



Senior Housing Investments, LLC
And
Senior Housing Management, LLC
On the Money



OUR MISSION

ENHANCING THE LIVES OF THOSE WE SERVE

Experience

Senior Housing Investments (SHI) along its management group Senior Housing Management (SHM) has a highly skilled and experienced team that has combined for more than 150 years of industry achievements. Over the past 35 years these industry professionals have been leaders in the development, operation, management and marketing of more than 100 successful senior living communities representing more than 20,000 units, including continuum-of-care, retirement, assisted living, Alzheimer's care and congregate care communities. This experience yields valuable insight into the life-styles and values of the people who reside in senior living communities, and the people who serve them.

Service above all else

We believe in providing a residential setting that encourages each resident's fullest potential for independence while making services available that enhance their capabilities and interests. We believe in providing our elders with the opportunities to make new friends and pursue interests. We also understand that our elders, as a collective body, represent an unlimited reservoir of talents, skills, knowledge, experience and goodwill. We strive to improve the quality of life through active living and support systems that will not dominate life but enhance it. Together with our philosophy, the following form the foundation for the services, which we provide:

- Preserving dignity • Enhancing independence
- Creating residential environment • Recognizing individuality
- Respecting personal choices • Maintaining privacy

Our Philosophy

To promote dignity for each elder by appreciating them as unique individuals with a rich background, by supporting their abilities, and by compensating for disabilities so that the elder feels useful and successful. Everyone has a unique and often personal interest in the success and stability of the senior living community of which they are a part. To elders and families, it may mean independence, comfort, convenience and predictability. To friends, peace of mind and stability may be valued. To the staff it could mean job security and satisfaction.

Fact and frequently asked questions

Who is Senior Housing Investments (SHI)?

We are a dedicated group of elder care professionals that own, operate, develop and manage Senior Housing Communities. Our combined experience in the industry encompasses over 150 years with our Management Team having been instrumental in the acquisition, development and operation of more than 100 Senior Living Communities totaling 20,000+ living units. With a focus on providing a sensibly priced solution to the housing needs of our elders, this unique combination of industry experience, management systems, and professional capabilities work in harmony to develop practical, lasting, and bottom line oriented solutions for elders, families, employees and financial partners.

Our decades of experience have proven invaluable in the startup of new projects as well as the re-positioning of established communities.

What is your Management Approach?

We approach each situation from the perspective of seasoned elder care executives, in tune with the continuously evolving dynamics of elder housing and long term care. Our extensive experience with both the single and multi-facility and at the corporate-executive level provides the foundation for our services. This unique combination of business, administrative, and leadership capabilities enables us to provide goal oriented professional services, specifically tailored to address business and organizational challenges, and develop practical, lasting, and bottom line oriented solutions.

Who do you typically work with?

Over the past three decades, our Management Team has been privileged to work with a wide range of elder care companies, ranging from independent operators, chain operators, healthcare and faith based, not-for-profit organizations. Our roles have been varied, often working with facility owners who manage their property but need professional support in arranging financing, establishing procedures, obtaining public approvals and licenses, pre opening marketing, promotion and pre leasing to get their project operational and off to a good start. In other instances, we work with passive investors who have engaged us to manage every aspect of their senior living property. SHM can provide any number of professional services in an advisory, oversight, or Management capacity in connection with the planning for, development, start-up, and operation of a Senior Living Community. We also provide the full array of property management services on an ongoing basis.

What Does a Management Company Charge for its services?

As the name suggests, we strive to make our services affordable. Senior Housing Management (SHM) understands that no two projects are alike and each has its own unique timetables and challenges. Our compensation is determined on a project by project basis in a way that best accommodates everyone's mutual business interests. Senior Housing Management (SHM) charges 4% to 7% of the projects effective gross revenues for its services. Management Services can also be structured on a fixed monthly fee basis. Consulting services are available on a fixed fee for services or an hourly basis depending on needs and budget. Deferred compensation arrangements in exchange for incentive compensation or equity participation in the project are also possible. For start up and turnaround projects much of the difficult work is "front loaded" into a project and must be accomplished prior to a project's success. Therefore the management fee is typically subject to a

base minimum equal to \$75-\$100 per developed unit per month. The base management fee typically commences 12 months prior to the anticipated date of the certificate of occupancy.

What is the term of the agreement?

Typically we look for a 3-5 year management term with a provision for a 90 day termination provision by either party. No break up fees, liquidated damages, default and curative provisions. If the projects circumstances change (due to a sale reorganization etc.), or you are not satisfied with our services, and we can't come to a mutual understanding that is acceptable to all parties we will assist you with a reasonable and gracious transition.

How do you earn your Fees? What Services to you specifically provide to the project?

The following is a partial description of the services that we provide as either Consultants or Managers

Project Feasibility

Conduct research concerning competitive market conditions including retrieval, tabulation, and analysis of critical market data. Our process enables us to accurately analyze supply and demand characteristics and determine market feasibility for specific projects, in specific markets, at specific sites. We prepare market feasibility analysis reports in format consistent with debt and equity underwriting criteria. We also may guide sponsors with site selection and the acquisition process. SHI prepares financial feasibility reports which integrate critical development, operating, and financing cost assumptions, rent schedules and revenue sources, market rate wage and hour assumptions, lease up scenarios, long term operating and stabilized income and expense projections. From this data we prepare discounted cash flow analysis depicting projected estimated terminal value, calculation of returns on equity, costs and internal rate of return over the life of the investment.

Planning, Design, and Facility Development

SHI makes input and recommendations respective to site selection, acquisition, planning, and the development process. We participate in the coordination of architectural design, review and make input into site plans, conceptual designs, interior space planning and programming, and overall architectural plan review to ensure maximum marketability and operational efficiency. SHI may assist in the process of development coordination: design and negotiate relationships and requirements respective to the timely coordination of all real estate development, public approvals, and construction activities in a manner which will facilitate the realization of projects within established schedules, budgets, and specifications.

Marketing Occupancy Development

Preparation of annual and quarterly marketing plans and monthly action plans outlining certain educational, community relations, sales and marketing activities. The marketing plans are developed through a coordinated effort with the owner, and implemented by onsite management and marketing personnel under the direction of Senior Housing Management (SHM) provides ongoing monitoring, guidance and intervention to achieve optimal performance and fulfillment of the marketing plans. The marketing plans are reviewed and updated regularly, subject to the reasonable approval of the owner. (SHM) can facilitate the design and production of collateral

materials, print advertising and media advertising. All marketing activities are carefully documented and monthly reports are given to owners which clearly illustrate the previous period performance

Management

SHM develops: a) operational goals and objectives; b) strategies to expand service opportunities and improve market position and financial performance; and c) increase organizational effectiveness collectively, referred to as the "Management Plan". SHM facilitates the design, development and implementation of integrated accounting, business planning, budgeting and management information systems, which systems can be provided by SHM to the owner for use at the project. The documentation of these accounting and information systems can be included in the Management Plan. SHI identifies vendors and negotiates contracts to provide goods and services consistent with those customary in an elder care facility and under the most cost-effective terms available. We compile, review and recommend revisions to annual budgets for review by the owner. Each of the projections becomes final with the final approval of the owner. We supervise and facilitate the development of a detailed annual business plan which includes operating and capital asset budgets, preventive maintenance plans, wage and hour administration plans, quarterly marketing plans and on-going quality assurance programs.

We have developed, documented, and "field tested" proven systems for virtually all aspects of the operation and marketing of senior living communities.

Regulatory Compliance.

Typically the owner is the Licensee of the project. SHM will assist the owner in meeting its initial licensing obligations for the project, and with continuing compliance requirements. Recommendations shall be consistent with the range of services allowable within the scope of the project's licensure status. SHI advises the owner with respect to the management of the operations of the project in compliance with all applicable laws and regulations including, but not limited to, the Fair Housing/Fair Housing Amendment Act, OSHA, the Fair Labor Standards Act, the Equal Opportunity Act, applicable Medicaid rules and regulations, general safety and health standards and all applicable and relevant assisted living regulations that presently exist or may be enacted from time to time.

Insurance

SHI develops specifications and competitively bids general and professional liability insurance, casualty insurance, as well as workers compensation and employee benefits for the project

Quality Assurance

SHM evaluates and assists in creating effective quality assurance and Staff development programs which concurrently address continuous improvement in the areas of staff development, resident programming, marketing and community relations, cost containment and asset management. We also review and make recommendations regarding performance standards and practices. SHM assists in the evaluation of all aspects of operation, and shall make recommendations with respect to quality control programs designed to meet standards imposed by appropriate certifying, licensing, compliance and other regulatory agencies and designed to bring about a superior standard of living.

Elder Services

SHM plans, implements and reviews resident service programs such as dining and food services, personal care services, housekeeping-laundry, social and recreational activities, transportation and emergency services. Scope of review includes resident reference documentation, agreements, handbooks, records, contracts and related documents. SHI also manages the move-in coordination, resident assessment, and care planning processes, product/service pricing, admission and discharge policies and procedures for the community.

Physical Plant

SHM Manages interior and exterior physical plant maintenance and landscaping and develops preventive maintenance and replacement capital asset budgets. We make recommendations for capital expenditures and manage utility and energy audits to promote conservation and cost savings SHI manages all post-construction warranty work and service agreements and can evaluate facility expansion/renovation options and recommend a course of action.

Bookkeeping, Accounting and Reporting

SHM develops and maintains all bookkeeping and accounting procedures necessary for the operation of the Project and the maintenance of proper financial records, and operational systems. SHM supervises the design, development, implementation and production of routine management, marketing, financial and occupancy reports and other special reports or studies that may from time to time be specifically requested. SHM provides information and support to assist in completing tax returns and in complying with any reporting obligations imposed by any parties who may have security interests in the facility. SHM prepares these management, marketing, and financial reports.

- a. Balance Sheet
- b. Comparative Income Statement,
- c. Trend reporting
- d. CSHI Flow Statement.
- e. Aging A/R –A/P Detail
- f. Monthly Rent Roll
- g. Daily Census Summary,
- h. Monthly Occupancy Summary.
- i. Monthly Assessment Summaries
- j. Food Cost and Utilization Reports
- k. Daily Payroll /Staff Utilization reports

Additionally SHM can coordinate real estate tax appeals, quarterly reports to investors and/or Boards of Directors and make recommendations respective to financing and completion of loan applications.

There are many ways that we can structure a mutually acceptable relationship, from task specific or broad based consulting to ongoing marketing and management.

Whether your future in senior housing involves the acquisition, startup, turnaround, development, operation or financial investment in senior housing assets, Senior Housing Investments (SHI) and Senior Housing Management (SHM) are names you can trust.

We hope this information suggests many ways in which we could work together on your project and we look forward to furthering our discussion.