New Grant Program

In 2012, Cummings Foundation launched a major new grant-making affiliate with the aim of giving back to the areas from which most of its assets were derived. The grants program directs funds to charities in eastern Middlesex, southern Essex, and Suffolk counties. Joel Swets, Cummings Foundation’s executive director, noted, “The funding comes mostly from the real estate side of the organization, and so we felt strongly about supporting charitable organizations in the communities that were the original source of the available funds.”

In June 2012, the Foundation awarded 60 grants of $100,000 each to area charities, with additional grants of $1 million to national and international causes, primarily serving Rwanda. The grants, which will be paid over one to five years, benefited a wide variety of causes, including healthcare, education, social justice, and underserved populations. (See sidebar for complete list of area grant recipients.)

In 2013, the Foundation expects to award $10 million in grants. More information is available at www.CummingsFoundation.org.

Holocaust and Genocide Education

In October 2009, Joyce and Bill Cummings visited the Yad Vashem Holocaust Museum in Jerusalem where they met the late Eliezer Ayalon. Born in Poland, Ayalon was imprisoned in five different Nazi concentration camps before his liberation, near death, in May 1945. Deeply moved by his story, the Cummings returned to the States determined to raise awareness about all forms of prejudice and injustice. As a forum for this work, they established the Cummings/Hillel Program for Holocaust and Genocide Education at Tufts University.

With guidance from Rabbi Jeffrey A. Summit, Neubauer Executive Director of Tufts Hillel, Tufts students plan the annual activities sponsored by the Cummings/Hillel Program. Officially launched in the fall of 2011, the Program has hosted guest speakers for intimate dinners with student leaders, panel discussions open to the entire student body, and standing-room-only events drawing hundreds from the broader community.

In addition to Mr. Ayalon, the Program’s notable speakers have included Dr. John Saunders, a Holocaust survivor and Tufts graduate; Father Patrick Desbois, a Catholic priest on a mission to uncover mass graves of Jews killed in Eastern Europe during the Holocaust; and Clemantine Wamariya, a survivor of the Rwandan genocide and a Presidential appointee to the United States Holocaust Memorial Council. In April 2013, the Program welcomed human rights activist and best-selling author John Prendergast for a major lecture.

The Cummings/Hillel Program has also sponsored interfaith groups of 20 Tufts students each year on a service-learning visit to Agahozo-Shalom Youth Village in eastern Rwanda. Inspired by Israeli youth villages that took in Holocaust orphans, Agahozo-Shalom houses, educates, and cares for more than 500 high-school-aged students, all of whom are orphans of the Rwandan genocide, or are otherwise very vulnerable.

2012 Grant Recipients

American Islamic Congress, Human rights
Angel Flight N.E., Air transport for patients
Armenian Heritage Foundation, Belmont
Beverly Hospital, Operating room expansion
Boston Architectural College, Huxtable Fellowship
Bridge Over Troubled Waters
Brookview House, homeless assistance
Catholic Charities – North, Social services
Catholic Charities, Boston, Social services
Conversation Project, Ellen Goodman
Cure Alzheimer’s Fund
Emmanuel College, Woburn
Empower Peace, Anti-bullying program
Endicott College, Beverly
Facing History and Ourselves, Brookline
Family Service of Greater Boston
Gay & Lesbian Advocates & Defenders
Germaine Lawrence School for Girls
Giving Camp, For kids with disabilities, Medford
Griffin Museum of Photography, Winchester
Hallmark Health, Breast center, Stoneham
Harvard, Research on Roma (Gypsy) youth
Hebrew SeniorLife, Healthy Housing for Seniors
Home for Little Wanderers
Irish International Immigrant Center
Inner-City Scholarship Fund
Marlborough Hospital Cancer Pavilion
MFA, Ori Gersht: History Repeating exhibit
Middlesex Canal Commission, Woburn
Mission of Deeds, Family aid center
Montserrat College of Art, Beverly
Museum of Science, Dead Sea Scrolls exhibit
Mystic Valley Elder Services, Malden
National Alliance on Mental Illness, Woburn
Nativity Preparatory School, Boston
Neighbors Who Care, Homebound senior support
North Shore Community College, Beverly
OpenAirBoston, Technology assistance
Our Place Daycare for Homeless Children
Pine Street Inn, Veterans services, Boston
Salem State Univ., Holocaust & genocide studies
Social Capital Inc., Woburn
Solutions for Living, Medford
Spaulding Hospital, Adaptive sports, Salem
Tufts Cummings School of Veterinary Medicine
Tufts Osher Lifelong Learning Center, Meford
Tufts University, Holocaust & genocide program
United Way of Mass Bay, Project BOOST
Wilmington TOPS Youth Soccer
Winchester Field Development
Winchester Hospital Cancer Center
Winchester Multicultural Network
Woburn (North Suburban) YMCA
Woburn Boys & Girls Club
Woburn Council of Social Concern
Woburn Historical Society
Woburn Supportive Living
Woburn VNA Hospice Care
Youth Villages, transitional living, Woburn
Zoo New England, Stoneham
**Giving Pledge**

In May 2011, Joyce and Bill Cummings became the first couple in Massachusetts to join The Giving Pledge, founded by Warren Buffett and Bill and Melinda Gates. The organization is comprised of billionaires (or those who would be such but for their previous charitable donations) who have publicly declared their intention to donate the majority of their wealth to philanthropic causes. The Cummings have already donated more than 90 percent of their assets, primarily through Cummings Foundation.

Since becoming part of The Giving Pledge, Joyce and Bill have attended the organization’s annual gatherings, during which members share strategies for making the greatest impact through philanthropy. They also attended a July 2011 meeting at the White House, where members talked for two hours with President Obama and some of his top advisors about how government and philanthropists can work together more effectively. In February 2012, the Cummings and Bill Gates co-hosted a dinner at Beacon Grille with New England philanthropists.

“After about 15 successful years in commercial real estate, we came to recognize and believe that no one can truly ‘own’ anything. With that in mind, it was easy to give things away.”

- From the Cummings’ Giving Pledge statement

**Rwanda**

Since 2009, the Foundation has sponsored annual service-learning trips for 20 Tufts students each year to Rwanda’s Agahozo-Shalom Youth Village. After receiving many student letters describing their life-changing experiences at the village, Joyce and Bill Cummings were inspired to see for themselves the extraordinary work being done there to educate and care for some of the ravaged country’s most vulnerable youth.

A January 2012 trip solidified the Cummings’ interest in supporting Rwanda, which is in the process of healing and rebuilding from the devastating 1994 genocide. After spending time at Agahozo-Shalom, the Kigali Genocide Memorial, and Partners In Health hospitals in Butaro and Rwinkwavu, Joyce and Bill committed to investing a total of $400,000 with these organizations. Since then, they committed an additional $400,000 for cancer care, as well as veterinary and dental training programs, in Rwanda. Joyce and Bill expect to return to Rwanda in August 2013.

**Sharing Their Story**

In the past year, Joyce and Bill Cummings have received many invitations to speak to groups about their backgrounds, personal ideals, and philanthropic activities. They have given presentations to audiences of several hundred attendees at The Boston Foundation’s Giving Common Launch at the John F. Kennedy Library in May 2012, and The Essex County Community Foundation’s Institute for Trustees in March 2013, among other events. Joyce and Bill will jointly give the commencement speech at Salem State University in May 2013. Videos of some of the Cummings’ speeches are available at www.CummingsFoundation.com/videos.

**Real Estate Donations**

Most recently, the Cummings family donated 8 Cabot Road and 10 and 12 Gill Street in Woburn, to the Foundation. With these latest gifts, the Foundation owns a total of 60 major commercial properties, with a combined value of nearly a half-billion dollars.
The Sisters’ presence at the continuing care retirement community has enriched the spiritual well-being of many seniors, as the Sisters coordinate daily Catholic Mass in the stained-glass Cushing Chapel and offer pastoral counseling to residents. Kathy Chinappi, RN, lay administrator for the convent for the last 10 years, noted, “The relationship with Cummings Foundation has always been wonderful. New Horizons truly is home for the Sisters.”

The 12,000-square-foot new convent combines traditional features, such as a sewing room and parlor, with modern touches, including granite finishes, energy-efficient construction, and an elevated, indoor bridge to connect the Sisters with services in New Horizons’ main building. The much larger space vacated by the Sisters will undergo a full renovation to accommodate additional assisted living residents. Executive Director Robert O’Connor anticipates the establishment of a comprehensive new program, currently under design, to address the growing care needs of the community’s residents.

Cummings Foundation, Inc.
Year Ending December 31, 2012

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2011</th>
<th>2012</th>
<th>03/31/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$115,482</td>
<td>$179,468</td>
<td>$218,306</td>
</tr>
<tr>
<td>Accounts, unbilled and other receivables</td>
<td>200,355</td>
<td>232,166</td>
<td>103,855</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>99,200</td>
<td>133,987</td>
<td>110,020</td>
</tr>
<tr>
<td>Food and supplies</td>
<td>33,419</td>
<td>33,584</td>
<td>33,193</td>
</tr>
<tr>
<td>Investments - Securities at FMV</td>
<td>478,641,960</td>
<td>572,786,824</td>
<td>631,911,940</td>
</tr>
<tr>
<td>Investments - Property at FMV</td>
<td>388,509,768</td>
<td>387,959,765</td>
<td>387,959,769</td>
</tr>
<tr>
<td>Property &amp; Equipment in Operations at FMV</td>
<td>42,209,934</td>
<td>43,261,159</td>
<td>43,246,273</td>
</tr>
<tr>
<td>Total assets</td>
<td>$909,810,119</td>
<td>$1,004,586,952</td>
<td>$1,063,583,357</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
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<tr>
<td>Accounts payable and accrued expenses</td>
<td>$570,883</td>
<td>$619,013</td>
<td>$566,469</td>
</tr>
<tr>
<td>Accrued payroll and taxes</td>
<td>247,791</td>
<td>247,775</td>
<td>246,070</td>
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<tr>
<td>Deposits</td>
<td>23,222,218</td>
<td>22,624,513</td>
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<tr>
<td>Deferred service fees</td>
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<td>23,701,493</td>
<td>23,088,775</td>
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</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
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</thead>
<tbody>
<tr>
<td>Total Unrestricted</td>
<td>885,531,202</td>
<td>980,885,459</td>
<td>1,040,494,582</td>
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<td>Total liabilities and net assets</td>
<td>$909,810,118</td>
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Cummings School of Veterinary Medicine Re-Accredited

In March 2012, Tufts Cummings School of Veterinary Medicine (TCSVM) received full re-accreditation for another seven years from the American Veterinary Medical Association Council on Education (AVMA/COE), the accrediting authority to 28 veterinary schools within the United States. Known throughout the world for its high educational standards and curricula development, AVMA/COE sets the “gold standard” in veterinary care.

An internationally acclaimed leader in veterinary medicine, the Cummings School is the only veterinary school in the six-state New England region. It offers a four-year professional Doctor of Veterinary Medicine (DVM) degree program, as well as five other graduate programs. In its first 25 years, the school graduated more than 1,500 students into careers ranging from clinical practice and biomedical research to international positions in medicine, conservation, and public health.

In early 2012, the Cummings School announced a collaboration with Worcester Technical High School to provide a low-cost primary care clinic for pets in underserved local areas. Broadening its reach globally, it is currently in the planning phase of a Foundation-supported program to bring veterinary education and services to Rwanda. In addition to piloting curriculum at Umutara Polytechnic University, the School will establish an ambulatory clinic to bring veterinary care to the areas where it is most needed. Such services are critical to the success of the country’s “One Family, One Cow” initiative.

For additional information about the Cummings School, visit www.Tufts.edu/vet.

Cummings Foundation
Established in 1986 by Joyce and Bill Cummings of Winchester, Cummings Foundation, Inc. is a private operating foundation. Based in Woburn, it has been the beneficiary of substantial contributions from the Cummings family, often through commercial real estate firm Cummings Properties, LLC. With assets exceeding $1 billion, it is one of the largest private foundations in New England. Cummings Foundation directly operates its own charitable subsidiaries, including Veterinary School at Tufts, LLC and its two New Horizons retirement communities in Marlborough and Woburn. In 2011, Cummings Foundation created two grant-making affiliates: OneWorld Boston, Inc., which supports charitable organizations serving Middlesex, Essex, and Suffolk counties in Massachusetts; and Institute for World Justice, LLC, which funds national and international organizations, with a special focus on Rwanda.

Cummings Foundation, Inc.
200 West Cummings Park
Woburn, MA. 01801
Cummings Foundation, Inc.
Balance Sheet
December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012(1)</th>
<th>03/31/2013 (2)</th>
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(1) Subject to year end tax return preparation by Ernst & Young, LLP.
(2) Preliminary figures for 2013
New Horizons at Choate going strong since 1990

The New Horizons at Choate (NHC) independent and assisted living retirement community turned 16 in August 2006. After the bankruptcy of the former Choate Memorial Hospital in 1989, Cummings Foundation purchased the property and then completely transformed it into one of the finest senior communities in New England.

The community has 94 private apartments in its independent and assisted living sections, plus an independently operated 26-resident on-site facility for seniors with Alzheimer’s and other cognitive impairments. NHC also operates the on-site Choate Medical Center, providing a variety of health care services for both New Horizons residents and the surrounding community.

Monthly fees for residents average about two-thirds of what is charged in most of the area’s comparably-fine assisted living facilities. Additionally, NHC rates have not increased for any existing residents since 1996.

NHC continues to maintain an approximate six-month paid waitlist. To help build its presence as a community institution, Woburn and Winchester residents and their family members receive high priority for admission.

Cummings Foundation’s second independent and assisted living community, New Horizons at Marlborough (NHM) opened in 1994. NHM offers a wide array of living options beginning with 354 very “independent” residences in five buildings collectively known as “The Meadows.” At NHM there are presently no residency requirements for admission and no waitlist due to its sizable campus and recent expansions.

Both facilities artfully combine luxurious living environments with warmth, caring, and professionalism. The New Horizons communities enjoy extraordinary reputations as delightfully pleasant, attractive campuses where residents quickly establish a true feeling of “home.”

The two New Horizons communities combined are presently home to more than 550 seniors.

Cummings Foundation
Promoting community health, safety, and public service

Veterinary school now Cummings School

Foundation commits $50 million

Tufts University has recently changed the name of its veterinary school to the Cummings School of Veterinary Medicine at Tufts University. The renaming followed a $50 million commitment from Cummings Foundation. In a ceremony to unveil the new name, held at the veterinary school’s North Grafton campus, Tufts President Lawrence S. Bacow stated, “Today is really a historic day, both for the University and for veterinary education. Together, we celebrate a school that has truly become a jewel in the crown of Tufts University and the commonwealth of Massachusetts. We celebrate philanthropy and what it can accomplish, and we recognize an alumnus who has given back in an extraordinary way.”

Foundation co-founder Bill Cummings observed, “More than 30 years ago, former Tufts President Jean Mayer revealed in his inaugural address—to the surprise of many—that he had made the creation of a veterinary school one of his priorities. Mayer was concerned that great things were about to be threatened in the biomedical field and asserted that they would have an effect on veterinary science. That vision has certainly become a reality and I am so pleased.”

Founded in 1978 in North Grafton, MA, the recently renamed Cummings School of Veterinary Medicine is internationally esteemed for academic programs that impact society and the practice of veterinary medicine. Its three hospitals treat more than 28,000 animal patients each year, and provide groundbreaking research that benefits animal, human, and public health.

New Horizons at Marlborough opens Enhanced Care Unit

residential options of very independent apartment-style living, independent living, assisted living, and the Hearthstone program dedicated to seniors with Alzheimer’s.

The motivation behind establishing the Enhanced Care Unit derived from New Horizons’ observation that certain prospective residents had previously been forced to seek care outside of the MetroWest area, as local facilities were not equipped to serve their unique needs. This new “med-psych” facility is housed in a beautiful new one and a half story wing, constructed directly above the main entrance at 401 Hemway Street. The newly 12,000 square foot interior space contains fully private apartments for up to 22 residents, plus informal gathering spaces and offices for on-site staff.

Residents may be referred from hospitals, other assisted living facilities, or directly from their own homes. Upon admission, staff develop a service plan for the resident, including 24 hour daily support. A resident’s length of stay will be determined on an individual basis. Some may require only brief temporary residency before returning to their previous living accommodations or moving to a new permanent setting. Others may require more permanent residency in the ECU.

The Enhanced Care Unit is operated by Care Solutions, Inc. of Westborough, Massachusetts, an independently owned organization with which New Horizons has worked since 2003. New Horizons itself does not supervise or direct either the management or caregivers employed by Care Solutions, Inc. or the actual ECU program.
Employee transfers will lead to long-term stability

The trustees recently voted to reshape the relationship between Cummings Foundation (CFI) and Cummings Properties (CPI). As Bill Cummings has figured prominently in the leadership of both entities, this transaction was undertaken to emphasize the separate corporate existence of the two entities, and to properly allocate responsibility for the future management of different parts of the overall portfolio.

The transaction involved transferring approximately 120 employees from Cummings Properties to a new, wholly-owned subsidiary of Cummings Foundation, called Cummings Realty, LLC (CRL). CRL is now maintaining all real estate assets donated to the foundation. Following the approval of the transaction, those former Cummings Properties employees who voluntarily transferred to CRL were assured that there would be no change in their day-to-day working experience, as all compensation, benefits, and tenure levels remained unchanged.

Additionally, some upper-level management employees who remain employed by Cummings Properties will continue to manage CRL employees on a pro bono basis, so all reporting relationships remain intact.

Before presenting the proposed transaction to the Board, the foundation commissioned attorneys from McDermott, Will & Emery to issue a formal opinion confirming that all aspects of the transaction be free making a recommendation to the Board. The Board then voted unanimously to approve the transaction during its November 2006 annual meeting.

New donations of real estate to Cummings Foundation

The Cummings Family recently donated nine additional large commercial properties and one residential property to Cummings Foundation in June and September 2006, respectively, bringing the total number of properties donated by the Cummings Family since 1999 to 53. With these latest donations, all of the family’s real estate portfolio in Burlington, Marlborough, Medford, Somerville, Stoneham, Sudbury, Wakefield, and Wilmington have now been contributed to the Foundation, with 4 million square feet, with a total appraised value of $408 million.

Introduction of the Finance Committee

Cummings Foundation’s new Finance Committee reviews and advises on financial matters. The creation of the committee was prompted, in part, as a response to Bankruptcy and General Counsel Thomas Reilly. The following trustees have been appointed to the Committee:

- Paul A. Casey
- Massachusetts House of Representatives
- Carol A. Donovan
- Retired public school teacher, legislator
- Philip C. Kosch, D.V.M., Ph.D.
- Former dean, Cummings School of Veterinary Medicine
- Jason Z. Morris, Ph.D.
- Assistant professor, Fordham University
- Marilyn Cummings Morris, M.D.
- Pediatrician, Harvard Children’s Hospital
- Richard C. Ockerbloom
- Retired president, The Boston Globe
- Janet M. Pavliska
- Retired president, Bank Five for Savings

Charters

- Joyce M. Cummings
- Former hospital director, Volunteer
- Patricia A. Cummings
- Amy deans, Hebrew Academy of San Francisco
- William S. Cribb
- President, Cummings Foundation
- Robert F. Nigro
- Executive director, New Horizons at Chelsea
- Robert D. O’Connor
- Executive director, New Horizons at Marlborough

Trustees Emeriti

- Susan F. Brand, Esq.
- Cummings Properties
- Dennis A. Clarke
- President and CEO, Cummings Properties
- William F. Grant
- CFO, Cummings Properties

Foundation Trustees

Dr. Joseph Abate, an orthopedic surgeon, founded and operates North Suburban Orthopaedic Associates, a medical practice concentrating on orthopaedic surgery, orthotics and physical therapy. A native of Medford, MA, Abate is a 1958 graduate of Tufts University, and a 1962 graduate of Tufts University Medical School. He completed post-graduate training at Boston City Hospital from 1962-64 and Boston VA Medical Center from 1964-67. Abate has been active in a number of charitable endeavors and was awarded the Special Distinguished Service Award by the Eastern Massachusetts Association for Retired Citizens.

Appointed to the Massachusetts Supreme Court (Suffolk County) in 1989, Associate Justice Margaret Botsford is a graduate of Framlingham College with a B.A. degree from Northeastern University School of Law. Before her appointment to the Supreme Court, she served as Assistant District Attorney in Middlesex County, and as an Assistant Attorney General. In the private sector, Botsford was a partner at Boston-based Rosin & Kadish. Among many other things, Botsford is a former member of the Commission on Judicial Conduct and currently serves on the board of trustees for Northeastern University and chairs its committee on graduate education.

Robert D. O’Connor has served as the executive director of New Horizons at Marlborough, LLC since its opening in 1994. He has more than 20 years of managerial experience in the long-term care industry, and was previously employed for 10 years as the managing partner in the nursing home and retirement living division of the Flying Otto Company. O’Connor has also served as chairman of the board of 26:27 Home from 1989 to 1995, a not-for-profit skilled nursing facility for seniors in Dorchester, MA, and a member of the Centers Health Care System. When appointed president and CEO of Bank Five for Savings of Aughington, MA in 1975, where she served until her resignation in 1999, Janet M. Pavliska became the first woman in the commonwealths of Massachusetts to serve as president of a banking organization. Pavliska completed her undergraduate education at Suffolk University and Northeastern University, and pursued graduate work at Harvard Business School. Pavliska was active in the leadership of banking industry groups, serving as the chairman of the Savings Bank Association of Massachusetts, the National Council of Community Banks and the Savings Bank Life Insurance Board. Pavliska has also served in leadership roles in many community service organizations.

Joel B. Swets is a graduate of Colby College, with a JD degree from Suffolk University Law School. He also holds a masters degree in taxation from Boston University School of Law. Following a federal court clerkship in Washington, DC., Swets practiced law in Boston for 18 years and served as an adjunct instructor at Suffolk University School of Law for part of that time. He joined Cummings Foundation, Inc. as its executive director in October 2006.

Financial Status

The fair market value of Cummings Foundation’s investment real estate as of December 31, 2006 exceeded $700 million, while total net assets were approximately $611 million.

**General Assets**

- Cash & equivalents: 846,884
- Accounts receivable: 90,922
- Other current assets: 209,060

**Total Current Assets**: 1,146,910

**Endowment**

- Endowment in financial assets: 87,984,392
- Investment real estate at FMV: 353,970,408

- Real estate in operations: 23,055,726
- Total Endowment: 444,839,773

**Total Assets**: 445,896,645

**Liabilities and Net Assets**

- Liabilities: 103,399,263
- Net assets: 342,497,382

**Unrestricted Assets**: 335,647,480

**Total Liabilities & Reserves**: 445,896,645

**Projected FMV**: 633,924,000

During 2006, the Foundation distributed a total of $3,521,315, including funds for Cummings School of Veterinary Medicine at Tufts University, the McKeen Scholarship Program and other recurring commitments. Cummings Foundation functions with an extremely low expense ratio. No trustees are compensated as trustees.

The Foundation is currently on course to become a $1 billion entity about 2012, the target set forth by the chairman in 2004. At that time it will likely change from being an operating foundation to a grant-making foundation.

**MISSION STATEMENT**

Since its inception in 1986, Cummings Foundation, Inc. has been the beneficiary of substantial contributions from the Cummings family, often through Cummings Properties, LLC. The Foundation expects to achieve its endowment goal by 2012, at which time it will begin partnering in a meaningful way with innovative local community health, safety, and social services programs promoting a healthy, safe, and vibrant community.

[1986]
Employee transfers will lead to long-term stability

The trustees recently voted to reshape the relationship between Cummings Foundation (CF) and Cummings Properties (CP). As Bill Cummings has figured prominently in the leadership of both entities, this transaction was undertaken to sharpen the separate corporate existence of the two entities, and to properly allocate responsibility for the future management of different parts of the overall portfolio.

The transaction involved transferring approximately 120 employees from Cummings Properties to a new, wholly-owned subsidiary of Cummings Foundation, called Cummings Realty LLC (CRL). CRL is now managing all real estate assets donated to the Foundation. Following the approval of the transaction, those former Cummings Properties employees who voluntarily transferred to CRL were assured that there would be no change in their day-to-day working experience, as well as compensation, benefits, and seniority levels remained unchanged. Additionally, some upper-level management employees who remain employed by Cummings Properties will continue to manage CRL employees on a pro rata basis, so all reporting relationships remain intact.

Before presenting the proposed transaction to the Board, the Foundation commissioned attorneys from McDermott, Will & Emery to issue a formal opinion confirming that all aspects of the transaction be future making a recommendation to the Board. The Board then voted unanimously to approve the transaction during its November 2006 annual meeting.

New donations of real estate to Cummings Foundation

The Cummings Family recently donated nine additional large commercial properties and one residential property to Cummings Foundation in June and September 2006, respectively, bringing the total number of properties donated by the Cummings Family since 1990 to 53. With these latest donations, all of the family’s real estate portfolio in Burlington, Marlborough, Medfield, Somerville, Stoneham, Sudbury, Wakefield, and Wilmington have now been contributed to the Foundation, along with most of its Woburn holdings. With this latest donation, Cummings Foundation’s real estate portfolio, including real estate sold in operations, now totals 4.4 million square feet, with a total appraised value of $400.8 million.

Introduction of the Finance Committee

Cummings Foundation’s new Finance Committee reviews and advises on financial matters of the organization. The creation of the committee was prompted, in part, as a response to BankBoston’s recent merger with General Electric’s Thomas Reilly. Thus, committees would no longer be comprised of certain non-profit institutions (private operating foundations) and are not one of the specified types to form audit committees to oversee financial matters and supervise the organization’s relationships with their outside auditors. As CFR is not required to submit to an annual audit, and is specifically exempt from the requirement of the proposed legislation, establishment of an “audit” committee is not necessary. Nevertheless, the underlying purpose of the legislation, to provide for a greater level of financial oversight by members of the board, was a desirable addition to CFR- operating policies.

The Finance Committee is currently comprised of three members: Rep. Paul Casey, Richard Ockenberg, and Janet Pavliska. Each of these individuals is highly knowledgeable in the financial workings of large organizations. Mr. Casey serves as a state representative, and until just recently served as a commissioner on Taxation. Mr. Pavliska is the former president of BankFive for Savings, and Mr. Ockenberg is the retired president of The Boston Globe.

Foundation Trustees

Trustees of Cummings Foundation, Inc. are elected as either “Community Trustees” or “Cluster Trustees.” Community Trustees are typically middle-level managers with no employment connection to either Cummings Properties, LLC or to CF/ or the CRL. Cluster Trustees, who serve without limit of time, are mostly very involved with CF or one of its subsidiaries.

Truste receive no remuneration or other consideration for serving as trustees. Trustees as of January 2007 are as follows:

Joseph A. Ahate, M.D. Orthopedic surgeon
Lawrence S. Bacon, J.D., Ph.D. President, Tufts University
The Honorable Margot Borsford Massachusetts Supreme Court
Paul C. Casey Massachusetts House of Representatives
Carol A. Donovan, Ret. Retired public school teacher, legislative
Philip C. Kosch, D.V.M., Ph.D. Founder, Cummings School of Veterinary Medicine
Jason Z. Norris, Ph.D. Assistant professor, Fordham University
Marilyn Cummings Morris, M.D. Pediatra, Columbia/Lower Bucks Hospital
Richard C. Ockenberg Retired president, The Boston Globe
Janet M. Pavliska Retired president, Bank Five for Savings

Charter Trustees

Joyce M. Cummings Former hospital dietitian, Volunteer
Patricia A. Cummings Alumni, Hebrew Academy of San Francisco
William S. Cummings President, Cummings Foundation
Robert F. P. Negro Executive director, New Horizons at Chelsea
Robert D. O’Connor Executive director, New Horizons at Milton

Trustees Emeriti

Susan F. Brand, Esq. Cummings Properties
Dennis A. Clarke President and CEO, Cummings Properties
William F. Grant CF/ Cummings Properties

Introducing newest trustees

Dr. Joseph Ahate, an orthopedic surgeon, founded and operates North Suburban Orthopaedic Associates, a medical practice concentrating on orthopaedic surgery and physical therapy. A native of Medford, MA, Alone is a 1958 graduate of Tufts University, and a 1962 graduate of Tufts University Medical School. He completed post-graduate training at Boston City Hospital from 1962-64 and Boston V.A. Medical Center from 1964-67. Ahate has been active in a number of charitable organizations and has received a number of Special Distinction Awards. He is currently a member of the Eastern Massachusetts Association for Retired Citizens.

Appointed to the Massachusetts Superior Court (Suffolk County) in 1989, Associate Justice Margaret Borsford is a graduate of Framlingham College with a B.A. degree from Northeastern University School of Law. Before her appointment to the Superior Court, she served as Assistant District Attorney in Middlesex County, and as an Assistant Attorney General. In the private sector, Borsford was a partner at Boston-based Rosenthal, Frankel & Rakowski. Among many other things, Borsford is a former member of the Commission on Judicial Conduct and currently sits on the boards of trustees for Northeastern University and chairs its committee on graduate education.

Robert D. O’Connor has served as the executive director of New Horizons at Marlborough, LLC since its opening in 1994. He has more than 20 years of managerial experience in the long-term care industry, and was previously employed by 12 other companies in the nursing home and retirement living division of the Flower City Company. O’Connor has also served as chair of the board of 26 other organizations.

When appointed president and CEO of BankFive for Savings of Arlington, MA in 1975, where she served until her retirement in 1999, Janet M. Pavliska became the first woman in the Commonwealth of Massachusetts to serve as president of a banking operation. Pavliska completed her undergraduate education at Suffolk University and Northeastern University, and pursued graduate degrees at Harvard Business School. Pavliska has served in the leadership of banking industry groups, serving as the chairman of the Savings Bank Association of Massachusetts, the National League of Credit Unions, and the Savings Bank Life Insurance Board. Pavliska has also served in leadership roles in many community service organizations.

Joel B. Swets is a graduate of Colby College, with a J.D. degree from Suffolk University Law School. He also holds a masters degree in taxation from Boston University School of Law. Following a federal court clerkship in Woodbridge, CT, Swets practiced law in Boston for 18 years and served as an adjunct instructor at Suffolk University School of Law for part of that time. He joined Cummings Foundation, Inc. as its executive director in October 2006.

Financial Status

The fair market values of Cummings Foundation’s investment real estate as of December 31, 2006 exceeded $700 million, while total net assets were approximately $611 million.

General Assets

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Endowment

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Liabilities and Net Assets

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Unrestricted Assets

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Total Net Assets

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<th>Value (as of 12/31/06)</th>
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</thead>
<tbody>
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<tr>
<td>Total Net Assets</td>
<td>633,924,000</td>
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</tbody>
</table>

Endowment

The Foundation is currently working on a $1 billion fund by 2012, the target set for it by the chairman in 2004. At that time it will likely change from being an operating foundation to a grant making foundation.

MISSION STATEMENT

Since its inception in 1986, Cummings Foundation, Inc. has been the beneficiary of substantial contributions from the Cummings family, often through Cummings Properties, LLC. The Foundation expects to achieve its endowment goal of $1 billion by 2012...
New Horizons at Choate going strong since 1990

The New Horizons at Choate (NHC) independent and assisted living retirement community turned 16 in August 2006. After the bankruptcy of the former Choate Memorial Hospital in 1989, Cummings Foundation purchased the property and then completely transformed it into one of the finest senior communities in New England.

The community has 94 private apartments in its independent and assisted living sections, plus an independently operated 26-resident on-site facility for seniors with Alzheimer’s and other cognitive impairments. NHC also operates the on-site Choate Medical Center, providing a variety of health care services for both New Horizons residents and the surrounding community.

Monthly fees for residents average about two-thirds of what is charged in most of the area’s comparable fee assisted living facilities. Additionally, NHC rates have not increased for any existing residents since 1996.

NHC continues to maintain an approximate six-month paid waitlist. To help build its presence as a community institution, Woburn and Winchester residents and their family members receive high priority for admission.

Cummings Foundation’s second independent and assisted living community, New Horizons at Marlborough (NHM) opened in 1994. NHM offers a wide array of living options beginning with 154 very “independent” residences in five buildings collectively known as “The Meadows.” At NHM there are presently no residency requirements for admission and no waitlist due to its sizable campus and recent expansions.

Both facilities artfully combine luxurious living environments with warmth, caring, and professionalism. The New Horizons communities enjoy extraordinary reputations as delightfully pleasant, attractive campuses where residents quickly establish a true feeling of “home.”

The two New Horizons communities combined are presently home to more than 550 seniors.

New Horizons at Marlborough opens Enhanced Care Unit

The newest and probably final addition at New Horizons’ independent and assisted living community in Marlborough opened its doors October 1, 2006. The Enhanced Care Unit (ECU) provides special housing and enhanced services to seniors suffering from conditions such as acute anxiety disorder and/or depression. This program is an important complement to the already existing assisted living retirement community.

The Enhanced Care Unit derived from New Horizons’ observation that certain prospective residents had previously been forced to seek care outside of the MetroWest area, as local facilities were not equipped to serve their unique needs. This new “med-psych” facility is housed in a beautiful new one and a half story wing, constructed directly above the main entrance at 400 Hemenway Street. The nearly 12,000 square foot interior space contains fully private apartments for up to 22 residents, plus informal gathering spaces and offices for on-site staff.

Residents may be referred from hospitals, other assisted living facilities, or directly from their own homes. Upon admission, staff develop a service plan for the resident, including 24 hour daily support. A resident’s length of stay will be determined on an individual basis. Some may require only brief temporary residency before returning to their previous living accommodations or moving to a more permanent setting. Others may require more permanent residency in the ECU. The Enhanced Care Unit is operated by Care Solutions, Inc. of Westborough, Massachusetts, an independently owned organization with which New Horizons has worked since 2003. New Horizons itself does not supervise or direct either the management or caregivers employed by Care Solutions, Inc. or the actual ECU program.

Veterinary school now Cummings School

Foundation commits $50 million

Tufts University has recently changed the name of its veterinary school to the Cummings School of Veterinary Medicine at Tufts University. The renaming followed a $50 million commitment from Cummings Foundation.

In a ceremony to unveil the new name, held at the veterinary school’s North Grafton campus, Tufts President Lawrence S. Bacow stated, “Today is really a historic day, both for the University and for veterinary education. Together, we celebrate a school that has truly become a jewel in the crown of Tufts University and the commonwealth of Massachusetts. We celebrate philanthropy and what it can accomplish, and we recognize an alumnus who has given back in an extraordinary way.”

Foundation co-founder Bill Cummings observed, “More than 30 years ago, former Tufts President Jean Mayer revealed in his inaugural address—to the surprise of many—that he had made the creation of a veterinary school one of his priorities. Mayer was concerned that great things were being lost in the biomedical field and insisted that they would have an effect on veterinary science. That vision has certainly become a reality and then some.

Founded in 1978 in North Grafton, MA, the recently renamed Cummings School of Veterinary Medicine is internationally esteemed for academic programs that impact society and the practice of veterinary medicine. Its three hospitals treat more than 28,000 animal patients each year, and provide groundbreaking research that benefits animal, human, and public health.

In the face of deep cuts in governmental funding of veterinary schools over the last few years, Cummings Foundation’s financial commitment to the Cummings School will provide critical financial stability to the school for the foreseeable future.

Cummings Foundation also supports higher education through its merit scholarship programs, that combined have awarded in excess of $1.5 million as scholarship funds to the most promising first-year college students since 1996.

The most significant of these is named after our late trustee, James L. McKeown.

Cummings Foundation, Inc.
200 West Cummings Park
Woburn, MA 01801

Visit us online at www.CummingsFoundation.org
Cummings Foundation
Assisting the most effective greater Boston charitable endeavors

Strategic alliance with Tufts
Foundation commits $50 million

Cummings Foundation, Inc. (CFI) recently announced a $50 million financial commitment to Tufts University, the most significant action of the Foundation since its inception in 1986. Tufts’ President Lawrence S. Bacow said, “Tufts is deeply grateful for this extraordinary vote of confidence. This is historic — the largest in our history. We shall invest these resources wisely to strengthen this great university.”

Consistent with the agreement, President Bacow became a trustee of Cummings Foundation, while Foundation trustee Jason Morris (a Cummings family member) was named an overseer of Tufts School of Veterinary Medicine. Morris, who earned his doctorate from Harvard University, is a cell biologist who teaches at Fordham University.

(See page 3 for mini C.V. on Bacow)

While three Foundation trustees are Tufts graduates, and Bill Cummings is a Tufts trustee emeritus, none currently has any active role at Tufts. All Foundation votes authorizing both the Tufts commitment and anticipated future arrangements were completed prior to Bacow’s joining the Foundation’s board of trustees.

Cummings said that he was moved to recommend the commitment primarily due to the practical, entrepreneurial spirit of the University’s senior administrators and the steadily growing quality of its teaching staff. “Every university needs resources to sustain its vision. This collaboration will support capital needs in the area of professional education,” said Cummings.

Since its formation, Cummings Foundation has been supported primarily by Cummings Properties, LLC, as well as Cummings family members and various affiliated firms. The overall organization operates 8 million square feet of mostly office and research space in greater Boston, more than half of which is now owned by the Foundation. Cummings Properties serves approximately 1,700 commercial entities in 10 area communities. The Foundation also operates two large New Horizons retirement living communities in Marlborough and Woburn, MA.

Cummings Foundation has made grants to Tufts over many years. The most substantial earlier gift endowed the Cummings Family Chair in Entrepreneurship and Business Economics. Professor George Norman was the first holder of that chair.

The University and CFI expect to announce synergistic efforts in the future that will assist both institutions in reaching certain specific goals. This is expected to be a long-term strategic collaboration with Tufts.

Douglas Stephens, 64
Executive Vice President at Cummings

Trustee Doug Stephens was mourned by hundreds of Foundation and Cummings Properties staff and friends. A 32-year veteran of Cummings Properties, he attended Tufts University with Bill Cummings. Thereafter, they worked together for a total of 38 years, before Doug succumbed to pancreatic cancer on May 17.

During his long, wonderful tenure at Cummings Properties, Doug warmly touched the lives of all of those with whom he came into contact. His intelligence, wit, sense of humor and ready smile were long fixtures in the offices and will never be forgotten. His spirit will live on at Cummings Properties in the hearts and minds of his friends and colleagues.

“Doug was the most selfless person I have ever known,” said Cummings. “And there was no one who didn’t like him.”

Married for 44 years, Doug worked diligently with his wife, Carrol Stephens, to found Supportive Living, Inc., during the last 15 years. That organization now has large group facilities in Woburn and Reading, MA, providing long-term homes for survivors of brain injuries.
Asset base grows dramatically

Many new buildings support Foundation

As part of a plan to divest family assets and support Cummings Foundation, Inc., Cummings family members have now transferred dozens of major commercial properties to CFI. The properties are mostly large or very large office and research buildings, the majority located along or close to area highways such as Routes 128, I-93 and I-95. All of the properties will continue to be operated without interruption by Cummings Properties, LLC, with no changes in staffing or otherwise.

As of January 2004, 59 greater Boston buildings have been donated to the Foundation. These properties have a total appraised value of about $360 million, and now represent the large majority of CFI’s total assets.

Among the Foundation’s properties now are most of Cummings’ Woburn buildings, including all of Cummings Park. CFI also now owns all Cummings buildings in Burlington, Marlborough, Medford, Somerville, Stoneham, Sudbury, Wakefield, and Wilmington, MA.

Scholarship winners approach 600

One of the Foundation’s most visible involvements has been the McKeown Scholars program in honor of Cummings’ late president. Through 2004, 591 merit scholarships, totaling more than $1 million, have been awarded to graduating seniors from nine communities in which the Cummings organization has significant interests. Awards range from $1,000 to $5,000 per student.

Scholarship winners are selected primarily through a competitive essay contest conducted under exam conditions among eligible seniors at each community’s public high school. Candidates spend up to one hour on a 500-word essay, the subject of which is not previously disclosed.

In addition to the writing component, the competition for the $5,000 merit awards includes significant evaluation of candidates’ communication skills, scholarship, and community service, as well as their reputation for fairness and integrity.

The schools and names of all scholarship winners are published annually on the Foundation’s website, www.CummingsFoundation.org. Also appearing there are some exceptional samples of recent winning essays.

Bricks and mortar

Not surprisingly, many of Cummings Foundation Inc.’s (CFI) charitable endeavors have involved grants to satisfy real estate needs. Early on, CFI donated two acres on Warren Avenue, Woburn for the first residence of Supportive Living, Inc. At about the same time, it donated all of the land for a new 320-student elementary school at Cummings Center, and then all of the land for Beverly’s new police headquarters, also soon to be located at Cummings Center.

In 2001, CFI provided a $100,000 “kick-off” gift, helping Endicott College to acquire the library volumes of the now-defunct Bradford Junior College. Earlier, CFI made the first $500,000 donation to Winchester Community Music School, and assisted in attracting two additional like-gifts, permitting acquisition of the school’s magnificent new home on Highland Avenue. Elsewhere in this report is information detailing a similar $1 million grant the Foundation provided to the Beverly branch of YMCA of the North Shore.

In 2003, New Horizons at Choate built an oversized brick restroom facility for the thousands of people who enjoy the magnificent trails around Woburn’s historic Horn Pond recreation area. At about the same time, Cummings Properties itself created a marvelous 1.6 mile walking trail around Upper and Lower Shoe Ponds in Beverly. Complete with many exhibits and cast-aluminum interpretive plaques, this new paved walkway already attracts hundreds of walkers every day.
Introducing newest trustees

A graduate of Massachusetts Institute of Technology, Harvard Law School, and Harvard University’s Kennedy School of Government, Lawrence S. Bacow, J.D., Ph.D., became the 12th president of Tufts University in September 2001. Before assuming the presidency at Tufts, he served as chancellor of MIT. Bacow is an economist, attorney and recognized expert in non-adjudicatory approaches to the resolution of environmental disputes. He has authored four books and numerous articles, and has lectured extensively throughout the U.S. and abroad. In October 2003, Bacow was inducted into the American Academy of Arts and Sciences. He is an avid skier, ocean sailor, and runner.

State Representative Paul C. Casey is a graduate of Harvard University, with a Masters in Public Administration from Suffolk University and an MBA from Boston University. He has been a very active participant in state government and numerous community and charitable organizations since the mid-1980s. Casey currently serves as chairperson for the House Committee on Taxation and on the Advisory Committee on Consolidated Health Care Financing and Delivery. In his limited free time, he sometimes serves as a professional boxing referee.

The former president and chief operating officer of The Boston Globe, Richard C. (Dick) Ockerbloom is a 1952 graduate of Northeastern University, where he recently served as vice chairman of the board of trustees. Ockerbloom was presented with an honorary doctoral degree from Northeastern, and was recently also named to the Arlington High School Hall of Fame. He has served in a wide range of important public service positions throughout the Boston area. He is also a long-time member of Winchester Country Club where he sometimes enjoys working for four hours on Saturday mornings to take two dollars from Bill Cummings.

$1 Million construction grant to YMCA

In Beverly, Massachusetts, YMCA of the North Shore recently completed construction of a new combination teen-recreation and child-care center, located adjacent to its Sterling Center campus on Essex Street. Facilitated by a $1 million grant from the Foundation, the new center enables the “Y” to discontinue leasing space for those programs at both Cummings Center and on Tozier Road.

Consolidating both facilities on one campus is expected to greatly improve both the efficiency and control of overall activities there. Chris Lovasco, regional executive director for the “Y,” said, “We’ve had these services scattered across the city. Everything is better when it’s a campus situation.”

According to Lovasco, the new 25,000 square foot complex includes a full gymnasium with a climbing wall, adventure elements, a computer lab, breakout rooms and a kitchen, as well as complete infant, toddler and pre-school facilities in the child-care center. The “Y” estimates that its membership includes approximately 26,000 patrons on the North Shore, about 16,000 of whom currently use the Sterling Center.

Mission Statement

Since its inception in 1986, Cummings Foundation, Inc. has been the beneficiary of annual contributions from Cummings Properties, LLC and numerous affiliates. It is the Foundation’s mission to protect and eventually disburse these contributions, particularly to community-based organizations, for programs primarily benefiting senior citizens and these contributions as investment capital of area communities. Significant early investments sponsorship of the New Horizons Woburn and Marlborough, and operation of the McKeown Scholars Program. Traditionally, Cummings Foundation has favored the direction of gifts and grants to organizations with unusually high levels of volunteer support. As the Foundation is currently working to build its endowment, it does not encourage unsolicited grant requests.

Financial Status

The fair market value of Cummings Foundation’s investment real estate as of December 31, 2006 will exceed $380 million, while total net assets will total approximately $595 million. Foundation income from all sources during 2005 was $82 million.

General Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
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<td>Accounts receivable</td>
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Endowment Fund*

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*Financial instruments are exclusively handled by Goldman Sachs & Co. and by Merrill Lynch Pierce Fenner & Smith.

In an improving business climate, average occupancy levels in the Foundation’s real estate portfolio have climbed back above 90 percent.

At the two retirement communities, New Horizons at Choaute continues to enjoy 100 percent occupancy, with a long waiting list, while New Horizons at Marlborough has made steady progress and is now well above 90 percent in spite of numerous recent expansions. Rates and fees at the two communities continue to be substantially lower than market rates resulting in break-even income figures in each.

Visit Cummings Foundation online at www.CummingsFoundation.org
New Horizons grows… now home to 520 seniors

With 11 buildings in Woburn and Marlborough, Massachusetts, New Horizons’ two continuing care retirement communities now house a combined total of more than 500 seniors. Each facility operates independently as a subsidiary of Cummings Foundation, Inc., but there is significant cooperation between the two communities.

New Horizons at Choate, LLC (NHC) benefits from having operated for 14 years as a not-for-profit entity and is therefore able to keep its rates substantially lower than any of the area’s other first-class facilities. NHC is also well on its way to becoming a “local residents-only” community, a future goal for New Horizons Marlborough, LLC (NHM). Indeed, at NHC more than 90 percent of all current residents and paid wait-list members are either Woburn or Winchester natives, long-time residents of the two towns, or close relatives of local residents.

The property of NHM was donated to the Foundation in November 2003. Its first action as a not-for-profit entity was to begin offering all new residents a five-year guarantee that no increase would be effected in their basic monthly fees. NHM also instituted an immediate waiver of annual cost-of-living increases for all current residents in the community, just as NHC has done for the last eight years.

Both facilities artfully combine luxurious living environments with warmth, caring, and professionalism. In both Woburn and Marlborough, the New Horizons communities enjoy extraordinary reputations as unusually pleasant, attractive communities where residents quickly establish a true feeling of “home.”

Cummings Foundation, Inc.
200 West Cummings Park
Woburn, MA 01801

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