contact>

Domestic Abuse/ Sexual Assault

HAVEN

Description: Short-term emergency shelter helps to provide women and their children with a safe and supportive environment to heal from abuse and to rebuild their lives.

Phone: (603) 994 7233

Website: <https://havennh.org/get-help/safe-shelter/>

Location: 20 International Drive, Suite 300 Portsmouth, NH

Education/Support Centers

Connections Peer Support Center

Description: Peer-centered support for individuals with mental health issues.

Phone: (603) 427 6966

Website: <http://connectionspeersupport.org>

Location: 544 Islington St. Portsmouth, NH

Endurance Behavioral Health

Description: Anxiety and panic disorders, depression and suicidality, family discord, self-harming behaviors, trauma and PTSD, mood instability, dysphoria related to gender and or sexual orientation, substance use, grief and loss, high functioning autism, poor body image and self-esteem, and behavioral issues at home and school.

Phone: (603) 760 1942

Website: <http://endurancebehavioralhealth.com>

Location: 823 Lafayette Rd. Seabrook, NH

Exeter Alzheimer's Café and Support Group

Description: For those affected by Alzheimer's disease and other types of Dementia and the their caregivers. The Support Group is a place to: Exchange practical information on caregiving problems and possible solutions, talk through challenges and ways of coping, share feelings, needs and concerns.

Phone: (603) 967 4477

Website: <https://www.facebook.com/Exeter-Alzheimers-Cafe-Support-Group-1394830140839450/>

Location: 30 Court Street Exeter, NH

Families First Health & Support Center

Description: Provide counseling.

Phone: (603) 766 2626

Location: 100 Campus Drive, Suite 12, Portsmouth, NH

Granite Pathways- Seacoast Pathways

Description: A supportive, community-based non-profit program for adults living with mental illness. Evidence-based recovery program for adults 18 and over living with mental illness who strive to re-engage with others and the community.

Phone: (603) 812 9031

Website: <http://www.seacoastpathways.org>

Location: North Church Parish House, 355 Spinney Road Portsmouth, NH

Krempels Center

Description: Improving the lives of people living with acquired brain injury from trauma, tumor or stroke.

Phone: (603) 570 2026

Website: <http://krempelscenter.org>

Location: 100 Campus Dr #24, Portsmouth, NH

Living Innovations

Description: Providing support for people with developmental and physical disabilities from childhood, transition years and through adulthood.

Phone: (603) 430 5430

Location 1: 1950 Lafayette Road Building B Portsmouth, NH

Location 2: 273 Locust Street Unit 2C Dover, NH

Website: <https://livinginnovations.com/contact-us/>

On the Road to Wellness

Description: Support service that educates, advocates, and empowers people to manage and maintain their mental health and wellness.

Phone: (603) 552 3177

Website: <http://otrtw.org>

Location 1: 45 S Main St. Derry, NH

The Sonatina Center for Creative Arts Therapy

Description: Center for those with Autism, Developmental & Intellectual Disabilities, Anxiety, Depression, Behavioral Challenges, Family Transitions, Substance Misuse, Bereavement, Alzheimer's Disease, Dementia, Parkinson's Disease, Traumatic & Acquired Brain Injury, Neurological Impairments, Pregnancy, Birth, & Postpartum Issues, ADHD, Mental Health and Wellness.

Phone: (603) 978 4808

Website: <https://www.thesonatinacenter.com>

Location: 750 Central Ave. Dover, NH

Group Practices

Family and Consumer Bipolar Support Group

Description: Date: 2nd Monday of each month. Time: 6:30 ~ 8:45 pm.

Phone: (603) 793 7040

Website: <https://www.smhc-nh.org/>

Location: Seacoast Mental Health (Lighthouse Room) 1145 Sagamore Ave. Portsmouth, NH

Families First- Mother-to-Mother Connections

Description: Group for moms with postpartum depression, anxiety or other challenges beyond everyday postpartum adjustment issues

Phone: (603) 422 8208 ext. 2

Website: <https://www.familiesfirstseacoast.org/event/mother-mother-postpartum-group/2018-06-26/>

Location: 100 Campus Drive Portsmouth, NH

Farmsteads of New England- Autism

Description: Farmsteads of New England (FNE) provides supportive services to individuals who have autism, developmental disabilities, and others with varying abilities.

Phone: (603) 464 2590

Website: <https://www.farmsteads-ne.org>

Location: 38 Plumer Road, Unit A, Epping, NH

Great Bay Mental Health

Description: Our team consists of a psychiatric nurse practitioner along with licensed clinical social workers, mental health counselors and marriage and family therapists to provide treatment, counseling and support for many concerns.

Phone: (603) 742 9200

Website: <https://www.wdhospital.com/whp/specialty-care/mental-health/great-bay-mental-health>

Location: 15 Old Rollingsford Road #302 Dover, NH

Seacoast Mental Health Services

Description: Provides evaluations and treatment services to children, adolescents and families, adults, and the elderly who reside in our catchment area regardless of their ability to pay.

Phone: (603) 431-6703

Location 1: 1145 Sagamore Ave. Portsmouth, NH

Location 2: 30 Prospect Ave. Exeter, NH

Website: <https://www.smhc-nh.org/about/>

Suicide Prevention

Connor's Climb Foundation

Description: Suicide Prevention: Connor's Climb Foundation works to prevent suicide, the second leading cause of death for youth ages 10-24.

Website: www.connorsclimb.org

Location: PO Box 283, Exeter, NH

LGBTQ Youth: hotline

Phone: 1(866) 488-7386

Military hotline

Phone: 1(800) 959 8277

NAMI (National Alliance on Mental Illness)

Description: Coping with a Loved One's Suicide. Day/Time: Every Friday, 4-5 pm.

Phone: (603) 553 0119

Website: <https://www.nami.org>

Location: Hampstead Public Library, 9 Mary E. Clark Drive Hampstead, NH

NAMI (National Alliance on Mental Illness)

Description: Portsmouth Survivors of Suicide Loss Support Group. Day/Time: 1st Tuesday of each month, 6:30–8:00 pm. Facilitated by: Peer. No Walk Ins. Please call for more information-out of state groups open to NH residents.

Phone: (603) 770 2987

Website: <https://www.nami.org>

Location: Seventh Day Adventist Church, 861 Middle Rd. Portsmouth, NH

NAMI (National Alliance on Mental Illness)

Description: Survivors of Suicide Loss Group. Day/Time: 3rd Wednesday each month, 6:15 – 7:15 pm

Website: <https://www.nami.org>

Location: Waysmeet Center – 15 Mill Road Durham, NH

National Suicide Prevention Lifeline: hotline

Phone: 1(800) 273 TALK (8255)

On the Road to Wellness

Description: Adult Education and Mental Illness Center: Lifestyle/Wellness/Mental Health.

Phone: (603) 552 3177

Website: <http://otrtw.org>

Location 1: 45 S Main St. Derry, NH

Nutritional and Wellness Services

Food Banks/Food Pantries

Community Action Partnership- Food Pantries

Description: Food Pantries, Summer Meals, and Temporary Emergency Food Assistance Programs: operate food pantries to provide short-term supplies of food to eligible households.

Phone: (603) 460 4237

Location: 61 Locust Street, Suite 240 Dover, NH

Website: <http://www.straaffordcap.org/programs/food-a-nutrition>

Gather - Food Pantry

Description: Year round food pantry, Emergency Food assistance, Personal Care Products, Fresh produce, milk, eggs, cheese and meat, Confidential guidance and referral to other local service agencies, Education and Outreach programs including our Summer Meals 4 Kids, Meals 4 Seniors and Community Supported Agriculture, (CSA).

Phone: (603) 436 0641

Website: <https://www.gathernh.org>

Location: 210 West Road Portsmouth, NH

NH Food Bank

Description: agency and food programs, soup kitchens, food pantries, emergency food programs, non-emergency food programs, emergency shelters.

Phone: (603) 669 9725 ext. 124

Website: www.nhfoodbank.org/nheavy

Society of St. Vincent de Paul Exeter Food Pantry

Description: offers emergency food and financial assistance to low income residents.

Phone: (603) 772 9922

Location: 53 Lincoln St. Exeter, NH

Website: <https://www.svdpexeter.com/our-services/>

Nutrition/Wellness Programs/Education

Core Physicians Group and Exeter Hospital- Health & Wellness Lecture Series

Description: Free to attend.

Phone: (603) 580 6668

Website: <https://unitedinwellness.org/events/health-wellness-lecture-series/>

Exeter Hospital- Better Choices, Better Health

Description: Chronic disease self-management workshops.

Phone: (603) 580 6668

Website: <https://www.exeterhospital.com/Services/community-education/Better-Choices,-Better-Health>

Exeter Hospital- Your Weigh to Wellness Management Program

Description: HealthReach Program- 8-week adult weight management program.

Phone: (603) 580 6668

Website: <https://www.exeterhospital.com/Services/community-education/Your-Weigh-to-Wellness-Management-Program>

Exeter Hospital- Cardiovascular Rehabilitation and Wellness Services

Description: Post heart attack- about the heart disease, risk factors, and methods to manage it.

Phone: (603) 580 6149

Website: <https://www.exeterhospital.com/Services/Cardiology/Cardiac-Rehabilitation-and-Wellness-Services>

HealthReach Diabetes, Endocrine and Nutrition Center

Description: Diabetes Self-Management Education and Support provided through individual and group visits.

Diabetes Boot Camp Group: 2 classes, two hours each. Diabetes educators include nurses and dietitians trained to help people with diabetes or those at risk for developing diabetes live a healthier life.

Location: 881 Lafayette Rd. Suite G&H Hampton, NH

Phone: (603) 926-9131

Website: <https://www.exeterhospital.com/Locations/881-Lafayette-Road>

Nutrition Counseling- Core Physicians Group Dietitian

Description: Tuesdays 8:30am-5:00pm

Phone: (603) 929 1195

Location 1: 879 Lafayette Road Hampton, NH

Description: Second Wednesday of the month, Mornings 9:00am-12:00pm

Location 2: 3 Alumni Drive, Suite 201 Exeter, NH

Description: Thursdays & Fridays 9:00am-5:00pm

Location 3: 21 Hampton Road, Building 3 Exeter, NH

Description: Second & Fourth Wednesdays

Location 4: 24 Plaistow Road Plaistow, NH

Website: <https://www.corephysicians.org/Services/Other-Services/Nutrition-Counseling/Locations>

Nutrition Guides/Resources- Core Physicians Group Dietitian

Description: A guide to healthy eating, creating healthy food habits for children, nutrition counseling locations, weight loss tips.

Website: <https://www.corephysicians.org/Services/Other-Services/Nutrition-Counseling>

Seacoast Eat Local

Description: Locally grown foods and advocates eating locally for the health of our environment, community, culture and economy.

Phone: (888) 600 0128

Website: <https://seacoateatlocal.org>

Location: 2 Washington Street, Suite 331 Dover, NH

University of NH Cooperative Extension

Description: Programs and resources for families and youth are provided in the following areas: Nutrition Connections, Youth and Family, 4-h youth development, Master Gardener Program, Wildlife Presentations.

Phone: (603) 862 1520

Website: <https://extension.unh.edu>

Location: Taylor Hall, 59 College Road Durham, NH

Y of the Seacoast

Description: Membership for All. Place where everyone from infants to seniors, adults and families socialize, share interests, and engage in programs for healthy living.

Phone: (603) 431 2334

Website: <http://www.graniteymca.org/locations/seacoast>

Location: 550 Peverly Hill Road Portsmouth, NH

Other Food Assistance Programs

Operation Blessing

Description: Serves individuals and families in need- Free of charge clothing, and household items to those who are financially struggling.

Phone: (603) 430 8561

Website: <http://www.operationblessingnh.org>

Location: 600A, Lafayette Rd. Portsmouth, NH

Portsmouth Catholic Share Fund

Description: Financial/Food Assistance- emergency financial program for individuals and families who have exhausted all other avenues of support.

Phone: (603) 436 4555

Website: <https://corpuschristinh.org/home/parish-life-2/ministries-2/outreach-ministries/share-program/>

Location 1: 845 Woodbury Avenue Portsmouth, NH

Location 2: 98 Summer St. Portsmouth, NH

Rockingham Nutrition & Meals on Wheels

Description: Nutritious meals and beneficial support services to older and disabled residents.

Phone: (603) 679 2201

Website: <http://www.rockinghammealsonwheels.org>

St. Michael's Parish

Description: Food Assistance- St. Michael's Parish has outreach programs that helps people who are struggling just to make ends meet.

Phone: (603) 772 2494 ext. 209

Website: <https://stmichaelparish.org/>

Location: 9 Lincoln Street Exeter, NH

Health and Medical Services

Cancer Support Services

Exeter Hospital Center for Cancer Care

Description: Comprehensive cancer diagnosis, treatment and support services.

Phone: (603) 580 6636

Location: 5 Alumni Drive Exeter, NH

Website: <https://www.exeterhospital.com/Services/cancer-care>

Families First

Description: Free breast and cervical cancer screenings for eligible women.

Phone: (603) 766 2626

Location 1: 146 Lafayette Rd. Seabrook, NH

Website: <https://www.familiesfirstseacoast.org/health-care/primary-care-for-adults/prevention-wellness/>

Location 2: 100 Campus Dr. Portsmouth, NH

Goodwin Community Health

Description: Breast and Cervical Cancer Program.

Phone: (603) 749 2349

Website: <https://goodwinch.org/services/womens-health/>

Location: 311 Route 108 Somersworth, NH

My Breast Cancer Support

Description: Provides financial and emotional support to breast cancer patients.

Phone: (603) 759 5640

Location: 1576 Portsmouth, NH

Website: <http://www.mybreastcancersupport.org>

Companions/Nursing Aides

Benda Home Care Solutions

Description: Private Pay.

Phone: (603) 431 0505

Website: www.bendahomecare.com/

Location: 1039 Islington St # 16 Portsmouth, NH

Caring Companions of Easter Seals NH

Description: Private Pay.

Phone: (603) 621 3497

Location: 555 Auburn St. Manchester, NH

Extended Family

Description: Private Pay.

Phone: (603) 430 6863

Website: www.extended-family.net/

Location: 70 Court St. Portsmouth, NH

Home Helpers

Description: Private Pay.

Phone: (603) 845 3333

Location: 172 Rockingham Road Unit 2, Londonderry, NH

Website: <https://www.homehelpershomecare.com/londonderry/home>

Home Instead

Description: Companionship Services.

Phone: (603) 433 5959

Website: <https://www.homeinstead.com/531>

Location: 10 Vaughan Mall Rd. Suite 209 Portsmouth, NH

Right at Home

Description: Private Pay.

Phone: (603) 373 0374

Location 1: 1950 Lafayette Road Suite 201 Portsmouth, NH

Location 2: 150 Nashua Rd. Unit C Londonderry, NH

Website: <https://www.rightathome.net>

Senior Helpers

Phone: (603) 379 6040

Website: <https://www.seniorhelpers.com/>

Location: 62 Portsmouth Ave. Ste 4 Stratham, NH

Senior Companion Program of New Hampshire

Description: Senior Companion volunteers are active older adults who visit socially isolated and frail seniors or adults with disabilities within their communities.

Phone: (800) 856 5525

Visiting Angels Living Assistance

Phone: (603) 583 4890

Website: <https://www.visitingangels.com/>

Location 1: 118 Portsmouth Ave. B2C Stratham, NH

Location 2: 14 Hooksett Rd. Auburn, NH

Dental

Core Physicians Group- Pediatric Dental Services

Description: accepts Medicaid.

Phone: (603) 773 4900

Location: 5 Hampton Rd. Exeter, NH

Website: <https://www.corephysicians.org/Pedi-Dental>

Cross Roads House

Description: Dentist on site, adults in an unstable, temporary housing situation or homeless.

Phone: (603) 436 2218

Website: <https://www.crossroadshouse.org>

Location: 600 Lafayette Rd. Portsmouth, NH

Brian D. Shuman, DMD

Description: Family Dentistry- provides personalized care, guidance and education- takes Medicaid.

Phone: (603) 642 3276

Website: <http://briandshumandmd.com>

Location: 1 Chase St. Kingston NH

Families First

Description: Dental Center, Mobile Dental Care, Seacoast Healthy Grins, Dental Care for Children.

Phone: (603) 422 8208 ext. 3

Location 1: 146 Lafayette Rd. Seabrook, NH

Location 2: 100 Campus Dr. Portsmouth, NH

Website: <https://www.familiesfirstseacoast.org/dental-care/>

Goodwin Community Health Center- Dental Center

Description: for patients and non-patients in need of emergency dental care.

Phone: (603) 841 2025

Location: 311 Route 108 Somersworth, NH

Website: <https://goodwinch.org/services/dental/>

Lamprey Health Care - Dental Services

Description: Dental care.

Phone: (603) 895 3161

Website: <https://www.lampreydental.com/about>

Location: 37 Epping St. Raymond, NH

Society of St. Vincent de Paul Exeter- Hygienist/Dentist

Description: Hygienist/Dentist by appointment only.

Phone: (603) 422 8208 ext. 3

Website: <https://www.svdpexeter.com>

Location: 53 Lincoln St. Exeter, NH

Diabetes

Core Physicians Group- Endocrinology

Description: Diabetes and Metabolism.

Phone: (603) 926 1119

Location: 881 Lafayette Rd. Hampton, NH

Website: <https://www.corephysicians.org/Services/Specialty-Care/Diabetes-Metabolism>

Name: Eli Lilly: Diabetes Care:

HealthReach Diabetes, Endocrine and Nutrition Center

Description: Diabetes Self-Management Education and Support provided through individual and group visits.

Diabetes Boot Camp Group: 2 classes, two hours each. Diabetes educators include nurses and dietitians trained to help people with diabetes or those at risk for developing diabetes live a healthier life.

Location: 881 Lafayette Rd. Suite G&H Hampton, NH

Phone: (603) 926-9131

Website: <https://www.exeterhospital.com/Locations/881-Lafayette-Road>

JDRF Juvenile Diabetes

Description: Online Source- educational tools to help you or your loved one manage diabetes.

Phone: (800) 533 CURE (2873)

Website: <http://www.jdrf.org/t1d-resources/>

Disease/Illness/Disability Support

Annie's Angels Memorial Fund

Description: helping local families struggling financially through a life threatening disease, illness or disability.

Phone: (603) 686 4224

Website: <https://anniesangels.org>

Location: 8 Jana Lane, Stratham NH

Breathe New Hampshire

Description: Online Source- eliminating lung disease and improving the quality of life for those living with lung disease.

Phone: (800) 835 8647

Website: <https://www.breathenh.org>

ElderPet

Description: Pet therapy- Provides various services to low income elders, people with disabilities, and hospice families having difficulties.

Phone: (603) 767 6856

Website: www.elderpet.org

Location: PO Box 624, Durham, NH

Krepels Center

Description: Improving the lives of people living with acquired brain injury from trauma, tumor or stroke.

Phone: (603) 570 2026

Website: <http://krepelscenter.org>

Location: 100 Campus Dr. #24, Portsmouth, NH

Eye and Ear Care

The New Hampshire Association for The Blind

Description: Vision Rehabilitation Therapy.

Phone: (603) 464 3075

Website: <https://futureinsight.org/services/adult-services/rehabilitation-therapy>

Location 1: 127 Parrott Ave. Portsmouth, NH

Northeast Deaf and Hard of Hearing Services (NDHHS)

Description: Online Source- Equipment and Services for those who are hard of hearing/deaf, blind/low vision, mobility challenges, speech challenges, or cognitive challenges.

Phone: (603) 224 1850

Website: <https://www.ndhhs.org>

VA Visual Impairment Services

Description: Online Source- services for severely disabled visually impaired Veterans.

Phone: (603) 624 4366 ext. 6475

Website: <https://www.va.gov/optometry/>

Medical Equipment/Supplies

Apria Home Care

Description: Home medical equipment, respiratory and assistive technology services.

Phone: (603) 430 0015

Website: <https://www.apria.com>

Location: Bldg 2, Unit B, 620 Peverly Hill Rd. Portsmouth, NH

Assistive Technology Exchange

Description: Online Source - Education/Resource/Services- Listing of available DME and home accessibility devices for sale / exchange.

Website: <http://www.afb.org/info/about-us/1>

Herron and Smith

Description: Online Source - Medical equipment and supplies: including wheelchairs, walkers, stair lifts, etc.

Phone: (800) 627 8500

Website: <https://www.herronandsmith.com/shop.htm>

New England Emergency Response Systems

Description: Online Source- provides personal emergency response systems (commonly called help buttons, or Lifelines, or medi-alerts).

Phone: (800) 888 0338

Website: <http://www.neers.com/main.php>

Rehabilitation Equipment Associates

Description: Online Source - pediatric rehab, adult rehab products.

Phone: (603) 645 5200

Website: <https://www.reqinc.com>

Veteran Services

Department of Veterans Affairs/VA Regional Office/VA Medical Center

Phone: 1(800) 827 1000

Website: <https://www.va.gov/health/>

The VA Medical Center: Healthcare for Homeless Veteran's Program

Description: primary, psychiatry, and specialty care.

Phone: (603) 623 4204

Website: <https://www.va.gov/health/>

Location: 15 Dartmouth Drive, Suite 202 Auburn, NH

VA Visual Impairment Services

Description: Online Source- services for severely disabled visually impaired Veterans.

Phone: (603) 624 4366 ext. 6475

Website: <https://www.va.gov/optometry/>

Visiting Nurse Associations

Atlantic Homelife Senior Care

Phone: (603) 343-4434

Website: <http://atlantichomelifeseniorecare.com/>

Location: 34 Dover Point Rd. Suite 201 Dover, NH

Cornerstone VNA

Phone: (603) 332 1133

Website: <http://www.cornerstonevna.org/>

Location: 178 Farmington Rd. Rochester, NH

Home Health VNA

Description: Private Pay.

Phone: (603) 964 1616

Website: <http://www.homehealthfoundation.org/homehealthvna-about/>

Location: 29 Lafayette Rd. North Hampton, NH

Interim Healthcare New Hampshire

Description: Private Pay.

Phone: (603) 436 4155

Website: www.interimhealthcare.com/newhampshire

Location: 875 Greenland Road #B8 Portsmouth, NH

Personal Touch Home Health Services

Description: Occupational Therapy, Speech Therapy, Physical Therapy.

Phone: (603) 437 8239

Website: <https://www.pthomecare.com/services>

Location: 5 Dartmouth Drive, Suite 303 Auburn, NH

Rockingham VNA and Hospice

Description: Palliative Care and Hospice, Visiting Nurse Association.

Phone: (603) 772 2981

Location: 137 Epping Rd, Exeter, NH

Website: <https://www.exeterhospital.com/Rockingham-VNA-Hospice>

The Home Makers

Phone: (603) 335 1770

Website: www.thehomemakers.org

Location: 215 Rochester Hill Road Rochester, NH

True Care Professionals

Description: Visiting Nurse Association.

Phone: (603) 537 9975

Website: www.truecareprofessionals.com

Location: 43 Birch St. Unit B-2D Derry, NH

Visiting Angels Living Assistance

Phone: (603) 583 4890

Website: <https://www.visitingangels.com/>

Location 1: 118 Portsmouth Ave B2C Stratham, NH

Location 2: 14 Hooksett Road Auburn, NH

Transportation Services

Medical / Elderly/ Disability Services

Community Action Partnership- Senior Transportation

Description: Door-to-door, anyone age 60 and over, and the suggested fare donation is \$2 per round trip; rides to grocery stores, shopping malls and discount shops.

Phone: (603) 817 8207

Website: <http://www.straffordcap.org/programs/senior-transportation>

Community Caregivers of Greater Derry

Description: For elderly, disabled or those with a chronic illness.

Phone: (603) 432 0877

Website: <https://www.facebook.com/communitycaregiversofgreaterderry/>

Location: Derry, Londonderry, Windham, Sandown, Chester, Danville and Hampstead

Community Rides – Alliance for Community Transportation (ACT)

Description: Transportation for seniors (60+) or individuals with disabilities.

Phone: (603) 834 6010

Website: http://www.communityrides.org/the_community_rides.html

Location: Rockingham County

Lamprey Health Care Senior Transportation (Van)

Description: Provides transportation services to seniors ages 60+ and adults with disabilities; Trips include stops at grocery stores, banks, and pharmacies. Trips to medical, dental and rehabilitation appointments can also be scheduled.

Phone: (603) 659 2424

Location: Rockingham County

Website: <https://www.lampreyhealth.org/services/senior-transportation-program/>

Medicaid Medical Transportation Services - CTS

Description: Medicaid's Non-emergency Transportation Program- For Fee-for-Service and Premium Assistance Program Recipients.

Phone: (844) 259 4780

Website: <https://www.dhhs.nh.gov/ombp/medicaid/transportation/index.htm>

Ready Rides

Description: Transportation at no charge to healthcare for the elderly & disabled residents.

Phone: (603) 244 8719

Website: <https://readyrides.org>

Address: P.O. Box 272 Northwood, NH

Location: Barrington, Durham, Lee, Madbury, Newfields, Newmarket, Northwood, Nottingham, Strafford

Salem Caregivers

Description: Transportation for Seniors.
Contact: (603) 898 2850
Location: 44 Millville Street Salem, NH
Website: <https://salemcare.org/services/>

TASC - Transportation Assistance for Seacoast Citizens

Description: Age 55+ or disability – wheelchair accessible. Serves- Exeter, Greenland, Hampton, Hampton Falls, North Hampton, Kensington, Rye, Stratham, and Seabrook.
Phone: (603) 926 9026
Website: <https://www.tasc-rides.org>
Location: 200 High St. Hampton, NH

Town Based Programs

CART – Cooperative Alliance for Regional Transportation

Description: Handicap accessible.
Phone: (603) 434 3569
Website: <http://cart-rides.org>
Location: 1374 Londonderry, NH

Freedom Coach Chair Transport

Description: Servicing Your Individual Needs, Medicaid Provider, Disabled Assistance Services, Certified Technicians.
Phone: (603) 436 5151
Website: <https://www.manta.com/c/mm2l4xn/freedom-coach-chair-transport>
Location: Hampton, NH

Rye Senior SERVE Transportation Program

Description: Age 55+ AND Rye resident. Medical appointments, pharmacy, grocery, library. From Rye to appointment as needed.
Contact: (603) 964 5170
Website: http://www.town.rye.nh.us/Pages/RyeNH_Seniors/index
Location: PO Box 902 Rye, NH

Wildcat Public Transit

Description: \$1.50 per ride. Serves Portsmouth, Newmarket
Contact: (603) 862 2328
Website: <https://www.unh.edu/transportation/wildcat-transit>
Location: 20 Sage Way Durham NH

Youth Services

Ala-Teen

Description: Support group, youth suffering from another's substance use disorder. Fridays 7:30-8:30pm.

Phone: 1 (877) 825 2666

Website: <https://al-anon.org/newcomers/teen-corner-alateen/>

Location: Community Campus Library, 100 Campus Drive Portsmouth NH

Austin17House

Description: Youth development programs for teens, outreach training and educational programs for adults and a supportive atmosphere for people of all ages.

Website: <https://www.austin17house.org/youth/>

Location: 263 Route 125 in Brentwood, NH

Big Brothers Big Sisters

Description: Provides children facing adversity with strong and enduring, professionally supported, one to one mentoring relationships.

Phone: (844) NH4-BIGS

Website: www.BBBSNH.org

Location: 4 Greenleaf Woods Drive, Suite 201 Portsmouth, NH 03801

Child & Family Services

Description: Substance Abuse Treatment. Runaway and Homeless Youth Support.

Phone: (603) 772 3786

Website: <http://www.cfsnh.org/>

Location: 9 Hampton Road Exeter, NH

Community Action Partnership of Strafford County

Description: Provide early education and preschool for children up to age 5.

Phone: (603) 652 0990

Website: <http://www.straffordcap.org/>

Location: Dover, NH

Connor's Climb Foundation

Description: Suicide Prevention: Connor's Climb Foundation works to prevent suicide, the second leading cause of death for youth ages 10-24.

Phone: (800) 273 8255

Website: www.connorsclimb.org

Email: connorsclimb@gmail.com

Location: Exeter, NH

Friends of Jaclyn Foundation

Description: The Friends of Jaclyn Foundation's mission is to improve the quality of life for children battling pediatric brain tumors and other childhood cancers and to raise awareness through their Adopt-A-Child, Safe on the Sidelines and Guardian Angel Programs. We do this by pairing the afflicted child and their siblings with local high school and college sports teams, campus clubs, and arts programs in their community.

Contact: 1 (855) 486 3653

Website: friendsofjaclyn.org

Newmarket Counseling

Description: Extensive experience working with trauma, sexual abuse, parenting, children, and family issues-enrolled with many insurance companies including Tricare, NH Medicaid, and Medicare.

Phone: (603) 292 3477

Website: mmorris@newmarketcounseling.com

Location: 141 Main St. Ste 6 Newmarket, NH

NH Children's Trust

Description: NH Children's Trust's mission is to eliminate child abuse and neglect in our state by strengthening families. Contact: (603) 415 0327

Website: NHChildrensTrust.org/StrengtheningFamilies

On Belay

Description: Support for children dealing with big illness.

Contact: 1 (866) 44-Belay

Website: <https://www.on-belay.org/>

Location: On Belay Inc PO Box 391 Newmarket, NH

The Chase Home for Children

Description: Provide residential treatment services for adolescents

Phone: (603) 436 2216

Website: <http://www.chasehome.org/>

Location: 698 Middle Road Portsmouth, NH

Richie McFarland Children's Center

Contact: (603) 778 8193

Fax 1: (603) 436 4622

Fax 2: (603) 778 0388

Website: <https://www.richiemcfarland.org/>

Location: 11 Sandy Point Rd. Stratham, NH

Zebra Crossings

Description: Zebra Crossings offers empowerment programs for youths and teens with chronic medical conditions.

Phone: (603) 312 2052 ext. 0

Website: www.zebra-crossings.org

Location: 61 Locust St. Dover, NH

NH Connections Seacoast Region Network

Description: Online Source- Substance Misuse Prevention Resources, Public Health Emergency Preparedness Resources, and Community Health Improvement Planning Resources.

Phone: (603) 244 7311

Website: <http://www.seacoastphn.org/resources.html>

Location: (Lamprey Health Care) 128 NH-27 Raymond, NH

APPENDIX O

Estimation of Efficiencies of Unitary Board

RIVERWOODS PLAN OF REORGANIZATION

Estimate of Cost and/or Time Savings

The following is management's estimate of the cost or time savings resulting from converting from the current 3-board governance structure to a unitary CCRC board:

Assuming 6 Board meetings per year for each of The RiverWoods Company, at Exeter, New Hampshire (RWE) and Birch Hill Terrace (BH), as well as at least 4 Finance Committee meetings for each of RWE and BH, and at least 4 Governance Committee meetings for each of RWE and BH, and 4 Investment committee meetings for RWE, RWE and BH currently have a total of 32 meetings for which a portion of the preparation, research, discussion, and follow up communication is duplicated or overlapping.

Executive Time. The RiverWoods Group (TRWG) CEO attends all meetings (except RWE Investment Committee) and the TRWG CFO attends all meetings except Governance Committee meetings.

(a) Meeting time @ 2 hours:

CEO = 28 meetings x 2 hours = 56 hours

CFO = 24 meetings x 2 hours = 48 hours

(b) Prep Time and follow up discussion or communication @10 hours per board meeting and 3 hours per committee meeting:

(i) CEO Prep Time Estimate:

10 hours per board meeting = 12x10 = 120 prep hours

3 hours per committee meeting = 3x16 = 48 prep hours

➤ CEO Total = 168 prep hours

(ii) CFO Prep Time Estimate:

Prep Time and follow up discussion or communication @ 2 hours per board meeting and 10 hours per committee meeting (Finance and Investment)

2 hours per board meeting = 12x2 = 24 prep hours

10 hours per committee meeting = 10x12 = 120 prep hours

➤ CFO Total = 144 prep hours

Staff Time. Other Staff (Executive Assistant /Director of Finance/Other leaders) – assume 3 hours per meeting for meeting planning, meeting attendance, prep, follow up communication,

6 hours per meeting = 192

Total Executive and Staff Time for Meetings = 608 hours (56+48+168+144=608)

Estimated Savings with Unitary Board. From this we assume that at least 200 hours are duplicative and would be unnecessary if we had a unitary board. Assuming a conservative average rate of pay @\$75 per hour = \$15,000. Perhaps more importantly, these duplicative hours would be available to executives and staff to perform more valuable and productive activities.

Efficient Dissemination of Best Practices. This time consideration does not include the fact that the volunteer board members do not benefit from the rich discussion and learning that is done at the "other" board meetings and committee meetings. That discussion and learning is left to the staff team to translate and bring forward. While we do this, it can be like a game of telephone; unintentionally, something is lost in translation. When we have one board discussing the same topic from multiple perspectives we will get the benefit of all of their knowledge and experience to address issues, challenges and opportunities.

Board Development and Recruitment. The above time estimates do not include the time and effort of staff and board members to identify, recruit and orient new board members. The development and recruitment efforts for a unitary board will be much more efficient, and can be focused on a smaller group of more highly qualified board candidates. We also expect that the level of engagement, expertise and creative thinking required of a unitary board responsible for multiple CCRC campuses will attract more highly qualified candidates.

APPENDIX P

Joint Board of Trustee Presentation of Keith Robertson (Ziegler)
and Lisa Henderson (LeadingAge ME&NH)



ZIEGLER INVESTMENT BANKING | SENIOR LIVING FINANCE PRACTICE

RIVERWOODS EXETER – BOARD EDUCATION

October 10, 2019

PRESENTED BY

Keith Robertson
Managing Director
krobertson@ziegler.com

Lisa Henderson
Executive Director
lhenderson@leadingagemnh.org



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CHANGING BUSINESS AS USUAL

Changing
Customer

Workforce
Pressures

Skilled
Nursing/
Post-
Acute

Technology
&
Innovation

COMPETITION

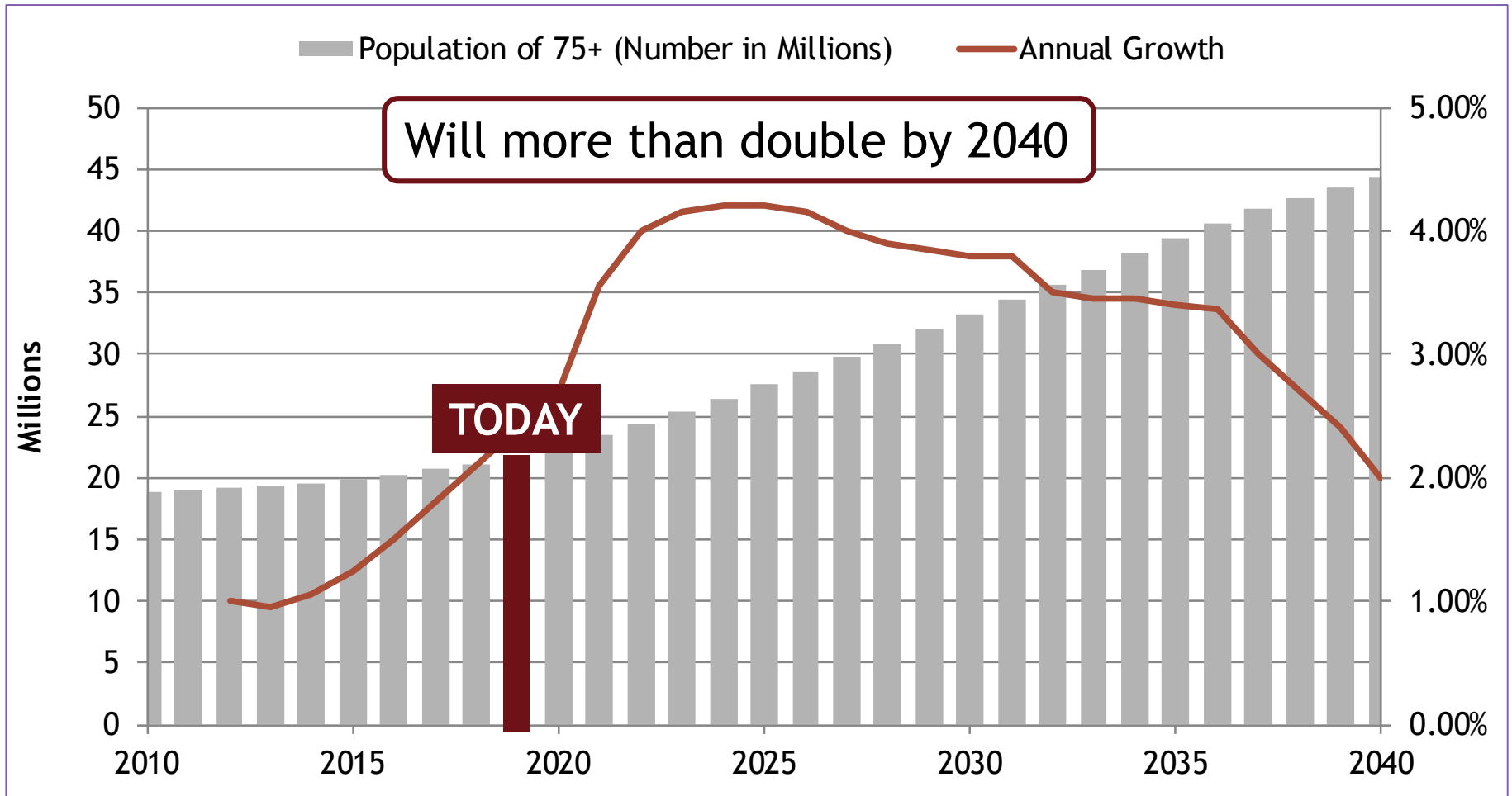


OVERALL SECTOR OBSERVATIONS

- Not-for-Profit Senior Living sector is **generally healthy**
 - Highest **occupancy** levels since '07; Highest number of **rated** organizations
- Active **reinvestment** in existing campuses
- Continued growth of **community-based platforms**
- New **location growth not fast enough** to counter rate of NFP closures and dispositions
- Active **merger, acquisition, affiliation** environment
- Working hard on **workforce** and developing leaders
- Devoting significant resources to adapting to dynamic **healthcare environment**
- Investing in **technology** and innovation

DEMOGRAPHICS DEFINE THE MARKET

PROJECTED U.S. SENIORS POPULATION (2010 TO 2050)



FACT SHEET: AGING IN THE UNITED STATES

Demographics	Positive Developments	Challenges
Population of 65+ will nearly double by 2060	Education levels are increasing	Obesity rates among 60+ have been increasing
Older adult population becoming more racially diverse	U.S. life expectancy increased	Wide economic disparities
Diversity gap between generations	Gender gap in life expectancy is narrowing	More older adults are divorced
Older adults are working longer		Steep rise in American's living with Alzheimer's disease
Aging in place		Uncertainty over future of Social Security and Medicare

75% of NFPs have dedicated memory care units; increase from 60% last year

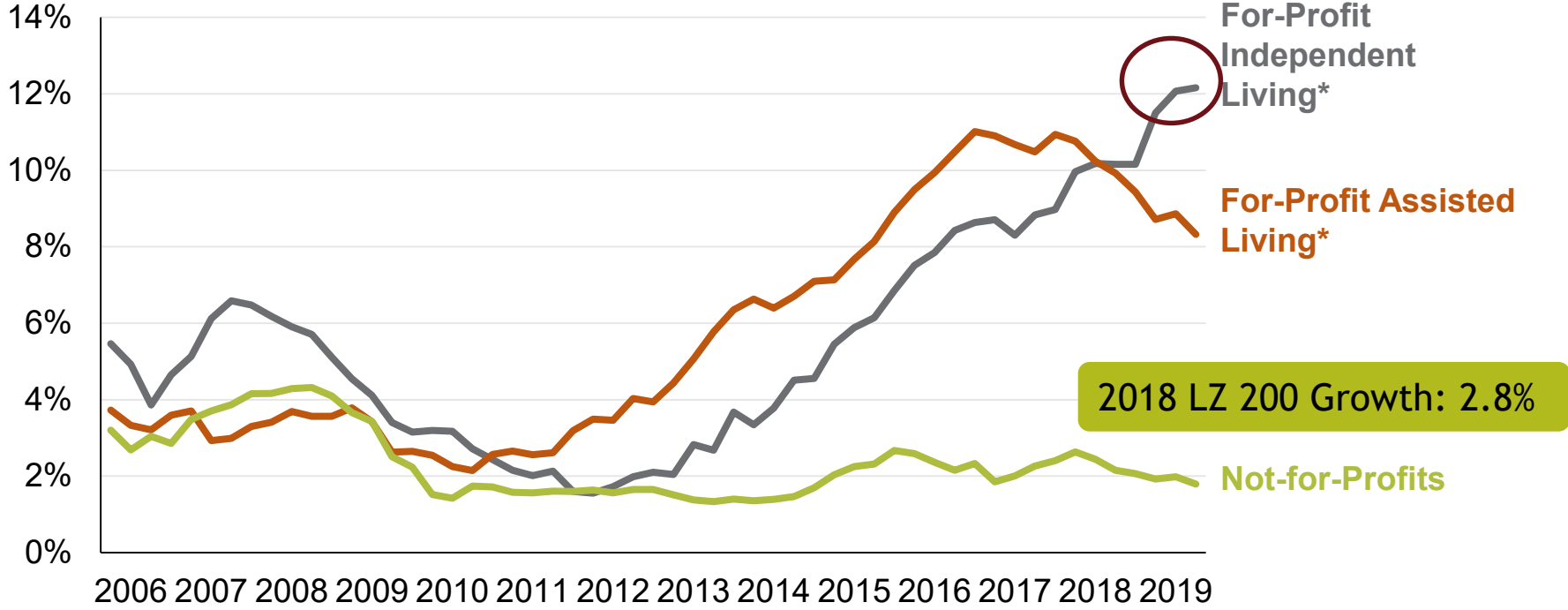
Source: Population Reference Bureau, July 2019, "Aging in the United States"

OVERALL GROWTH OBSERVATIONS

- Not-for-profit (NFP) senior living growth is **picking up** in select markets, but new **location growth remains relatively flat**
 - Dispositions and closures outpacing new location growth
- **For-profit growth of new locations** continues to be high
- **NFP growth through affiliation and acquisition** has surpassed growth through new development
- NFPs are **actively reinvesting** in existing campuses
- Overall growth of NFP residential housing was **2.8%** in 2018
- Expansion of the continuum with **home and community-based services (HCBS)** platforms (joint ventures common)

FOR-PROFIT INVESTMENT IN INDEPENDENT LIVING IS INCREASING

**Construction vs. Inventory; MAP31
Seniors Housing | 4Q05 – 2Q19**



SIGNIFICANT NEW DEVELOPMENT COMING FROM FOR-PROFIT/PRIVATE SECTOR



Publicly announced projects January 2019 through August 2019

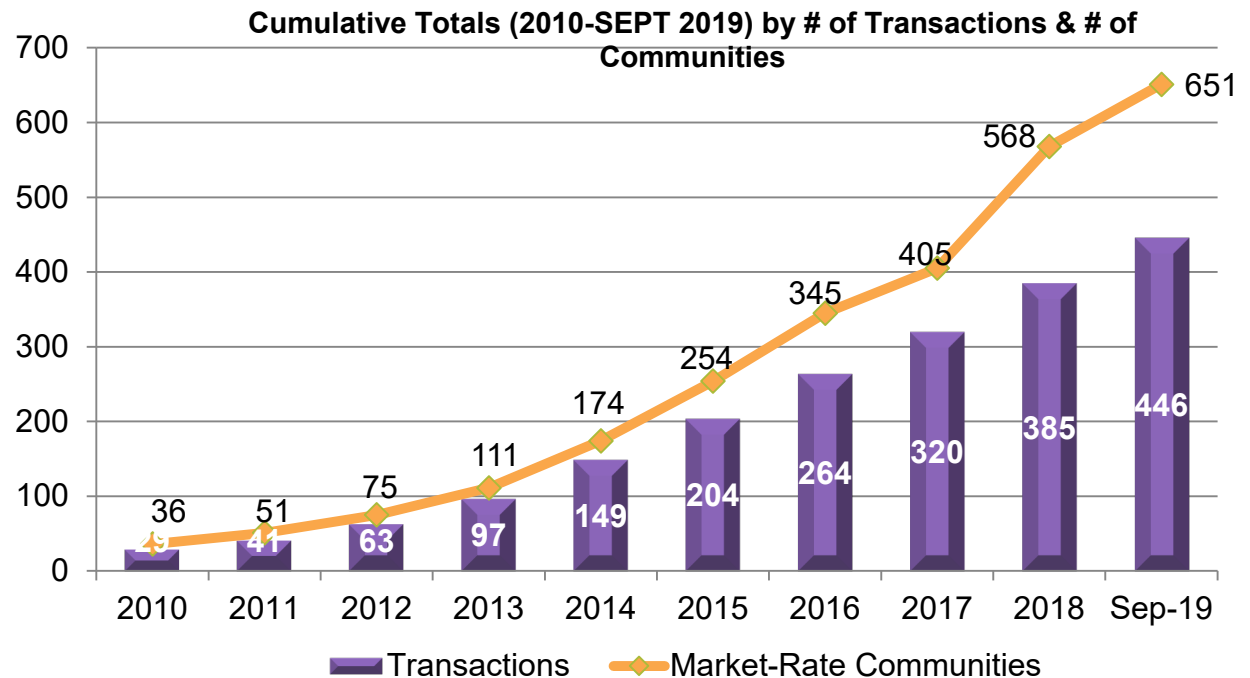
Type	# of New Campuses	# of Expansions or Repositionings
Not-For-Profit Sponsor	14	14
For-Profit Owner	243	27

SECTOR CONSOLIDATION

- Similar to other health and service-related sectors, the not-for-profit senior living sector is consolidating

- Sponsorship Transitions

- Affiliations
- Mergers
- Acquisitions
- Dispositions



PRIMARY CONSOLIDATION DRIVERS VARY DEPENDING ON STRENGTH OF ENTITIES INVOLVED

Pressured Situations

Complexities of
Healthcare

Inability to be competitive with reimbursement pressures;
not viewed as strong partner to health networks

Leadership
Turnover

CEO termination or retirement; no clear successor; inability
to recruit high-level talent

Board Strength

Board “asleep at the wheel”; unaware of threats and
pressures and need to change and be proactive

Strategic Mergers & Affiliations

Complexities of
Healthcare

Strengthen existing platforms; benefits of scale

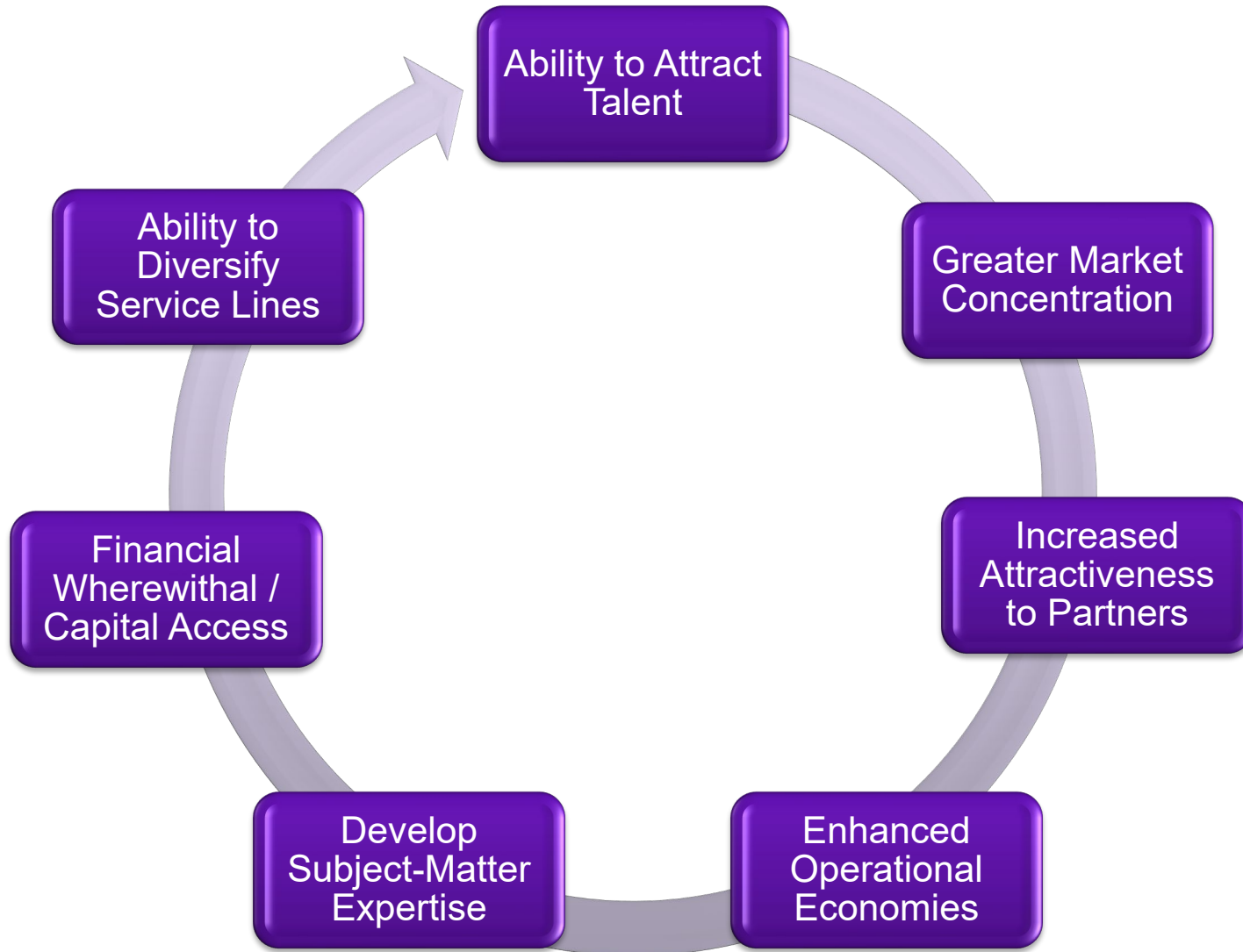
Leadership
Turnover

CEO departure or retirement opens dialogue

Board Strength

Board initiates; understands benefits peer merger or
affiliation might bring

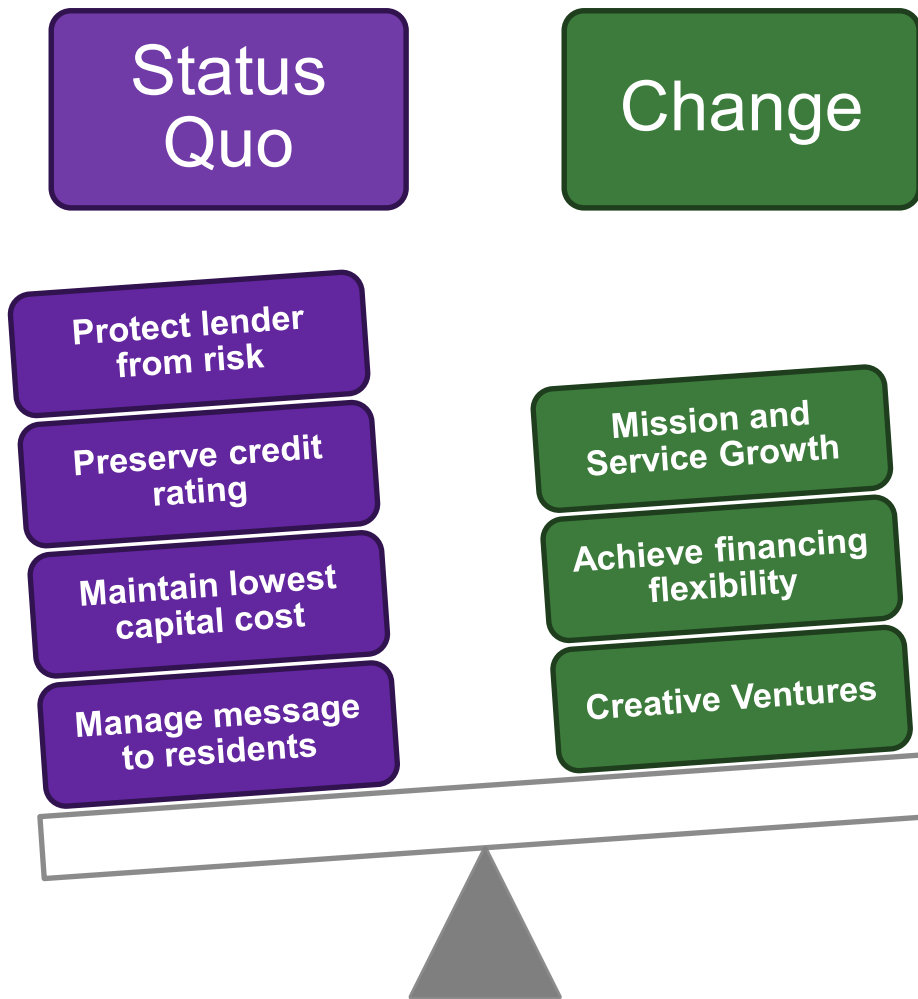
SELECT BENEFITS OF SCALE & SOPHISTICATION



SYSTEM SOPHISTICATION - AREAS OF FOCUS



THE RIGHT CORPORATE STRUCTURE OBJECTIVES



- Not one structure is right for every organization
 - Depends on growth objectives
 - Depends on risk management goals
 - Depends on various lines of service/business
- Consider the future direction and anticipated needs of the organization
- Have a structure that will maximize flexibility
- Strong legal guidance is critical

CORPORATE STRUCTURE EXAMPLES



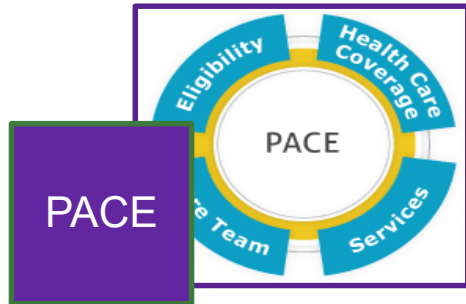
SATELLITE CAMPUSES – NEW CAMPUS ALTERNATIVE

TYPICAL ELEMENTS OF NEW LOCATION SATELLITE CAMPUSES

- Geographic proximity to other campus, often a larger, full-continuum community
- Generally smaller development with fewer amenities
- Limited, if any, healthcare settings
- Contractual relationship with main campus (primarily for healthcare; access to amenities)
- Generally would not exist without the resources and support of main campus
- Branding tied to parent
- Reliant on main campus for governance, leadership, etc.



DEFINING HOME & COMMUNITY-BASED SERVICES



PACE



Home Care



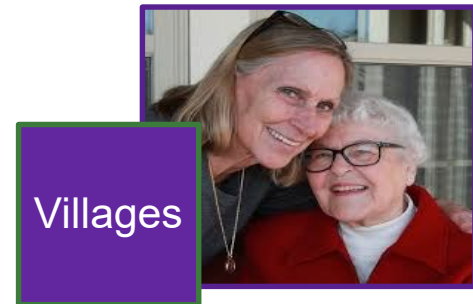
Hospice



Adult Day



CCaH



Villages



NORCs



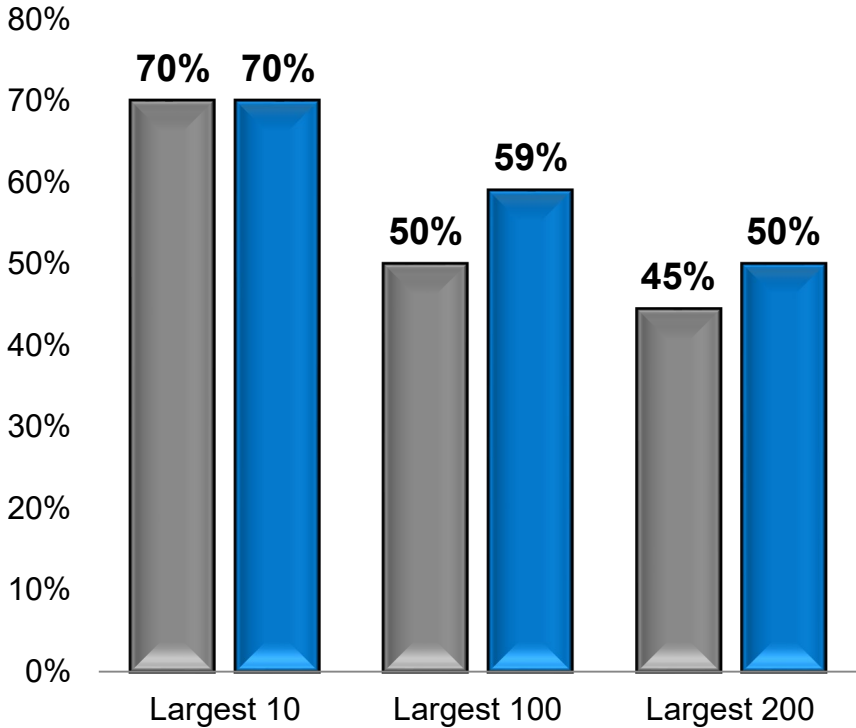
Home Health

HCBS SERVICE LINES AMONG NOT-FOR-PROFIT PROVIDERS

- Percentage of providers offering HCBS (off-campus to non-residents) - likelihood increases with the size of the organization

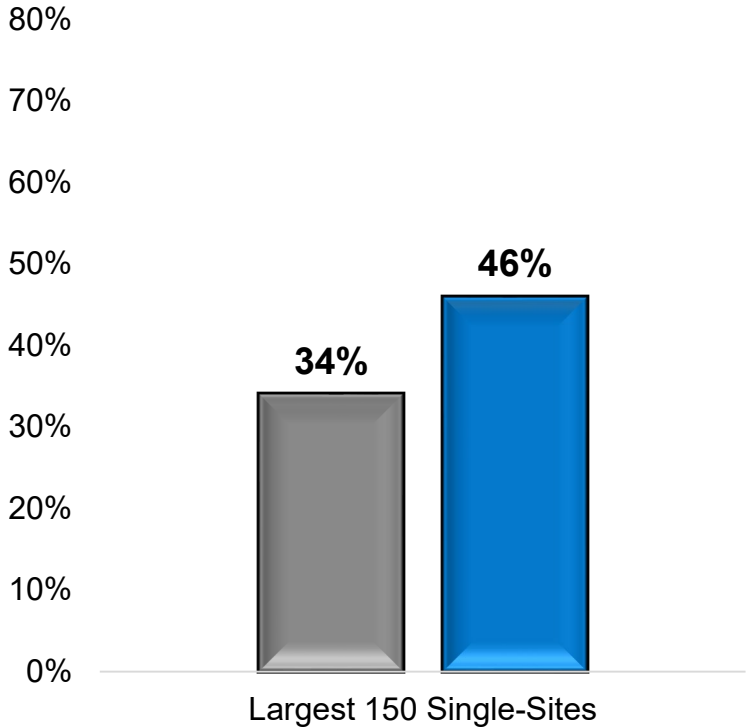
- 70% have annual HCBS revenue <\$10M
- 30% of providers are in joint venture for HCBS

Multi-Site Providers (LZ 200)



■ 2018 ■ 2019

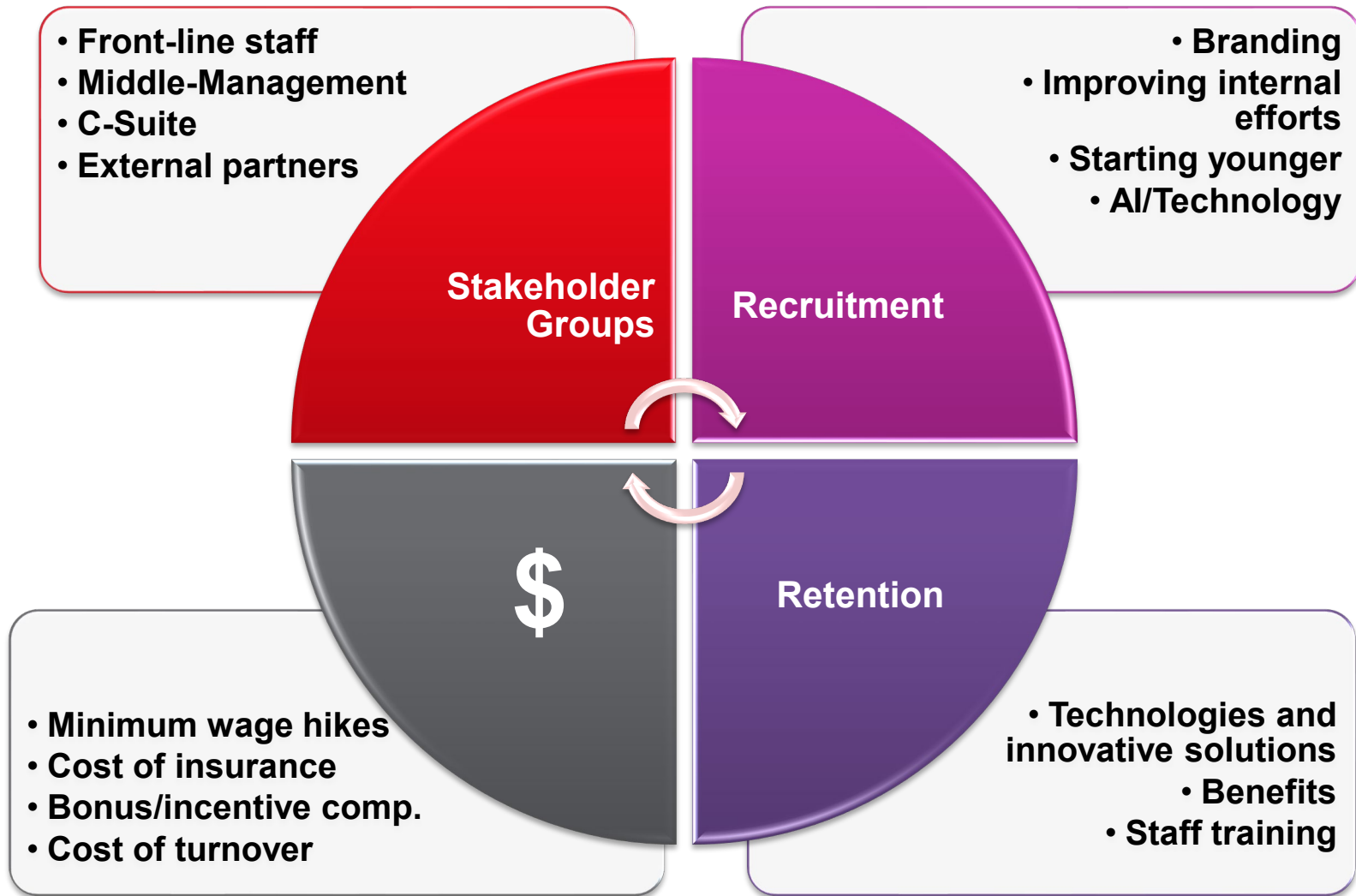
Single-Site Providers



■ 2018 ■ 2019

Source: Preliminary 2019 LeadingAge Ziegler 200 (data as of 12/31/18)

FRAMING THE TOPIC- SENIOR LIVING & SERVICES WORKFORCE



THE GROWING COMPLEXITY OF THE SKILLED NURSING SERVICE LINE

- Changes occurring within the skilled nursing side of the business (long-term & post-acute)

Aging-in-Place

Shifting
Consumer
Preference

Reimbursement
Challenges

“Skip the SNF”

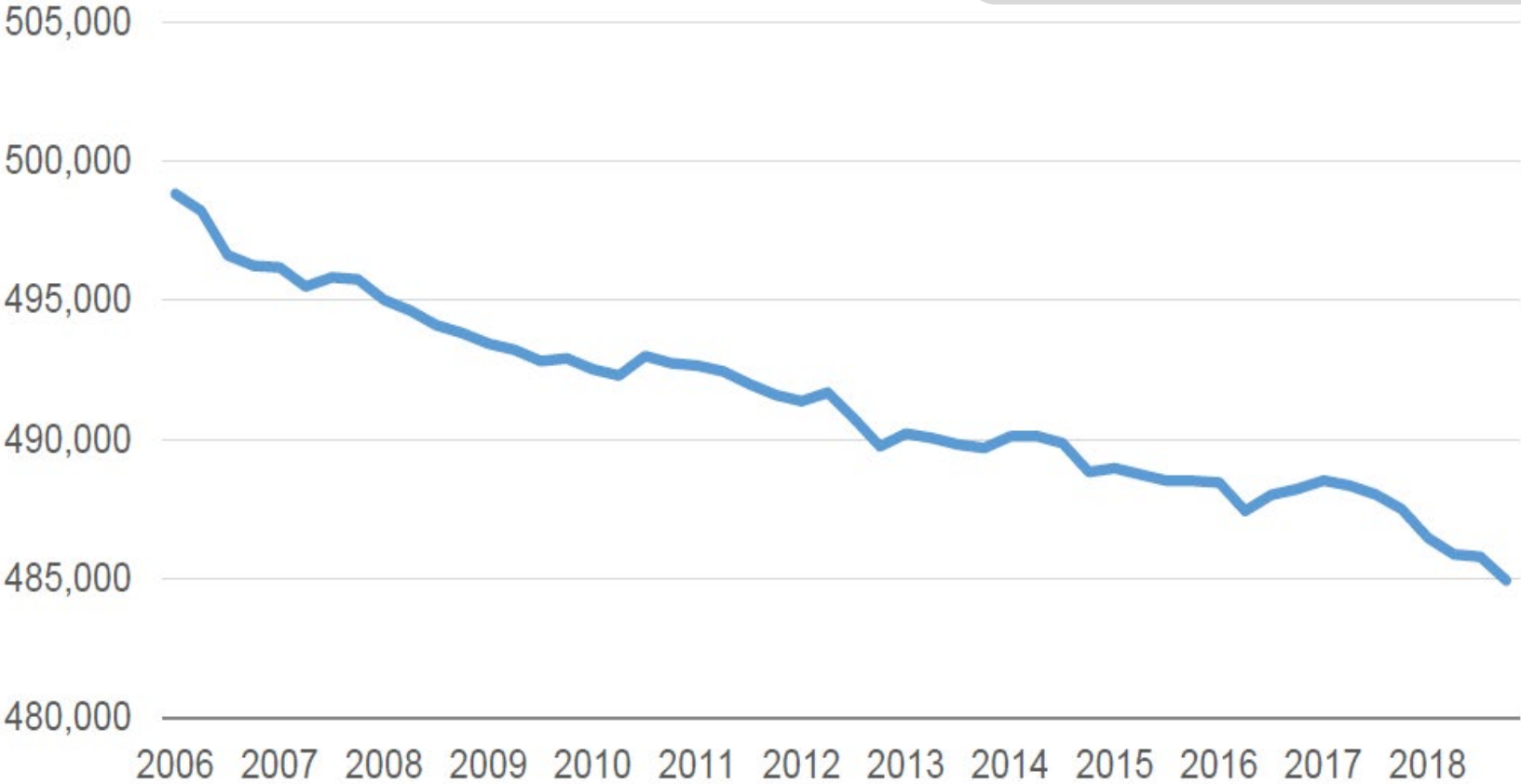
Workforce
Shortages

Regulatory
Pressures

NURSING HOME INVENTORY

Skilled Nursing Operational Beds
Primary Markets | 1Q06 – 4Q18

15,600 total nursing homes in the U.S.



Source: NIC MAP Data Service, 12/31/2018

CRITICAL SNF ISSUES FOR LIFEPLAN COMMUNITIES



TECHNOLOGY: NOT-FOR-PROFITS AS INNOVATORS

- “Nonprofit organizations are the pioneers of seniors housing. The first communities, dating back to the early 1900s, were affiliated with religious organizations. Fast-forward to today and nonprofit organizations are again on the forefront of innovation.”

SENIORS
HOUSING BUSINESS



se/sm/c



CENTER FOR INNOVATION
AND WELLBEING



ZIEGLER LINK•AGE FUNDS

GENERATING RETURNS, both financial and strategic, for organizations across the healthcare and aging services landscape that have a significant interest in finding innovative solutions to improve the independence, quality and cost of care, and overall lives of the aging population.

SENIOR LIVING PROVIDERS

HEALTH SYSTEMS

INDUSTRY PROFESSIONALS



HEALTHCARE IT

- Population Analytics
- Clinical Decision Support
- Care Management Software
- Regulatory Reporting
- Medication Management and Adherence
- Remote Monitoring
- Telehealth Platforms

HEALTHCARE SERVICES

- Homecare 2.0
- Palliative and Hospice Care
- Capitated Physician Models
- Concierge Medicine
- Behavioral Change Management
- Emerging Managed Care Models

OTHER POST-ACUTE OR AGING RELATED

- Post-Acute Care Diagnostics and Therapeutics
- Medicare Advantage / Dual Eligible Plans
- Chronic Disease Management
- Institutional Pharmacy

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APPENDIX Q

Task Force Presentation to CCRC Executive Directors
and Resident Trustees – May 1, 2019

Long Term Gov TF Resident Board Members and EDs

May 1, 2019

New Hampshire

65+ Population by Income

	2000 Census	2019 Estimate	2024 Projection	2000 Census Total	2019 Estimate Total	2024 Projection Total	% growth 2000-2024	# growth 2000-2024
Householder Age 65 - 74*								
Householder Age 65 - 74	49,354	91,270	108,552					
Income Less than \$15,000	8,987	6,794	7,082					
Income \$15,000 - \$24,999	9,360	8,283	8,427					
Income \$25,000 - \$34,999	8,021	8,811	9,128	26,368	23,888	24,637	-7%	(1,731)
Income \$35,000 - \$49,999	8,698	12,879	14,336					
Income \$50,000 - \$74,999	7,642	17,156	19,015	16,340	30,035	33,351	104%	17,011
Income \$75,000 - \$99,999	2,972	11,666	13,900					
Income \$100,000 - \$124,999	1,454	8,385	10,636					
Income \$125,000 - \$149,999	785	5,221	7,343					
Income \$150,000 - \$199,999	706	5,057	7,296					
Income \$200,000 or more	729	7,018	11,389	6,646	37,347	50,564	661%	43,918
Median Household Income	32,711	61,934	69,512					
Householder Age 75 - 84*								
Householder Age 75 - 84	33,749	42,086	46,526					
Income Less than \$15,000	10,178	4,237	4,307					
Income \$15,000 - \$24,999	7,854	6,495	6,449					
Income \$25,000 - \$34,999	4,622	6,006	6,063	22,654	16,738	16,819	-26%	(5,835)
Income \$35,000 - \$49,999	4,476	7,178	7,779					
Income \$50,000 - \$74,999	3,464	8,001	8,700	7,940	15,179	16,479	108%	8,539
Income \$75,000 - \$99,999	1,391	4,201	4,930					
Income \$100,000 - \$124,999	690	2,081	2,594					
Income \$125,000 - \$149,999	355	1,114	1,530					
Income \$150,000 - \$199,999	275	1,472	2,075					
Income \$200,000 or more	444	1,301	2,099	3,155	10,169	13,228	319%	10,073
Median Household Income	23,337	43,495	47,155					
Householder Age 85 and over*								
Householder Age 85 and over*	9,128	17,901	18,541					
Income Less than \$15,000	3,626	2,534	2,441					
Income \$15,000 - \$24,999	2,168	3,861	3,657					
Income \$25,000 - \$34,999	1,106	2,741	2,643	6,900	9,136	8,741	27%	1,841
Income \$35,000 - \$49,999	938	2,453	2,565					
Income \$50,000 - \$74,999	696	2,881	2,951	1,634	5,334	5,516	238%	3,882
Income \$75,000 - \$99,999	237	1,382	1,531					
Income \$100,000 - \$124,999	115	810	975					
Income \$125,000 - \$149,999	112	441	592					
Income \$150,000 - \$199,999	61	219	309					
Income \$200,000 or more	69	579	877	594	3,431	4,284	621%	3,690
Median Household Income	19,001	34,197	37,564					

75+ \$100k +

- 500% growth
 - 2000 – 2024

- 40% growth
 - 2019-2024

Current Health System Mergers in Discussion

- Exeter Hospital / Wentworth Douglas / Mass General
- Granite One Health (CMC) / Dartmouth Hitchcock
- Elliot Hospital / Southern NH Health
- Frisbie Memorial Hospital/ HCA Healthcare

Priorities – top 4 – Protect the Core

WHAT

1. Financial and Operational Stability at Birch Hill

- Marketing / Occupancy
- Financial oversight
- Culture development

2. Thinking and acting like a system

- Centralizing appropriate functions (Finance, Risk Management/Quality)
- Governance

3. Becoming a differentiated employer

- Developing an employment brand of
 - Learning and Development
 - Growth Plans and options
 - Consistent benefits and opportunities

4. Growth at existing campuses

- RWE 2030 – concept / development
- RWD Phase II – concept/development
- Birch Hill cottage project - concept

Priorities –next 3 – Plan for the Future

WHAT

1. Define new contract type (@Home in *our* Home)

Greystone Development Plan for RW Dover project

How to translate that into a broader market (for Exeter, Manchester)

How to translate that into a non Real Estate based product

2. Educate the market of influencers and adult children

Webinar/ Podcast

CCRC 101

3. Successful partnerships to drive down costs for the “planning senior”

Health Systems

Insurers

Other NFPs

Priorities –last 3 – Plan for the Future

WHAT

1. Potential Affiliations - local

2. Potential Affiliations – regional

3. Acquisitions – local opportunities to grow existing SNFs or ALs into our model

Year 0 (pre changes)

1. Bylaw revisions and alignment between RWE / BH / RWD
2. Contract revisions (language) for appropriate alignment between RWE/BH and RWD
3. Determine eventual plan for governance structure (Task Force proposal to Boards)
4. Communication Plan (General plan created to establish timing and stakeholders)
5. Establish 2 “shell” organizations that would govern non Real Estate based services “Senior Services of NH” and non CCRC real estate “Other RE for Seniors” – these may or may not be used in the future, depending on how we grow
6. Approval from RWE, BH and RWD Boards (Fall?)
7. Approval from NH Dept of Insurance, and NH AG (Timing TBD)

Communication Plan – preliminary stakeholder list

- Resident Council
- Resident Body
- Future residents
- Family members of residents
- Board members
- Past board members
- Lenders
- NH Dept of Insurance
- NH AG
- Staff and Leadership team
- Other important vendors / partners
- Town Manager /Mayor
- Other organizations that represent a potential threat or opportunity for us

Year 1, Day 1 (proposal 1/1/2021)

- Combine the existing CCRC boards into one board “Senior Living of NH” that governs the operations at the stable CCRCs. Depending on timing that may include RWE and BH at the outset, or RWE, BH and RWD (if RWD is deemed “stable”)
- Populate the new “Senior Living of NH” Board with members from current RWE and BH Boards. Note – if all members were just moved to the combined board on 12/31/19 that would = 25 members so some attrition will likely be appropriate
- Populate the boards of the 2 new shell organizations with the TRWG Board
- TRWG would still be the Board for RWD if RWD is not moved to the “Senior Living of NH” board (depending on timing it may not yet be stable) – but likely it will be
- TRWG would be the parent board for the system and would be the board for any new projects that are still incubating, and those that are not yet stable enough for the boards of the operating communities

Year 1, Day 1

TRWG Board
 (includes being the Governing board for New ventures before stability)

Create company currently, no activity would occur until ventures are stable or necessary

“Senior Living of New Hampshire”
 One Board that governs all stable RE Based senior living communities (currently would govern RWE/BH/ and eventually RWD)

“Senior Services of New Hampshire”
 One Board that governs all non Real Estate Based Senior Services @ Stable operations (Examples below)

“Other Real Estate for Seniors”
 One board that would govern RE based products that were riskier or more distinct from a full continuum – would only be a shell to start, would be used for RE based ventures that were more complex or distinct from a full continuum concept (Examples below)

Foundation Board
 (to be considered long term, but not right now)

- RWE
- BH
- RWD

- HCBS
- Life Care @ Home**
- Hospice
- Service Link type model

- Purchase of existing FP IL/AL/MS or NH
- Joint Venture development
- Development of Senior IL apartments with services / affordable

While these are being vetted and/or are in development, they would be governed by TRWG Board

** New Hampshire currently requires that LifeCare @Home be a part of a CCRC so this may need to be governed by the Senior Living of New Hampshire Board

Year 10

TRWG Board
(includes being the Governing board for New ventures before stability)

New Ventures Board or Committee?

"Senior Living of New Hampshire"
One Board that governs all stable RE Based senior living communities (currently would govern RWE/BH/RWD)

RWE

BH

RWD

Life Care @ Home

Work of the SLNH Board

RWD Phase II
BH Cottages
RWE 2030 @ Home?
New Contract?11

Work of SSNH Board

Govern new Business lines And bring to stable

- HCBS
- Hospice
- Service Link type model

"Other Real Estate for Seniors" One board that would govern RE based products that were riskier or more distinct from a full continuum- (Examples Below)

Purchase of existing FP IL/AL/MS or NH or affiliations with other NFP providers

Joint Venture development

Development of Senior IL apartments with services / affordable

Foundation Board

Govern new Business lines And bring to stable

Work of ORfS Board

Questions / Input?

- Structure / details / concerns?
- What are all the ways that resident voice impacts decisions today?
- Role / Value of the Resident Trustee
 - To Residents
 - To EDs
 - To External Board members
- Other methods for “voice”
- Anticipated concerns from resident population
- Local Control and the Role of the ED
- Communication Plan / Timing / Participants

APPENDIX R

Task Force Presentation to CCRC Executive Directors
and Resident Trustees - May 23, 2019

Long Term Gov TF Resident Board Members and EDs

May 23, 2019

Why a System?

1. Our Mission inspires us to serve more people
2. We want to serve a broader demographic & geographic region
3. We believe not for profits working together will serve our Missions better
4. Solidifies our market position
5. Provide more opportunities for staff to grow
6. Purchasing power / financial leverage / Innovation & R&D
7. Protects OUR Core



System Goals

Priorities-Top 4 Protect the Core

1. Financial and Operational Stability at All Campuses
2. Thinking and acting like a system
3. Becoming a differentiated employer
4. Growth at Existing Campuses

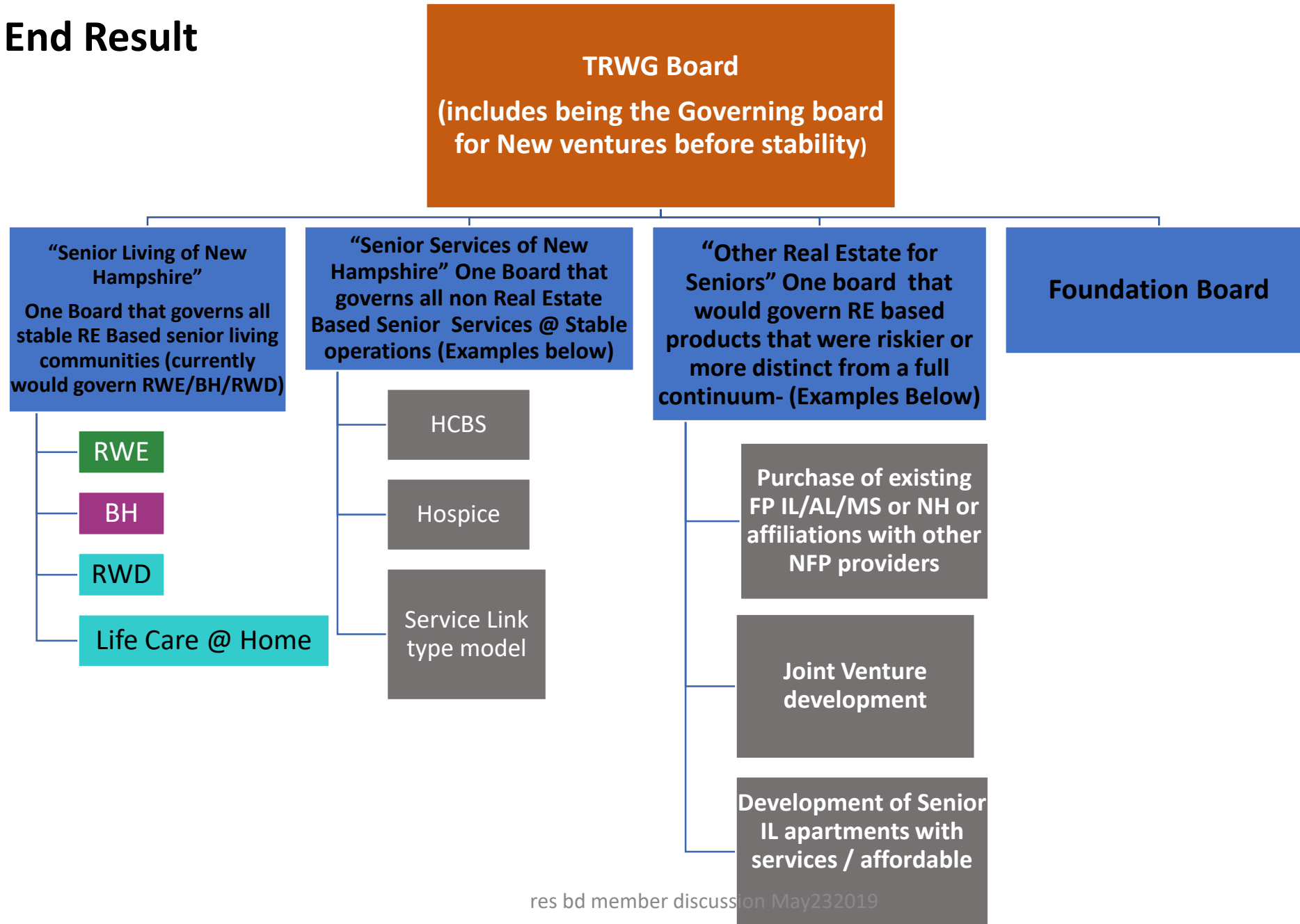
Plan for the Future

1. Define new contract type (@Home in our Home)
2. Successful Partnerships

Plan for the Future (3-5 years)

1. Potential Affiliation-Local
2. Potential Affiliation-Regional
3. Build a new CCRC

End Result



Focus

TRWG Board
(includes being the Governing board for New ventures before stability)

“Senior Living of New Hampshire”
One Board that governs all stable RE Based senior living communities (currently would govern RWE/BH/RWD)

RWE

BH

RWD

Life Care @ Home

“Senior Services of New Hampshire” One Board that governs all non Real Estate Based Senior Services @ Stable operations (Examples below)

HCBS

Hospice

Service Link type model

“Other Real Estate for Seniors” One board that would govern RE based products that were riskier or more distinct from a full continuum- (Examples Below)

Purchase of existing FP IL/AL/MS or NH or affiliations with other NFP providers

Joint Venture development

Development of Senior IL apartments with services / affordable

Foundation Board

Responsibilities of CCRC (Sr. Living of NH) Board

STANDARD

- Financial Performance of the Stable CCRCs
- Quality of Programs and Services at CCRCs
- Resident and Employee Engagement at CCRCs
- Recruitment of new Board members for Sr Living NH Board

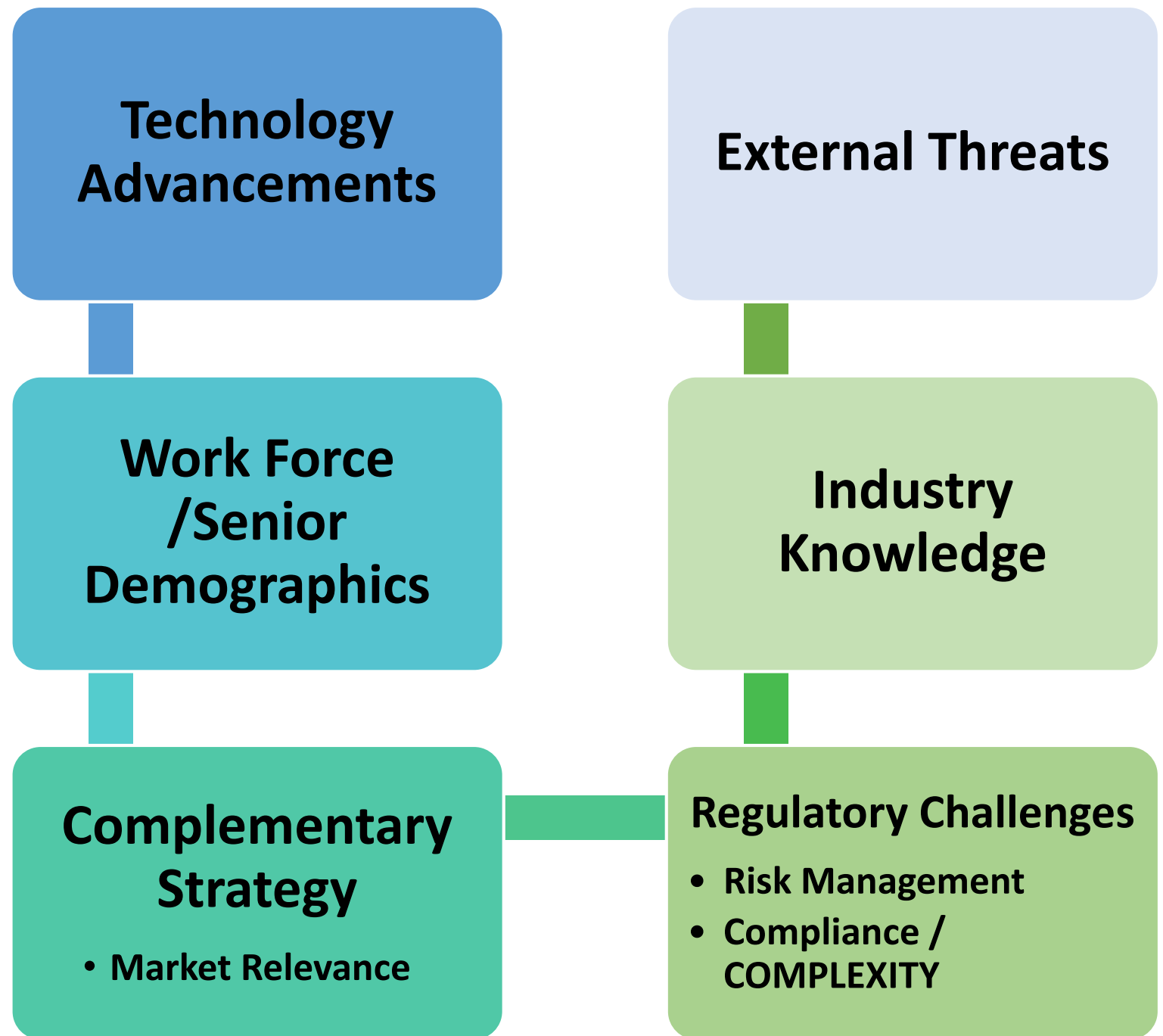
PROJECTS

- RWE 2030
- RWD Phase II
- BH Cottages
- @ Home contract?

Relationship to TRWG Board

- Typical reserved powers between TRWG and CCRC Board (similar to current)
- TRWG focuses on efficiency and effectiveness of the greater system
- TRWG focuses on growing the system to broaden the breadth and depth of those we serve
- CCRC Board focuses on the efficiency and effectiveness of the stable CCRCs
- CCRC Board focuses on the strategy for the CCRCs and the strategy for each campus

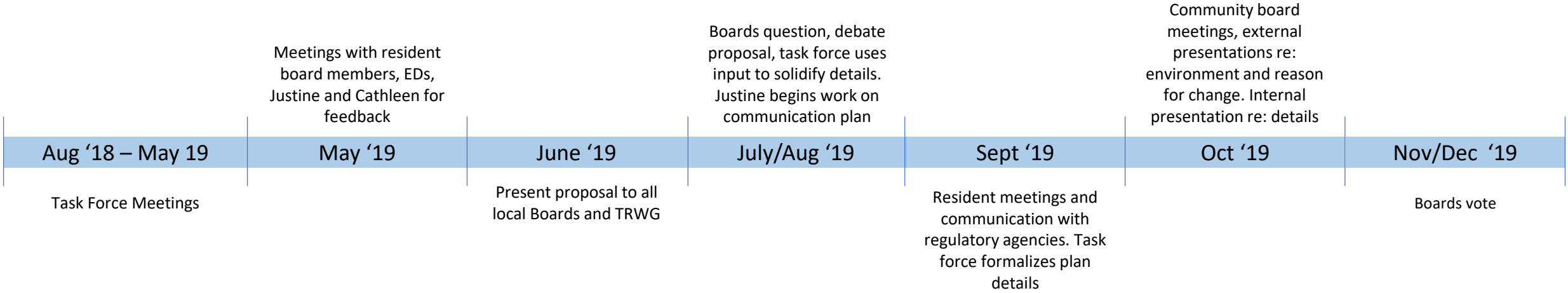
COMMON Challenges/ Opportunities



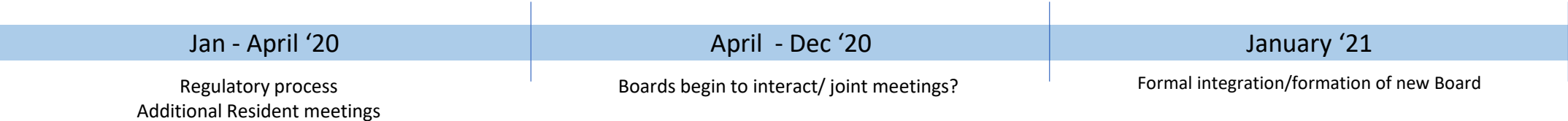
Benefits of this Governance Structure

- Allows for system learning among the CCRCs
- Follows the “team” structure we have at the leadership level
- Efficient use of board member time
 - Focused on “Board level” issues
 - Industry knowledge
- Reduces the absolute number of board members needed
- Allows for committee membership to grow into board membership

Process



If Approved



Open Items / Questions

- # of and selection of Resident Board members
- Opportunities to increase resident engagement in non board member roles (Committees? Role of Resident Council?)
- Social interaction with board members and residents
- Transition plan for current members
- Plan for handling conflicting fiduciary duties
- How Board members get appointed
- Potential change to “Available Assets” Calculation
- ED Reporting relationship

Communication Plan – preliminary stakeholder list

- Resident Council
- Resident Body
- Future residents
- Family members of residents
- Board members
- Past board members
- Lenders
- NH Dept of Insurance
- NH AG
- Staff and Leadership team
- Other important vendors / partners
- Town Manager /Mayor
- Other organizations that represent a potential threat or opportunity for us

Questions

Year 1, Day 1

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 (to be considered long term, but not right now)

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** New Hampshire currently requires that LifeCare @Home be a part of a CCRC so this may need to be governed by the Senior Living of New Hampshire Board

APPENDIX S

Plan of Reorganization White Papers Distributed to RWE Resident Council
September 13, 2019

Penny Teodorczyk

From: Penny Teodorczyk
Sent: Friday, September 13, 2019 11:55 AM
To: Walter Burgin (whburgin@gmail.com); 'jackchamb@comcast.net'; Hannah Clements; 'kateconn@dartmouth.edu'; 'sadonnelly@aol.com'; kensel@comcast.net; 'Nate Hazen'; 'Susan W. Leslie (susanwleslie@gmail.com)'; Susan Little; pamarks@uri.edu; 'Jim Pitts'; clare rimmer (rimmer.clare@gmail.com); 'paulhrutherford@gmail.com'; Howie And Susie (handsu58@gmail.com)
Subject: Long Term Governance White Papers
Attachments: LTG detail white papers with glossary council 9 13 19.pdf

Tracking:	Recipient	Read
	Walter Burgin (whburgin@gmail.com)	
	'jackchamb@comcast.net'	
	Hannah Clements	
	'kateconn@dartmouth.edu'	
	'sadonnelly@aol.com'	
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	clare rimmer (rimmer.clare@gmail.com)	
	'paulhrutherford@gmail.com'	
	Howie And Susie (handsu58@gmail.com)	
	Deb Riddell	Read: 9/13/2019 12:47 PM
	Justine Vogel	Read: 9/13/2019 11:59 AM
	Cathy Trower (catrower@trowerandtrower.com)	

(Please note that in addition to this email, a hardcopy of this document has been sent to you via inhouse mail today. ~Penny)

Thank you for meeting with us last week. We have taken your feedback from the meeting and adjusted our presentation and our working documents in an attempt to be clearer.

Since June we have been writing one page(ish) "White Papers" to document our intention and thought process for the Boards and for future reference. Your feedback inspired us to add a few white papers to the mix.

While these White Papers remain a work in process (and more may be added as questions or issues arise) we wanted to share them with you to help you understand our reasoning and the

process we have taken to come to this proposal. We will make them available to the resident population after the meeting next week.

We look forward to the meeting on Monday and to future follow up discussions with you as a Council.

Justine, Cathy, Deb

LONGTERM GOVERNANCE FOLLOW UP

ADDITIONAL DETAILS

At the community board meetings in June we presented the proposed governance structure and sought feedback from the board members, specifically asking for their questions and concerns about the structure. The overall reaction of the boards (both RWE and BH) was that this structural change does make a lot of sense considering the current complexity of the existing multiple board structure and the desire of the larger TRWG organization to expand its services to more seniors in more communities. Questions, concerns, or areas (based on discussions with Board and Long-Term Governance Task Force members) are as follows:

1. **Resident Voice: How will we ensure that the culture of resident voice / engagement is retained with a new structure?**
2. **We need to properly plan the transition to a new structure, including:**
 - a. How to populate the new board
 - b. How to legally document the transition
 - c. Communication and timing
 - d. Process for board interactions and resident input?
3. **Clearly defining the CCRC Board role and the role of the board member and required formal documents**
 - a. Board roles and responsibilities
 - b. Fiduciary conflict plan
 - c. Committees (roles and membership)
 - d. Revised MOU? (We will want to use consistent language between all communities, even if the details are different.)
 - e. Board Composition and Election
 - i. How will CCRC Board members be nominated and selected / elected?
 - ii. How will TRWG Board members be nominated and selected / elected?
 - iii. Articles and Bylaws revisions
 - f. Financial Resources
 - i. Treatment of Donor restricted and unrestricted gift fund
4. **Staff reporting relationships – the role of the ED and the system CEO**
 - a. What is the CEO's role with the CCRC board?
 - b. What is the CCRC board's role with respect to the CEO and/or ED?

- c. What is the ED's role?
- d. What is the reporting relationship between ED and CEO and Boards?
- e. How does that impact CEO's reporting relationship with TRWG Board?

5. How will CCRC Board meetings work?

6. Communication plan

7. Timing

- a. What will we need to do at the October Board meeting?
- b. When will we ask the Boards to vote?
- c. How will the Boards offer feedback?
- d. How will we consider the resident feedback? (Board or Task Force)
- e. Will we need communications with/approvals from any regulatory agencies (NH Insurance Department or NH Charitable Trust Director)?
- f. We may need NHHEFA or Bond Trustee consent under bond financings and need to sequence timing appropriately.

Based on feedback from the Birch Hill Governance Committee, the RW Exeter Board, the RW Exeter Resident Council and the BH Resident Council, we have updated and added thoughts on:

8. The Regulatory approval process for this governance change

9. The WHY of the change

10. The financial relationship between entities

11. The impact the change will have on residents

12. The role of the Board

13. The role of the management team

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BRIEF DESCRIPTION OF THE PROPOSED STRUCTURE

The Long-Term Governance Task Force proposes the following structure:

1. Maintaining the TRWG Board as the Sole Member (parent) board
2. Consolidating the community boards (currently one each for RWE, BH and RWD) into one governing board that would govern the system of real estate based senior living communities (currently CCRCs) that are stable in terms of operations (defined as having originally achieved 85% occupancy community wide).
3. This transition from three community boards to one board for the existing stable CCRCs (to be known as the “CCRC board”) would occur over the course of the next 18 months, with the transition final on January 1, 2021.
4. The new CCRC Board would be the governing board for the three separate legal entities (501(c)(3)s) of RWE, BH and RWD.
5. The RiverWoods Group would remain the sole corporate member of each CCRC.

LEGAL AND FINANCIAL RELATIONSHIP AMONG CCRCs

While the stable CCRCs will have a common governing board, each entity will maintain its separate legal 501(c)(3) status and its own separate financial relationships.

The communities and TRWG have determined that centralizing certain functions and sharing those services at the TRWG level best allows each community to receive specialized skills and support in an efficient and cost-effective manner. A description of those services currently exists in the MOU (RWE) Management Services Agreement (RWD) and MOU (RWD). Each community will be responsible for paying for the service from TRWG based on the previously agreed upon formula. This governance change will not cause a change in those fees or formulas.

Each community has an “available assets” structure that currently exists within its agreement with TRWG. This allows each community to fund system development, when assets are deemed to be “available” based on a previously agreed upon formula. This governance structure change will not cause any change in the available assets formula.

The communities will have no other financial responsibility to the system and no financial responsibility to one another (excepting the current loan repayment that RWD owes to RWE).

Each community has its own debt, financial covenants, and metrics. Unless and until the CCRC Board decides that an Obligated Group structure for debt is in the best interest of the organizations, the communities will have no joint financial obligations.

Both donor restricted and unrestricted gift funds at Birch Hill will remain to support programs and operations of Birch Hill.

Both donor restricted and unrestricted gift funds of RiverWoods Exeter will remain to support programs and operations of RiverWoods Exeter.

If and when gift funds are established at RiverWoods Durham they will remain to support programs and operations of RiverWoods Durham.

The CCRC Board will govern each community within the bounds and scope of that community’s financial resources. It will set budgets, pricing, investment policy and

programs for each community based on the individual circumstance of that community.

When and if decisions are made where there are “conflicting priorities” between the communities the Board will use its previously established “Decision Process” to guide its discussion and decision.

WHY ARE WE MAKING THIS CHANGE / WHAT ARE OUR GOALS?

The Boards identified several goals for governance improvement. Those included:

1. Ensure a scalable governance model that would enhance our ability to attract and retain the highest quality of board members to help lead the organization. Establish a system that allows the organization to be nimble and make timely decisions in a competitive and changing environment.
2. Maximizes “system thinking” by eliminating silos in operations and governance and ensures joint learning. Uses that learning to establish the most informed board and make the best possible decisions for the communities, while disseminating best practices across the system.
3. Improve the efficiency of staff time so that Executive Directors will have more time to focus on organizational, operational excellence. That includes programs and services that impact the quality of resident lives.
4. Enhance the opportunity for resident voice through expanding the opportunities for communication – this would be through adding non board members who are residents to Board committees or task forces and expanding the relationship between the CCRC Board and the Resident Council.

As we discussed the benefits and drawbacks of the current structure, as well as thoughts about the future and how the organization may change to meet a changing market of consumers, it became clear that the current structure was unsustainable.

The benefits of the current structure are that it allows for local knowledge, an intimate feel, and a board focused solely on that operation. Additionally, at each community there were multiple resident Board members (three in Exeter and two in Manchester) who were actively participating in the governance of the organization.

However, those benefits were outweighed by the drawbacks. Operating with a governing board for every CCRC caused siloed thinking, reducing or eliminating the opportunity for joint learning and hampering the benefits of operating within a system. It is an inefficient use of staff time (which reduces the time that the leadership could concentrate on residents and the development of the staff teams), and did not provide for “system thinking,” meaning the boards did not have the opportunity to learn at one campus and translate that learning into better decisions at another.

We believe this proposed structure will improve the Board's ability to make the most informed decisions as it will allow the Board to gain perspective from three operating communities in disparate stages and circumstances.

IMPACT ON RESIDENTS

There are two areas that we anticipate will be received by the current resident population as a “loss” in this proposed new structure:

1. The actual number of resident board members will decrease for RWE from three to one, and for BH from two to one.
2. The Board’s focus will not be solely on one individual campus/community, therefore increasing the perception that the board is not focused solely on issues specific to a campus/community.

The benefits of this change to the existing population are as follows:

1. The communities will be governed by an even more informed board, one that has experience from multiple organizations to draw on to make the best decisions.
2. The new structure provides an opportunity to broaden the population of residents who participate at a governing level. This will include:
 - a. One resident member from each current community on the CCRC board of trustees.
 - b. Space/slots for residents who are not resident CCRC Board members to serve as voting members of the Board Finance committee, Governance committee, Investment committee and any special Task Forces that may be formed (these members will be selected by the CCRC Board based on experience, commitment to the System and shared mission, and willingness to serve).
 - c. Increase in the role of the Resident Council of each community as an advisor to the CCRC Board.

Each Council’s relationship with the Board will develop over time, but, at a minimum, would include:

1. The Council providing the Board with regular communication to provide a broader view / resident input on life within the existing communities.
2. Shared educational sessions – the Board will invite the Chair and Vice Chair of each Resident Council to attend and participate in its annual educational retreat.
3. The Board will invite the Council’s input on any strategic plan crafted for its individual community prior to adopting any such plan.

4. The Board will seek Council input as it approaches major decisions. This request for input may come through the Executive Director, the TRWG CEO, the resident Board members, or the Board Chair.

To enable a productive relationship the Board will ask the Council to stay informed of not only the inner workings of the community, but also the external world in which we operate. That education may come from readings, meetings, or conferences that will be organized through the Executive Director or the TRWG CEO.

The Board will ask that the Council review the Role of the Board v. Role of the Management on an annual basis to ensure that they understand and use the proper line of communication for ideas and issues.

RESIDENT VOICE / GENERAL

The RWE Board and BH Board have drafted a Resident Engagement Philosophy Statement. It will ask the Resident Council at each Community to provide thoughts and feedback. The Board will then edit, adjust and adopt a revised statement prior to the governance change adoption.

The CCRC Board will seek ways to establish greater/deeper connections with the resident population at large through:

1. Social interactions (regular and planned – to include Resident Board dinners, better use of the holiday party (perhaps a short meeting prior to the party), and at least one additional social event per year)
2. Q&As with the Board chair (for example, presentation and open questions at the Resident Annual meeting?)
3. Written information: in addition to sharing meeting minutes, perhaps a summary memo from the Board Chair to the resident population or the Resident Council Chair(s) outlining the major work of the board.
4. Using the resident engagement portal to share information

PROCESS FOR THE NOMINATION / REVIEW / ELECTION OF RESIDENT BOARD MEMBERS

The CCRC Board recruitment process will include the following:

1. When an opening arises for a resident board member seat, the CCRC Board Governance Committee will consider the skills/competencies matrix and share its thoughts with the resident council.
2. This information will help describe the type of person that the board is seeking, in terms of skills, experience and thinking / communicating style.
3. The Resident Council will then use this information to seek nominations from the resident body.
4. After receiving nominations, the Resident Council will review for consistency with the Board's request and will make a nomination of at least one resident for the seat.
5. The CCRC Board Governance Committee will then use its standard process for interviewing and review of candidates (interview with governance committee and board chair, nomination by governance committee, approval by board)
6. Until such time as there are more than three CCRCs (RWE/RWD/BH) one resident trustee will be from each community.

POPULATION OF THE “NEW” CCRC BOARD

Initial Members

The RWD board is currently a mirror of the TRWG board. This was established for ease of oversight during development, as RWD is not yet an operating (stable) organization. It is anticipated that these TRWG Board members will not serve on the CCRC Board, and that the initial membership of the CCRC Board will be made up of current RWE and BH Board members.

Based on the standard terms for all existing community board members (RWE and BH), a “merged” board as of January 1, 2021 would represent 18 total members, including 14 external board members (two of whom also sit on the TRWG Board), three resident board members (one each from RWE, BH and RWD) and the CEO serving ex officio. The Executive Directors would not be board members, though they will attend and participate in CCRC Board meetings. Following standard term structure, two of those 18 members would retire at the end of calendar year 2021, leaving a board of 16 members.

Our proposal is to use the current board membership to populate the new board, but to keep recruiting externally over the next two years, as we recognize that some members may not wish to continue in the revised structure. Ideal size would be 15 members, but we believe a size of 18 for one year will be workable if all members do choose to continue.

The initial board members for the CCRC Board would be “selected not elected” (based on current standing on a RWE or BH Board). As those terms expired, we would revert, long term, to the recruitment, nomination and election process that is in place at all campuses today. That process includes the use of the Skills Matrix to identify potential members, interviews by the Governance Committee and Board chair, nomination by the Governance Committee to the CCRC Board, approval by the CCRC Board, and then final election of a slate by the TRWG Board.

In the near term, as we recruit for future members, we would recommend starting them on a committee or task force, with board service beginning in 2022, after we have some transition of membership.

It is important to note that the initial board members for the CCRC board would need to embrace a fiduciary duty for all communities, they would not be “union reps” representing RWE, BH or RWD. While they may bring the voice of their

community to the discussion, they must make decisions based upon what is best for the communities as a whole. See “Board/Trustee Responsibilities”

Committees

We suggest Finance, Governance and Executive as standing committees and task forces to be used if there is project specific or community specific work that needs additional detailed attention.

The Investment Committee is to become a committee of TRWG (with membership from the CCRC Board as well as TRWG Board member(s)).

Membership on committees or task forces would be as described currently in the bylaws (members do not need to be board members, chair does need to be a board member). We will revise the current Committee Charters as appropriate. We will add language to the bylaws to include a desire to have additional resident membership (in addition to the resident board members) on committees or task forces. It would be preferred, but not required, to have a non-board member resident on each committee or task force.

Relationship with the TRWG Board

Currently, the makeup of the TRWG board consists of members nominated by the Participant Organizations (RWE, RWD and BH) and “Public members.” The Participant Member nominees must be the majority, and RWE has the right to nominate the majority of the Participant Organization members. (For example, with a seven-member TRWG Board at least four members need to be nominated by the Participant Organizations and at least three of the four need to be nominated by RWE). The Affiliation Agreement with Birch Hill provides it the right to nominate one member to the TRWG Board. Currently, of our existing TRWG Board members we have five members nominated by RWE (the CEO and four members who began their service on the RWE Board and have termed out of that service), one member nominated by BH, and one “public member.”

In our proposed structure we would maintain the concept of Participant Organization members and Public members, but RWE would relinquish its right to nominate the majority of the Participant Organization members, (because the RWE Board would no longer exist) and BH would relinquish its right to nominate one member (because the BH Board would no longer exist). The powers previously held by the RWE Board would transfer to the CCRC Board. i.e. the nominating

duty of at least a majority of the TRWG Board members would be transferred to the overall CCRC Board.

The TRWG Board would remain unchanged by this governance evolution, except that the TRWG board will have normal term transition of two members in each of the years 2020, 2021 and 2022. We would propose that we identify up front the members from the participant organizations that we would nominate for the open seats in 2020 (and perhaps 2021) so that the initial transition is clear.

Other reserved powers would remain essentially unchanged, though we would standardize the agreements between the organizations for ease of use, using the format we use in the RWE/TRWG relationship known as the Memorandum of Understanding. In this proposal an MOU would exist between TRWG and all individual communities, and though they would not be identical, as the status of each community is different, they would follow the same format and principles.

ROLE OF THE CCRC BOARD / BOARD MEETING PLAN AND ISSUES TO ADDRESS

The CCRC Board will be the governing board for the three existing legal entities to start: RWE, RWD and BH. We recognize that this will add complexity to the board's role. That can be at least partially addressed by having good structure to our CCRC Board meetings.

We propose the following structure to the initial board meetings of the CCRC Board:

- Board meetings for Year one occur 6x per year / mornings / three hours (January, March, May, September, November + one educational or team building retreat)
- Standard agenda for Year one
 - Consent Agenda items
 - Committee and Task Force written reports
 - Report from the Resident Councils (*JV to prepare a shell report for the Councils to use as a template if they prefer*)
 - Other reports and appropriate votes
 - CEO and ED reports
 - Discussion of Resident Council reports - are there any issues that should be addressed at the Board level? (Yes/now, No, Yes/Future discussion topic)
 - Strategic or generative Board discussion that concerns the full system of CCRCs
 - Board level Community based discussions regarding a specific decision or vote to make (these would include presentation by the appropriate ED)
 - Education – staff presentation on a “hot topic” or issue of strategic importance (may be from an ED or a TRWG member)
 - CEO report – update on system wide or external issues (if necessary, to supplement CEO written report)

We also recognize that there may be times when the CCRC Board will need to make decisions where community priorities are in conflict (time allocation, strategic initiatives, etc.). The Board will follow an agreed upon process for these situations and will document the discussion in the meeting minutes.

DOCUMENTS REQUIRING REVISION

(All proposed changes would be reviewed by the LTG task force and through joint meetings of the RWE and BH governance committees.)

- Articles of Agreement
- Bylaws
- MOU / Affiliation Agreement / Management Services Contract (to be adjusted into standard form and language)
 - Each would be recrafted into a Memorandum of Understanding format
 - No change in the “available asset” concept would be initiated by this change
 - Any transfers to benefit the system would be transfers to TRWG as they are now

PROCESS FOR BOARD DECISIONS WITH CONFLICTING PRIORITIES

Most decisions a board makes have no one “right” answer. Even if it is one organization – like RWE now, the Woods, Ridge, and Boulders are all at different stages and we must attend to all of them. A Board’s role is to evaluate the challenges that face the organization and to select a course of action that, in their informed judgment, provides the highest likelihood of furthering the overall Mission.

There are times when we must spend money in one area and not others, on things that some residents question, that some oppose, that some like. There are always competing priorities and no organization can meet all priorities at once; then they wouldn’t be “priorities.”

Boards make difficult decisions that involve different aspects of an organization. This requires due diligence, prudence, and good judgment. Good boards think about the long-term best interests of all – about benefits, drawbacks, priorities, sequencing etc.

The RWE, BH and RWD Boards have determined that their individual organizations and charitable missions will be best-served by participating in the RiverWoods Group System, and TRWG was formed to support the missions of its participant organizations. Similarly, the RWE, BH and RWD Boards are now being asked to determine if the establishment of a unitary CCRC Board is the best way in which to govern their organizations within the System. Therefore, decisions which support the integrity and the sustainability of the System and the common CCRC governance structure are decisions in support of the missions of RWE, BH and RWD (and future Participant Organizations).

With the revised governance structure that we have proposed, we recognize that the CCRC Board will have some unique situations where a decision is more beneficial to one community (or resident population) than another and even situations where it seems that one community (or resident population) gains and another, thereby, loses.

To guide the Board in these difficult decisions, and in all decisions where priorities must be considered, we have developed the following process for the Board to follow:

1. Establish the ultimate goal – how will this decision help us serve our Mission?
2. Discuss and understand the impacts of the decision on the affected communities (real or perceived)
3. Discuss and understand the impact of the decision on resident members of the community
4. Discuss and understand the impact on the System.
5. Seek detailed information on any potential negative impacts (how much of an issue, for how long, at what cost?)
6. Discuss the cost/benefit (intended and possible unintended consequences) to residents, to each organization and to the system as a whole
7. Consider and weigh alternatives
8. Identify potential impediments and restrictions
9. Establish a source of funds if decision has a financial impact – if residents are perceived to be negatively impacted how will that be addressed?
10. Determine a course of action and communicate/document the reasoning for that decision

THE ROLE OF THE EXECUTIVE DIRECTOR AND THE TRWG CEO REPORTING RELATIONSHIPS

The CEO of TRWG would serve as the primary supervisor of the Executive Directors. The CCRC Board would be responsible for the governance of the CCRC system, and the CEO would be its primary staff contact for that role.

Agenda setting and Goal Setting

The CCRC Board chair would work with the CEO to set the overall agenda for board meetings and board education. The CEO and Board Chair would work with the EDs to establish community specific items that require board attention and decision. The Executive Directors remain the primary voice of each community and would be the “reporter” and discussion leader at board meetings where a topic was of strategic or governance interest related to their individual community.

Reporting Relationship

The Executive Directors would report directly to the CEO. The CEO, in consultation with the CCRC Board, will prepare the annual review for each ED. Should a situation arise where there is a need to terminate an ED, the CEO will consult with the CCRC Board prior to making any final decision. Should a situation arise where there is a need to hire an ED, the CEO will establish a recruitment process that includes at least two members of the CCRC board in a search/interview process.

The EDs are responsible for implementing System strategies and initiatives at their respective communities and for identifying operational challenges and priorities at their community and thus informing the System strategy and overall operations.

The CEO would report to the Board of TRWG. The TRWG Board will actively seek input from the CCRC board when considering the performance review and compensation of the CEO. The TRWG board will do this by:

- Seeking the input from the Chair and Vice Chair of the CCRC Board as a part of the review process
- Discussion with the Chair/Vice Chair of the CCRC Board before any decision related to the hiring or termination of the TRWG CEO

Strategy

System strategies are developed jointly with the TRWG leadership team and the EDs and are approved by the TRWG Board. Community strategies will align and support the overall system strategy in a way and manner that is appropriate for that unique community.

Roles

EXECUTIVE DIRECTOR

The Executive Director is the primary leader of his/her unique community. The Executive Directors' role is to work with the CCRC Board to set priorities for their respective campus, to translate those priorities into clear goals for their team and themselves, and to enact those priorities through project management, through the leadership and development of their management team and through direct relationships with the residents.

Those priorities include the pursuit of operational excellence, either directly, or through their team. To do that they lead major projects (building and programmatic) that impact the community; they provide individual and team development for the operational leaders, and they are the primary communication vehicle for the Resident Council. They will establish budgets to achieve these priorities and hold their team accountable to achieving their budgeted goals for expense and revenue. The Executive Directors hold the primary responsibility for sharing the unique situation of their campus (be that project, quality, engagement, resident relations, operational challenges etc.) with the Board of Trustees.

CEO

The CEO is responsible for the leadership of the System as a whole. The CEO's role is to help the TRWG Board set priorities for the System, and to help the Executive Directors and the CCRC Board set priorities for the CCRCs. Once strategic priorities are approved by the CCRC Board, the CEO is responsible for assisting the Executive Directors in achieving those goals either directly or through the deployment of the other resources at TRWG.

TRWG STAFF

The TRWG staff include subject matter experts in finance, technology, human resources, marketing, quality and project management. Relative to the CCRCs their role, and the role of their teams, is to support the Executive Directors and their

teams in the achievement of the goals and priorities established by the CCRC Board.

TRWG BOARD

The TRWG Board retains the reserved powers that exist in the current bylaws. They establish priorities and strategy for the System, maintain the System infrastructure and provide insight to the CCRC Board regarding external factors that may impact the CCRC business.

RESIDENT BOARD MEMBER

The Resident Board Members (of the CCRC Board) will be full voting board members. They will be representatives “of” the resident population among all campuses (bringing the perspective of a resident and of an older adult to the discussion) but not a representative “for” the resident population. It will be their responsibility to ensure that the resident voice and perspective is heard by the Board, and then to vote in a way that they believe best fulfills the organization’s mission.

THE ROLE OF THE CCRC BOARD (GENERAL)

Boards have multiple responsibilities, including Fiduciary, Strategic and Generative work.

From a Fiduciary perspective, the Board's work is to ensure the furtherance of the organization's mission, and to be a good steward of the organization's assets. That includes:

- Fiduciary work
 - Ensure legal and ethical accountability
 - Ensure quality care
 - Maintain fidelity to mission, revise as necessary
 - Protect the long-term financial health of the organization
 - Select & evaluate CEO
 - Approve operating and capital budgets
 - Oversee financial performance and operations
 - Audit financial condition
 - Advocate institutional interests

From a Strategic perspective the Board's work is to act in a sustainable manner, making good business decisions with the best possible information. That includes:

- Strategic work
 - Scan internal and external environment
 - Set priorities
 - Think strategically: help shape ideas to drive plan and create value
 - Test soundness and consistency of strategic plans and adapt plans as needed
 - Link resource allocations to strategic priorities
 - Review and modify strategic plan as necessary
 - Approve and monitor milestones and metrics

From a Generative perspective the board is a "sense maker," identifying challenges and opportunities for the organization and framing them in a variety of ways to find meaning and perspective. That includes:

- Generative work
 - Make meaning of past events
 - Make sense of current circumstances
 - Discern and frame challenges and opportunities

- Decide what to decide
- Place perceived problems and opportunities in new light
- Entertain alternative hypotheses and scenarios
- Reconcile values and beliefs with realities and choices

THE REGULATORY APPROVAL PROCESS

The proposed restructuring likely will require regulatory approval because RWE is relinquishing its right to elect a majority of the TRWG Board. This “change of control” process was followed when BH became a participant organization in the System and TRWG became its sole corporate member. The regulatory review is conducted separately, but simultaneously, by each of the New Hampshire Director of Charitable Trusts (a unit of the NH Attorney General’s Office) and the New Hampshire Insurance Department (NHID).

A formal Change of Control Notice will be filed with the Charitable Trust Director. The Notice will describe the restructuring, its purpose, and the process followed by the RWE, BH and RWD boards. The Director then will schedule a public hearing at RWE to hear from residents and discuss the restructuring with the RWE Board. The Director is focused primarily on whether the boards have fulfilled their fiduciary duties in proposing the restructuring. The Director has 120 days from the filing of the Notice to determine whether to approve the proposed restructuring.

The NHID process is less formal and has no statutory deadline. RWE will submit a description of the restructuring and the proposed legal documents, meet with NHID officials, and respond to inquiries. The NHID is focused primarily on whether the proposed restructuring will have a negative impact on RWE’s obligations under the residence and care agreements, and whether the restructuring is adequately described in updated disclosure statements.

HOW DO WE ENSURE THAT ASSETS OF ONE COMMUNITY ARE NOT USED FOR LIABILITIES OF ANOTHER?

There is always a risk that a third party will try to hold all members of the system legally accountable for the actions of one member. However, corporate protections from liability are generally honored unless there are extraordinary circumstances. If a shareholder of a corporation ignores all corporate formalities, makes all decisions and the corporation's assets are indistinguishable from personal assets, then a court may "pierce the corporate veil" and hold the shareholder accountable for corporate liabilities. With corporations under common ownership ("sister" companies like RWE, BH and RWD), the assets of each corporation are protected from the liabilities of the other unless there is a "common or single enterprise."

The common enterprise theory has only been used by courts in a few states and mostly in the for-profit setting, and no New Hampshire court has adopted it to-date. For sister companies to be liable for each other under a common enterprise, typically there is no valid business reason for separating the activities of the corporations which are engaged in a single enterprise and often there is an intent to defraud creditors. That is not the case with the TRWG system.

To enhance the corporate protections available to the TRWG members, we will detail in our Plan of Reorganization and the Memorandum of Understanding between TRWG and RWE, TRWG and BH and TRWG and RWD, the purposes behind the organizational change and the ongoing commitment to keeping the organizations as separate corporations. These documents will demonstrate that while there will be coordination and collaboration within the system, there will be no comingling of assets, and financial decisions (budget, rate setting, etc.) will be based on the facts and circumstance of each individual organization.

Courts have found corporations liable for each other when there is no business purpose for separating them or there is an intent to defraud, but in our case we will articulate the reasons for the common board that relate to improving the organizations and the system, all in furtherance of their charitable missions. Additionally, we will establish policies and procedures related to how the common board will address decisions that may have conflict between the communities.

Mark McCue, our corporate attorney, will issue a legal opinion to all boards concluding that we have sufficiently maintained the separate corporate identities of each of the organizations to continue to enjoy the corporate protections from liability and avoid the common enterprise theory.

GLOSSARY

AFFILIATION AGREEMENT	The Agreement between TRWG and BH that defines and governs their relationship. It is proposed that this document would be replaced by a Memorandum of Understanding going forward.
AVAILABLE ASSETS	Liquid assets that exist at a community that are deemed (based on an agreed upon formula) to be available to support the system wide strategic plan. The formula is defined in the MOU for RWE and RWD and in the Affiliation Agreement for BH.
BH	Birch Hill
BOND TRUSTEE	The trustee for bondholders, typically a bank
CCRC BOARD	The proposed board that would combine membership from the current RWE Board and BH Board and that would be responsible to govern the stable CCRCs (currently RWE, BH and RWD)
COMMUNITY BOARD	Currently the individual Boards of Trustees that separately govern RiverWoods Exeter, Birch Hill and RiverWoods Durham
ED	Executive Director = the leader of a certain community. There are distinct Executive Directors that lead each of RiverWoods Exeter, Birch Hill and RiverWoods Durham
MISSION	The Missions of the three CCRCs (RWE, BH and RWD) use different words, but are commonly described as “ <i>we provide the opportunity for community and peace of mind.</i> ”
MOU (RWD)	Memorandum of Understanding = the document that establishes the intentions of the RWD and TRWG Boards to form their relationship and governs the specifics of the business side of the relationship
MOU (RWE)	Memorandum of Understanding = the document that establishes the intentions of the RWE and TRWG Boards to form their relationship and governs the specifics of the business side of the relationship
NHHEHFA	New Hampshire Higher Education and Health Facilities Authority = the authority through which higher education and health facilities are able to issue tax exempt debt

OBLIGATED GROUP	<p>For nonprofits, forming an obligated group allows organizations to combine multiple business lines or assets to create a single entity. In this way the subordinate units' revenue, payor mix, cash and assets can be used in aggregate as collateral for obligations. The obligated group becomes jointly and severally liable for the organization's debt. In doing so, the newly-combined entity can be stronger financially than the sum of its individual components. An improved credit profile for an organization generally leads to lower borrowing costs and greater capacity for future borrowing (<i>Lancaster Pollard</i>).</p> <p>The RiverWoods Group system does not currently have an obligated group structure</p>
PARTICIPANT ORGANIZATIONS	The participants in the RiverWoods Group system, currently consisting of RWE, BH and RWD
PUBLIC MEMBERS	Board members of TRWG who were not nominated by a Participant Organization
RWE	RiverWoods Exeter
STABLE CCRC	While this description may change over time at the Board's discretion, typically we mean a CCRC that has achieved 85% occupancy, is no longer in "start up" mode and has positive cash flow
SYSTEM	The RiverWoods Group system, currently consisting of RWE, BH and RWD
TRWG	The RiverWoods Group = The system of senior living providers that was formed in 2011 by RiverWoods Exeter to further its charitable mission (and those of future participants) by establishing, maintaining and governing an integrated system of continuing care retirement communities and related organizations. The TRWG system now includes RiverWoods Exeter, Birch Hill and RiverWoods Durham.
TRWG STAFF	The executive level team and appropriate support staff that includes the CEO, Finance, Information Technology, Quality, Marketing, Human Resources, and Special Projects.

APPENDIX T

Trower and Vogel Presentation RWE Resident Council
September 19, 2019

RWE Resident Presentation Governance Journey

September 2019

Justine Circa 1994 / RW Circa 1993



Justine Circa 2019/ RiverWoods Circa 2019





The World In Which We Operate ...

- Scale matters
- Competition increasing
- Technology impact
- Change in consumer expectations
- Rapid increase in the number of seniors (10,000 people per day turning 72)
- Incredibly low unemployment rate
- Historically low interest rates

Our long-term sustainability - TRWG

- **More CCRCs**

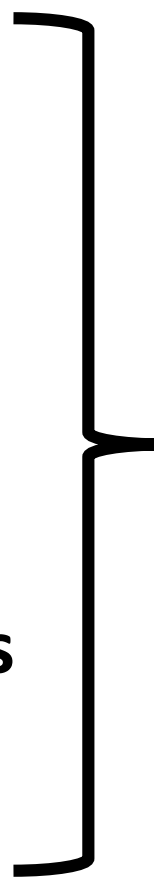
- The demand locally remains strong
- Market protection

- **“Like Kind” communities**

- CCRC light?
- Multi generational / multi use communities

- **@Home options / Contract variations**

- **Home Care options**



If we do these things it
will be TRWG's Risk
NOT RWE
NOT BH
NOT RWD

Why do we have to think about the future?

It comes fast...

- 15 years ago, travel agents would claim you can't book vacation online
- 10 years ago, you wouldn't dream of banking online
- 5 years ago, very few people would buy groceries online or hail a taxi with their phone



Whatever We Do

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graph TD; A[Whatever We Do] --- B[Self Supporting]; A --- C[Aligns with our Mission to Provide Community and Peace of Mind];
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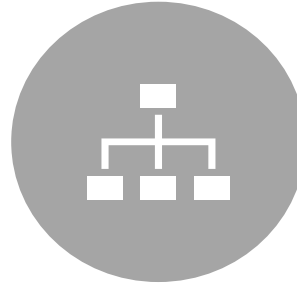
**Self
Supporting**

**Aligns with our Mission to
Provide Community and
Peace of Mind**

What Does RiverWoods Need to be Successful?



Right People



Right Structure



Solid Plan



Ability to Adjust



Me in 1994



I have grown shorter...and
so has my hair!

It took me a while to get
over Farrah...

Task Force Members

Organization	Person, Role
RWE	Bruce Mast, Chair ... Cathy Trower, Chair
RWE	Cathy Trower, Vice Chair (Task Force Chair)... Dave Brownell, VC
RWE	Jack Dunn, Resident Board member ... Sarah Donnelly
BH	Steve McPherson, Chair
BH	Donella Lubelczyk, Vice Chair
BH	Dennis McMann, Resident Board member
TRWG	Beth Roberts, Chair
TRWG	Dianne Mercier, Vice Chair
TRWG	Justine Vogel, CEO

A collaboration of residents, board chairs, and vice chairs.

We asked ourselves...

- What have we learned (looking back)?
- What do we need (looking now)?
- How can we improve (looking ahead)?

Today's Structure

Three Separate Boards for Community



Proposed Structure

Combine Community Boards into One CCRC Board



Relationship between CCRC Board and TRWG Board

Powers that were
the RWE Board



Powers of the
CCRC Board

Relationship stays very similar
CCRC Board expands duties
TRWG powers are unchanged



The CCRC Board's Role

Ensures that our values are expressed in every person we serve in every member of our team in every community

Learns from the present and adjusts to be better

- **Advisor and Counselor to the Management Team**
- **Respectful Challenger of the Management Team**

Sets the standards for performance, quality, engagement

The ultimate authority to respond to questions

The guardrails that keeps us healthy and aligned with our mission

What Does Not Change

- ✓ **The Board's fiduciary duties of care, loyalty, and obedience**
- ✓ **Your Contract**
- ✓ **RWE's Legal Structure**
- ✓ **Your Daily Life**
- ✓ **RWE \$ Stays @ RWE**
- ✓ **TRWG's overall role**
 - **Support system**
 - **Seek new opportunities**

Resident Voice: Enhanced

TODAY

# of Board Members	3
Board Committee Members	No
Board Task Force Members	No
Council / Board Relationship	---

REVISED STRUCTURE

# of Board Members	1
Board Committee Members	YES
Board Task Force Members	YES
Council / Board Relationship	EXPANDED

Why is this better?

- **Focuses CCRC learning at the Board level**
 - Scalable model
 - Best practices: Joint learning / no Silos
 - Impact on other potential “lines of business” – what can we learn in the CCRCs that may translate to other ways to serve?
- **Enhances Resident participation in Governance**
 - Board members + Board Committee members + Task Force members + Expanded role of Resident Council
- **Allows Executive Directors more time and energy to focus on Operational Excellence**
 - YOU
 - YOUR STAFF TEAM’S DEVELOPMENT
 - YOUR LOCAL ISSUES

Board and Council Relationship

What are we asking the Council to Consider?

- Work with ED on resident input – Proposal to Board for “how”
 - Communication Methods
 - To / From Board level decisions
 - To / From Management level decisions
- Interactions with other Councils
- Essential aspects of the Culture: What matters most? How measure? How protect it?
- Initial Meetings Held to Consider “How” over next 6-9 months

Process and Next Steps

Next Steps

- Summary Memo from Justine
 - Resident Engagement Philosophy Statement
 - Information from today
- Handouts Available (Friday)
 - Resident Engagement Philosophy Statement
 - White Papers
- Work Session with Council to discuss follow up meetings

Resident Engagement Philosophy Statement

The Board's Philosophy regarding a Culture of Engagement

- Defines “Community” as both a physical location and a feeling of belonging
- Preserves Individuality
- Enhances Inclusion
 - Resident inclusion in Governance decisions
 - Individual resident input
- Establishes a Process (how will we measure our success?)
 - Number of Resident Board members
 - How Resident Board members are nominated, vetted, and elected
 - Board Committee and Task Force membership
 - Role of the Council

What will Success Look Like?



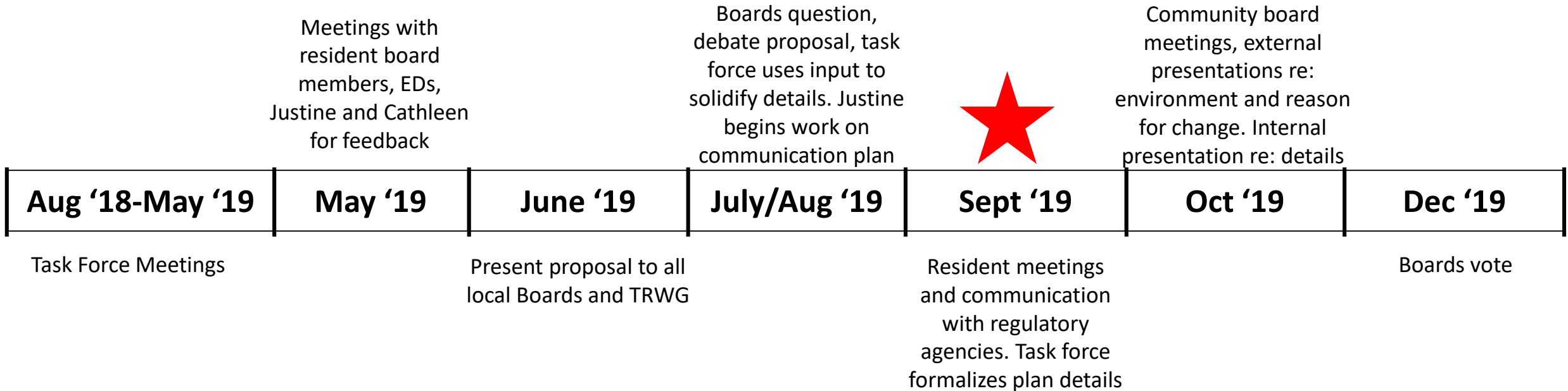
RESIDENT IMPACT

- Increased resident participation on Board committees / task forces
- Improved two-way communication between Resident Council and Board
- EDs more focused locally on what matter most

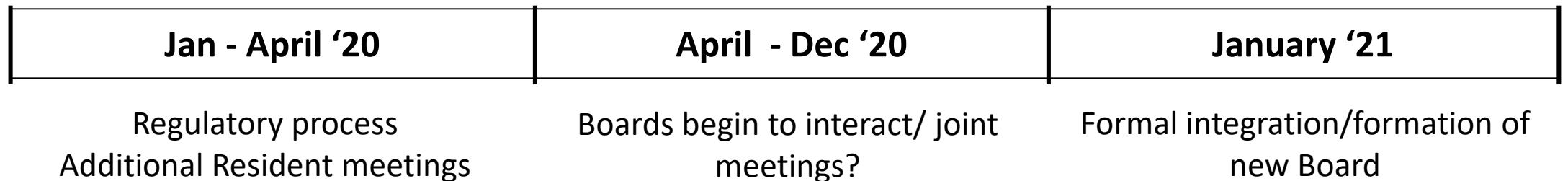
BOARD IMPACT

- Measurably more time to discuss and debate important decisions
- Laser focused on Board level issues
- Demonstratable learning from exposure to multiple CCRCs that is translated into even better decisions

Process / “What”/ Board



If Approved



Process / “How” / Residents

Resident Population

Initial Meeting

Sept 2019

Focused Meetings with Residents

Nov – Dec 2019

RWE Resident Council

Initial Meeting

Sept 2019

Second Meeting

Oct 2019

Additional Meetings / Discussions as Necessary

Oct 2019 – Feb 2020

Joint Councils

RWE & BH Councils Meet to Discuss Proposal

Jan 2020 – Jun 2020

June 2020 → Councils Propose to Board(s) (jointly or separately) on Board/Council interaction and communication

Today's Meeting

- An introduction of work the Board Task Force has been discussing for a year
- A discussion of WHAT the Board will decide
- An invitation into discussion HOW other details will be worked out

Questions?

APPENDIX U

Memorandum to RWE Residents dated September 20, 2019 with White Papers

MEMORANDUM

TO: RiverWoods Exeter Residents September 20, 2019

FROM: Justine Vogel, TRWG CEO

RE: Summary Memo from Long Term Governance Meeting

This past Monday, Cathy Trower, Deb Riddell and I had the opportunity to share an introduction into the governance revision that the RWE Board (as well as the Boards from RWD, BH and TRWG) are considering. This memo will provide you with a summary of that meeting, as well as a summary of the questions we have received so far.

BACKGROUND

RiverWoods celebrated its 25th anniversary last month. Over the course of our 25 years of operations the world in which we operate has gotten progressively more complex, with changes in technology, competition, the health care regulatory environment and our customer base. We have been, and remain, an organization that learns and adjusts as time goes by, and we find that it is time to adjust our governance structure to help us operate better.

PROPOSAL

Currently, each of RWE, BH, RWD and TRWG have their own individual board of trustees. In August 2018 three members from the RWE Board, three members from the BH Board, and three members from the TRWG Board formed a task force to evaluate if there was a better way to do Board work in the future. Over the course of multiple meetings and discussions that spanned more than a year, the Task Force determined we could improve our governance structure by combining the RWE, BH and RWD Boards of Trustees into one board (the CCRC Board) that would govern all the existing, stable communities (RWE, BH and RWD). We will refer to this as the “governance plan.” This CCRC Board will be a voluntary board, as are the boards in our current structure.

A member of the task force presented the governance plan at each of the current full board meetings in June/July and the boards are currently considering the proposal.

The Boards will have further education and discussion over the next several months and are expected to vote on the governance plan proposal in December 2019.

If the Boards all vote affirmatively, we would begin the regulatory approval process, which is expected to take 4-6 months. If the governance plan receives regulatory approval it would be put into effect on or around January 1, 2021.

REASONING AND ADJUSTMENTS

We believe the governance plan will allow us to improve how we govern, and how we operate our communities. In a changing and complex world, we believe that having one board that specializes in CCRCs will allow us the benefit of an even more educated board member, one who can draw on experiences from three different organizations, in different stages of life, that have different (but similar) challenges, to make better governing decisions.

Additionally, the change will adjust how we handle board work, reducing the governance work burden of the Executive Directors, thus allowing them more time to focus on the operational challenges of their particular community.

Combining the boards will reduce the number of total Board members and will reduce the number of residents who serve on the Board of Trustees. Each board was very clear that it did not wish to see a reduction in resident voice or engagement with this governance change. To address that issue, the governance plan allows for and will encourage resident participation on standing board committees (currently finance, investment, governance, and audit) or board task forces that may be established from time to time. Additionally, the Boards are asking the Resident Councils to take an expanded role in communication and participation.

Discussions have begun with the Councils at RWE and BH and will continue over the next 6-9 months as we jointly develop a plan to increase Council/Board interaction.

The proposed governance change will NOT change RWE's legal status, your contract, the Board's fiduciary duties of care, loyalty and obedience, your daily life, or TRWG's role with the system. There will be no change in the way available assets are calculated, and outside of that calculation, RWE's money will be used for RWE, BH's money will be used for BH, and RWD's money will be used for RWD.

WHITE PAPERS

Over the course of the past several months we have prepared “White Papers” to address questions or document the Task Force’s reasoning on several topics. Those white papers are available at the front desk. They represent responses to a group of questions and areas of needed clarification requested by the Board and the Resident Council. The White Papers are a work in progress and may grow or adjust as additional questions are raised by the board.

RESIDENT ENGAGEMENT PHILOSOPHY STATEMENT

Based on the RWE and BH Boards desire to ensure that resident voice was a continuing part of our community we have drafted a Resident Engagement Philosophy Statement to spell out the philosophy and some specifics. That document is available at the front desk.

QUESTIONS FROM THE INITIAL MEETING

Many questions/issues from the initial meeting related to matters that are operational in nature. We heard you. Deb will share her work plan (as will her team) with the residents in the coming months so that you can see where we are focusing to improve operationally. She will also work with the Council to ensure that our priorities and timing are clear, aligned with resident interests, and communicated well.

Other questions / themes that arose (of a Governance nature):

1. *How does / or DOES RWE maintain its “super status” among the participants if it gives away the right to nominate the majority of the TRWG Board?*
2. *How (practically) will one RWE resident board member “represent” all 600 residents of RWE? And shouldn’t RWE have a larger representation of residents because of the number of residents AND/OR the fact that it funded the system?*
3. *How will the Board fully provide its fiduciary duty if it has multiple organizations to consider?*
4. *Why do we need to do more than we are currently doing?*

5. *Communication – how will the boards and the council and the residents interact? And how will the residents be comfortable that their thoughts/concerns (that are governance related) are heard by the board?*
6. *System Status – How can we better understand how we are doing, as well as the other communities in the family?*

NEXT STEPS

We will meet with the Resident Council on October 1 to continue our discussion on revising and enhancing the role of the Council and the Board/Council interactions. Those discussions will continue over multiple months as we hope to have the Councils from RWE and BH work with us and work together on specifics.

We believe the white papers may answer a good number of detail based questions, but should you have more, please feel free to email me directly (jvogel@trwg.org) with a copy to Deb (dridell@riverwoodsexeter.org) and Jim Pitts Resident Council Chair (jamesapitts@aol.com). If you would prefer hard copy, we will have a simple form at the front desk for you to share your question. We will collect your input through October 4th and will then work together to determine themes of questions to prepare additional follow up meetings on focused topics and/or a FAQ sheet for those that can be answered simply.

Thank you for your continuing interest and input. I, and the Governance Task Force, strongly believe this governance revision will help us be a better community for you, today, and help us continue to adjust as necessary for the future.

Governance Plan White Papers

September 2019

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BRIEF DESCRIPTION OF THE PROPOSED STRUCTURE

The Long-Term Governance Task Force proposes the following structure:

1. Maintaining the TRWG Board as the Sole Member (parent) board.
2. Consolidating the community boards (currently one each for RWE, BH and RWD) into one governing board that would govern the system of real estate based senior living communities (currently CCRCs) that are stable in terms of operations (defined as having originally achieved 85% occupancy community wide).
3. This transition from three community boards to one board for the existing stable CCRCs (to be known as the “CCRC board”) would occur over the course of the next 18 months, with the transition final on January 1, 2021.
4. The new CCRC Board would be the governing board for the three separate legal entities (501(c)(3)s) of RWE, BH and RWD.
5. The RiverWoods Group would remain the sole corporate member of each CCRC.

LEGAL AND FINANCIAL RELATIONSHIP AMONG CCRCs

While the stable CCRCs will have a common governing board, each entity will maintain its separate legal 501(c)(3) status and its own separate financial relationships.

The communities and TRWG have determined that centralizing certain functions and sharing those services at the TRWG level best allows each community to receive specialized skills and support in an efficient and cost-effective manner. A description of those services currently exists in the MOU (RWE) Management Services Agreement (RWD) and MOU (RWD). Each community will be responsible for paying for the service from TRWG based on the previously agreed upon formula. This governance change will not cause a change in those fees or formulas.

Each community has an “available assets” structure that currently exists within its agreement with TRWG. This allows each community to fund system development, when assets are deemed to be “available” based on a previously agreed upon formula. This governance structure change will not cause any change in the available assets formula.

The communities will have no other financial responsibility to the system and no financial responsibility to one another (excepting the current loan repayment that RWD owes to RWE).

Each community has its own debt, financial covenants, and metrics. Unless and until the CCRC Board decides that an Obligated Group structure for debt is in the best interest of the organizations, the communities will have no joint financial obligations.

Both donor restricted and unrestricted gift funds at Birch Hill will remain to support programs and operations of Birch Hill.

Both donor restricted and unrestricted gift funds of RiverWoods Exeter will remain to support programs and operations of RiverWoods Exeter.

If and when gift funds are established at RiverWoods Durham they will remain to support programs and operations of RiverWoods Durham.

The CCRC Board will govern each community within the bounds and scope of that community’s financial resources. It will set budgets, pricing, investment policy and programs for each community based on the individual circumstance of that community.

When and if decisions are made where there are “conflicting priorities” between the communities the Board will use its previously established “Decision Process” to guide its discussion and decision.

WHY ARE WE MAKING THIS CHANGE / WHAT ARE OUR GOALS?

The Boards identified several goals for governance improvement. Those included:

1. Ensure a scalable governance model that would enhance our ability to attract and retain the highest quality of board members to help lead the organization. Establish a system that allows the organization to be nimble and make timely decisions in a competitive and changing environment.
2. Maximizes “system thinking” by eliminating silos in operations and governance and ensures joint learning. Uses that learning to establish the most informed board and make the best possible decisions for the communities, while disseminating best practices across the system.
3. Improve the efficiency of staff time so that Executive Directors will have more time to focus on organizational, operational excellence. That includes programs and services that impact the quality of resident lives.
4. Enhance the opportunity for resident voice through expanding the opportunities for communication – this would be through adding non board members who are residents to Board committees or task forces and expanding the relationship between the CCRC Board and the Resident Council.

As we discussed the benefits and drawbacks of the current structure, as well as thoughts about the future and how the organization may change to meet a changing market of consumers, it became clear that the current structure was unsustainable.

The benefits of the current structure are that it allows for local knowledge, an intimate feel, and a board focused solely on that operation. Additionally, at each community there were multiple resident Board members (three in Exeter and two in Manchester) who were actively participating in the governance of the organization.

However, those benefits were outweighed by the drawbacks. Operating with a governing board for every CCRC caused siloed thinking, reducing or eliminating the opportunity for joint learning and hampering the benefits of operating within a system. It is an inefficient use of staff time (which reduces the time that the leadership could concentrate on residents and the development of the staff teams), and did not provide for “system thinking,” meaning the boards did not have the opportunity to learn at one campus and translate that learning into better decisions at another.

We believe this proposed structure will improve the Board’s ability to make the most informed decisions as it will allow the Board to gain perspective from three operating communities in disparate stages and circumstances.

IMPACT ON RESIDENTS

There are two areas that we anticipate will be received by the current resident population as a “loss” in this proposed new structure:

1. The actual number of resident board members will decrease for RWE from three to one, and for BH from two to one.
2. The Board’s focus will not be solely on one individual campus/community, therefore increasing the perception that the board is not focused solely on issues specific to a campus/community.

The benefits of this change to the existing population are as follows:

1. The communities will be governed by an even more informed board, one that has experience from multiple organizations to draw on to make the best decisions.
2. The new structure provides an opportunity to broaden the population of residents who participate at a governing level. This will include:
 - a. One resident member from each current community on the CCRC board of trustees.
 - b. Space/slots for residents who are not resident CCRC Board members to serve as voting members of the Board Finance committee, Governance committee, Investment committee and any special Task Forces that may be formed (these members will be selected by the CCRC Board based on experience, commitment to the System and shared mission, and willingness to serve).
 - c. Increase in the role of the Resident Council of each community as an advisor to the CCRC Board.

Each Council’s relationship with the Board will develop over time, but, at a minimum, would include:

1. The Council providing the Board with regular communication to provide a broader view / resident input on life within the existing communities.
2. Shared educational sessions – the Board will invite the Chair and Vice Chair of each Resident Council to attend and participate in its annual educational retreat.
3. The Board will invite the Council’s input on any strategic plan crafted for its individual community prior to adopting any such plan.
4. The Board will seek Council input as it approaches major decisions. This request for input may come through the Executive Director, the TRWG CEO, the resident Board members, or the Board Chair.

To enable a productive relationship the Board will ask the Council to stay informed of not only the inner workings of the community, but also the external world in which we operate. That education may come from readings, meetings, or conferences that will be organized through the Executive Director or the TRWG CEO.

The Board will ask that the Council review the Role of the Board v. Role of the Management on an annual basis to ensure that they understand and use the proper line of communication for ideas and issues.

RESIDENT VOICE / GENERAL

The RWE Board and BH Board have drafted a Resident Engagement Philosophy Statement. It will ask the Resident Council at each Community to provide thoughts and feedback. The Board will then edit, adjust and adopt a revised statement prior to the governance change adoption.

The CCRC Board will seek ways to establish greater/deeper connections with the resident population at large through:

1. Social interactions (regular and planned – to include Resident Board dinners, better use of the holiday party (perhaps a short meeting prior to the party), and at least one additional social event per year)
2. Q&As with the Board chair (for example, presentation and open questions at the Resident Annual meeting?)
3. Written information: in addition to sharing meeting minutes, perhaps a summary memo from the Board Chair to the resident population or the Resident Council Chair(s) outlining the major work of the board.
4. Using the resident engagement portal to share information

PROCESS FOR THE NOMINATION / REVIEW / ELECTION OF RESIDENT BOARD MEMBERS

The CCRC Board recruitment process will include the following:

1. When an opening arises for a resident board member seat, the CCRC Board Governance Committee will consider the skills/competencies matrix and share its thoughts with the resident council.
2. This information will help describe the type of person that the board is seeking, in terms of skills, experience and thinking / communicating style.
3. The Resident Council will then use this information to seek nominations from the resident body.
4. After receiving nominations, the Resident Council will review for consistency with the Board's request and will make a nomination of at least one resident for the seat.
5. The CCRC Board Governance Committee will then use its standard process for interviewing and review of candidates (interview with governance committee and board chair, nomination by governance committee, approval by board)
6. Until such time as there are more than three CCRCs (RWE/RWD/BH) one resident trustee will be from each community.

POPULATION OF THE “NEW” CCRC BOARD

Initial Members

The RWD board is currently a mirror of the TRWG board. This was established for ease of oversight during development, as RWD is not yet an operating (stable) organization. It is anticipated that these TRWG Board members will not serve on the CCRC Board, and that the initial membership of the CCRC Board will be made up of current RWE and BH Board members.

Based on the standard terms for all existing community board members (RWE and BH), a “merged” board as of January 1, 2021 would represent 18 total members, including 14 external board members (two of whom also sit on the TRWG Board), three resident board members (one each from RWE, BH and RWD) and the CEO serving ex officio. The Executive Directors would not be board members, though they will attend and participate in CCRC Board meetings. Following standard term structure, two of those 18 members would retire at the end of calendar year 2021, leaving a board of 16 members.

Our proposal is to use the current board membership to populate the new board, but to keep recruiting externally over the next two years, as we recognize that some members may not wish to continue in the revised structure. Ideal size would be 15 members, but we believe a size of 18 for one year will be workable if all members do choose to continue.

The initial board members for the CCRC Board would be “selected not elected” (based on current standing on a RWE or BH Board). As those terms expired, we would revert, long term, to the recruitment, nomination and election process that is in place at all campuses today. That process includes the use of the Skills Matrix to identify potential members, interviews by the Governance Committee and Board chair, nomination by the Governance Committee to the CCRC Board, approval by the CCRC Board, and then final election of a slate by the TRWG Board.

In the near term, as we recruit for future members, we would recommend starting them on a committee or task force, with board service beginning in 2022, after we have some transition of membership.

It is important to note that the initial board members for the CCRC board would need to embrace a fiduciary duty for all communities, they would not be “union reps” representing RWE, BH or RWD. While they may bring the voice of their

community to the discussion, they must make decisions based upon what is best for the communities as a whole. See “Board/Trustee Responsibilities”

Committees

We suggest Finance, Governance and Executive as standing committees and task forces to be used if there is project specific or community specific work that needs additional detailed attention.

The Audit Committee is a committee of TRWG, with membership from the CCRC Board as well as TRWG Board member(s).

The Investment Committee is slated to become a committee of TRWG (with membership from the CCRC Board as well as TRWG Board member(s)).

Membership on committees or task forces would be as described currently in the bylaws (members do not need to be board members, chair does need to be a board member). We will revise the current Committee Charters as appropriate. We will add language to the bylaws to include a desire to have additional resident membership (in addition to the resident board members) on committees or task forces. It would be preferred, but not required, to have a non-board member resident on each committee or task force.

Relationship with the TRWG Board

Currently, the makeup of the TRWG board consists of members nominated by the Participant Organizations (RWE, RWD and BH) and “Public members.” The Participant Member nominees must be the majority, and RWE has the right to nominate the majority of the Participant Organization members. (For example, with a seven-member TRWG Board at least four members need to be nominated by the Participant Organizations and at least three of the four need to be nominated by RWE). The Affiliation Agreement with Birch Hill provides it the right to nominate one member to the TRWG Board. Currently, of our existing TRWG Board members we have five members nominated by RWE (the CEO and four members who began their service on the RWE Board and have termed out of that service), one member nominated by BH, and one “public member.”

In our proposed structure we would maintain the concept of Participant Organization members and Public members, but RWE would relinquish its right to nominate the majority of the Participant Organization members, (because the RWE Board would no longer exist) and BH would relinquish its right to nominate one member (because

the BH Board would no longer exist). The powers previously held by the RWE Board would transfer to the CCRC Board. i.e. the nominating duty of at least a majority of the TRWG Board members would be transferred to the overall CCRC Board.

The TRWG Board would remain unchanged by this governance evolution, except that the TRWG board will have normal term transition of two members in each of the years 2020, 2021 and 2022. We would propose that we identify up front the members from the participant organizations that we would nominate for the open seats in 2020 (and perhaps 2021) so that the initial transition is clear.

Other reserved powers would remain essentially unchanged, though we would standardize the agreements between the organizations for ease of use, using the format we use in the RWE/TRWG relationship known as the Memorandum of Understanding. In this proposal an MOU would exist between TRWG and all individual communities, and though they would not be identical, as the status of each community is different, they would follow the same format and principles.

ROLE OF THE CCRC BOARD / BOARD MEETING PLAN AND ISSUES TO ADDRESS

The CCRC Board will be the governing board for the three existing legal entities to start: RWE, RWD and BH. We recognize that this will add complexity to the board's role. That can be at least partially addressed by having good structure to our CCRC Board meetings.

We propose the following structure to the initial board meetings of the CCRC Board:

- Board meetings for Year one occur 6x per year / mornings / three hours (January, March, May, September, November + one educational or team building retreat)
- Standard agenda for Year one
 - Consent Agenda items
 - Committee and Task Force written reports
 - Report from the Resident Councils (*JV to prepare a shell report for the Councils to use as a template if they prefer*)
 - Other reports and appropriate votes
 - CEO and ED reports
 - Discussion of Resident Council reports - are there any issues that should be addressed at the Board level? (Yes/now, No, Yes/Future discussion topic)
 - Strategic or generative Board discussion that concerns the full system of CCRCs
 - Board level Community based discussions regarding a specific decision or vote to make (these would include presentation by the appropriate ED)
 - Education – staff presentation on a “hot topic” or issue of strategic importance (may be from an ED or a TRWG member)
 - CEO report – update on system wide or external issues (if necessary, to supplement CEO written report)

We also recognize that there may be times when the CCRC Board will need to make decisions where community priorities are in conflict (time allocation, strategic initiatives, etc.). The Board will follow an agreed upon process for these situations and will document the discussion in the meeting minutes.

DOCUMENTS REQUIRING REVISION

(All proposed changes would be reviewed by the LTG task force and through joint meetings of the RWE and BH governance committees.)

- Articles of Agreement
- Bylaws
- MOU / Affiliation Agreement / Management Services Contract (to be adjusted into standard form and language)
 - Each would be recrafted into a Memorandum of Understanding format
 - No change in the “available asset” concept would be initiated by this change
 - Any transfers to benefit the system would be transfers to TRWG as they are now

NOTE: There may be other necessary changes identified as we move through the process.

PROCESS FOR BOARD DECISIONS WITH CONFLICTING PRIORITIES

Most decisions a board makes have no one “right” answer. Even if it is one organization – like RWE now, the Woods, Ridge, and Boulders are all at different stages and we must attend to all of them. A Board’s role is to evaluate the challenges that face the organization and to select a course of action that, in their informed judgment, provides the highest likelihood of furthering the overall Mission.

There are times when we must spend money in one area and not others, on things that some residents question, that some oppose, that some like. There are always competing priorities and no organization can meet all priorities at once; then they wouldn’t be “priorities.”

Boards make difficult decisions that involve different aspects of an organization. This requires due diligence, prudence, and good judgment. Good boards think about the long-term best interests of all – about benefits, drawbacks, priorities, sequencing etc.

The RWE, BH and RWD Boards have determined that their individual organizations and charitable missions will be best-served by participating in the RiverWoods Group System, and TRWG was formed to support the missions of its participant organizations. Similarly, the RWE, BH and RWD Boards are now being asked to determine if the establishment of a unitary CCRC Board is the best way in which to govern their organizations within the System. Therefore, decisions which support the integrity and the sustainability of the System and the common CCRC governance structure are decisions in support of the missions of RWE, BH and RWD (and future Participant Organizations).

With the revised governance structure that we have proposed, we recognize that the CCRC Board will have some unique situations where a decision is more beneficial to one community (or resident population) than another and even situations where it seems that one community (or resident population) gains and another, thereby, loses.

To guide the Board in these difficult decisions, and in all decisions where priorities must be considered, we have developed the following process for the Board to follow:

1. Establish the ultimate goal – how will this decision help us serve our Mission?
2. Discuss and understand the impacts of the decision on the affected communities (real or perceived)

3. Discuss and understand the impact of the decision on resident members of the community
4. Discuss and understand the impact on the System.
5. Seek detailed information on any potential negative impacts (how much of an issue, for how long, at what cost?)
6. Discuss the cost/benefit (intended and possible unintended consequences) to residents, to each organization and to the system as a whole
7. Consider and weigh alternatives
8. Identify potential impediments and restrictions
9. Establish a source of funds if decision has a financial impact – if residents are perceived to be negatively impacted how will that be addressed?
10. Determine a course of action and communicate/document the reasoning for that decision

THE ROLE OF THE EXECUTIVE DIRECTOR AND THE TRWG CEO REPORTING RELATIONSHIPS

The CEO of TRWG would serve as the primary supervisor of the Executive Directors. The CCRC Board would be responsible for the governance of the CCRC system, and the CEO would be its primary staff contact for that role.

Agenda setting and Goal Setting

The CCRC Board chair would work with the CEO to set the overall agenda for board meetings and board education. The CEO and Board Chair would work with the EDs to establish community specific items that require board attention and decision. The Executive Directors remain the primary voice of each community and would be the “reporter” and discussion leader at board meetings where a topic was of strategic or governance interest related to their individual community.

Reporting Relationship

The Executive Directors would report directly to the CEO. The CEO, in consultation with the CCRC Board, will prepare the annual review for each ED. Should a situation arise where there is a need to terminate an ED, the CEO will consult with the CCRC Board prior to making any final decision. Should a situation arise where there is a need to hire an ED, the CEO will establish a recruitment process that includes at least two members of the CCRC board in a search/interview process.

The EDs are responsible for implementing System strategies and initiatives at their respective communities and for identifying operational challenges and priorities at their community and thus informing the System strategy and overall operations.

The CEO would report to the Board of TRWG. The TRWG Board will actively seek input from the CCRC board when considering the performance review and compensation of the CEO. The TRWG board will do this by:

- Seeking the input from the Chair and Vice Chair of the CCRC Board as a part of the review process
- Discussion with the Chair/Vice Chair of the CCRC Board before any decision related to the hiring or termination of the TRWG CEO

Strategy

System strategies are developed jointly with the TRWG leadership team and the EDs and are approved by the TRWG Board. Community strategies will align and support

the overall system strategy in a way and manner that is appropriate for that unique community.

Roles

EXECUTIVE DIRECTOR

The Executive Director is the primary leader of his/her unique community. The Executive Directors' role is to work with the CCRC Board to set priorities for their respective campus, to translate those priorities into clear goals for their team and themselves, and to enact those priorities through project management, through the leadership and development of their management team and through direct relationships with the residents.

Those priorities include the pursuit of operational excellence, either directly, or through their team. To do that they lead major projects (building and programmatic) that impact the community; they provide individual and team development for the operational leaders, and they are the primary communication vehicle for the Resident Council. They will establish budgets to achieve these priorities and hold their team accountable to achieving their budgeted goals for expense and revenue. The Executive Directors hold the primary responsibility for sharing the unique situation of their campus (be that project, quality, engagement, resident relations, operational challenges etc.) with the Board of Trustees.

CEO

The CEO is responsible for the leadership of the System as a whole. The CEO's role is to help the TRWG Board set priorities for the System, and to help the Executive Directors and the CCRC Board set priorities for the CCRCs. Once strategic priorities are approved by the CCRC Board, the CEO is responsible for assisting the Executive Directors in achieving those goals either directly or through the deployment of the other resources at TRWG.

TRWG STAFF

The TRWG staff include subject matter experts in finance, technology, human resources, marketing, quality and project management. Relative to the CCRCs their role, and the role of their teams, is to support the Executive Directors and their teams in the achievement of the goals and priorities established by the CCRC Board.

TRWG BOARD

The TRWG Board retains the reserved powers that exist in the current bylaws. They establish priorities and strategy for the System, maintain the System infrastructure and provide insight to the CCRC Board regarding external factors that may impact the CCRC business.

RESIDENT BOARD MEMBER

The Resident Board Members (of the CCRC Board) will be full voting board members. They will be representatives “of” the resident population among all campuses (bringing the perspective of a resident and of an older adult to the discussion) but not a representative “for” the resident population. It will be their responsibility to ensure that the resident voice and perspective is heard by the Board, and then to vote in a way that they believe best fulfills the organization’s mission.

THE ROLE OF THE CCRC BOARD (GENERAL)

Boards have multiple responsibilities, including Fiduciary, Strategic and Generative work.

From a Fiduciary perspective, the Board's work is to ensure the furtherance of the organization's mission, and to be a good steward of the organization's assets. That includes:

- Fiduciary work
 - Ensure legal and ethical accountability
 - Ensure quality care
 - Maintain fidelity to mission, revise as necessary
 - Protect the long-term financial health of the organization
 - Select & evaluate CEO
 - Approve operating and capital budgets
 - Oversee financial performance and operations
 - Audit financial condition
 - Advocate institutional interests

From a Strategic perspective the Board's work is to act in a sustainable manner, making good business decisions with the best possible information. That includes:

- Strategic work
 - Scan internal and external environment
 - Set priorities
 - Think strategically: help shape ideas to drive plan and create value
 - Test soundness and consistency of strategic plans and adapt plans as needed
 - Link resource allocations to strategic priorities
 - Review and modify strategic plan as necessary
 - Approve and monitor milestones and metrics

From a Generative perspective the board is a "sense maker," identifying challenges and opportunities for the organization and framing them in a variety of ways to find meaning and perspective. That includes:

- Generative work
 - Make meaning of past events
 - Make sense of current circumstances

- Discern and frame challenges and opportunities
- Decide what to decide
- Place perceived problems and opportunities in new light
- Entertain alternative hypotheses and scenarios
- Reconcile values and beliefs with realities and choices

THE REGULATORY APPROVAL PROCESS

The proposed restructuring likely will require regulatory approval because RWE is relinquishing its right to elect a majority of the TRWG Board. This “change of control” process was followed when BH became a participant organization in the System and TRWG became its sole corporate member. The regulatory review is conducted separately, but simultaneously, by each of the New Hampshire Director of Charitable Trusts (a unit of the NH Attorney General’s Office) and the New Hampshire Insurance Department (NHID).

A formal Change of Control Notice will be filed with the Charitable Trust Director. The Notice will describe the restructuring, its purpose, and the process followed by the RWE, BH and RWD boards. The Director then will schedule a public hearing at RWE to hear from residents and discuss the restructuring with the RWE Board. The Director is focused primarily on whether the boards have fulfilled their fiduciary duties in proposing the restructuring. The Director has 120 days from the filing of the Notice to determine whether to approve the proposed restructuring.

The NHID process is less formal and has no statutory deadline. RWE will submit a description of the restructuring and the proposed legal documents, meet with NHID officials, and respond to inquiries. The NHID is focused primarily on whether the proposed restructuring will have a negative impact on RWE’s obligations under the residence and care agreements, and whether the restructuring is adequately described in updated disclosure statements.

HOW DO WE ENSURE THAT ASSETS OF ONE COMMUNITY ARE NOT USED FOR LIABILITES OF ANOTHER?

There is always a risk that a third party will try to hold all members of the system legally accountable for the actions of one member. However, corporate protections from liability are generally honored unless there are extraordinary circumstances. If a shareholder of a corporation ignores all corporate formalities, makes all decisions and the corporation's assets are indistinguishable from personal assets, then a court may "pierce the corporate veil" and hold the shareholder accountable for corporate liabilities. With corporations under common ownership ("sister" companies like RWE, BH and RWD), the assets of each corporation are protected from the liabilities of the other unless there is a "common or single enterprise."

The common enterprise theory has only been used by courts in a few states and mostly in the for-profit setting, and no New Hampshire court has adopted it to-date. For sister companies to be liable for each other under a common enterprise, typically there is no valid business reason for separating the activities of the corporations which are engaged in a single enterprise and often there is an intent to defraud creditors. That is not the case with the TRWG system.

To enhance the corporate protections available to the TRWG members, we will detail in our Plan of Reorganization and the Memorandum of Understanding between TRWG and RWE, TRWG and BH and TRWG and RWD, the purposes behind the organizational change and the ongoing commitment to keeping the organizations as separate corporations. These documents will demonstrate that while there will be coordination and collaboration within the system, there will be no comingling of assets, and financial decisions (budget, rate setting, etc.) will be based on the facts and circumstance of each individual organization.

Courts have found corporations liable for each other when there is no business purpose for separating them or there is an intent to defraud, but in our case we will articulate the reasons for the common board that relate to improving the organizations and the system, all in furtherance of their charitable missions. Additionally, we will establish policies and procedures related to how the common board will address decisions that may have conflict between the communities.

Mark McCue, our corporate attorney, will issue a legal opinion to all boards concluding that we have sufficiently maintained the separate corporate identities of each of the organizations to continue to enjoy the corporate protections from liability and avoid the common enterprise theory.

RESERVED POWERS

The RiverWoods Group, as the Sole Member of RWE, BH and RWD has certain “reserved powers” that it retains. It is anticipated that the Reserved Powers that the RiverWoods Group would hold with the CCRC in the revised governance structure would mirror those of RWE. They will be noted in the bylaws of TRWG, RWE, BH and RWD.

The anticipated reserved powers are noted below.

Each of the following actions by the corporation’s Board of Trustees must be approved by TRWG before it becomes effective:

- a) Removal of a member of the *CCRC Board of Trustees*;
- b) Election of the slate of *CCRC Board of Trustee* candidates;
- c) Final adoption of, and any approval of a material deviation from, the annual and any revised operating and capital budgets of the corporation;
- d) Final adoption of, and any approval of a material deviation from, each community’s strategic plan;
- e) Transfer to any person or organization, with or without consideration, during any twelve (12) month period of tangible, intangible or mixed assets with a value in excess of (*Amount to be specific to the individual community*);
- f) Any single incurrence, or cumulative incurrences in any twelve (12) month period, of indebtedness by the corporation in excess of (*Amount to be specific to the individual community*);
- g) Sale, lease or exchange of any material portion of the assets of, or the statutory merger, consolidation, corporate division, dissolution, or liquidation of, the corporation or any subsidiary of the corporation;
- h) Appointment of a firm of independent public accountants to conduct an independent audit of the corporation’s financial statements or a special project which materially impacts assets, revenues or operations;
- i) The participation by the corporation or any subsidiary of the corporation in a Key Strategic Relationship (The term “Key Strategic Relationship” means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including academic affiliations, managed care contracts, or other payment arrangement with third party payors), entered into with an organization that is not a Participant Organization, as defined in TRWG’s bylaws);
- j) Appointment, evaluation, and compensation or termination of the Executive Director of the corporation;

- k) Elimination or addition of any material health care service or program by the corporation or any subsidiary of the corporation; and
- l) The amendment of the Articles of Agreement, Bylaws or other governing documents of the corporation where such proposed amendment would (i) impact the powers reserved to TRWG in these Bylaws, (ii) reasonably be expected to have any material strategic, competitive or financial impact on one or more Participant Organizations or on the System as a whole, or (iii) impact the obligations of the corporation under any agreement between or among the Participant Organizations.

The only anticipated differences in the reserved powers between the communities would be in (e) and (f) above. Those powers, for sale of assets or incurrence of debt would be aligned with the financial status of an individual community i.e. they would be less restrictive for RWE than for BH or RWD because RWE has stronger financial performance.

GLOSSARY

AFFILIATION AGREEMENT	The Agreement between TRWG and BH that defines and governs their relationship. It is proposed that this document would be replaced by a Memorandum of Understanding going forward.
AVAILABLE ASSETS	Liquid assets that exist at a community that are deemed (based on an agreed upon formula) to be available to support the system wide strategic plan. The formula is defined in the MOU for RWE and RWD and in the Affiliation Agreement for BH.
BH	Birch Hill
BOND TRUSTEE	The trustee for bondholders, typically a bank
CCRC BOARD	The proposed board that would combine membership from the current RWE Board and BH Board and that would be responsible to govern the stable CCRCs (currently RWE, BH and RWD)
COMMUNITY BOARD	Currently the individual Boards of Trustees that separately govern RiverWoods Exeter, Birch Hill and RiverWoods Durham
ED	Executive Director = the leader of a certain community. There are distinct Executive Directors that lead each of RiverWoods Exeter, Birch Hill and RiverWoods Durham
MISSION	The Missions of the three CCRCs (RWE, BH and RWD) use different words, but are commonly described as “ <i>we provide the opportunity for community and peace of mind.</i> ”
MOU (RWD)	Memorandum of Understanding = the document that establishes the intentions of the RWD and TRWG Boards to form their relationship and governs the specifics of the business side of the relationship
MOU (RWE)	Memorandum of Understanding = the document that establishes the intentions of the RWE and TRWG Boards to form their relationship and governs the specifics of the business side of the relationship
NHHEHFA	New Hampshire Higher Education and Health Facilities Authority = the authority through which higher education and health facilities are able to issue tax exempt debt

OBLIGATED GROUP	<p>For nonprofits, forming an obligated group allows organizations to combine multiple business lines or assets to create a single entity. In this way the subordinate units' revenue, payor mix, cash and assets can be used in aggregate as collateral for obligations. The obligated group becomes jointly and severally liable for the organization's debt. In doing so, the newly-combined entity can be stronger financially than the sum of its individual components. An improved credit profile for an organization generally leads to lower borrowing costs and greater capacity for future borrowing (<i>Lancaster Pollard</i>).</p> <p>The RiverWoods Group system does not currently have an obligated group structure</p>
PARTICIPANT ORGANIZATIONS	The participants in the RiverWoods Group system, currently consisting of RWE, BH and RWD
PUBLIC MEMBERS	Board members of TRWG who were not nominated by a Participant Organization
RWE	RiverWoods Exeter
STABLE CCRC	While this description may change over time at the Board's discretion, typically we mean a CCRC that has achieved 85% occupancy, is no longer in "start up" mode and has positive cash flow
SYSTEM	The RiverWoods Group system, currently consisting of RWE, BH and RWD
TRWG	The RiverWoods Group = The system of senior living providers that was formed in 2011 by RiverWoods Exeter to further its charitable mission (and those of future participants) by establishing, maintaining and governing an integrated system of continuing care retirement communities and related organizations. The TRWG system now includes RiverWoods Exeter, Birch Hill and RiverWoods Durham.
TRWG STAFF	The executive level team and appropriate support staff that includes the CEO, Finance, Information Technology, Quality, Marketing, Human Resources, and Special Projects.

APPENDIX V

Memorandum to RWE Residents dated November 15, 2019



MEMO

To: RiverWoods Exeter Residents

From: Cathy Trower (RWE Board Chair) and Dave Brownell (RWE Board Vice Chair)

Date: November 15, 2019

Last week we had the opportunity to meet with Jim Pitts and Sue Little, and yesterday many members of the RWE Board met with the Resident Council to discuss the proposed Governance Plan. Our primary purpose was to continue to listen to the feedback and concerns from the Council and we are grateful for the time and thoughtfulness of all involved.

As communicated in Deb's November 6 memo to residents, the Board has affirmed the general direction of the plan, but trustees agree that additional details, more communication, and targeted education are needed before finalizing a plan forward. We are taking this time, as we continue our discussions at a Board level, to listen to the resident voice and consider those concerns in our thinking.

We have prepared a document that addresses—in *simple, bulleted language* (a request from Sue and Jim)—the primary questions (concerns) expressed by residents and summarized in the Council's position statement, which we have attached for you. We hope that this document helps residents better understand the “why” of this proposal and that it helps alleviate at least some angst, particularly around finances.

We also understand that more dialogue is needed, and we look forward to more conversations between trustees and residents in the weeks ahead.

Thank you for your commitment to RiverWoods.

WHY ARE WE PROPOSING THIS GOVERNANCE STRUCTURE?

- In a nutshell—to better lead, serve, and govern now and into the future.
- The world—technology, regulatory, competition, demographics, customer preferences, workforce—is changing rapidly. The pace of change will not abate; it will accelerate.
- This allows us to continue to grow to meet the continually changing senior care market.
- We need a governance structure that is more flexible and sustainable in this changing world. This plan allows us to more effectively monitor the changing environment and make changes in a timely manner when needed.
- We take our promise to every resident seriously. You have entrusted your lives to us.
- We will protect the core—always. To do that, we must think strategically and be able to adapt appropriately to continue the success that is RiverWoods.
- This allows the Board to learn from a variety of different perspectives and situations.
- It provides efficiency in our management team... EDs more focused on operations.
- It will promote consistent quality measurements across the system.
- It will improve the Board recruitment process 15-18 needed vs 45+/- now.
- It reduces the number of annual recruitments... 3/5 per year vs 10/12 per year.

WILL THIS IMPACT ME FINANCIALLY? (WILL THIS INCREASE MY SERVICE FEES?)

- No. It will not have any financial impact on the residents.
- The creation of the CCRC Board under this Plan will not involve the transfer of any assets.
- There will be no comingling of any funds.
- The governance structure change does not change the available asset calculation.
- RWE, RWD and BH will remain separate and discrete organizations.
- All budgeting, and rate setting will be based on RWE performance, as it is now.
- All capital expenditures will be determined by the needs and financial position of the specific community.
- The contractual PROMISE that was made to you will not change.

HOW WILL MEMBERS BE NOMINATED TO THE TRWG BOARD?

- The RWE Board would transfer its “right to nominate” to the CCRC Board.
- The CCRC Board will use its nominating power to ensure that the TRWG Board is focused on the goals of the system (1) improve the efficiency, quality and effectiveness of the existing communities and (2) expand those services across a broader geographic region and to a more diverse population, thereby strengthening the overall system.
- The CCRC Board and the TRWG Board will work in collaboration to utilize the system to its best advantage to provide the highest quality of service and care, at the lowest price, to RWE residents.
- The RWE Board believes that operating within a system established with RWE values is the best way to ensure current and future success, that having a unitary board for the CCRCs allows it to better govern, and that it gives better assurance of current and long-term success.

HOW CAN ONE BOARD PROVIDE FIDUCIARY OVERSIGHT TO MULTIPLE ENTITIES?

- The CCRC Board would have the same fiduciary duty to all three communities (Duty of Care, Loyalty and Obedience) that each individual board has to their current organization.
- When and if a potential conflict existed (e.g. a decision that would benefit one organization but not another), the CCRC Board would evaluate the decision and determine what is the best overall decision in the context of the system as a whole.
- The Board would do this because it believes that a strong system allows each member to be stronger, and as each member grows stronger, the system grows stronger.

ISN'T THIS UNITARY BOARD INCONSISTENT WITH THE FORMATION OF THE RIVERWOODS GROUP? THE GROUP WAS INTENDED TO ENABLE RWE TO FULFILL ITS MISSION AND NOT PUT ALL OF ITS RESOURCES AT RISK.

- Nothing about this Governance Plan puts the RWE resources at risk.
- Each entity's assets will not be comingled.
- Each organization remains a separate and distinct organization.
- There is no change in the system funding concept (Available Assets calculation).
- This plan is solely to provide better governance to a small system in an increasingly complex industry.

APPENDIX W

Memorandum of Mark S. McCue, Esq. to RWE Resident Council dated
January 27, 2020

TO: RiverWoods at Exeter Resident Council

CC: Deb Riddell, Executive Director

FROM: Mark S. McCue, Esq.

DATE: January 27, 2020

SUBJECT: RiverWoods CCRC Board Reorganization

The following is intended to address the legal questions and issues raised by the RiverWoods at Exeter Resident Council regarding the proposed Governance Plan described in the "white paper" distributed by the task force. Under this Plan, each of RiverWoods at Exeter (RWE), Birch Hill Terrace (BHT) and RiverWoods Durham (RWD) proposes to amend its respective governance documents to establish a single CCRC Board that will govern all three organizations, subject to the powers reserved to The RiverWoods Group (TRWG). The summary document provided by the Resident Council included a number of statements rather than questions, so I have attempted to identify and respond to the underlying legal issue. In some instances, items in the summary document have been combined and covered by a single response.

1. Confirm that the "change of control" law is triggered by the relinquishment by the RWE Board of its right to appoint a majority of the TRWG Trustees. We are concerned about this loss of control.

RWE established TRWG and the system structure (the "System") to allow RWE to: (i) diversify its services beyond the Exeter campuses (which had limited room for growth); (ii) further its charitable mission by serving seniors with different demographics than the RWE residents; and (iii) protect the assets of RWE from the risks of investing in new sites and/or services. After much research, consultation and deliberation, the RWE Board of Trustees determined that establishing a system designed to support RWE and other nonprofit System participant organizations ("System Participants") would further the RWE charitable mission and best ensure the sustainability of its charitable resources. To ensure that it controlled the initial development of the System, RWE reserved the right to appoint a majority of the trustees to the TRWG board. This right purposefully was inserted into a contractual Memorandum of Understanding with TRWG because the RWE Board expected that this

protection may not be necessary once the RiverWoods System began to develop and evolve (or if an entity of similar size and strength to RWE joined the System). Most organizational systems work best when the founder and future participants see themselves as “We” rather than “Me and You” as soon as possible.

For reasons outlined in the task force “white paper” and explained in meetings with the Resident Council, the boards of trustees of RWE, BHT and RWD have concluded, again after much research, consultation and deliberation, that the organizations will be managed most effectively and efficiently by a unitary CCRC Board. As a result of this decision, RWE no longer can maintain its contractual right to appoint a majority of the TRWG board; instead, that right will be exercised by the CCRC Board on behalf of each of RWE, BHT and RWD. This relinquishment by the RWE Board constitutes a “change of control” because RWE no longer will “control” (through the right to nominate a majority of the board of) TRWG, to which RWE has granted reserved powers over RWE. Following the implementation of the Governance Plan, the nomination of a majority of the TRWG trustees will be made by the CCRC Board on behalf of RWE, BHT and RWD.

The RWE Board concluded that the relinquishment of its majority nomination rights furthered the interests of RWE because it supported the cohesiveness of the System, was a necessary consequence of the unitary board structure, and because RWE still enjoys significant legal protections. TRWG qualifies for exemption from federal income tax because it is a supporting organization. Under its Articles of Agreement, and to comply with tax and nonprofit corporate laws, TRWG legally must support RWE and other System Participants and act in their collective best interests. The New Hampshire Director of Charitable Trusts also has opined that a nonprofit parent company like TRWG owes a limited fiduciary duty to each of its nonprofit subsidiaries and must consider their individual interests when making decisions. As noted above, the nomination of a majority of the TRWG trustees remains vested in a board of trustees, the CCRC Board, which has a fiduciary duty to RWE in addition to BHT and RWD. Lastly, the assets of RWE remain protected by the Memorandum of Understanding (which is unchanged in regard to “Available Assets”) and the process of notifying the New Hampshire Insurance Department.

2. We are concerned about “abolishing” the RWE board and replacing it with a “unitary” board structure. Validate the white paper premise that the CCRC Board can have the same fiduciary duties to all three communities that each individual community board now has to each of the communities.

The term “abolish” does not accurately describe the proposed unitary board governance structure. After the Governance Plan is implemented, RWE will continue to

be managed by a board of trustees -- the CCRC Board – which will maintain full fiduciary obligations to RWE. The difference after the reorganization is that the CCRC Board also will have independent fiduciary obligations to each of BHT and RWD. This structure is not prohibited by any applicable New Hampshire law, and is used by some significant nonprofit organizations in New Hampshire (e.g. the Granite YMCA, the United Way).

Under New Hampshire law, every trustee of a charitable trust has fiduciary obligations to further the charitable mission, to be good stewards of the charitable assets, and to act in good faith, with due diligence and in the best interests of the charitable trust. The CCRC Board is legally obligated to follow these fiduciary roles and duties for each of RWE, BHT and RWD, and the New Hampshire Director of Charitable Trust is empowered by common law and statute to oversee and enforce these obligations. The CCRC Trustees will be informed of these fiduciary obligations during their orientation, and each CCRC Board meeting is designed to review separately the issues pertaining to each community.

The challenge of a unitary board structure is that occasionally there may be a conflict between the interests of one community and those of another. At the suggestion of the Director of Charitable Trusts, a set of conflict of interest guidelines will be established as outlined in the task force white paper (the “Conflict of Interest Guidelines”). The CCRC Board will be required to follow these Guidelines whenever a conflict of interest arises.

3. We are concerned about the conflict resolution rule disfavoring the interests of RWE and instead favoring the “system.”

There is no conflict resolution rule which disfavors the interests of RWE and instead favors the interests of the System. As noted above, TRWG legally is obligated to support the missions of RWE and of the other System Participants, and collectively the System Participants ensure that this obligation is met by nominating a majority of the TRWG Board of Trustees. The Director of Charitable Trusts’ legal opinion forbids TRWG from ignoring or disfavoring the interest of RWE or other System Participants when exercising its reserved powers to manage the System. When RWE formed TRWG, its Board of Trustees determined that operating within such a System was the most effective manner in which to both further and preserve RWE’s charitable mission and assets. The RWE Board also understood that it has an obligation to support the System structure, along with the other System Participants.

As noted above, the CCRC Board will consider the needs and interests of each CCRC community separately at each regular board meeting, and it will solicit a report from the respective Resident Councils. The task force and the RWE, BHT and RWD

Boards of Trustees also recognize that there may be occasions when a decision of the CCRC Board may benefit one Participant Organization while potentially being detrimental to another Participant Organization. The Conflict of Interest Guidelines will be designed to ensure that the interests of each Participant Organization and those served by their charitable missions (which include future residents and the needs of seniors in the surrounding communities) are considered carefully and balanced with long-term considerations and the strength of the System as a whole. The CCRC Board will have no authority to take any action which would prevent RWE or another System Participant from fulfilling its obligations to residents or creditors.

4. We are concerned that the proposed governance plan reduces resident trustee representation.

As you know, the RWE Board has discussed this issue at length with residents and the Resident Council and at Board meetings. RWE is neither a for-profit corporation concerned about maximizing profit, nor a cooperative governed by current residents who seek to protect their investment and enjoy an economic return upon resale; instead, RWE is a nonprofit organization governed by a board of trustees with a fiduciary duty to both current and future residents of RiverWoods, as well as to the seniors in the communities that RiverWoods serves. Therefore, while it is important for the residents to have representation on the RWE Board (and the successor CCRC Board) and a voice in board discussions and decisions, the RWE Board (and the successor CCRC Board) must consider the perspectives and interests of many constituencies.

Currently, RWE residents fill three (3) seats on the RWE Board, which may not exceed twenty (20) members. Under the initial Governance Plan, there will continue to be no less than three (3) resident trustees on the CCRC Board, which also may not exceed twenty (20) members. Unless and until there is another CCRC in the System that has achieved stable operations, RWE will be assured one (1) Resident Trustee seat on the CCRC Board with full voting rights. Therefore, although the number of RWE residents on the CCRC Board will be reduced from three to one, RWE will continue to be represented by a Resident Trustee and the CCRC Board will continue to have a total of three (3) CCRC Resident Trustees. The CCRC Board also will engage the Resident Councils of RWE, BHT and RWD regularly.

In response to resident feedback and following discussion among the Boards of RWE, BHT and RWD, the final Governance Plan may include adjustments to the resident representation on the CCRC Board.

5. Will there be a revision to life care contract disclosures and does the proposed Governance Plan affect the validity of the existing life care contracts?

All of the existing residence and care agreements between RWE and its residents will remain valid and unaffected after the implementation of the Governance Plan. The life care contracts impose obligations on RWE regarding the services and care it will provide to residents, and the nature of the financial obligations of both RWE and its residents. The life care contracts do not address how RWE will govern itself, nor do they impose any restrictions on the form of its governance structure. Governance of a nonprofit corporation like RWE is determined by statute (NHRSA 292) and the provisions of its articles of agreement and bylaws, and is subject to the oversight of the New Hampshire Director of Charitable Trusts.

After the implementation of the Governance Plan, the RWE disclosure statements will be revised to describe the unitary board structure for future prospective residents.

6. Will the Governance Plan remove dedicated, statutorily mandated, fiduciary oversight of RWE assets, investments, charitable funds, debt, refundable resident deposits and health care reserves?

Absolutely not. RWE will remain a nonprofit corporation which owns its charitable assets and is solely responsible for its debts and obligations. These obligations include the establishment of reserve funds required in connection with tax-exempt bond financings, and all obligations to residents under the residence and care agreements (including the refund of deposits and the provision of health care). As described above, the CCRC Board will have full fiduciary responsibilities to RWE, subject to the oversight of the Charitable Trust Unit of the New Hampshire Attorney General's Office, to ensure that RWE meets all of the foregoing obligations. As the steward of RWE's charitable assets, the CCRC Board will be legally responsible for overseeing the establishment of appropriate reserves, the prudent investment of charitable assets, and the satisfaction of all obligations to RWE residents, bondholders and other creditors. Separate financial philosophies have been developed for each of RWE, BHT and RWD which reflect their respective needs and interests, and the revised Bylaws of each organization will mandate that the CCRC Board observe the relevant financial philosophy when making decisions for that community. The CCRC Board also must continue to file annually, on behalf of RWE, Form 990 with the Internal Revenue Service and the report (Form NHCT-2A) required by the state's Charitable Trusts Unit. All of these fiduciary obligations of the CCRC Board to RWE are independent of its obligations to BHT and RWD.

Furthermore, as a CCRC operator and holder of a Certificate of Authority issued by the New Hampshire Insurance Department, RWE remains obligated to maintain the reserves mandated by NHRSA 420-D and its corresponding regulations. The CCRC Board must continue to file annual reports and an actuarial report every five years with the New Hampshire Insurance Department, which retains regulatory oversight over RWE's compliance with the requirements of NHRSA 420-D and its regulations.

Finally, the assets of RWE will remain protected by the Memorandum of Understanding between RWE and TRWG, which limits those RWE assets which are available to support System initiatives (the "Available Assets").

7. Will the Governance Plan result in the loss of independent oversight and negotiating position regarding the RWE MOU, particularly control over Available Assets definition, document change approvals, and monetary transfers?

No. The RWE Memorandum of Understanding (the "RWE MOU") with TRWG remains unchanged, except with respect to references to the CCRC Board instead of the RWE Board and the revised TRWG trustee nomination process described above. The RWE MOU will continue to be overseen and negotiated independently by the CCRC Board on behalf of RWE. Before any changes can be made to the RWE MOU, the CCRC Board must determine that such changes are in the best interests of RWE. The TRWG Board will be negotiating on behalf of the System, but it cannot mandate changes to the RWE MOU or to any RWE governance documents.

Any transfer of funds from RWE to TRWG remains limited to "Available Assets" as currently defined in the RWE MOU. As a further protection to residents, RWE must notify the New Hampshire Insurance Department before any proposed transfer of funds and give the Department an opportunity to review and object to the transfer. Any change in the definition of Available Assets, if approved by the RWE Board and the TRWG Board in the exercise of their fiduciary duties to RWE, would continue to be subject to the notification and review requirements imposed by the New Hampshire Insurance Department. Under the RWE MOU and as a matter of New Hampshire statutory and common law, any donor-restricted assets held by RWE will remain unavailable for transfer and must be used in accordance with the donors' wishes.

8. Explain the leveraging of RWE assets through insertion of RWE into an "obligated group."

The Governance Plan does not require RWE to be part of an obligated group. Furthermore, RWE could not be "inserted" into an obligated group, which is a voluntary tax-exempt bond structure. The establishment of an obligated group for financing

purposes may be established in the future, **but it is not contemplated at this time.** RWE would not form or participate in an obligated group unless the CCRC Board determined that it was in the best interests of RWE after consultation with an investment advisor like Ziegler, and that the assets of RWE were adequately protected.

9. The proposed Governance Plan is a breach of marketing promises such as the “three-legged stool of residents, staff and board.”

The legal obligations of RWE to its residents are described in the Disclosure Statements, and established by the terms of the residence and care agreements. As noted above, none of these documents restricts the manner in which the RWE Board of Trustees chooses to govern RWE (subject to its statutory and fiduciary obligations).

Both the existing governance structure and the structure proposed by the Governance Plan fulfill the marketing statements described above. The RWE Board, and the CCRC Board after the implementation of the Governance Plan, has a fiduciary duty to identify and meet the housing, nutritional and health care needs of the seniors it serves. The proposed Governance Plan continues to give current residents a meaningful voice in the governance of RWE by: (i) ensuring RWE at least one voting Resident Trustee seat on the CCRC Board; (ii) soliciting an RWE Resident Council report at each regular CCRC Board meeting; (iii) codifying the manner in which the CCRC Board engages with residents; and (iv) inviting the RWE Executive Director to participate in every regular CCRC Board meeting and provide a report and recommendations regarding the needs of RWE and any concerns of its residents.

The RWE Board (and the joint task force) has demonstrated this commitment to the RWE resident perspective and voice by engaging RWE residents and their Resident Council in discussions and education sessions before the Governance Plan is finalized. It should be noted that RWE has no legal obligation to include residents on its governing board (because it is not a cooperative), but that it has done so voluntarily because of its commitment to engaging with its residents. This commitment is continued under the proposed Governance Plan.

10. Please describe the regulatory review and approval process.

If the RWE, BHT, RWD and TRWG Boards of Trustees approve the documents to implement the proposed Governance Plan, then the decision of the RWE Board is subject to review and approval by two regulatory agencies: (1) the New Hampshire Charitable Trust Director; and (2) the New Hampshire Insurance Department. As described in the first question and answer, these regulatory reviews are triggered by the technical “change of control” of RWE because RWE alone no longer will nominate a majority of the TRWG Trustees.

A. CHARITABLE TRUSTS PROCESS (NHRSA 7:19-b)

The regulatory process for the Charitable Trusts Director's review and approval is set forth in NHRSA 7:19-b, a copy of which is attached. RWE will file a Notice of Change of Control which describes the proposed Governance Plan, the due diligence of the RWE Board in assessing and approving the Plan, and the satisfaction of the other elements of the statute, including confirmation from our firm that the unitary board structure is permitted by law. The purpose of the Change of Control review is to ensure that the RWE Board has fulfilled its fiduciary duties of due care and loyalty, and that the proposed unitary board structure will not impair the RWE Board's (and CCRC Board's) fiduciary obligations to further RWE's charitable mission and be good stewards of its assets. The review process is not intended to substitute the business judgment of the Charitable Trusts Director (or others) for the business judgment of the RWE Board if the Trustees observed their fiduciary obligations.

The Charitable Trusts Director will post the Notice and accompanying materials on its web site. Unless there is proprietary information marked "confidential" by RWE, the submissions to the Charitable Trusts Director are public documents and available on line or upon request to the Director. RWE also will post them to its web site and make them available to residents upon request.

The Charitable Trusts Director will solicit public comments, including comments from residents, the Resident Council, or community members. The Director will schedule at least one hearing open to the public and located at the RWE campus. It is possible that the Director will schedule a meeting with RWE residents or the Resident Council immediately prior to, or following, the public hearing. Residents may testify orally at the hearing or they may submit written testimony to the Charitable Trusts Director at any time while the review is ongoing.

In addition to considering input from residents and the public, the Director will review the proposed revisions to the RWE governance documents and the RWE MOU, and the Conflict of Interest Guidelines, RWE Financial Philosophy and Resident Engagement documentation to ensure that the Governance Plan does not impair the fiduciary roles and duties of the CCRC Board. While the Director may consider any effect of the TRWG reserved powers on the unitary board structure, the Director will not revisit the propriety of the reserved powers in isolation because those powers have been in existence for years and were reviewed by the Director in connection with the BHT affiliation and the restated RWE MOU.

By statute, the Charitable Trusts Director must issue his decision within 180 days of RWE's submission of its Notice of Change of Control. The decision, which typically

includes the Director's reasoning, will be a public document posted on the Charitable Trusts Unit and RWE web sites.

B. NEW HAMPSHIRE INSURANCE DEPARTMENT (NHRSA 420-D:13)

The process for the New Hampshire Insurance Department's review of a proposed change of control of a CCRC is not as well-defined as the Charitable Trusts Director's review. RWE likely will provide the Insurance Department with a copy of the Notice of Change of Control simultaneously with its submission to the Charitable Trusts Director. While the Charitable Trusts Director's review is focused on fiduciary duties, the Insurance Department's review is focused on whether the proposed change will impair the ability of the CCRC operator to fulfill its obligations under the life care contracts and maintain the statutory reserves.

The Insurance Department typically does not conduct public hearings although it will accept input, either by telephone, email or in writing, from any constituency including residents. The Insurance Department contact is Colin Wilkins. There is no statutory deadline for the Insurance Department's decision, and it will be posted to the RWE web site as soon as it is issued.

Attachment:

- New Hampshire RSA 7:19-b, the Change of Control Law

Director of Charitable Trusts

Section 7:19-b

7:19-b Standards for Acquisition Transactions Involving Health Care Charitable Trusts and Review by Director of Charitable Trusts. –

I. In this section:

(a) "Acquisition transaction" or "acquisition" means transfer of control, direct or indirect, of a health care charitable trust, or of 25 percent or more of the assets thereof, including, but not limited to, purchases, mergers, leases, gifts, consolidations, exchanges, joint ventures, or other transactions involving transfer of control or of 25 percent or more of assets. However, changes in membership of the governing body of a health care charitable trust occurring through regular election or filling of vacancies in accordance with the bylaws thereof do not of themselves constitute acquisition transactions within the meaning of this section.

(b) "Acquirer" means a person acquiring control, direct or indirect, of a health care charitable trust, or of 25 percent or more of the assets thereof.

(c) "Control" of a health care charitable trust means the power to elect a majority or more of the membership of the governing body thereof, or otherwise to direct the affairs thereof.

(d) "Health care charitable trust" means a charitable trust organized to provide health care services including, but not limited to, hospitals, community health services, and medical-surgical or other diagnostic or therapeutic facilities or services, or a charitable trust operating as a health insurer or health maintenance organization. "Health care charitable trust" shall not include any testamentary or inter vivos trust which is not organized to provide health care services.

II. The governing body of a health care charitable trust, or any other persons having authority to direct the affairs of a health care charitable trust, shall not approve the acquisition thereof unless the governing body has acted in good faith and in a manner consistent with its fiduciary duties to the health care charitable trust, and unless the following minimum standards are met:

(a) The proposed transaction is permitted by applicable law, including, but not limited to, RSA 7:19-32, RSA 292, and other applicable statutes and common law;

(b) Due diligence has been exercised in selecting the acquirer, in engaging and considering the advice of expert assistance, in negotiating the terms and conditions of the proposed transaction, and in determining that the transaction is in the best interest of the health care charitable trust and the community or communities which it serves, including the community's or communities' need for access to quality and affordable physical and mental health care services;

(c) Any conflict of interest, or any pecuniary benefit transaction as defined in this chapter, has been disclosed and has not affected the decision to engage in the transaction;

(d) The proceeds to be received on account of the transaction constitute fair value therefor;

(e) The assets of the health care charitable trust and any proceeds to be received on account of the transaction shall continue to be devoted to charitable purposes consistent with the charitable objects of the health care charitable trust and the needs of the community or

communities which it serves, including the community's or communities' need for access to quality and affordable physical and mental health care services;

(f) If the acquirer is other than another New Hampshire health care charitable trust, control of the proceeds shall be independent of the acquirer; and

(g) Reasonable public notice of the proposed transaction and its terms has been provided to the community or communities served by the health care charitable trust, including, but not limited to, transaction documents and an analysis of how the transaction will meet the community's or communities' need for access to quality and affordable physical and mental health care services, along with reasonable and timely opportunity for such community, through well-noticed public hearings and other similar methods, to inform the deliberations of the governing body of the health care charitable trust regarding the proposed transaction.

III. Notice of a proposed acquisition transaction shall be given to the director of charitable trusts in writing to be received by the director no less than 180 days before consummation of the transaction. Such notice shall identify all parties to the transaction; shall set forth all material terms thereof, including, without limitation, any changes in control or ownership of assets, any acquisition price, any change in the capital structure and management, and any and all compensation paid or to be paid in connection therewith; shall include a copy of the minutes and other documents evidencing the decision of the governing body of the health care charitable trust, including documentation of steps taken to comply with paragraph II(g) of this section and any changes in the proposed transaction resulting therefrom, any relevant community needs assessment developed by the health care charitable trust, data and analysis demonstrating how the transaction will meet the community's or the communities' need for access to quality and affordable physical and mental health care services, and a copy of the acquisition agreement and financial statements of all parties; and shall include a certification signed by those members of the governing body or other person approving the acquisition on behalf of the health care charitable trust that the standards set forth in paragraph II of this section have been considered in good faith and complied with, together with such explanations and other documentation as may be necessary to demonstrate such compliance. The notice shall also include a statement from the acquirer specifying the manner in which it proposes to continue to fulfill the charitable objects of the health care charitable trust. Any information submitted pursuant to this section shall be subject to RSA 91-A.

IV. (a) Within a reasonable time, not to exceed 180 days after receipt of the notice specified in the preceding paragraph, the director shall determine compliance with the standards set forth in paragraph II of this section and shall notify the parties either that the director will take no further action with respect thereto, or that the director objects to the transaction on specified grounds. Within 90 days following receipt of the notice specified in the preceding paragraph, the director may require submittal of such additional information as may be reasonably necessary to make such a determination. In making such a determination, the director shall accept public comment and may conduct public hearings relating thereto within the time specified in this paragraph and may direct the health care charitable trust to publish notice thereof in a manner reasonably specified by the director. Such hearing may be conducted informally or in conformity with RSA 541-A, at the discretion of the director. The expenses of such public hearing shall be

paid for by the parties to the proposed transaction, after consultation with the parties. Where the acquisition transaction involves assets, the fair value of which are in excess of \$5,000,000, after consultation with the parties, the director may employ, at the parties' expense, expert assistance, including independent counsel and independent financial advisors that are reasonably necessary to make the determination specified in this paragraph.

(b) The director shall seek input and advice from the commissioner of the department of health and human services and the insurance commissioner and may obtain from them confidential health care data and information in performing his or her functions under this section.

V. In addition to all other powers conferred by statute or common law, the director may bring judicial proceedings to enjoin consummation of any acquisition transaction in which notice has not been provided in accordance with paragraph III of this section. Any acquisition transaction which has been consummated following the effective date of this section without such notice having been provided, or any acquisition transaction of which such notice was deceptive or materially inaccurate, shall be voidable through appropriate judicial proceedings instituted by the director of charitable trusts.

VI. (a) Nothing in this section shall derogate from authority of the attorney general, or the rights of others, provided by common law or other statute.

(b) This section shall not supplant or restrict the general powers of the probate courts with respect to charitable trusts pursuant to RSA 498, RSA 547:3 through 547:3-h, RSA 564-B:2-203, article 4 of RSA 564-B, or at common law. Nor do the standards set forth in paragraph II of this section supplant or restrict the standards that may lawfully be applied in connection with the doctrines of cy pres, deviation, and termination as applicable by the probate courts of this state in such proceedings.

(c) Notwithstanding the provisions of this section, the commissioner of insurance retains full jurisdiction to regulate any charitable trust operating as a health insurer or health maintenance organization, including through the application of RSA 401-B. If the insurance commissioner determines that an acquisition or acquisition transaction otherwise subject to the provisions of this section is necessary to avoid the future impairment or insolvency of either or both of the merging health insurers or health maintenance organizations, the commissioner may waive any of the provisions of this section.

Source. 1997, 280:1. 2004, 130:2, eff. Oct. 1, 2004. 2019, 293:1-3, eff. Jan. 1, 2020.

APPENDIX X

Memorandum of Justine Vogel to RWE Residents dated February 4, 2020

MEMORANDUM

TO: RWE Residents

February 4, 2020

FROM: Justine Vogel, CEO

RE: Update on Governance Plan

As of January 31, 2020, the four Boards of Trustees (RW Exeter, RW Durham, Birch Hill, and The RiverWoods Group), have approved a “modified” governance plan which will be filed for approval by the end of February.

The RiverWoods Exeter Board considered the various concerns raised by residents during its Board meetings in October, December and two in January, and suggested several modifications to the original plan. Those modifications were accepted by the other Boards in the approved plan. A summary of the “modified plan” that the board(s) approved is as follows:

General

- The Board members will merge into a single unitary board (the CCRC Board) that governs RWE, RWD and BH beginning on January 1, 2021. (NO CHANGE FROM ORIGINAL)
- All communities will stay separate legal entities. This new governance structure will foster coordination, cooperation, and learning among the communities; allow for more efficient and effective decision making; accelerate the use of best practices; and advance the recruitment and retention of the most qualified and talented Trustees. (NO CHANGE FROM ORIGINAL)
- This is an official “Change in Control” that must be approved by the Director of Charitable Trust and the NH Department of Insurance because the RWE Board (as it will no longer exist) cedes its authority to nominate the majority of the TRWG Board “Participant Organization” members to the CCRC Board. (NO CHANGE FROM ORIGINAL)
- The concept of an obligated group structure is not considered in the governance plan. While there is no restriction on *considering* an obligated group in the future, it is not being contemplated at this time. RWE would not form or participate in an obligated group structure unless the CCRC Board determined that it was in the best interest of RWE and that the assets of RWE were adequately protected. (NO CHANGE FROM ORIGINAL)

Board Membership

- The CCRC Board will include 4 resident trustee seats. Starting with the inception of the CCRC Board in 2021 two resident trustees will be RWE residents, with one each from Birch Hill and RWD. (INCREASED RWE RESIDENT PARTICIPATION ON THE BOARD)
- There will also be an “at large” seat on the board, which may be filled by a resident or an external board member.

- For the period January 1, 2021 through December 31, 2025 the “at large” seat will be filled by a RWE resident. (NEW CONCEPT)
 - Therefore, for the period 1/2021 – 12/31/2025, RWE will have three resident board member seats including the two “assigned” seats and the one “at large” seat.
- Beginning 2026 the “at large” seat will be filled based on the Board Governance Committee’s selection – this may be a resident from any community or may be an external board member.
- All Executive Directors will be voting members of the Board Governance Committee. (NEW)
- Executive Directors will not be Board members but will be present and participating at all Board meetings. (NO CHANGE)

Assets / Financial

- The creation of the CCRC Board does not involve any transfer of assets, no assets are comingled, and the communities will remain separate and discrete corporations. (NO CHANGE IN PRINCIPLE, BUT SEVERAL DOCUMENTS HAVE NOW CLARIFIED AND STRENGTHENED THE LANGUAGE AROUND THIS CONCEPT)
- The Memorandum of Understanding was revised by legal counsel for formatting and consistent language, but there were no substantive changes, including how fees or future “available asset” transfers are calculated. (NO CHANGE)

Process

- By the end of February 2020, we expect to have all documents filed with the State of NH Director of Charitable Trust and the NH Insurance Department. At that time, we will make all documents (Bylaws, Committee Charters, MOU, Board meeting guidelines) available to the Resident Council, and at the front desks.
- The Director of Charitable Trust will review the documents and will schedule a visit to RWE to speak with the Board and host an open “public” meeting for residents without the presence of management or Board members. In addition, we have asked that the Director host a separate and distinct meeting with the Resident Council.
- The Director of Charitable Trust has 180 days post filing to issue his decision on the governance plan. At this time, we expect that he would visit RWE in the May 2020 timeframe, but that is still to be determined by the Director, based on schedule and availability.

Thank you for your interest and input over the past four months. I believe this governance plan will help us continue to be successful as communities, and as a family of communities, for now and long into the future.

APPENDIX Y

Posting of Reorganization FAQs to RWE Intranet



MEMO

To: RiverWoods Exeter Residents

From: Cathy Trower (RWE Board Chair) and Dave Brownell (RWE Board Vice Chair)

Date: November 15, 2019

Last week we had the opportunity to meet with Jim Pitts and Sue Little, and yesterday many members of the RWE Board met with the Resident Council to discuss the proposed Governance Plan. Our primary purpose was to continue to listen to the feedback and concerns from the Council and we are grateful for the time and thoughtfulness of all involved.

As communicated in Deb's November 6 memo to residents, the Board has affirmed the general direction of the plan, but trustees agree that additional details, more communication, and targeted education are needed before finalizing a plan forward. We are taking this time, as we continue our discussions at a Board level, to listen to the resident voice and consider those concerns in our thinking.

We have prepared a document that addresses—in *simple, bulleted language* (a request from Sue and Jim)—the primary questions (concerns) expressed by residents and summarized in the Council's position statement, which we have attached for you. We hope that this document helps residents better understand the “why” of this proposal and that it helps alleviate at least some angst, particularly around finances.

We also understand that more dialogue is needed, and we look forward to more conversations between trustees and residents in the weeks ahead.

Thank you for your commitment to RiverWoods.

WHY ARE WE PROPOSING THIS GOVERNANCE STRUCTURE?

- In a nutshell—to better lead, serve, and govern now and into the future.
- The world—technology, regulatory, competition, demographics, customer preferences, workforce—is changing rapidly. The pace of change will not abate; it will accelerate.
- This allows us to continue to grow to meet the continually changing senior care market.
- We need a governance structure that is more flexible and sustainable in this changing world. This plan allows us to more effectively monitor the changing environment and make changes in a timely manner when needed.
- We take our promise to every resident seriously. You have entrusted your lives to us.
- We will protect the core—always. To do that, we must think strategically and be able to adapt appropriately to continue the success that is RiverWoods.
- This allows the Board to learn from a variety of different perspectives and situations.
- It provides efficiency in our management team... EDs more focused on operations.
- It will promote consistent quality measurements across the system.
- It will improve the Board recruitment process 15-18 needed vs 45+/- now.
- It reduces the number of annual recruitments... 3/5 per year vs 10/12 per year.

WILL THIS IMPACT ME FINANCIALLY? (WILL THIS INCREASE MY SERVICE FEES?)

- No. It will not have any financial impact on the residents.
- The creation of the CCRC Board under this Plan will not involve the transfer of any assets.
- There will be no comingling of any funds.
- The governance structure change does not change the available asset calculation.
- RWE, RWD and BH will remain separate and discrete organizations.
- All budgeting, and rate setting will be based on RWE performance, as it is now.
- All capital expenditures will be determined by the needs and financial position of the specific community.
- The contractual PROMISE that was made to you will not change.

HOW WILL MEMBERS BE NOMINATED TO THE TRWG BOARD?

- The RWE Board would transfer its “right to nominate” to the CCRC Board.
- The CCRC Board will use its nominating power to ensure that the TRWG Board is focused on the goals of the system (1) improve the efficiency, quality and effectiveness of the existing communities and (2) expand those services across a broader geographic region and to a more diverse population, thereby strengthening the overall system.
- The CCRC Board and the TRWG Board will work in collaboration to utilize the system to its best advantage to provide the highest quality of service and care, at the lowest price, to RWE residents.
- The RWE Board believes that operating within a system established with RWE values is the best way to ensure current and future success, that having a unitary board for the CCRCs allows it to better govern, and that it gives better assurance of current and long-term success.

HOW CAN ONE BOARD PROVIDE FIDUCIARY OVERSIGHT TO MULTIPLE ENTITIES?

- The CCRC Board would have the same fiduciary duty to all three communities (Duty of Care, Loyalty and Obedience) that each individual board has to their current organization.
- When and if a potential conflict existed (e.g. a decision that would benefit one organization but not another), the CCRC Board would evaluate the decision and determine what is the best overall decision in the context of the system as a whole.
- The Board would do this because it believes that a strong system allows each member to be stronger, and as each member grows stronger, the system grows stronger.

ISN'T THIS UNITARY BOARD INCONSISTENT WITH THE FORMATION OF THE RIVERWOODS GROUP? THE GROUP WAS INTENDED TO ENABLE RWE TO FULFILL ITS MISSION AND NOT PUT ALL OF ITS RESOURCES AT RISK.

- Nothing about this Governance Plan puts the RWE resources at risk.
- Each entity's assets will not be comingled.
- Each organization remains a separate and distinct organization.
- There is no change in the system funding concept (Available Assets calculation).
- This plan is solely to provide better governance to a small system in an increasingly complex industry.

APPENDIX Z

Schedule of Task Force and RWE Board of Trustee Meetings

RIVERWOODS
Summary of Reorganization Process
2018-20

Dates	Actions
June 2018	TRWG Board of Trustees, at recommendation of RWE Governance Committee, forms an <i>ad hoc</i> Task Force comprised of RWE, Birch Hill and TRWG Board chairs and vice chairs, and two residents (one each from RWE and Birch Hill), to study long-term governance structure for the communities.
August 2018 September 2018 January 2018 March 2019	Task Force meets four times, and reviews research and exchanges thoughts by email between meetings. Issues interim report on progress to RWE, Birch Hill and TRWG Boards in September 2018.
March 2019	Task Force reports initial findings and preliminary analysis to each of the Boards of Trustees of RWE, Birch Hill and TRWG during each Board's regular meeting.
April 2019	Task Force solicits legal advice from Hinckley Allen regarding governance structure and proposal.
April 2019 May 2019	Task Force presents findings and preliminary analysis to RWE and Birch Hill Executive Directors and resident Trustees.
June 2019	Task Force presentation of initial recommendations to RWE Board of Trustees.
July 2019	Task Force discussion with TRWG, RWE and Birch Hill Boards at annual joint retreat.
August 2019	Task Force meets to consider input and modify recommendations as appropriate.
September 2019	RWE Board Chair and TRWG CEO Presentation to RWE Resident Council.
September 2019	RWE Board Chair and TRWG CEO Presentation to RWE Residents.

Dates	Actions
October 2019	TRWG CEO Memorandum to RWE and Birch Hill Boards summarizing Plan of Reorganization terms.
October 2019	Each of RWE and Birch Hill Boards meet to receive presentation from consultants and discuss Plan of Reorganization.
October 2019	Task Force meets to discuss input received, modifications and communications plan.
November 2019	RWE Governance Committee meets to determine process for further resident input and communications.
November 2019	RWE Board Chair and Vice Chair meet with RWE Resident Council; subsequently distribute to all RWE residents written responses to frequently asked questions (FAQs) about the Plan of Reorganization.
December 2019	RWE Board Vice Chair and 3 RWE Trustees meet with RWE Residents to answer questions and receive input.
December 2019	Presentation of System status and Plan of Reorganization to RWE Resident Council.
December 2019	RWE Board meets to discuss modifications to Plan of Reorganization in response to resident input.
January 2020	Task Force meets to discuss trustee and resident input; modifications to Plan of Reorganization; and process for adopting.
January 2020	RWE Board meets to review revised Plan of Reorganization and accompanying documents.
January 2020	Each of TRWG, RWE, Birch Hill and RWD Boards of Trustees meet to approve final Plan of Reorganization.
February 2020	TRWG CEO memo to RWE residents regarding approval of final Plan of Reorganization.

APPENDIX AA

Cross-walk of Revisions to Plan of Reorganization presented to
RiverWoods Exeter Board of Trustees

Governance Plan vs. Modified Governance Plan (RWE Board Meeting December 2019)

ORIGINAL PLAN	MODIFIED GOVERNANCE PLAN	DOCUMENT
Single unitary Board of Trustees to serve as the governing body of the stable CCRCs. This Board is to be known, for now, as the “CCRC Board”	NO CHANGE	Plan of Reorganization Section 3 (Tab 4B) Articles of Agreement Amendment (Tab 4D) Bylaws Article IV Section 1 (Tab 4E)
Board has independent fiduciary roles and duties to each of the Communities	CLARIFYING CHANGE The CCRC Board will establish rate setting, operating budgets and capital budgets based on the financial performance of each individual entity and based on the financial goals as established in the Financial Philosophy Statement for each entity. (Note: Financial philosophy statements to be written for BH and RWD)	Plan of Reorganization Section 3 (Tab 4B) Bylaws Article IV Section 1 (Tab 4E) Conflict of Interest Guidelines (Tab 4C)
Board members nominated by its Governance Committee and elected by TRWG	NO CHANGE	Bylaws Article IV Section 3 (Tab 4E)
TRWG will continue to maintain a memorandum of understanding with each of RWE, BHT and RWD	CLARIFYING CHANGE We will adjust to be clear that all communities will have an MOU with TRWG, but the substance of the current agreement will not change (i.e. the changes are only to establish consistent form of the document)	RWE MOU included with a crosswalk to highlight the changes from previous MOU (Tab 4F)
The MOU will define system services and the potential reallocation of assets (Available Asset calculation)	CLARIFYING CHANGE We will adjust this language in future drafts to be clear the “Available Asset” calculation is not impacted by the Governance Change and will not be adjusted in the “new” MOU. NOTE– any future change in the available asset calculation would have to be approved by the New Hampshire Department of Insurance.	MOU Section 4 – note the Available Asset wording did not change, we just moved the language from the amendment into the body of the document (Tab 4F)
Standing committees: Governance; Finance; Investment and Executive. TRWG will have a standing Audit Committee	NO CHANGE	Bylaws Article IX (Tab 4E)
The Governance Plan will not involve the transfer of any assets.	NO CHANGE	Plan of Reorganization Section 5 (Tab 4B)
Post “governance plan” no assets will be comingled	NO CHANGE	Plan of Reorganization Section 5 (Tab 4B) Conflict of Interest Guidelines Section II B (Tab 4C)

Each of RWE, BHT and RWD will remain separate and discrete corporations.	NO CHANGE	Plan of Reorganization Section 5 (Tab 4B) Bylaws Article IV Section 1 (Tab 4E) Conflict of Interest Guidelines Section I and Section IIB (Tab 4C)
The initial CCRC Board will be comprised of those trustees of RWE and BHT whose current term in office does not expire until after the Effective Date, except that one member will be a resident of RWD	NO CHANGE	Initial Term Proposal Chart (Tab 4G)
Resident Board membership will include 1 resident board member from each of RWE, RWD, and BH	4 seats “allocated” to residents of CCRCs (with staggered terms) <ul style="list-style-type: none"> ○ 2 of those seats allotted to RWE residents, preferably rotated between the 3 campuses - to be know as “RWE Seats” ○ 2 seats that would currently be filled by BH (1) and RWD (1) – to be initially known as “BH Seat” and “RWD Seat” 1 “AT LARGE” seat that could be filled by a resident of any community <u>or</u> an external board member	Bylaws Article IV Section 6 (a) and (b) (Tab 4E)
NEW DETAILS TO THE PLAN (For RWE resident Board members)	When terms open for the resident board members seats, the Board Governance committee will ask the Resident Council to nominate multiple people for consideration, preferably 3.	Justine will write a procedure for this prior to the 1/22 meeting
	When there is a need to complete an open term, the Governance Committee, in its discretion, will either nominate a member that currently sits on a CCRC Board committee (as a non trustee), or will ask the Resident Council to follow the standard process.	Bylaws Article IV Section 6 (c) (Tab 4E)
NEW DETAILS TO THE PLAN / OR CLARIFYING LANGUAGE (OTHER)		
	While there are 3 CCRCs (RWE/BH/RWD), resident board member seats will be known as “RWE Seat(s)” “RWD Seat” and “BH Seat”. Each Council will follow the same process for nominations.	Bylaws Article IV Section 6 (a) (Tab 4E)
	At such time as there are more than 3 CCRCs (RWE/BH/RWD) – there will remain 2 “RWE Seats”. The other two resident board member seats will be renamed “NON-RWE seats”	Bylaws Article IV Section 6 (a) (Tab 4E)
	To fill any NON-RWE SEAT the Governance Committee of the Board will invite all Resident Councils (excluding RWE) to nominate at least one member for consideration. The Governance Committee will review nominations, interview candidates and select a candidate to bring to the CCRC Board for nomination and the TRWG Board for election.	Bylaws Article IV Section 6 (a) (Tab 4E)

	<p>“AT LARGE” Seat member considerations – the Governance Committee will invite all Councils to nominate one resident for consideration. The Governance Committee will also consider external (non resident) candidates for consideration.</p>	<p>Bylaws Article IV Section 6 (b) (Tab 4E)</p>
	<p>All Executive Directors will be voting members of the Governance Committee of the CCRC Board and attend all Board meetings</p>	<p>Bylaws Article IV Section 7 (b) and Article VI (Tab 4E)</p>
	<p>To ensure that resident voice is heard on a consistent basis by the new board, the CCRC Board will</p> <ol style="list-style-type: none"> 1. Ask for a Quarterly Written report from each Resident Council one month prior to the board meeting 2. Invite the Council Chair and Vice Chair of the Resident Council to participate in the meeting where the Board discusses the annual resident engagement/satisfaction results for their community. 3. Invite the Council Chair and Vice Chair to participate in annual Board education retreats (focused on strategic planning and industry education) <p>Additional thoughts -Institutionalize board member discussions with residents on at least a semi annual basis</p> <ol style="list-style-type: none"> a. Establish 2 “Resident Association” meetings per year where Board members speak and answer questions about strategy and performance b. Establish at least one “education session” for residents (by CFO or CEO) that discusses the health of the system, not just the individual community 	<p>Justine will write a procedure for this prior to the 1/22 Board vote</p>

APPENDIX BB

Certification of RWE Trustees under NH RSA 7:19-b (III)

**THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE
BOARD OF TRUSTEES**

RSA 7:19-b (II) Standards Certification

We, the members of the Board of Trustees of **The RiverWoods Company, at Exeter, New Hampshire (“RWE”)**, certify to the New Hampshire Director of Charitable Trusts that in approving the terms of the Plan of Reorganization (the “**Reorganization**”) among **RWE, Birch Hill Terrace, and RiverWoods Durham**, we have considered in good faith and complied with all of the requirements of New Hampshire RSA 7:19-b (II) as follows:

1. We have determined, upon advice of our legal counsel, that the proposed Reorganization is permitted by applicable law, including, but not limited to, RSA 7:19-32, RSA 292, and other applicable statutes and common law.

2. Due diligence has been exercised in structuring the Reorganization and in ceding control of The RiverWoods Group (RWE’s sole corporate member and supporting organization), in engaging and considering the advice of expert assistance, in negotiating the terms and conditions of the proposed Reorganization, and in determining that the Reorganization is in the best interest of RWE and the communities which it serves, including the communities’ need for access to quality and affordable physical and mental health care services.

3. Any conflict of interest has been disclosed and has not affected the decision to enter into the Reorganization, and the Reorganization does not constitute or establish any pecuniary benefit transaction as defined in RSA Chapter 7.

4. No proceeds or other consideration will be paid or received in connection with the Reorganization.

5. The assets of RWE will continue to be devoted to charitable purposes consistent with the charitable objects and mission of RWE and the

needs of the communities which it serves, including the communities' need for access to quality and affordable physical and mental health care services.

6. Each of the parties to the Reorganization is a New Hampshire health care charitable trust or a nonprofit supporting organization of such trusts.

7. Reasonable notice of the proposed Reorganization and its terms has been provided to the communities served by RWE, including but not limited to transaction documents and an analysis of how the Reorganization will meet the communities' need for access to quality and affordable physical and mental health care services, along with reasonable and timely opportunity for such communities to inform our deliberations regarding the proposed Reorganization through well-noticed public meetings and other similar methods, and we have considered carefully all public testimony and input during our deliberations to approve the Plan of Reorganization.

The following are all of the currently qualified and elected Trustees of The RiverWoods Company, at Exeter, New Hampshire and have signed this Certification effective as of April 21, 2020.

NAME:

SIGNATURE:

Cathy Trower, Chair

Cathy Trower
Cathy Trower (Apr 21, 2020)

Dave Brownell, Vice-Chair

Dave Brownell
Dave Brownell (Apr 21, 2020)

Denise Burke, Treasurer

DENISE BURKE
DENISE BURKE (Apr 21, 2020)

Tammy Michaud, Clerk

Tammy Michaud
Tammy Michaud (Apr 21, 2020)

Dan Chartrand

D.W. Chartrand
Daniel W. Chartrand (Apr 22, 2020)

Susan Desjardins

Susan Y Desjardins
Susan Y Desjardins (Apr 21, 2020)

Sarah Donnelly

Sarah Donnelly
Sarah Donnelly (Apr 21, 2020)

Mike Hickey

J. Michael Hickey
J. Michael Hickey (Apr 21, 2020)

Deb Riddell

Deb Riddell
Deb Riddell (Apr 21, 2020)

Bill Stafford

William L. Stafford
William L. Stafford (Apr 22, 2020)

Howie Ulfelder

Howie Ulfelder
Howard ulfelder (Apr 22, 2020)

Justine Vogel

Justine Vogel
Justine Vogel (Apr 22, 2020)

APPENDIX CC

Statement of "Acquirer" TRWG under NH RSA 7:19-b (III)

STATEMENT OF THE RIVERWOODS GROUP

Re: Fulfillment of Charitable Purposes of The RiverWoods Company, at Exeter, New Hampshire

This Statement is provided by The RiverWoods Group (“TRWG”) in support of the Change of Control Notice submitted to the New Hampshire Director of Charitable Trusts by The RiverWoods Company, at Exeter, New Hampshire (“RWE”). Under the Plan of Reorganization among RWE, Birch Hill Terrace, and RiverWoods Durham, RWE will cede control of the board of trustees of TRWG to the unitary CCRC Board to be formed (the “Reorganization”).

TRWG is a New Hampshire voluntary corporation, and it is exempt from federal income tax as a charitable organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). TRWG qualifies for non-private foundation status as a supporting organization described under Section 509(a)(3) of the Code. TRWG is bound by its articles of agreement and the requirements of the Code and the regulations promulgated thereunder to be organized and operate exclusively in support and furtherance of the charitable mission of RWE (in addition to other Participant Organizations in the RiverWoods System). The TRWG articles of agreement state the following sole corporate purpose:

The corporation [TRWG] is organized exclusively to support and further the charitable purposes and activities of The RiverWoods Company at Exeter, New Hampshire (“RiverWoods”), Hillcrest Manor, Inc. (“HMI”), and such other not-for-profit charitable organizations which are described in Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986 (the “Code”) and which join the System described below...

In furtherance of this exclusive purpose, the TRWG articles of agreement empower and direct TRWG to:

(a) *Establish, maintain and govern an integrated system of continuing care retirement communities and related organizations for the effective and efficient delivery of housing, food services, health services and other services in the continuum of care to elderly persons (the “System”);*

(b) *Serve as the sole member of RiverWoods and each subsequent Participant Organization, and as the coordinating organization for the System; and*

(c) *Provide centralized management, administrative and other similar functions; design and implement long-term strategic planning; develop key strategic relationships and alliances and identify new Participant Organizations to join the System; develop policies and methodologies for the effective and efficient delivery of quality health care, housing and related services throughout the System; and conduct other similar activities, all for the support and benefit of the System and the Participant Organizations.*

TRWG affirms that, following the Reorganization, it will continue to support and further the charitable mission of RWE as required by its exclusive corporate purpose and tax laws and regulations. TRWG also acknowledges that it must exercise a limited fiduciary obligation to RWE when exercising the powers reserved to it under the RWE bylaws with respect to certain proposed actions of the RWE board of trustees. Finally, TRWG confirms and agrees that it may not re-allocate charitable assets of RWE for System support or purposes unless the assets meet the definition of "Available Assets," and TRWG follows the process, as described in the Third Amended and Restated Memorandum of Understanding between TRWG and RWE and appended to the Plan of Reorganization as Appendix D-1.

Executed by its duly-authorized representative as of April 21, 2020.

THE RIVERWOODS GROUP

Beth-Ann Roberts

By: Beth-Ann Roberts (Apr 21, 2020)

Beth-Ann Roberts, Chair