# Glen Arden, Inc.

June 20, 2019 CCRC Council Meeting Albany, New York

## 2018 Recap

## Operational

- New advertising agency April 1, 2018; annual savings of \$36,000
- Gas and Electric utility services under contracted rates
- Ongoing expenses related to CIA, IRO and corresponding legal
- Ongoing significant repair/maintenance expenses HVAC, HCC wander guard, electrical, major kitchen appliances, and resident bus
- 2018 HCC Survey Five Star

#### Administrative

- New audit firm
- Welcome new board members; accept resignation of other board members
- Ongoing enhanced compliance reporting as required by the CIA
- Proposal for assistance with Strategic Plan November 2018
- In house development of Strategic Plan December 2018
- Revision to Disclosure Statement/Standard Information Sheet/Residency Agreements
- AV Powell preparation of Actuarial Report to include discounted pricing as referenced in the Enforcement Action
- New HCC Administrator January 1, 2018
- New HCC Social Worker September 1, 2018

## 2018 Recap

### Other

- Approval of Type C FFS contract offering August 2, 2019
- August 26, 2018 DOH formally notifies Glen Arden of Enforcement Action and proposed
   Stipulation and Order to include the following elements requiring DOH and DFS approval .......
  - fund the operating reserve within 2 years and within 60 days submit a schedule for full restoration of same;
  - within 60 days, develop or acquire a strategic plan/plan of correction to meet the regulatory requirements of Continuing Care Retirement Communities including actions to reduce and eventually eliminate operational deficits;
  - within 60 days, enter in to an agreement with an independent third party to oversee the implementation of the strategic plan/plan of correction;
  - provide to all prospective residents the full Certified Financial Statement audit report for 2017 and each year forward
- Entered in to listing agreement with Rand Commercial for sale of Lifestyles property 10.4 acres
- Separate Pension Plan effective date 12.31.18
- Board commitment to fund operating reserve with proceeds of the sale of the Lifestyles property

# May 2018 CCRC Council Meeting

- Glen Arden Situation
  - Failure to maintain operating reserves and supporting assets
    - March 2018, the Board of Directors pledged proceeds of the sale of Lifestyles to fund the operating reserves; engaged real estate broker to market Lifestyles property.
  - Use of marketing incentives not approved by DOH and DFS
    - Remedied earlier in the year; impact incorporated in to 2018 Actuarial Report
  - Use of initial disclosure statement not compliant with Article 46
    - The Disclosure Statement was modified to comply with the requirements of Article 46
  - Council recommends Glen Arden prepare a plan to achieve financial stability and operate within the requirements of Article 46

# 2018 Marketing and Sales Recap

| • ILU Census @ 1/1/2018   | 101 |
|---|-----|
| • +Move Ins   | 21  |
| <ul><li>- Move Outs (7 deaths)</li></ul>                          | 9   |
| <ul> <li>- Permanent Placement in higher level of care</li> </ul> | 14  |
| • ILU Census @ 12/31/2018   | 99  |

# 2018 Marketing and Sales Recap

| PRESE | NTATIO  | NS and LEA | DS    |           |      |         |            |       |           |       |          |
|-------|---------|------------|-------|-----------|------|---------|------------|-------|-----------|-------|----------|
| 2017  | Initial | Subsequent | Total | New Leads | 2018 | Initial | Subsequent | Total | New Leads | Sales | Move-ins |
|       |         | Subsequent |       |           |      |         | Subsequent |       | +         |       |          |
| Jan   | 6       | 12         | 18    | 34        | Jan  | 3       | 6          | 9     | 35        | 3     | 2        |
| Feb   | 5       | 8          | 13    | 40        | Feb  | 6       | 5          | 11    | 71        | 0     | 1        |
| Mar   | 5       | 8          | 13    | 49        | Mar  | 2       | 4          | 6     | 35        | 1     | 0        |
| Apr   | 3       | 3          | 6     | 25        | Apr  | 10      | 7          | 17    | 55        | 2     | 2        |
| May   | 17      | 4          | 21    | 32        | May  | 10      | 9          | 19    | 38        | 1     | 1        |
| June  | 7       | 10         | 17    | 25        | June | 10      | 12         | 22    | 38        | 2     | 2        |
| July  | 6       | 6          | 12    | 15        | July | 9       | 10         | 19    | 40        | 2     | 2        |
| Aug   | 12      | 11         | 23    | 41        | Aug  | 5       | 10         | 15    | 47        | 2     | 1        |
| Sept  | 10      | 10         | 20    | 23        | Sept | 8       | 11         | 19    | 48        | 1     | 3        |
| Oct   | 13      | 14         | 27    | 27        | Oct  | 7       | 4          | 11    | 63        | 3     | 3        |
| Nov   | 13      | 8          | 21    | 18        | Nov  | 9       | 13         | 22    | 47        | 2     | 1        |
| Dec   | 7       | 8          | 15    | 20        | Dec  | 9       | 7          | 16    | 46        | 2     | 3        |
| Total | 104     | 102        | 206   | 349       |      | 88      | 98         | 186   | 563       | 21    | 21       |
|       |         |            |       |           |      |         |            |       |           |       |          |

# 2018 Marketing and Sales Recap Sale Summary

|               |                 |                        |                                      |                      |            | Glan A                             | rdon Sal                           | 00 6::::::                      | mar, 20                    | 110                            |          |   |   |                           |               |                  |                          |
|---------------|-----------------|------------------------|--------------------------------------|----------------------|------------|------------------------------------|------------------------------------|---------------------------------|----------------------------|--------------------------------|----------|---|---|---------------------------|---------------|------------------|--------------------------|
|               |                 |                        |                                      |                      |            | Gien A                             | rden Sal                           | es sum                          | mary 20                    | ìΤΩ                            |          |   |   |                           |               |                  |                          |
| ProspectName  | Inquiry<br>Date | Reservation<br>Deposit | Reservati<br>on<br>Deposit<br>Cancel | Scheduled<br>MI Date | Move-in    | Time<br>between<br>inquiry &<br>RD | Time<br>between<br>inquiry &<br>MI | Time<br>between<br>RD and<br>MI | Move-<br>out /<br>Transfer | Ladder<br>Benefit<br>Incentive | Deferral |   |   | # of<br>Sales<br>Contacts | Sales<br>Coun | Contract<br>Type | Source                   |
| Prospect #1   | 7/6/2017        | 12/19/2017             | deceased                             | 1/15/2018            | 1/15/2018  | 166                                | 193                                | 27                              | deceased                   | XX                             |          |   |   | 18                        | Lois          | 75% Refundable   | Web-GA                   |
| Prospect #2   | 4/11/2016       | 12/28/2017             |                                      | 1/26/2018            | 1/26/2018  | 626                                | 655                                | 29                              |                            | XX                             |          |   |   | 30                        | Lois          | -                | Resident Referral        |
| Prospect #3   | 9/7/2017        | 1/25/2018              |                                      | 2/16/2018            | 2/16/2018  | 140                                | 162                                | 22                              |                            | XX                             |          |   |   | 31                        | Lois          |                  | Referral-Word of Mouth   |
| Prospect #4   | 3/27/2014       | 3/20/2018              |                                      | 4/12/2018            | 4/12/2018  | 1454                               | 1477                               | 23                              |                            | XX                             |          |   |   | 53                        | Lois          | Modified         | Resident Referral        |
| Prospect #5   | 1/8/2018        | 4/13/2018              |                                      | 4/25/2018            | 4/25/2018  | 95                                 | 107                                | 12                              |                            | XX                             |          |   |   | 28                        | Lois          | 75% Refundable   | A Place for Mom          |
| Prospect #6   | 3/5/2018        | 4/11/2018              |                                      | 5/7/2018             | 5/7/2018   | 37                                 | 63                                 | 26                              |                            | XX                             |          |   |   | 17                        | Lois          |                  | Direct Mail Lnch&Lrn     |
| Prospect #7   | 11/8/2011       | 5/25/2018              |                                      | 6/22/2018            | 6/22/2018  | 2390                               | 2418                               | 28                              |                            | XX                             |          |   |   | 24                        | Lois          | 75% Refundable   | Resident Referral        |
| Prospect #8   | 2/7/2018        | 6/13/2018              | Move-out                             | 6/13/2018            | 6/13/2018  | 126                                | 126                                | 0                               | Move-out                   | XX                             |          |   |   | 38                        | Lois          |                  | Web-GA                   |
| Prospect #9   | 5/10/2018       | 6/18/2018              |                                      | 7/16/2018            | 7/16/2018  | 39                                 | 67                                 | 28                              |                            | XX                             |          |   |   | 11                        | Lois          | Full Life        | Referral-Word of Mouth   |
| Prospect #10  | 11/30/2017      | 7/5/2018               |                                      | 7/30/2018            | 7/30/2018  | 217                                | 242                                | 25                              |                            | XX                             |          |   |   | 20                        | Lois          | 75% Refundable   | Resident Referral        |
| Prospect #11  | 5/21/2015       | 7/16/2018              |                                      | 8/6/2018             | 8/6/2018   | 1152                               | 1173                               | 21                              |                            | XX                             |          |   |   | 54                        | Lois          | 75% Refundable   | Resident Referral        |
| Prospect #12  | 5/15/2015       | 8/14/2018              |                                      | 9/10/2018            | 9/10/2018  | 1187                               | 1214                               | 27                              |                            | XX                             |          |   |   | 34                        | Lois          | 75% Refundable   | Resident Referral        |
| Prospect #13  | 3/1/2018        | 8/31/2018              |                                      | 9/26/2018            | 9/26/2018  | 183                                | 209                                | 26                              |                            | XX                             |          |   |   | 41                        | Lois          | 75% Refundable   | Referral-Word of Mouth   |
| Prospect #14  | 7/25/2018       | 9/28/2018              |                                      | 9/28/2018            | 9/28/2018  | 65                                 | 65                                 | 0                               |                            | XX                             |          |   |   | 15                        | Lois          | Full Life        | Referral-Word of Mouth   |
| Prospect #15  | 3/27/2017       | 9/24/2018              |                                      | 10/22/2018           | 10/22/2018 | 546                                | 574                                | 28                              |                            | XX                             |          |   |   | 56                        | Lois          | 75% Refundable   | Internet-Sr Housing.Net  |
| Prospect #16  | 3/12/2018       | 10/25/2018             |                                      | 10/25/2018           | 10/25/2018 | 227                                | 227                                | 0                               |                            | XX                             |          |   |   | 44                        | Lois          | 75% Refundable   | A Place for Mom          |
| Prospect #17  | 5/31/2018       | 10/31/2018             |                                      | 10/31/2018           | 10/31/2018 | 153                                | 153                                | 0                               |                            | XX                             |          |   |   | 16                        | Lois          | Full Life        | Direct Mail-Est Plan     |
| Prospect #18  | 6/25/2018       | 11/1/2018              |                                      | 11/1/2018            | 11/1/2018  | 129                                | 129                                | 0                               |                            | XX                             |          |   |   | 17                        | Lois          | Full Life        | Resident Referral        |
| Prospect #19  | 6/5/2018        | 11/26/2018             |                                      | 12/14/2018           | 12/14/2018 | 174                                | 192                                | 18                              |                            | XX                             |          |   |   | 39                        | Lois          | 75% Refundable   | A Place for Mom          |
| Prospect #20  | 10/16/2018      | 12/14/2018             |                                      | 12/14/2018           | 12/14/2018 | 59                                 | 59                                 | 0                               |                            | XX                             |          |   |   | 16                        | Lois          | Full Life        | Direct Mail Lnch&Lrn     |
| Prospect #21  | 7/26/2018       | 12/14/2018             |                                      | 12/14/2018           | 12/14/2018 | 141                                | 141                                | 0                               |                            | XX                             |          |   |   | 26                        | Lois          | Fee For Service  | Referral-General knowled |
| TOTALS        | 21              | 21                     | 2                                    |                      | 21         | 443.14                             | 459.33                             | 16.19                           | 0                          | 21                             | 0        | 0 | 0 |                           | 21            |                  |                          |
|               |                 |                        |                                      |                      |            | Avg                                | Avg                                | Avg                             |                            |                                |          |   |   |                           |               |                  |                          |
| 2018 Snapshot | Sales           | Cancel                 | Net                                  |                      |            | 183                                | 209                                | 26                              |                            |                                |          |   |   |                           |               |                  |                          |
| Lois          | 21              | 0                      | 21                                   |                      |            | Median                             | Median                             | Median                          | <u> </u>                   |                                |          |   |   |                           |               |                  |                          |
|               | 0               | 0                      | 0                                    |                      |            |                                    |                                    |                                 |                            |                                |          |   |   |                           |               |                  |                          |

# 2018 Marketing and Sales Recap Sale Summary

| 2018 Stats         | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |       |         | Total   | Jan-Jun        | July-Dec              |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|---------|---------|----------------|-----------------------|
| Sales              | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         | 0       | 0              | 0                     |
| Sales - Lois       | 3    | 0    | 1    | 2    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |       |         | 21      | 9              | 12                    |
| Total Sales        | 3    | 0    | 1    | 2    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |       |         | 21      | 9              | 12                    |
| Sales Goal         | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |       |         | 24      | <u> </u>       | 12                    |
| Move-ins*          | 2    | 1    | 0    | 2    | 1    | 2    | 2    | 1    | 3    | 3    | 1    | 0    |       |         | 18      | 8              | 10                    |
| Cancels            | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         | 0       | 0              | 0                     |
| 2018 Stats         | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |       |         | Average | •              | O O                   |
| Conversion Ratio   | 26%  | 15%  | 17%  | 30%  | 50%  | 58%  | 48%  | 32%  | 40%  | 17%  | 46%  | 35%  |       |         | 34.5%   |                | Leads to Presentation |
| Conversion Goal    | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  |       |         | 35.0%   |                |                       |
| Closing Ratio      | 33%  | 0%   | 16%  | 11%  | 5%   | 11%  | 10%  | 13%  | 5%   | 18%  | 5%   | 12%  |       |         | 11.6%   |                | Presentation to Sale  |
| Closing Goal       | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   |       |         | 9.0%    |                |                       |
| Inquiry Data       | 2003 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016  | 2017    | 2018    | Total          |                       |
| Inquiry Date Sales | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1    | 2013 | 1     | Δ       | 12      | 21             |                       |
| % of total         | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0%  | 0.0%    | 0.0%    | 0.0%           |                       |
| Cancels            | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0%  | 0.0%    | 0.0%    | 0.0%           |                       |
| Caliceis           | 1 0  | 0    | U    | 0    | 0    | U    | 0    | 0    | 0    | 0    | 0    | -    | 0     | 0       | 0.0%    | 0.0%           |                       |
|                    |      |      |      |      |      |      |      |      |      |      |      |      |       |         |         | s Jan-Jul 2018 | Leads Aug-Dec 2018    |
| Leads              | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  | Total | Average |         | Avg            | Aug-Dec               |
| New Leads          | 35   | 71   | 35   | 55   | 38   | 38   | 40   | 47   | 48   | 63   | 47   | 46   | 563   | 0.00    | 312     |                | 29 <sup>-</sup>       |
| Re-Inquiry         | 2    | 0    | 0    | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 4     | 0.00    | 4       |                | 25                    |
| Total              | 37   | 71   | 35   | 57   | 38   | 38   | 40   | 47   | 48   | 63   | 47   | 46   | 567   | 0       | 316     | 0              | 29                    |

# 2019 Marketing and Sales

| • ILU Census @ 1/1/2019   | 99 |
|---|----|
| <ul> <li>+Move Ins thru 6.17.19</li> </ul>                        | 7  |
| <ul><li>- Move Outs (6 deaths)</li></ul>                          | 7  |
| <ul> <li>- Permanent Placement in higher level of care</li> </ul> | 3  |
| • ILU Census @ 06/20/2019   | 96 |

# 2019 Marketing and Sales

| PRES  | ENTATI  | ONS and LE | ADS   | 2019      |       |          |      |         |            |       |           |       |          |
|-------|---------|------------|-------|-----------|-------|----------|------|---------|------------|-------|-----------|-------|----------|
|       |         |            |       |           |       |          |      |         |            |       |           |       |          |
| 2018  | Initial | Subsequent | Total | New Leads | Sales | Move-Ins | 2019 | Initial | Subsequent | Total | New Leads | Sales | Move-ins |
| Jan   | 3       | 6          | 9     | 35        | 3     | 2        | Jan  | 12      | 12         | 24    | 55        | 1     | 1        |
| Feb   | 6       | 5          | 11    | 71        | 0     | 1        | Feb  | 8       | 8          | 16    | 42        | 0     | 0        |
| Mar   | 2       | 4          | 6     | 35        | 1     | 0        | Mar  | 9       | 4          | 13    | 35        | 2     | 0        |
| Apr   | 10      | 7          | 17    | 55        | 2     | 2        | Apr  | 9       | 15         | 24    | 33        | 2     | 4        |
| May   | 10      | 9          | 19    | 38        | 1     | 1        | May  | 11      | 6          | 17    | 55        | 2     | 0        |
| June  | 10      | 12         | 22    | 38        | 2     | 2        | June |         |            |       |           |       |          |
| July  | 9       | 10         | 19    | 40        | 2     | 2        | July |         |            |       |           |       |          |
| Aug   | 5       | 10         | 15    | 47        | 2     | 1        | Aug  |         |            |       |           |       |          |
| Sept  | 8       | 11         | 19    | 48        | 1     | 3        | Sept |         |            |       |           |       |          |
| Oct   | 7       | 4          | 11    | 63        | 3     | 3        | Oct  |         |            |       |           |       |          |
| Nov   | 9       | 13         | 22    | 47        | 2     | 1        | Nov  |         |            |       |           |       |          |
| Dec   | 9       | 7          | 16    | 46        | 2     | 3        | Dec  |         |            |       |           |       |          |
| Total | 88      | 98         | 186   | 563       | 21    | 21       |      |         |            |       |           |       |          |
|       |         |            |       |           |       |          |      |         |            |       |           |       |          |

# 2019 Marketing and Sales Sale Summary

|               |                 |                        |                                      |                      |           | Glen A                             | rden Sal                           | es Sum                          | mary 20                    | 19                             |          |   |   |                           |               |                  |                   |
|---------------|-----------------|------------------------|--------------------------------------|----------------------|-----------|------------------------------------|------------------------------------|---------------------------------|----------------------------|--------------------------------|----------|---|---|---------------------------|---------------|------------------|-------------------|
| ProspectName  | Inquiry<br>Date | Reservation<br>Deposit | Reservati<br>on<br>Deposit<br>Cancel | Scheduled<br>MI Date | Move-in   | Time<br>between<br>inquiry &<br>RD | Time<br>between<br>inquiry &<br>MI | Time<br>between<br>RD and<br>MI | Move-<br>out /<br>Transfer | Ladder<br>Benefit<br>Incentive | Deferral |   |   | # of<br>Sales<br>Contacts | Sales<br>Coun | Contract<br>Type | Source            |
| Prospect #1   | 4/23/2018       | 1/25/2019              |                                      | 1/25/2019            | 1/25/2019 | 277                                | 277                                | 0                               |                            | Х                              |          |   |   | 23                        | Lois          | Modified         | A Place for Mom   |
| Prospect #2   | 2/12/2018       | 3/18/2019              |                                      | 4/15/2019            | 4/15/2019 | 399                                | 427                                | 28                              |                            | Х                              |          |   |   | 30                        | Lois          | 75% Refundable   | WebGA             |
| Prospect #3   | 11/7/2018       | 3/18/2019              |                                      | 4/15/2019            | 4/15/2019 | 131                                | 159                                | 28                              |                            | Х                              |          |   |   | 27                        | Lois          | 75% Refundable   | Resident Referral |
| Prospect #4   | 3/28/2016       | 4/12/2019              |                                      | 4/25/2019            | 4/25/2019 | 1110                               | 1123                               | 13                              |                            | Х                              |          |   |   | 47                        | Lois          | Full Life        | Ref- Family       |
| Prospect #5   | 12/28/2018      | 4/25/2019              |                                      | 4/25/2019            | 4/25/2019 | 118                                | 118                                | 0                               |                            | Х                              |          |   |   | 19                        | Lois          | 75% Refundable   | Ref-word of mouth |
| Prospect #6   | 11/27/2018      | 5/15/2019              |                                      | 6/12/2019            | 6/12/2019 | 169                                | 197                                | 28                              |                            | Х                              |          |   |   | 22                        | Lois          | Full Life        | Resident Referral |
| Prospect #7   | 3/27/2019       | 5/20/2019              |                                      | 6/17/2019            | 6/17/2019 | 54                                 | 82                                 | 28                              |                            | Х                              |          |   |   | 16                        | Lois          | 75% Refundable   | WebGA             |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
|               | 1/1/2019        | 1/1/2019               |                                      | 1/1/2019             | 1/1/2019  | 0                                  | 0                                  | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
| TOTALS        | 21              | 21                     | 0                                    |                      | 21        | 107.52                             | 113.48                             | 5.95                            | 0                          | 7                              | 0        | 0 | 0 |                           | 7             |                  |                   |
|               |                 |                        |                                      |                      |           | Avg                                | Avg                                | Avg                             |                            |                                |          |   |   |                           |               |                  |                   |
| 2019 Snapshot | Sales           | Cancel                 | Net                                  |                      |           | 54                                 | 82                                 | 0                               |                            |                                |          |   |   |                           |               |                  |                   |
| Lois          | 7               | 0                      | 0                                    |                      |           | Median                             | Median                             | Median                          |                            |                                |          |   |   |                           |               |                  |                   |
|               | 0               | 0                      | 0                                    |                      |           |                                    |                                    |                                 |                            |                                |          |   |   |                           |               |                  |                   |

# 2019 Marketing and Sales Sale Summary

| 2019 Stats       | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |       |         | Total   | Jan-Jun        | July-Dec              |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|---------|---------|----------------|-----------------------|
| Sales            | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         | 0       | 0              | 0                     |
| Sales - Lois     | 1    | 0    | 2    | 2    | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         | 7       | 7              | 0                     |
| Total Sales      | 1    | 0    | 2    | 2    | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         | 7       | 7              | 0                     |
| Sales Goal       | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |       |         | 24      |                |                       |
| Move-ins*        | 1    | 0    | 0    | 4    | 0    | 0    | 2    | 0    | 0    | 0    | 0    | 0    |       |         | 7       | 7              | 2                     |
| Cancels          | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |       |         |         |                | 0                     |
| 2019 Stats       | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |       |         | Average |                |                       |
| Conversion Ratio | 43%  | 38%  | 37%  | 72%  | 31%  |      |      |      |      |      |      |      |       |         |         |                | Leads to Presentation |
| Conversion Goal  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  | 35%  |       |         | 35.0%   |                |                       |
| Closing Ratio    | 4%   | 0%   | 15%  | 8%   | 12%  |      |      |      |      |      |      |      |       |         |         |                | Presentation to Sale  |
| Closing Goal     | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   | 9%   |       |         | 9.0%    |                |                       |
| Inquiry Date     | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017  | 2018    | 2019    | Total          |                       |
| Sales            | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 0     | 5       | 1       | 7              |                       |
| % of total       | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0%  | 0.0%    | 0.0%    | 0.0%           |                       |
| Cancels          | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     | 0       | 0       | 0              |                       |
|                  |      |      |      |      |      |      |      |      |      |      |      |      |       |         | 0.0%    | 0.0%           |                       |
|                  |      |      |      |      |      |      |      |      |      |      |      |      |       |         | Lead    | s Jan-Jul 2019 | Leads Aug-Dec 2019    |
| Leads            | Jan  | Feb  | Mar  | Apr  | May  | June | Jul  | Aug  | Sept | Oct  | Nov  | Dec  | Total | Average | Jan-Jul | Avg            | Aug-Dec               |
| New Leads        | 55   | 42   | 35   | 33   | 55   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 220   | 0.00    | 220     |                | (                     |
| Re-Inquiry       | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     | 0.00    | 0       |                | (                     |
| Total            | 55   | 42   | 35   | 33   | 55   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 220   | 0       | 220     | 0              | (                     |

## 2019 Strategic Plan Initiatives

#### **Completed and Ongoing**

- Reduced Management Staffing effective April 1, 2019
  - Corporate Controller position transitioned to part time;
  - · Executive Director position eliminated
- Engage vendor (April 2019) to conduct Market Study and prepare report report completed May 31, 2019
- Engaged new digital advertising company completed April 1, 2019
- Engaged new marketing company completed June 1, 2019
- Developed new contract offerings/new pricing models completed May 31, 2019
- Eliminated contract options June 2019
  - 75% Refundable Lifecare
  - Modified Type B
- AV Powell to prepare pricing analysis and cash flow analysis for proposed new contract offerings/pricing model completed June18, 2019
- Voted in new Board Chairperson Tom McGorry April 24, 2019 annual meeting
- Contract with new Medical Director for physician services in HCC January 1, 2019
- Union Contract (1199) negotiations May 2019 ongoing
- Continue bi-weekly calls with DOH/DFS and weekly monitoring of cash flow ongoing
- Continue open dialogue with HJ Sims for debt repositioning ongoing
- Continue open dialogue regarding new sponsor opportunities March 2018 ongoing

## 2019 Strategic Plan Initiatives

#### Going Forward.....

- New Marketing company to prepare marketing plan July 2019
  - Develop plan specific to selling 2 bedroom units
  - Identify GA customer profile to gain understanding of current buyer needs
  - Conduct inventory/prospect analysis; align results to target market efforts; use purchase lists and prospect database
  - Detail marketing events for the remainder of 2019
  - Coordinate with direct mail and digital advertising vendors to maintain a cohesive effort to reach marketing goals
  - Strategy is to begin with aggressive 90 day plan and grow it forward
- Close on sale of Elant at Brandywine July 2019
- AV Powell to prepare new Actuarial Report reflecting new contract offerings and updated fill assumptions July 2019
- Adjust EHU and HCC private pay rates to align with competition July 2019
- Change controlling entity of Lifestyles LLC from Elant Inc. to Glen Arden, Inc.
- Operational initiatives:
  - Convert to a dining points system August 2019
    - report nutritional and caloric information on menu options
  - Convert café' dining menu to a full service casual dining venue July 15, 2019
    - Implement point of sale system
  - Utilize Leading Age Value First for purchasing at discounted pricing August 2019
  - Utilize vacated cottage house (old administrative office) to implement a private pay memory care program for current residents; Q4' 2019
  - Provide parking accommodations for Legoland workers August 1, 2019 May 31, 2020 for a fee
    - Space cleared to accommodate 190 spaces for rental completed June 18, 2019
  - Create an interdisciplinary approach for new residents July 1, 2019
    - Incorporate wellness and dining plan
  - Partner with local educational facilities (BOCES and community college) to enhance employee recruitment ongoing

## 2019 Strategic Plan Initiatives

### Going Forward......

- Prepare documents as required for approval of new contract options July 7, 2019
  - Residency Agreement
  - Disclosure Statement
  - Standard Information Sheet
  - Pricing Sheets
- Implement new contracts and pricing effective August 1, 2019 (Plan A)
  - Goal of 5 sales per month under new pricing plan
- Obtain DOH/DFS approval of Strategic Plan June 30, 2019
- Engage vendor to perform monitor services of strategic plan in accordance with Stipulation and Order June 30, 2019
- Evaluate success of fill assumptions (5 sales/month) July 1 through September 30, 2019
- Day of Decision October 1, 2019
  - Sales activity/volume is moving towards goal continue down existing path (Plan A)
  - Insufficient movement toward sales goal (Plan B) cease selling lifecare contracts and move towards Fee For Service model
- Implement plan to collect Accounts Receivable due from purchaser of nursing homes September 2019
- Request suspension of Corporate Integrity Agreement at completion of BW sale transaction