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The Northbridge Cos., Sandy River II and Harrison St. R.E. Capital form \$100m joint-venture relationship

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The Northbridge Cos. and its partner Sandy River II of Portland, Me. have closed a \$100 million joint-venture relationship with Harrison Street Real Estate Capital of Chicago, IL. The partnership will focus its efforts on the development, acquisition and operation of dedicated memory care facilities and assisted living communities throughout the northeastern region of the United States, with an emphasis on New England.

The primary initiative of the venture is to develop a portfolio of AVITA-branded senior housing assets that will consist of long-term healthcare properties that will cater exclusively to those seniors in need of health-related services and cognitive care. The partnership has identified significant unmet demand in the high-acuity and memory care care-levels within Northbridge's primary markets.

The first transaction funded by the partnership is AVITA of Needham, a 62-unit assisted living community specifically designed to care for individuals with memory loss. The \$15 million development will be located at 880 Greendale Ave in Needham.

The project has commenced construction, and construction financing was provided by Needham Bank of Needham, Massachusetts.

"We are very fortunate to have found the perfect partner in Harrison Street for this venture, given their knowledge of the senior housing industry and their long term approach to partnerships. We are further excited about the first site for our Avita product. This is an excellent property with which to kick off this relationship," states James Coughlin, CEO of Northbridge. "We have already started to receive calls by families that are interested in reserving units within this property given the location, quality of care and amenities we will offer. The town of Needham and neighbors were very supportive of our project as they saw it as a real asset to the community."

Avita of Needham will not only serve seniors with Alzheimer's Disease, but also those with mild to moderate cognitive impairment and other related dementias. Northbridge's Generations Programsm is known throughout Massachusetts for its holistic approach to care and programs focused on each individual's unique needs with attention to mind, body and spirit. The community is designed to create four distinct, secure "neighborhoods", each with its own living, dining, country kitchen and private courtyard to minimize confusion and maximize the resident's freedom and well-being in a safe, secure environment.

"We are a local, privately owned company," states Wendy Nowokunski, President of The Northbridge Companies. "Our mission is to bring the next generation of assisted living to life in Needham, which means providing more than just a beautiful building - it means creating an environment with engaged staff and meaningful programs where residents can thrive and families can have peace of mind." Northbridge has been at the forefront of providing innovative programs in their communities such as Eat Fresh/Eat Local, which provides residents with seasonal fruits,

vegetables and seafood from local purveyors prepared fresh and the Brain Gym, which uses a nationally recognized brain wellness program with touch screen technology to enhance attention, dexterity, memory and ultimately provides a sense of accomplishment.

"Avita of Needham is a natural extension of our work in Maine" states Michael Tyler, partner of Sandy River II. "We have a long history as a premier provider of memory care services." The three principals of Sandy River II, David Friedman, Michael Tyler and Daniel Maguire, have owned and operated the largest portfolio of senior care facilities in Maine including Sedgewood Commons in Falmouth, the state's first multi-level facility designed entirely for Alzheimer's and dementia care.

"Harrison Street is excited to form this venture with the Northbridge team given their strong track record in the industry and their constant application of innovation in the senior market. This venture fits very well with our firms' focus on the need-based segment of the senior housing market, and we couldn't be more pleased with the first investment given the strong fundamentals in this market. The asset's location provides an ideal setting for a Class-A memory care community, as the area amenities, demographics and supply/demand dynamics will position this property for success once it is delivered in early-2011." said Michael Gordon, Vice President with Harrison Street Real Estate Capital.

The development team for Avita at Needham includes: The Architectural Team of Cheslea, MA; Callahan Construction, Bridgewater, MA; Waypoint Construction Consultants, Needham, MA; Currier & Associates of Newburyport, MA. The project will be accepting reservations in August and will be open in the Spring 2011.

About The Northbridge Companies

The Northbridge Companies develops, owns and manages quality senior living communities throughout New England. The company has capitalized the acquisition/disposition of \$140 million in senior housing assets and operates over 500 assisted living units. The acquisition of the Avita Needham site brings Northbridge's portfolio to eight owned and/or managed assisted living communities in Massachusetts. The Northbridge Companies is based in Burlington, Massachusetts. For more information, please visit www.northbridgecos.com.

About Harrison Street Real Estate Capital LLC

Harrison Street Real Estate Capital, LLC, is a real estate private equity firm founded in 2005. The firm, on behalf of Harrison Street Real Estate Partners I and II, currently owns approximately \$2.4 billion in real estate assets which includes over 12,000 student housing beds, 3,900 senior housing / assisted living units, over 44,500 self-storage units, 2,100 dry & wet boat storage and 920,000 square feet of medical office space. For more information on Harrison Street Real Estate Capital please visit www.harrisonst.com.

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