

Wells Fargo Bank, N.A.
Corporate Trust Services
Special Account Services
625 Marquette Avenue
Minneapolis, MN 55479
612-667-5047 Fax



January 2, 2013

VIA E-MAIL AND U.S. MAIL

Bond Holders
c/o DTC and EMMA

Rutland Place, Inc.
1106 Clearview Cr.
Mt. Juliet, TN 37122
Attention: Fred Mays

Sherrand & Roe, PLC
424 Church Street, Suite 2000
Nashville, TN 37219
Attention: Michael Roberts

The Health and Educational Facilities Board
Of Wilson County, Tennessee
109 Castle Heights Ave. North
Lebanon, TN 37087
Attention: Robert Rochelle

Re: Health and Educational Facilities Board of Wilson County, Tennessee Senior Living Facility Revenue Bonds (Rutland Place, Inc. Project) Series 2007A and Taxable Series 2007B (the "Bonds")

NOTICE IS HEREBY GIVEN of an Event of Default under the Lease Agreement (the "Lease") dated as of July 1, 2007 between Rutland Place, Inc. (the "Borrower" or "you") and the Health and Educational Facilities Board of Wilson County, Tennessee (the "Issuer"). Capitalized terms used in this notice and not defined herein shall have the meanings given to such terms in the Lease.

Section 5.1 of the Lease requires the Borrower to make monthly payments of Basic Rent on the first Business Day of each month during the Term of the Lease. As of the date hereof, the Trustee has not received payment of the Basic Rent amount due on November 1, 2010 and for each subsequent month through December 1, 2012. No additional funds are available under the Letter of Credit to be drawn upon for such payment. ***Failure to make***

monthly payment of Basic Rent under the Lease Agreement constitutes an Event of Default pursuant to Section 9.1(a) of the Lease. An Event of Default under the Lease constitutes an Event of Default under the Indenture of Trust dated as of July 1, 2007 between the Issuer and the Trustee.

Pursuant to Sections 3.05(c) and 8.05 of the Indenture, for the payment of Interest due on January 1, 2013 (to be paid January 2, 2013), the Trustee has drawn on the Debt Service Reserve Funds in the following amounts:

| Bond Issue Series | Paid From Revenue Account | Paid from Debt Service Reserve Fund | Total Due and Paid |
|--------------------------|----------------------------------|--|---------------------------|
| Series A | \$93,457.66 | \$337,777.34 | \$431,235.00 |
| Series B | \$0.00 | \$21,243.75 | \$21,243.75 |

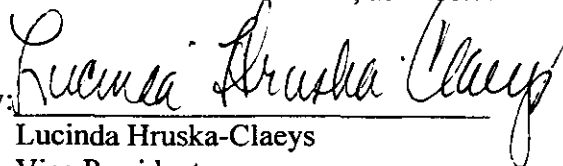
Following this withdrawal from the Debt Service Reserve Funds, the balances in those accounts no longer meet the Reserve Fund Requirement as defined in Section 1.01 of the Indenture (as cross-referenced to Section 1.1 of the Lease). Therefore, to the extent possible, the Trustee will allocate future Gross Revenues to the Debt Service Reserve Funds pursuant to Section 3.02(d) of the Indenture until the Reserve Fund Requirement is met.

This notice does not constitute a waiver of any rights or remedies of the Trustee or the Bondholders with respect to any terms or provisions of the Indenture. Furthermore, no action or inaction by the Trustee with respect to any of the foregoing (including but not limited to any failure to list any other default or Event of Default in this notice) shall constitute a waiver by the Trustee of any defaults or Events of Default or of any of its rights and remedies. The Trustee expressly reserves any and all rights and remedies which it or the Bondholders may now or hereafter be entitled to exercise in connection with the Bonds, the Indenture, the Lease Agreement, the Deed of Trust or the Leasehold Deed of Trust.

Questions regarding this notice may be directed to our counsel, Richard H. Moche of Mintz Levin Cohn Ferris Glovsky and Popeo, P.C. at (617) 348-1696 or rmoche@mintz.com or to me at the address above or by phone at (612) 667-9036 or by email to lucinda.hruska-claey@wellsfargo.com.

Regards,

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as Trustee

By: 
Lucinda Hruska-Claeys
Vice President

cc: Richard H. Moche, Esq.