~The Whole Life Center~

The Retirement Community For Those Who Love Life

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Executive Summary

The Whole Life Center is a high-end continuing care retirement community (CCRC) that is built for seniors who love nature, pursue active life styles, and want the best continuing care. It will implement the design elements that are proven to enhance and prolong the life of its senior residents. Health is fast becoming the pre-eminent issue of our day. Advances in medicine and the aging of America's wealthy baby-boomer generation have given way to ever increasing demand for innovative housing solutions for our nation's seniors.

In 1984, Harvard researcher E.O. Wilson defined biophilic as those environmental features that have positive effects on the health of people. Since then, biophilic design has been rigorously tested and transformed into a disciplined approach to building design by a team of researchers headed by Stephen R. Kellert of Yale. We are in contact with Professor Kellert and the biophilic design architects and practitioners believed to be at the forefront of the field. The Whole Life Center combines facilities enhanced with biophilic technology and high end hospitality services to create a unique offering for seniors in environmentally conscious Boulder, CO. Families in Boulder may never again have to feel guilty about leaving their loved ones in a retirement community.

Boulder is at the nexus of several important trends in senior housing that makes it a great place for the first biophilic designed CCRC. It has an aging population with high relative wealth compared with surrounding front-range cities Boulder's culture emphasizes active life-style and better quality of life. This small rocky mountain city is ranked the 2007 #1 college town to retire by Geographer Warren R. Bland, PhD. Seniors around the country are moving back to their *alma mater* to take advantage of continuing education and positive memories.

Boulder's senior population is currently underserved by senior housing. The target market identified is made up of an estimated 5,446 Boulder residents and other retirees over age 75 with over $75k in yearly income. Two other facilities compete within this market; one is too small to meet growing demand while the other is a 20 minute drive out of town. Both have long waiting lists. These two facilities have absorbed 7.7% of the Boulder high end market while The Whole Life Center intends to absorb an additional 2.4%.

The management team will consist of Aoy Baiphowongse (CFO), Logan Altman (COO), and a real estate development partner (CEO) experienced with large development projects in the City of Boulder. The development team will contract with a professional property management company to oversee the day-to-day operations of the facility once built. The company is projected to have positive cash flow of $467,928 and net operating income (NOI) of $(778,676) in the first year of operations. NOI grows to $6.2M in year 6.

The Whole Life Center will require ~$6.89M of equity funds to purchase land in addition to ~$21M in debt; after which it will be self funding. Investors are offered a 10% preferred return on equity and a liquidation in year 6 of equity with a look-back IRR of 15%.

Company Overview

Introduction

The Whole Life Center is a senior housing company currently in the business plan stage that will be forming sometime in the future. The plan is to locate the first continuing care retirement community (CCRC) in the City of Boulder, CO. The intention of the founders is to establish similar facilities in other destination retirement towns throughout the United States after 5 years of operations. The Whole Life Center will be created as a single purpose limited liability corporation.

Mission Statements

Our Mission is to develop the best possible living environments for seniors by implementing the principles of biophilic design. We will strive to provide a nature inspired atmosphere and the best possible medical care, always promoting a sense of community among the residents and heightened levels of physical, mental, and emotional health.

Objectives

The Whole Life Center aspires to be known nationally as one of the best senior housing providers and known locally as a beloved landmark. The short term goals for this company are to break ground on the first facility by 2010 and open the doors for operations in 2011 in Boulder, CO. Once the first Boulder, CO facility proves the concept of biophilic designed retirement community, the long term goal is to expand to up to 3 additional locations by 2020. Liquidation will be given to investors in year 6 of operations through a buyout option. The founder's long term exit strategy is to sell The Whole Life Center to a large senior housing company after 4 locations are in operation.

Product and Service

Biophilic Designed Retirement Community

As the first biophilic designed real estate development, The Whole Life Center will create the ideal human living environment for seniors, as proven by ongoing research (Please see appendix 1**:** A partial list of important studies in the field of biophilic design). Biophilic design emulates those features of nature that, through historic evolutionary processes, have beneficial effects on people's physiological and psychological states. This nature-inspired living environment will be adapted to the Whole Life Center to provide preventative and restorative health benefits to a population vigilantly aware of their health. When people walk into The Whole Life Center, they will realize right away that they would feel guilty **not** moving their loved one into this facility. Seniors and their loved ones will feel at ease and at home as they are greeted by a friendly concierge to the sound of a waterfall in the central lobby. Other seniors will be reading, eating, gaming, or participating in one of the daily group activities and lectures at one of the seating areas -- overlooking the *koi* pond and shaded by tropical trees; surrounded by blooming annuals. A guest may remark that they must have just walked into paradise, or that the aroma from one of the three restaurants serving gourmet meals is making them think of staying for a meal.

The Whole Life Center is a premium senior housing community providing the full continuum of care. In addition to being biophilic designed, the facility will strive for the highest feasible LEED Certification rating. To lend even greater credibility to the center's assisted living (AL) and skilled nursing (SN) mission, a licensing agreement to use the name of a pre-eminent medical provider such as Mayo Clinic, Harvard Medicine, or Scripps Health will be pursued. Property management will be under a name recognized for its excellence in hospitality services, such as Hyatt Classics.

<table>
<tr><th colspan="3">Features</th><th>Benefits</th></tr>
<tr><td rowspan="8">Aspects of Biophilic Design</td><td>Prospect</td><td>Windows with views, open areas that provide easy movement and clear views to the distance</td><td>Health Benefits</td></tr>
<tr><td>Refuge</td><td>Clustered tress with spreading canopies for refuge and protection, feels like home</td><td rowspan="4">Reduce mental/ physical stress
Speed up cure from injuries
Reduce medications
Improve concentration
Improve emotional functions
Improve productivity
Improve longevity</td></tr>
<tr><td>Water</td><td>Scattered bodies of water for food, drinking, bathing, and pleasure</td></tr>
<tr><td>Biodiversity</td><td>A high diversity of plant (especially flowers) and animal life indoors and out with easy access</td></tr>
<tr><td>Sensory Variability</td><td>Natural ventilation, natural lighting, natural materials, sensory variation over time and space</td></tr>
<tr><td>Biomimicry</td><td>Natural patterns, forms, textures, shapes that resist right angles, simulation of natural features, resemblance to organic forms</td><td>Psychological Benefits</td></tr>
<tr><td>Sense of Playfulness</td><td>Spaces intended to delight, surprise, and amuse, create nostalgic memories</td><td rowspan="5">Increase interactions with people and with built environment
Reduce isolation
Friendly environment encourages families and friends to visit
Increase happiness and enjoyfulness
Reducing the sense of "guilt" of children who send parents to a retirement community</td></tr>
<tr><td>Enticement</td><td>Information richness that encourages exploration, historical and cultural sense of place</td></tr>
<tr><td colspan="3">LEED Certified Green Building</td></tr>
<tr><td colspan="3">Customized personal services and health care endorsed by one of the most prestigious health care providers</td></tr>
<tr><td colspan="3">Positive life-style and love of life is highly promoted through community activities and programs</td></tr>
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(Please see appendix 2: Samples of pictures representing each key element of biophilic design)

The community will include 80 Independent Living (IL) units, 40 AL units, and 12 SN units. Top notch amenities to be included are a fitness center, fine dining venues, casual lobby café, entertainment venue/great room, arts/crafts room, swimming pool, library, beauty salon, extensively landscaped grounds, housekeeping, laundry, daily activities, diverse programming, continuing education, and concierge. The Whole Life Center will offer a full range of PT/ST/OT services and will provide full time chauffer services to those who wish to get a breath of fresh air or participate in outside activities. The Whole Life Center will provide a very high level of care with a resident to staff ratio of 2:1 and around the clock assistance to AL and SN residents.

Stage of Development

Biophilic design as a discipline is being advanced by a team of researchers and practitioners headed by Dr. Stephen R. Kellert of Yale University. It is a very active area of research that holds the promise of enhanced productivity, health, and peaceful mind for humanity. Professor Kellert and others on his team will be invaluable advisors during the design phase of this project and will enable The Whole Life Center to incorporate the latest developments in human habitat technology as future facilities are rolled out.

Market Analysis

Market Size and Growth

Based on information from the Boulder County Website we expect to see a 4.5% annual growth in the senior population from 2010 to 2020:

Boulder, CO Population Over Age 65				
2000	2006	2020	Historical Annual Growth Rate	Projected Annual Growth Rate
21044	24560	45500	2.61%	4.50%

The following table summarizes our estimation of the size of our target market and our required market share *vis a vis* local competitors:

Boulder, CO Population Over Age 75 with Yearly Income Over $75,000					
2007	2010	Out of Area 2010 Target Market	Total 2010 Target Market	The Whole Life Center Absorption (132 Beds)	Competitor Absorption (420 Beds)
2386	2723	2723	5446	2.42%	7.71%

The Whole Life Center will be the highest priced retirement community offering in Boulder and will primarily target the wealthiest seniors in Boulder County. $75K in yearly income was chosen as a cutoff to evaluate the population able to afford the offering. This statistic may underestimate the total senior population able to afford our product. An underestimation may have resulted because Boulder is primarily a wealth driven economy, the local real estate market's median home value is ~$550K, and other seniors may have wealthy relatives who are willing to pay their way. Interviews with the general managers of competing facilities revealed that Boulder facilities get approximately 50% of their residents from outside of Boulder County. The estimated target market was doubled to account for these destination retirees. The target market can further be characterized as the parents of baby boomers (boomers) until 2020, when the first boomers turn 75. Customers will most likely fit the psychographic profile of environmentalist, informal, college educated, and living in or having family member(s) in Boulder. Filling The Whole Life Center's 132 beds will require 2.42% of the target market share, whereas competitor's 420 beds will comprise 7.71% of the target market share in 2010.

Trends

One of the more significant trends relevant to The Whole Life Center concept is the expected 4.5% annual increase in population of people aged 65 and above over the next 13 years. This is largely due to boomers beginning to turn 65 starting in 2010. Boomers have a growing awareness of the impact of the environment on people's health and well being and are environmentally aware.

Another significant trend is that two worker household formations are on the increase, straining the traditional child-parent caregiver relationships and growing the demand for senior housing. Important economic trends include the significant real estate appreciation that many boomers have experienced across the nation, which contributes to the wealthiest generation of seniors that this country has ever seen. In 1997, 79% of people aged over 65 owned their own house. Not only are people are living longer on average, but nursing home expenditures are forecast to increase nearly 60% from 2007-16 (Centers for Medicare and Medicaid services, office of the actuary).

Other important senior housing trends include the tendency to move within close proximity to family. Cultural patterns and preferences change over time. In our market research, it was consistently found that the adult children or even grandchildren of seniors are ultimately making the housing decisions for their elders. The preferences of these "Baby Boomer" decision makers (and future residents) are now redefining the marketplace. "*Alma mater* Retirees" are a phenomenon in senior housing where seniors choose to retire in the same city as their *alma mater* school for nostalgic and lifelong learning opportunities. Boulder ranks #1 nationally as the 2007 best place for this segment to retire according to Warren Bland, PhD, geographer and nationally recognized expert on demographic shifts related to seniors.

The market is also changing as individual's expectations for senior housing are increasing, increased hospitalities, amenities, and activities are demanded, and there is an emerging interest in holistic and preventative health practices.

Entry Point

According to interviews conducted with industry professionals in Boulder, using population aged over 75 for estimation of target market is realistic given the existing age range of senior housing residents. Likewise, interviewee's have explained that there are not satisfactory options for those with a higher net worth in Boulder. The City of Boulder, wealthy by all accounts, lacks a significant high end CCRC option. Furthermore, as boomers age and are more influential in the decision making process, successful senior housing ventures must anticipate great demographic and perception shifts.

Industry Analysis

Industry Structure

As people age, they frequently have increased problems with Activities of Daily Living (ADL's). The level of care a person requires increases dramatically with the number of ADL's. There are many options available to people as they age to get the care that they need. For many, it is necessary or desirable to either hire an outside caretaker or move to a retirement community where assistance is readily available. Retirement communities offer many appealing options for assistance with ADL's provided on site.

AL units provide 24/7 emergency services and assistance with a limited number of ADL's. Once a person needs help with many ADL's or incontinence, a SN unit is usually the better option for them. SN residents require around the clock professional nursing services. They are mostly recovering from a major medical setback such as a broken hip, cardiovascular, neurological problems, or could be chronic patients suffering from dementia. Many people also choose to move to a community before they have problems with ADL's.

IL unit residents are generally aged over 62 and need little or no help with ADL's, but do expect housekeeping, transportation, and meal services. Many such IL facilities are part of a larger CCRC, which includes all three unit types. Facilities provide this "full continuum of care" to give their residents the security of knowing that they can "age in place" and will not need to move as they have increased issues with ADL's and/or require AL or SN. The final element of this industry is Hospice, which tends to the needs of those whose life is coming to an abrupt end.

Competitive Environment

[1]The American Senior Housing Association (ASHA) estimated 5,500 professionally owned and managed IL properties comprising 660,000 units in 1999. [2]Legg Mason estimated that the AL industry by 1999 had become a $15 billion industry, accounting for 15% of the long term care industry. Although this paints the picture of a vast industry, facilities only compete within a 10-15 mile radius of their location. Within that smaller sphere of influence, a high degree of rivalry exists.

Competition between IL/AL/SN facilities is based mostly on facilities and services. Competitive facilities provide a higher standard of health, comfort, and convenience with sophisticated healthcare centers, better designed living quarters, and attractive amenities. Amenities such as the dining venue, fitness center, swimming pool, art studio, computer center, library, lounge, and common areas can be determinants of success. A well designed facility will get residents in the door while services will keep them there. The most competitive facilities are hospitality driven with cultures that reflect a high caliber of customer service. Services can include housekeeping, activity programming, catering, security, continuing education, concierge, and transportation to

[1] The National Investment Center (NIC) estimated 5,964 IL properties with 705,376 units in that same year.
[2] The NIC estimated that a total of 27,277 properties offered AL services with a total of 585,735 units or 777,801 beds in 1999.

off-site activities and events. Senior housing facilities also compete on their resident to staff ratio, including the number and quality of certified doctors, nurses, and therapists onsite.

A new company faces several barriers to entry in this industry. Those with better access to land and capital have a competitive advantage. This is a capital intensive industry with a substantial initial capital investment requirement. Equity and debt financing are more widely available to those with better credit. It is common for facilities to finance development projects with a loan to value of 75% secured by the real estate. The minimum efficiency size of 12 units for SN and 40 units for AL suggests a return to scale for larger facilities (Blake Church, The Stratford Co.). In SN units, sophisticated medical equipment and high tech bathing facilities are required on site.

On the operations side, managers are becoming more sophisticated in order to deal with increasing regulatory complexity. Historical improprieties regarding some of the first retirement facilities lead to the perception of retirement centers as unscrupulous and undesirable. These attitudes lead to a highly regulated health care environment for AL and SN and has diminished the willingness of IL residents to pay large entrance fees. Customer loyalty is high for IL residents; they tend to stay within the same community all else being equal. Less loyalty is observed for AL and SN residents. Switching costs are low financially (when entrance fees aren't involved), but high emotionally. The decision to move to a retirement community is tedious and complex for the potential resident and their loved ones.

This business is about building relationships with people to sell big ticket items that have a long sales cycle. It can take up to a full year of follow up and relationship building to acquire a customer. Market penetration rates for this industry range between 3.5% and 10.4%. Market saturation levels of 15% for IL and 30% for AL are the maximum levels beyond which a significant credit risk is perceived (p.79 ASHM 2002). The most limiting factor is introduction of too many facilities over too short of a time (Paula Enrietto, The Balfour).

The price level for a market area is set based on the level of facilities and services provided. Facilities can charge premium prices if they are able to significantly raise health prospects for customers and are located in desired places. Middle income customers, on the other hand, are price sensitive in intensively competitive areas. LEED certified buildings may be at some competitive advantage because they tend to have lower operations costs due to utilities savings and reduced maintenance. Suppliers do not have specific bargain power in real estate industry except for in areas with unionized labor contracts. Hospitals, doctors, and insurance providers have some degree of control over referral of patients to SN facilities.

Competition

The Balfour is the most significant direct competitor in the Boulder County marketplace. It is currently the newest facility, with AL/SN built in 1999 and IL built in two phases: 2004/08. The Balfour is also the most innovative company in the local area. This is an active and entrepreneurial company that is in expansion mode and sets the bar for service in Boulder, modeling their approach and company culture on the hospitality industry. The Balfour prides itself on having no entrance fee and on the CO "mountain cabin" design of its facilities. The primary drawback to this facility is its' location in Louisville. All else being equal, people would rather locate inside the city of Boulder. In fact, most respondents to our customer interviews identified proximity of facility to family a main driver in their decision making process. Boulder residents even expressed dismay at having to drive across town, let alone 20 minutes into the countryside. Besides representing the current best practices in the senior housing industry, there is nothing fundamentally new about what The Balfour is doing in Boulder County. In fact, they have proven the willingness of people to pay premium prices for a premium product.

The Academy will also compete directly in the high end segment of the market, but is a small facility with no potential for expansion. They operate under the auspices of a boutique 5-star hotel and liken themselves to a smaller version of the Broadmoor, a luxury hotel in Colorado Springs, CO. Their location in the established Chautauqua neighborhood of Boulder is unbeatable and their price structure reflects this fact. They have a higher entrance fee and comparable rents to The Balfour. Their *niche* is for those who are accustomed to the finer things of life. The Academy is a fixed presence in the market and fills a relatively small *niche* in the marketplace.

Other companies in the Boulder County marketplace satisfy the same need, yet compete at a different price point with a fundamentally different product. Sunrise, Golden West, and Boulder Meridian are not CCRCs, and therefore do not provide the full continuum of care that many seniors desire.

Three projects are in the planning or development stages in Boulder County (City of Boulder Planning Office). Balfour is adding 82 units of IL to its facility in Louisville. These units are slated to be completed by the end of 2008. Also due for completion in 2008, The Golden West is adding 54 IL units in a new urbanist style three story addition to their high rise facility. Finally, The Presbyterian Manor adjacent to the University of Colorado Boulder campus was recently purchased. The intent of the developer is to renovate and replace the 79 AL and 60 SN units with 117 IL units. This project is projected to apply for building permits within 6 months for completion in 2008/09. (Please see appendix 3: Competitive matrix)

Opportunity

The senior housing opportunity in the Boulder, CO market is for a high end CCRC within city limits. The only existing such offering, The Academy, is not in a position to expand. The Balfour is far enough away to be inconvenient to Boulder residents desiring convenient and frequent visits with their loved ones. With substantial wait lists at both facilities, no new high end facilities in the development pipeline, and 4.5% projected growth of Boulder's senior population, demand pressures will be high for The Whole Life Center into the foreseeable future.

No other facility in the marketplace is positioned to compete based on the facilities' restorative qualities to its' residents mental and physical well being. The Whole Life

Center is designed intentionally to offer a longer and healthier life to residents in exchange for a premium price.

Marketing Plan

Customer Research

We conducted customer surveys by in-depth personal interviews with two groups: Seniors (either Boulder resident or non-Boulder resident) and Boulder residents whose parents are seniors. Due to the sensitivities surrounding the decision to move to senior housing, one on one conversation and focus groups with potential clients are the only two viable methods of attaining complete market knowledge. All 10 people surveyed had sufficient net worth or income level to purchase our offering. The conclusions are as follows:

- 4 out of 10 seniors recognized the need for retirement community
- 8 out of 10 seniors care about their living environment
- 2 out of 10 seniors care about their proximity to outdoor activities
- 4 out of 10 seniors care about their proximity to children
- Restricted lifestyles and preferences for multi-generation living or pursuit of hobbies (e.g. boaters or small plane pilots) make senior housing less attractive
- All adult children interviewed recognized the need for retirement community and felt strongly that it be located in close proximity to their place of residence
- All interviewees considered biophilic design to be of compelling interest and would willing to pay a 20% premium over current market price for a biophilic designed facility
- All understood the benefits of The Whole Life Center compared with existing facilities

According to our customer interviews the market segment that we are targeting are currently unsatisfied with the current options for retirement communities in Boulder, and recognize a need for a suitable choice. Interestingly, when asked who made the decision to live in a retirement community, both the adult children of the target market population and the individuals in the target market claim that they are the ones who make the decision. Although it is almost always a joint decision, our interviews with intake specialists at every retirement facility in Boulder revealed that it is the family member of the senior who has more control over the decision making process. In fact, it is usually the adult children who will tour the facility first before inviting their parents to take a look. We will need to appeal to both senior citizens and the changing preferences of their boomer children as both groups claim to be the decision makers.

Target Market Strategy

Our customer is over the age of 65 with an emphasis on those aged 75 and up. They tend to be amongst the wealthiest in their age group with annual incomes over $75K. Our customers want to live near their children and are concerned with easy access to medical care. According to our competitors' resident demographics, roughly 50% of our customers will be Boulder residents and the other 50% will be from outside Boulder, but have ties to the city *via* relatives or *via* the University of Colorado.

After conducting interviews with experts in the field[1] and with potential customers, we narrowed our target market to those individuals that are over age 75 and that have an annual income of over $75K. The average age of residents in other retirement communities was around 85. Although some residents in each facility were in the 65-75 age group, the percentage was much smaller than the age group 75 and up.

The value of having a facility conveniently located in Boulder coupled with the benefits of biophilic design will command a premium price in the marketplace. Industry experts[2] have justified qualifying residents as able to afford this price who have over $75K in annual income.

Interviewees claimed that Balfour is too far away and that the Academy had rules that were too strict or didn't fit their cultural taste (too formal). One senior remarked that she wanted to be able to wear her pajamas to dinner, and didn't feel she could do that at the Academy. Customer interviews led us to the conclusion that there is not a facility currently located in boulder that sufficiently targets this particular demographic.

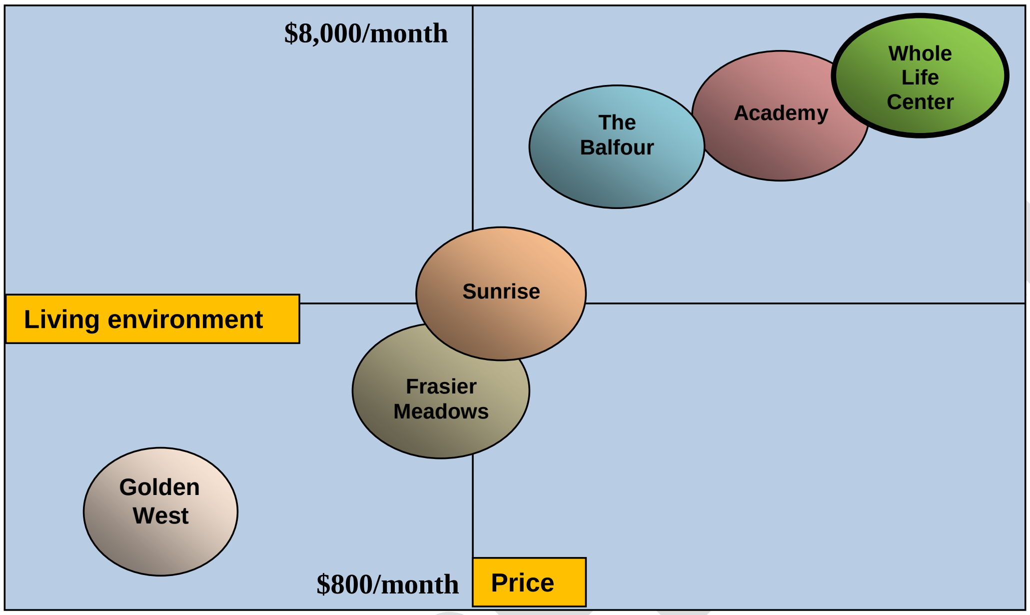
Positioning

The Whole Life Center offers the ideal retirement living for seniors who love nature, want the best continuing care, and pursue active life styles. As the first biophilic designed senior community, The Whole Life Center creates a nature-inspired living environment, provides close personal health care, and involves residents in activities to secure a life of improved mental and physical health, enriched lifestyle, and peaceful mind. The nature-inspired architecture and interior design will be appealing to seniors who have been exposed to lush resort settings and will present a compelling alternative for children who would otherwise feel guilty about their decision to move their parents to a senior living apartment. The facility will be designed to promote more interactions between residents and to be a welcoming and comfortable place for people to visit with their loved ones.

Future residents of The Whole Life Center have relatively high net worth, income, or have a close family member who does. This demographic segment is price in-sensitive when it comes to health and well being. People who are able to pay for longer and healthier life provided by biophilic design should also be willing. The name of the company mimics a similarly named company in the food industry. This association best describes the concept because this facility represents an alternative choice to the mainstream options that the consumer will not feel guilty about making. The consumer should feel confident that every aspect of the offering is guilt free, whether it is the dining experience, the health care, the way that we treat our employees, or the way we treat our residents. The atmosphere of the facility will be casual and relaxed. Services provided will be akin to those offered at luxury hotels. The level of customer service we

[1] Mimi Tagoan, Moving-On; Paula Enrietto, Balfour; Blake Church, The Stratford Companies
[2] Blake Church, The Stratford Companies; Susan Brecht, Analyzing Seniors' Housing Markets

will foster in our staff is a Nordstrom's like attitude; not stuffy. The look will be classic, luxurious, and include a collage of sights, sounds, and smells that remind people of "paradise." This offering fills the need in the City of Boulder for a full continuum of care facility that has "best of class" services and a facility second to none.



Product/Service Strategy

The Whole Life Center offers more than retirement facilities and services in Boulder, CO. Prospective customers will know that this is the first retirement community nationwide to incorporate biophilic design. At the point of sale, we will train our sales personnel to ensure that they understand the underlying benefits of biophilic design and ensure that they represent us well to both seniors and their adult children. In addition, the LEEDS certified building and health care services endorsed by one of the most prestigious health care providers will enhance our services and help us gain trust from seniors and their children. Adult children will no longer feel guilty and even feel more comfortable leaving their loved ones with us.

The biophilic design features aim to create a new experience for seniors and also to re-create the image of senior housing in the minds of Americans. When boomers start looking for senior housing options that meet their unique and changing needs, The Whole Life Center will be positioned as the retirement community of choice. We will work closely with biophilic design researchers during the operating period to collect empirical evidence that our residents live longer, healthier, and happier lives compared with seniors living in other facilities. This ongoing research will help us to refine the design elements for subsequent facilities and to cement public understanding of our unique benefits. Future facilities may be located in towns that have some resemblance to Boulder, including but not limited to: Austin, TX, Berkeley, CA, Ann Arbor, MI, and Chapel Hill, NC.

Communication Strategy

The Whole Life Center will create a distinctive brand as the first biophilic designed retirement community, providing a healthy, loving, active life style retirement choice for seniors. We will integrate all interior designs, printing materials, and website with one brand image. Our message to our clients will be “active life style”, “nature-inspired” and “love of life.” The tagline will be “The Whole Life Center – the Retirement Community for Those Who Love Life.” The center will espouse a professional, dedicated, open, and friendly culture. The central focus of all of our communications efforts will be on educating the public regarding the benefits of biophilic design.

The main push of our communications efforts will be through interviews with the press wherever possible. We will take advantage of our position as the first completely biophilic designed senior housing in the country to attract the attention of the media. Through our affiliation with biophilic design researchers, we will endeavor to partner with preventative medicine research groups nationwide to demonstrate the benefits of biophilic design and help them publicize their findings. Our public relation campaign will also utilize local newspapers, the American Association of Retired Persons (AARP), the American Association of Homes and Services for the Aging (AAHSA), billboards, CO regional magazine ads (such as in 5280), and onsite out-door advertisement during the construction period. All of these efforts will be conducted in close consultation with a leading senior housing marketing agency. We will also conduct direct mailing within a radius of 15 miles to those single family homes with values over $800,000 or whose ownerships have not changed in over 25 years.

We will conduct seminars, be present at events, and host activities at our facility for upscale local organizations such as country clubs, performing arts groups, and senior housing organizations to get the word out about our facility. Finally, inherent in our design and location will be a sense of welcoming and place-making that encourages people to walk in and see for themselves what we have to offer. A grand opening party open to the public upon completion of the facility and daily tours and events will integrate The Whole Life Center with the surrounding Boulder community and keep awareness high of the offering.

Sales Strategy

Our Product will be sold through a variety of Channels. One of our channels will be brokers in the Boulder community that specialize in locating seniors into retirement communities such as Mimi Tagoan of Moving-On. Moving-On takes care of all the moving, gets them in a retirement community and even sells the individual’s previous home. This would apply mostly to our independent living units. For this channel, we would be paying a brokerage commission to be negotiated and have staff in our facility dedicated to welcoming and working with new residents.

During the lease-up phase, consisting of the construction period and the first two years of operations, we will hire a third party marketing consultant. Companies such as Paradigm Senior Living specialize in finding tenants for senior communities. The owner of Paradigm quoted $5,000-$10,000 per unit filled, depending on his cost of advertising, etc. This third party effort would be in conjunction with an onsite leasing agent employed by the property management company.

Seniors interested in The Whole Life Center would be able to stop by and get a tour and a sales pitch from a trained member of our staff specializing in retirement counseling. This person will hold the position of marketing director and will be responsible for dealing with prospective customers, which includes follow-up calls, finding new customers, educating people on the benefits of biophilic design, and to some extent pricing of the units. In terms of educating the population and finding new customers we plan on using direct mailing. The marketing director will be a salaried position under the direction of the property management companie's experience and management expertise. The average customer acquisition cost reported by Balfour is 600 hours of follow up and relationship building.

Although medical professionals in the surrounding area will not be selling our services outright they will be in a position to recommend our assisted living and skilled nursing units to their patients. It will be important that we establish a relationship with local doctors to educate them on the elements of biophilic design. Positive relationships like this will bring in more leads, calls, and residents to our facility.

Operations Plan

Introduction

The Whole Life Center will offer a wide range of services as a CCRC. Services will range from general services such as housekeeping, gardening, and maintenance to more sophisticated services like dining and medical care. With so many services under one roof, contracting some or all of these services to individuals or companies that specialize in these services will help to ensure the success of this venture. The Whole Life Center will capitalize on the founders core competencies of real estate development and outsource those roles which are not competencies. Specifically, we are looking at Hyatt Classics, which is a company that specializes in managing and running retirement communities.

Operations Strategy

Our operations process can be narrowed down to how we delivery our services to our customer. Essentially this would be services similar to the hospitality or resort industry with medical care services on top of that.

The most critical partner to the sustainable competitive advantage of this project is the architect/designer. There are few architects who have any practical experience with biophilic design. The leading contender is currently Mithun, a firm out of Seattle that has experience with both biophilic design and senior housing developments.

The standard of service excellence is set high in Boulder by local competitors. A strategic partner in property management services is therefore critical to ensuring the project's ability to compete on a par level on service. Interviews should be conducted with those firms that are able to manage senior housing developments with a high degree of service excellence. A leading contender for the contract of property management services is Hyatt Classics, a well known brand in the senior housing industry that provides top notch services to high end facilities.

The two dimensions of customer service that are the most important in this industry in terms of selection criteria for customers would be level of service and resident to staff ratio. Levels of service in the industry vary from simple apartment style living to luxury resort style hospitality services. With Hyatt or another similar hospitality focused operator, The Whole Life Center will offer the highest level of service available in the industry. The highest level of resident to staff ratio will also be offered. The range in Boulder is from 10:1 at Frasier Meadows to 2:1 at The Academy. We are budgeting in an approximate 2:1 ratio to be on par with the best resident to staff ratio offered.

Our operations will therefore be at the least on par with the best of the industry with the highest level of customer service and the lowest resident to staff ratio. The Whole Life Center's competitive advantage will come from the biophilic building design.

Scope of Operations

The day to day affairs of a CCRC are numerous and time consuming. Our research has shown us that contracting the daily operations to subcontractors is a viable alternative to attempting to manage the day to day affairs internally. This arrangement is similar to hiring a property manager to handle the day to day affairs of an apartment community. This is especially attractive for the higher skill level services like medical care and food preparation. We also intend to contract out the maintenance/housekeeping portion of the day to day operations and the overall management of the facility. We have contacted Hyatt Classics, a subsidiary of Hyatt hotels experienced in the operations of hospitality focused businesses and in running high end retirement communities specifically. Hyatt Classics, or others, are capable of offering the full spectrum of services necessary to ensure the facilities' success. Hiring a third party expert like Hyatt Classics vastly reduces the uncertainty and the initial learning curve when opening a new facility. The founders will maintain oversight and frequently review the effectiveness of the chosen property manager.

Ongoing Operations

We have contacted property managers to get information regarding the nature of property management agreements in the senior housing industry, but have not yet reached an agreement. The size and complexity of this new development project precludes determining a specific price arrangement until further progress is made along the timeline of launching this business. Expense comparables factor in 4.5% of gross income for property management, and we have budgeted 5%.

Consultations with the City of Boulder Planning and Building department revealed that the facility will need to be placed on roughly 5 acres of land to have enough space for 80 IL units, 40 AL units and 12 SN units consisting of 119,040 SQFT. This estimate includes common and staff areas. The minimum efficiency size calculated through sensitivity analysis is 41 IL, 40 AL, and 12 SN in order for the facility to still be profitable. This arrangement would require roughly 3.5 acres. A minimum number of AL and SN units are required to spread the cost of medical services over enough units to be feasible. The number of IL units is a plug to determine profitability. Therefore, if 5 acres of land is not attainable in the tight real estate market of Boulder, the venture could make do with a smaller unit size.

Capital assets for our community will be heavily driven by land and building cost. There will be capital costs for decorations and equipment, specifically for dining and medical services, but the vast majority will be from the land and building. We intend to purchase the land and the building at an estimated cost of $28,118,628. This includes an estimated $880,241 spent on decorations and the equipment necessary to provide our services. A more detailed breakdown of capital requirements can be found in the pro forma, Appendix 5.

Regardless of whether or not we are able to reach a deal with Hyatt Classics we are anticipating that we will have to hire an estimated 73 employees varying in job description from marketing to housekeeping. Salaries for these individuals would be an estimated $2,408,915 annually. A more detailed breakdown of employees and their respective salaries can be found in the pro forma, Appendix 5.

Development Plan

The biggest constraint to the implementation of this plan is to gain control of a well located piece of land within the City of Boulder, CO. Building restrictions are severe in Boulder, open land is in short supply, and land sells at a premium. It may be necessary to buy an improved (existing buildings) property and redevelop it due to the extreme shortage of prime open developable land in Boulder.

Timeline	Development process
Dec 31st, 2008	Attain a 120 day "free look" option on a well suited piece of property.
Mar 15th, 2008	Interview and select the most fit and appropriate architects.
Mar 15th, 2009	Execute agreement with property management company.
Apr 15th, 2009	Negotiate equity financing and ownership structure. Interview and select competent engineer and general building contractors.
Within Apr 30th, 2009	Arrange the term for short term construction loan to cover 75% of project costs and long term debt to refinance that loan at the conclusion of construction. Confirm zoning with the city for the property under contract and close the property. Ground breaking should occur shortly thereafter.
Dec 31st, 2010	Select a marketing firm to assist with the marketing of the facility during construction (if this function is not handled by the property manager) and the training of inside sales staff in processes of senior housing resident sales. Complete construction and issue certification of occupancy.

At this point, the property manager takes over the day to day functions of the facility and the marketing company reduces its role to a consulting level. Alternatively, the property management and leasing functions may be separated and handled by different firms.

Management Plan

The company will be structured to take advantage of the unique talents and abilities of the founders while recognizing the advantage of strategic partnerships. The founders, namely Logan Altman and Aoy Baiphowongse, will have critical roles during the planning and development phases of the operation. (Please see Appendix 4: Management resumes)

Project Management

CFO: Ms. Baiphowongse has 4 yrs of corporate accounting and financial auditing experience. She holds an MBA from the Leeds School of Business. She will be acting as CFO during the development period and will conduct periodic reviews of the financial performance of the property management company while the facility is in operation. Aoy will also be instrumental in demonstrating to equity and debt investors the profitability of the project.

COO: Mr. Altman has 8 years of experience operating and investing in numerous real estate projects in California and Colorado. He has acted as project manager and lead syndicate promoter for investment in a portfolio of student housing properties. He holds an MBA from the Leeds School of Business. Logan will act as lead project manager and developer during the development phase and will periodically review operations of the property manager.

Real Estate Developer

CEO: Both Altman and Baiphowongse will partner with a prominent successful Boulder real estate development partner to facilitate the development of this project. A seasoned developer's experience with Boulder politics and with all aspects of large scale project development will ensure the success of the founders. The development partner will consult in the property acquisition phase and assist in all aspects during the development phase. This partner could be on the following board of advisors or recommended thereby. They will become a passive investor at project completion.

Property Manager

Once the facility is built, the plan is to transfer primary operational management to a highly qualified property manager.

Board of Advisors

This project will be possible with the support of the following board of advisors plus others who are not identified here:

Stephen R. Kellert, PhD, Tweedy/Ordway Professor of Social Ecology, Yale University

Byron Koste, Executive Director, Real Estate Center, University of Colorado Boulder
David Chadwick, Director, University of Colorado Real Estate Foundation
Frank Moyes, Entreprenuership Scholar in Residence, Leeds School of Business
Rick Angel, Angel Law Offices
Andreas Chizzali, President, Investment Property Specialists
Steve Altman, President, New School of Architecture & Design, San Diego
Gary Crouch, President and CEO of Mountain Meadow Mushrooms
Blake Church, CFO, Stratford Companies Senior Housing Communities
Butch Weaver, CEO, Weaver Family Foundation

The board of directors will be established either from the current board of advisors or from other contacts. The development partner, architect partner, marketing firm, and property management partner are positions that are open to be filled.

Competitive Advantage

Once The Whole Life Center is built, it will have a competitive advantage as the first and only biophilic retirement community in Boulder, CO (and the country). Specifically, our resources will include our facility that incorporates the elements of biophilic design; something that will not be easy for our competitors to imitate. We also intend to have a very strong board of advisors that brings together experts in real estate, senior housing, and biophilic design that will act as a valuable resource our competitors will not have.

However, this competitive advantage will only survive in the short term. Theoretically, any person or organization that wants to can build another biophilic retirement community in Boulder if they can overcome the barriers to entry. If they can, the question will be whether or not they feel there will be sufficient market space for two such facilities. Although it is possible that another biophilic community could be built, there are several barriers to entry that may limit potential competition. One such barrier is the high capital cost associated with getting the land and building in Boulder. Another barrier is the high switching cost associated with moving from one retirement community to another. Our facility will have an entrance fee that is only partially refundable if the tenant decides to leave. Thus, creating a situation where it may not be worth the cost to move to another comparable facility. Similarly there are psychological costs associated with uprooting from one location and moving to another. One other barrier to entry is created by the City of Boulder. Boulder has adopted a "managed growth" plan and places significant hurdles in the way of many developments. These hurdles may present a situation where it is too difficult for a competitor to get a second biophilic community built inside Boulder city limits.

We fully understand that there is not likely a sustainable competitive advantage associated with The Whole Life Center. However, there are significant barriers to entry and a small enough market segment within the city that it may not be economically feasible for a competitor to try a similar business after we have established ourselves.

Financial Plan

Financial Highlights ($)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Summary Financials ($)						
Revenue	0	3,837,263	9,614,254	12,222,884	12,704,671	13,204,386
Gross Profit	0	914,009	5,344,471	7,770,745	8,152,862	8,549,729
Net Operating Income	(855,553)	(778,676)	3,484,996	5,628,905	5,874,202	6,244,120
Net Earnings	(3,111,200)	(2,487,638)	1,792,409	3,894,950	2,530,966	1,360,030
Net Cash from Operating Activities	641,362	(569,532)	7,405,004	4,804,610	3,315,514	2,066,978
Capital Expenditures	28,118,628	66,000	132,000	198,000	264,000	330,000
Interest Income/(Expense)	(1,792,563)	(1,708,962)	(1,692,587)	(1,674,941)	(1,655,925)	(1,655,925)
Cash	502,734	970,662	7,343,634	11,033,836	13,151,296	4,722,696
Total Equity	3,779,829	603,088	1,706,394	4,912,242	6,754,105	(1,787,475)
Total Debt	21,088,971	22,881,533	22,670,603	22,443,298	22,198,347	21,934,380
Profitability						
Gross Profit %	0.0%	23.8%	55.6%	63.6%	64.2%	64.7%
Operating Expenses %	0.0%	44.1%	19.3%	17.5%	17.9%	17.5%
Net Earnings %		-64.8%	18.6%	31.9%	19.9%	10.3%

Key Assumptions

Facilities Mix and Revenue Model

- **Facility Mix:** We keep the number of AL and SN units in minimum efficiency size recommended by the industry. The number of IL units is then decided by the projected land size we think possible to get in the City of Boulder.
- **Pricing Strategy:** The Whole Life Center is pursuing a pricing strategy that adds a 10% premium to the current most premium senior housing available in Boulder. Entrance fee and monthly rent are the two main revenue drivers for The Whole Life Center. IL and AL will charge both entrance fee and monthly rent, and SN will only charge monthly fee. This is also a commonly seen fee structure for other high-end retirement community. Based on issues discussed at length in the above Competitive Environment section, we will adopt an entrance fee structure that is partially refundable when resident move out. No matter how long a resident stays, they or their heirs are returned 80% of the entrance fee. Monthly rents are expected to grow by 4 percent annually. Summary of facility mix and prices are shown in the table below.

	Total Units	Entrance Fee	Monthly Rent	Annual Rent Growth Rate
Independent Living	80	$ 120,000	$ 6,600	4%
Assisted Living	40	$ 5,000	$ 7,700	4%
Skilled Nursing	12	$ -	$ 8,800	4%

Development and Construction

We assumed that we will be able to buy a piece of land in Boulder. Total development cost is approximately $28.1 million, which includes land acquisition cost, building cost, and furniture, fixture and equipment (FF&E) expenses. A possibility is to seek out a land owner willing to exchange their parcel of land for equity ownership in The Whole Life Center, which will offset our equity requirement by about $5M. We will obtain a construction loan at 75% loan to value (LTV) ratio, which is a typical LTV for real estate development projects of this type, and roll it over into a permanent loan at the end of construction. We assumed 8.5% interest for the construction loan and 7.5% for the permanent loan. The rest of the funding will come from high net worth individuals. The construction is expected to last one year and is expected to be completed by 2011

Customer acquisition costs (CAC)

Following is a summary of customer acquisition costs:

Initial CAC (Year 2)	**9,784**
On-going CAC (Average from year 3 to 5)	**7,892**

A full breakdown of Customer Acquisition Cost can be found in Appendix 7.

The main expenses come from commission paid to the marketing company for the first two years at $5,000/unit sold and we assumed that 80% of total units will be filled by them. Another 20% will come from internal sales staff, walk-in visitors, and from third party agreements with brokers such as Moving-On. After the initial lease-up period, we assumed that customers will be attained from reputation established over the first two years. The other two main expenses are salaries for sales & marketing staff and direct mails & advertising.

Cost of revenue and major operating expenses

Stabilized Cost of revenue is approximately 35% of revenue and mainly consists of depreciation and service personnel costs. (These two main cost drivers in total make up 17% to 23% of revenue.) Major operating expenses include sales & marketing, salary for general & administrative (G&A), management fee, and property insurance. Sales & marketing is covered above in CAC. We expect 5% of revenue as management fee from hiring a property management company. Salary for G&A is expected to be around 5% of revenue and increase by 3% annually. Property insurance is assumed to be $12K per month with a 3% annual increase.

Risk

Land and zoning risk

Location is very important for the retirement community both in terms of size and surroundings. A certain size parcel of land is required in order to construct the building that would enable us to achieve the minimum efficiency scale. Nice surroundings and views are also important as they are part of the biophilic design concept. There is a risk that we might not be able to get a perfect piece of land in the N. Boulder area. Even if we do, there is a possibility that the City of Boulder might not give permission to build a retirement community in that area. The land must be zoned as the highest density allowable in city limits of 27.2units/acre with height limitation of 35' to be feasible. To mitigate this risk, we will consider as a backup plan the possibility of building The Whole Life Center on the University's land in S. Boulder or even moving the project outside of Boulder. See above under Product/Service Strategy for other potentially feasible locations.

Long development process in Boulder

The City employs a "managed growth" policy in Boulder that highly regulates land development. Therefore, the process of real estate development projects within the City may take longer than originally expected. Missing the development timeline can constrain our resources for construction. To overcome this risk, we are pursuing a local real estate development partner with knowledge of local city politics and ability to get projects done in Boulder. The addition of this key member to our time should accelerate the development process and mitigate this risk.

Occupancy rate

There is a risk that we will not be able to occupy our facilities within two years which will affect our earnings, amount raised from equity, and cash flow. We also require at least 20% pre-leasing in order to obtain construction loan from bank. The Whole Life Center addresses this risk by planning to hire professional marketing CCRC specialists to get our name into the market and gain customers from the very beginning of the development process. This will help ensure that we will have sufficient pre-leasing to comply with loan contingencies and that this additional source of funds from entrance fee is received. Please see the following appendices for more details:

Appendix 5: Additional financial assumptions

Appendix 6: 6 year financial statements including Income Statement, Balance Sheet, and Cash Flow Statement

Funding

Funding Requirements

With a LTV ratio of 75% initially we anticipate that we will need $6,891,029 as an equity portion of the entire development costs. Once we have secured this equity we can purchase a chosen piece of land and seek out a construction loan for the remaining $21,088,971 for a total cash requirement in the first year of $29,937,266.

As a safety cushion we intend to draw down our equity in the project with mezzanine financing after the permanent loan is established if we are unable to get the required number of tenants to meet our breakeven point in the first two years of operations.

Funding Strategy

Two start-up financing alternatives are possible. One is to solicit “seed” money from an angel to cover incurred soft costs during the planning phase and have the land contributed to the partnership by the owner in exchange for equity in the business venture. Alternatively, more capital is required to cover the cost of the land option and subsequent purchase. Sources of equity funding will most likely be from high net worth individuals looking to invest in real estate. It is a possibility to partner with The University of Colorado Real Estate Foundation as equity partner and lead developer.

It will be important to hold equity for the architect and property management company as part of their incentive compensation. Our compensation plan is that the limited partners in this investment will get a 20% preferred return on investment through years 2-6. In year 6, equity investor’s position will be liquidated with a lump sum buyout giving a “look-back” IRR of 15%.

The debt piece will come from a bank or other large financial institution, first as a construction loan then a permanent loan once the development is completed. Once we have the equity secured we will shop around for the best construction loan. Lenders in this market area lending to senior housing projects are Key Band, 1st Bank, and ICSUS. One factor that will be instrumental in our selection of a construction loan will be the prepayment penalty. Because we intend to refinance in order to buy out the equity partners, a loan with a severe prepayment penalty like defeasance will not be an acceptable strategy.

Appendix

Appendix 1: A partial list of important studies in the field of biophilic design

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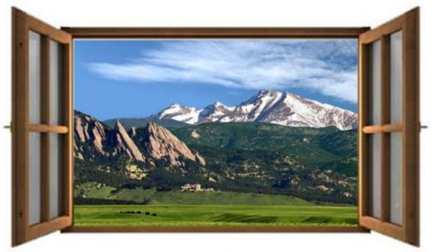
Appendix 2: Samples of pictures representing Biophilic design's elements

Prospect



Sensory Variability

Refuge

Biomimicry

Water

Sense of Playfulness

Biodiversity

Enticement

Appendix 3: Competitive Matrix

		The Academy	Balfour Retirement Community	Sunrise Assisted Living	Frasier Meadow Retirement Community	Shawnee Gardens	Boulder Meridian	Golden West Senior Residence	The Whole Life Center
# Units	IL	42	103	0	206	0	89	309	80
	AL	10	62	84	32	5	0	56	40
	SN/MC	10	76	0	108	0	0	0	12
Entrance Fee ($000)	IL	90 to 120	5	N/A	40.5	N/A	2	0	120
	AL	3.5	2	3 to 6	31.5	0	N/A	0	5
Monthly Fee ($000)	IL	4 to 7.5	2.9 to 6.6	N/A	0.9 to 4	N/A	2.7 to 4.9	0.7 to 0.9	6.6
	AL	4.4 to 5.3	3.3 to 6	3.1 to 7.8	2.7 to 6.9	4	N/A	3.2	7.7
	SN	8.4	5.7 to 7.8	N/A	6.8 to 8.3	N/A	N/A	N/A	8.8
	Location	Prime, Suburban, W.Boulder	Good, Suburban, Louisville	Good, Suburban, N.Boulder	Good, Suburban, E.Boulder	Good, Suburban, E.Boulder	Mountain Views, Suburban, S.Boulder	Good, Urban, Campus	Boulder County
	Resident to Staff Ratio	2:1	7:1	-	10:1	2:1	-	-	2:1
	Certified Staff	Y	PT/OT/ST	Y	Y	Y	Y	Y	PT/OT/ST
	House Keeping	Y	Y	Y	Y	Y	Y	AL Only	Y
	Meals Included	Y	Y	Y	Y	Y	Y	AL Only	Y
	Pet Allowed	Y	Y	Y	Y	Y	Y	Y	Y
	Secure Building	MC Only	AL & SN Only	AL & MC	SN Only	AL	Y	Y	AL & SN Only
	Hospice	N	Y	Y	Y	N	N	N	N
	Transportation	Y	Y	Y	Y	Y	Y	N	Y
	24 Hour Oversight	Y	Y	Y	Y	Y	N	Y	Y
	Medicaid	N	N	N	SN Only	N	N	AL Only	N
	Medicare	N	N	N	SN Only	N	N	N	N
	Building Design/Style	Renovated Catholic School, Boutique 5-Star Hotel	Mountain Lodge	Garden Apartment, Home-Like Feel	Garden Apartment	Suburban House	Garden Apartment	Mide-Rise Apartment, New Urbanist	Biophilic Design
	Not-For-Profit and/or Church Based	N	N	N	Y	N	N	N	N
	Strengths	Prime location; Small size offers close relationship within the community	High quality of health care services; Full continuum services	National brand with established service practice; home-like atmosphere; relatively low price	Good outdoor environment	Small size with close personal care	Great mountain views, very social environment, well managed	Great urban/campus location	Best facility on the market, full range of care, matches Balfour for best services
	Weaknesses	Limited outdoor space due to the limitation of the facility; No swimming pool	Far away from Boulder	Less personalized services	Relatively expensive; Relatively old facility; Institutional feeling in some sense	No professional nursing staff; few amenities	No full continuum, older facility	Institutional atmosphere; No outdoor space	Expensive

Appendix 4: Management resumes

LOGAN ALTMAN
PO Box 20488, Boulder, CO 80308
LoganAltman@yahoo.com – (720) 233-4330

EDUCATION

UNIVERSITY OF COLORADO AT BOULDER – LEEDS SCHOOL OF BUSINESS — BOULDER, CO

MBA with emphasis in Real Estate Finance — May 2008

- Disciplined approach to finance, market analysis, economics, and teamwork.

UNIVERSITY OF CALIFORNIA, DAVIS — DAVIS, CA

BS in Urban Forestry — June 2003

- Emphasis on greenhouse crop production systems and urban ecology.

PROFESSIONAL EXPERIENCE

ALTMAN DEVELOPMENT — BOULDER, CO

Sole Proprietor — June 2005 to Present

- Own and operate real estate investment business.
- Niche investment strategy focused on college town rentals.
- Portfolio of properties in Davis, CA and Boulder, CO valued over $2 million.
- Experience with property acquisitions, project management, tenant management, and asset repositioning.

UNIVERSITY OF COLORADO REAL ESTATE FOUNDATION
DENVER, CO

Project Manager — May 2007 to Present

- Planned, budgeted, scheduled, and implemented $300k of strategic building upgrades to the Campus Village at Auraria student housing complex in Lower Downtown Denver.

UNITED DOMINION REALTY TRUST — HIGHLANDS RANCH, CO

Acquisitions/Dispositions Analyst — May 2007 to October 2007

- Pro Forma, sensitivity analysis, market research, and due diligence on institutional grade apartment homes in markets nationwide.
- Worked closely with 5 person acquisitions team at UDR executive office.

ALTMAN SPECIALTY PLANTS (A GREENHOUSE GROWER) — SAN FRANCISCO, CA

Sales Team Leader — February 1999 to June 2004

- Hired, trained, and managed a 5 person sales team whose sales after 1 year increased from $300 thousand to $1.5 million.
- Negotiated expansion of company market share with The Home Depot through establishment of relationships with client management and personnel.

ACTIVITIES AND SKILLS

- Proficiency with Microsoft Office Suite and exposure to ARGUS.
- Advanced Spanish Language Comprehension Certificate: Barcelona, Spain.
- Extensive experience abroad June 2004 to June 2005.
- Achieved BSA Eagle Scout Rank June 1998.

Chompreeya (Aoy) Baiphowongse
2885 Springdale Ln. Boulder, CO 80303
Phone: (626) 551 – 7284 E-Mail: chompreeya.baiphowongse@colorado.edu

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EDUCATION

University of Colorado at Boulder, Leeds School of Business — **Boulder, Colorado**
MBA with emphasis in Finance and Entrepreneurship — May 2008
Treasurer of MBA Association — GPA: 3.72

Thammasat University (TU) — **Bangkok, Thailand**
Bachelor of Business Administration - International Program — May 2002
Major/Minor: Accounting/Finance (1st Class Honors) — Overall GPA: 3.81
The University of Texas at Austin (UT) - Exchange Program — August 2000 – May 2001
McCombs School of Business — UT GPA: 3.86

PROFESSIONAL EXPERIENCE

Unified Grocers, Inc. (Formerly "Unified Western Grocers, Inc.") — **Commerce, California**
Finance & Accounting Intern — ***May 2007 – August 2007***

- Assisted in annual sales budget, inventory, and manufacturing cost analysis through a combination of system reports and data extracts to excel and access
- Assisted in ROI analysis of merchandising program
- Tested some internal controls related to Sarbanes Oxley over "Promotional Accounting" area

PricewaterhouseCoopers ABAS Ltd. (PwC) — **Bangkok, Thailand**
Senior Auditor (III) — ***July 2005 – June 2006***

- Led and coached a team of four auditors to ensure superior client service and reported directly to audit managers and partners
- Planned audits, designed audit procedures, and monitored the progress of work
- Tested internal controls and performed audits on more complex areas than the first three years
- Drafted and reviewed financial statements and specific reports required by clients

Assistant Auditor (III, II, I) — ***July 2002 - June 2005***

- Acted as senior leader for various small clients
- Tested internal controls of various business cycles
- Performed audits on various areas of balance sheets and income statements, including inquiry, vouching, tracing, examination, observation, analyzing, etc.

Achievements

- Obtained Certified Public Accountant (Thailand)
- Achieved highest overall annual performance rating every year at PwC
- Achieved fast track promotion from Senior Auditor III to Senior Auditor I before taking a leave to pursue MBA at the University of Colorado at Boulder, Leeds School of Business

ADDITIONAL INFORMATION

Computer: Microsoft Office (Word, Excel, PowerPoint)
Language: Fluent in Thai and English (2nd language)

Appendix 5: Additional key financial assumptions

Development cost assumptions		**# Units**	**Sf. / Units**	**Total Leasable Sf.**	**Gross Building Area**
Independent Living					
1Bed 1 Bath		64	850	54,400	
2Bed 2 Bath		16	1,200	19,200	
	Subtotal	80		73,600	88,320
Assisted Living					
1 Bed 1 Bath		40	550	22,000	26,400
Skilled Nursing					
1 Bed 1 Bath		12	300	3,600	4,320
Total		**132**		**99,200**	**119,040**

		/SF	**SF of Waterfall**
Common Area Ratio	20%		
Total Gross Building Area	**119,040**		
Net Density/ Acre	27.00		
Land Size (Acre)	**4.90**		
Land Size (SF)	213,636		
Overall Cost Premium	**115%**		
Site Acquisition	**$4,272,713**	20	
FF&E and Tenant Finish	**$880,241**	7.39	6.43
Building:			
Construction Cost	19,728,083	165.73	144.11
Architecture/ Engineering/ Testing	1,192,364.16	10.02	8.71
General and Administrative	1,456,573.44	12.24	10.64
Taxes, Fees, and Insurance	588,652.80	4.95	4.30
Total Building Cost	**$22,965,673**	192.92	167.76
Total Development Cost	**$28,118,628**	**$236.21**	

Appendix 5: Additional key financial assumptions (Cont.)

Operating Expenses Assumptions

Commissions to Sales Agency — $5,000/unit, assume 80% come from sales agency

Assumed that we get customers from our established reputation from year 3 onward

Direct Mail & Advertisement	
Year 0	$12,000 monthly
Year 1	$10,000 monthly
Year 2	$5,000 monthly
Inflation thereafter	4.0% annually
Utilities (/SF/month)	1.64
70% allocated to cost of revenue	1.148
30% allocated to OPEX	0.492
Inflation	4.0% annually
Maintenance	
Year 1	$5,000 monthly
Inflation thereafter	4.0% annually
Management Fee	5.00% of Net Revenue
Insurance	
Year 0	$10,000 monthly
Year 1	$10,000 monthly
Inflation thereafter	3.0% annually

Appendix 6: Customer Acquisition Cost

Costs to Get a Customer

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Sales & mkting salaries & benefits	32,448	200,529	206,544	212,741	219,123	225,697
Commissions	276,000	252,000				
Direct mail and advertising	144,000	120,000	60,000	62,400	64,896	67,492
	452,448	572,529	266,544	275,141	284,019	293,189
				275,141	284,019	293,189
Unit absorbed		61	71	36	36	36
Total costs to get full capacity	1,291,521					
Total capacity	132					
CAC	**9,784**			**7,643**	**7,889**	**8,144**

CAC will not vary between IL, AL, and SN since we pay marketing company with fixed commission by unit. In addition, marketing & sales persons will work to support all type of facilities. Therefore, the cost will be spread equally.

Appendix 7: 6 years Financial Statements

The Whole Life Center

Income Statement
Years 1 to 6
($)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
NET REVENUES	0	3,837,263	9,614,254	12,222,884	12,704,671	13,204,386
COST OF REVENUE	0	2,923,254	4,269,783	4,452,139	4,551,809	4,654,657
% of Revenues		76.2%	44.4%	36.4%	35.8%	35.3%
GROSS PROFIT	0	914,009	5,344,471	7,770,745	8,152,862	8,549,729
% of Revenues		23.8%	55.6%	63.6%	64.2%	64.7%
OPERATING EXPENSES						
Sales & Marketing	452,448	572,529	266,544	275,141	284,019	293,189
General and Administration	403,105	1,120,156	1,592,931	1,866,699	1,994,642	2,012,420
Total Operating Expenses	855,553	1,692,685	1,859,475	2,141,840	2,278,661	2,305,609
% of Revenues		44%	19%	18%	18%	17%
NET OPERATING INCOME	(855,553)	(778,676)	3,484,996	5,628,905	5,874,202	6,244,120
EXTRAORDINARY INCOME / (EXPENSE)	(463,085)	0	0	0	0	(2,321,478)
EARNINGS BEFORE INTEREST & TAXES	(1,318,638)	(778,676)	3,484,996	5,628,905	5,874,202	3,922,642
INTEREST INCOME / (EXPENSE)	(1,792,563)	(1,708,962)	(1,692,587)	(1,674,941)	(1,655,925)	(1,655,925)
NET EARNINGS BEFORE TAXES	(3,111,200)	(2,487,638)	1,792,409	3,953,964	4,218,277	2,266,717
TAXES	0	0	0	(59,014)	(1,687,311)	(906,687)
NET EARNINGS	(3,111,200)	(2,487,638)	1,792,409	3,894,950	2,530,966	1,360,030
% of Revenues		-64.8%	18.6%	31.9%	19.9%	10.3%

Appendix 7: 6 years Financial Statements (Cont.)

The Whole Life Center

Balance Sheet
Years 1 to 6
($)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
ASSETS						
CURRENT ASSETS						
Cash	502,734	970,662	7,343,634	11,033,836	13,151,296	4,722,696
Accounts Receivable		589,533	46,000	(107,820)	(112,860)	(117,900)
Other Current Assets		197,000	(50,000)	(35,940)	(37,620)	(39,300)
Total Current Assets	502,734	1,757,196	7,339,634	10,890,076	13,000,816	4,565,496
PROPERTY & EQUIPMENT	28,118,628	26,838,296	25,579,964	24,321,632	23,063,300	21,914,968
TOTAL ASSETS	28,621,362	28,595,491	32,919,598	35,211,708	36,064,116	26,480,464
LIABILITIES & SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short Term Debt	21,088,971	0	0	0	0	0
Accounts Payable & Accrued Expen	0	354,453	(70,400)	(64,692)	(67,716)	(70,740)
Interest Payable	1,792,563	0	0	0	0	0
Deferred Revenue	1,960,000	4,559,417	8,663,000	7,956,800	7,217,000	6,443,600
Other Current Liab	0	197,000	(50,000)	(35,940)	(37,620)	(39,300)
Current portion of long term debt	0	210,930	227,305	244,951	263,967	284,460
Total Current Liabilities	24,841,533	5,321,800	8,769,905	8,101,119	7,375,631	6,618,020
LONG TERM DEBT (less current portion)	0	22,670,603	22,443,298	22,198,347	21,934,380	21,649,920
STOCKHOLDERS' EQUITY						
Preferred Stock	6,891,029	6,891,029	6,891,029	6,891,029	6,891,029	6,891,029
Treasury stock	0	0	0	0	0	(9,212,508)
Retained Earnings	(3,111,200)	(6,287,941)	(5,184,635)	(1,978,788)	(136,924)	534,003
Total Equity	3,779,829	603,088	1,706,394	4,912,242	6,754,105	(1,787,475)
TOTAL LIABILITIES & EQUITY	28,621,362	28,595,491	32,919,598	35,211,708	36,064,116	26,480,464

Appendix 7: 6 years Financial Statements (Cont.)

The Whole Life Center

Cash Flow Statememt
Years 1 to 6
($)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
OPERATING ACTIVITIES						
Net Earnings	(3,111,200)	(2,487,638)	1,792,409	3,894,950	2,530,966	1,360,030
Depreciation	0	1,346,332	1,390,332	1,456,332	1,522,332	1,478,332
Working Capital Changes						
(Increase)/Decrease Accounts Receivable	0	(589,533)	543,533	153,820	5,040	5,040
(Increase)/Decrease Other Current Assets	0	(197,000)	247,000	(14,060)	1,680	1,680
Increase/(Decrease) Accts Pay & Accrd Expenses	0	354,453	(424,853)	5,708	(3,024)	(3,024)
Increase/(Decrease) Interest Payable	1,792,563	(1,792,563)	0	0	0	0
Increase/(Decrease) Deferred Revenue	1,960,000	2,599,417	4,103,583	(706,200)	(739,800)	(773,400)
Increase/(Decrease) Other Current Liab	0	197,000	(247,000)	14,060	(1,680)	(1,680)
Net Cash Provided/(Used) by Operating Activities	641,362	(569,532)	7,405,004	4,804,610	3,315,514	2,066,978
INVESTING ACTIVITIES						
Property & Equipment	(28,118,628)	(66,000)	(132,000)	(198,000)	(264,000)	(330,000)
Other						
Net Cash Used in Investing Activities	(28,118,628)	(66,000)	(132,000)	(198,000)	(264,000)	(330,000)
FINANCING ACTIVITIES						
Increase/(Decrease) Short Term Debt	21,088,971	(21,088,971)	0	0	0	0
Increase/(Decrease) Curr. Portion LTD	0	210,930	16,375	17,646	19,016	20,492
Increase/(Decrease) Long Term Debt	0	22,670,603	(227,305)	(244,951)	(263,967)	(284,460)
Increase/(Decrease) Preferred Stock	6,891,029	0	0	0	0	(6,891,029)
(Increase)/Decrease Treasury Stock						(2,321,478)
Dividends/ Preferred Return to Limited Partner	0	(689,103)	(689,103)	(689,103)	(689,103)	(689,103)
Net Cash Provided / (Used) by Financing	27,980,000	1,103,460	(900,033)	(916,408)	(934,054)	(10,165,578)
INCREASE/(DECREASE) IN CASH	502,734	467,928	6,372,971	3,690,202	2,117,460	(8,428,600)
CASH AT BEGINNING OF YEAR	0	502,734	970,662	7,343,634	11,033,836	13,151,296
CASH AT END OF YEAR	502,734	970,662	7,343,634	11,033,836	13,151,296	4,722,696