

Application Title

Tax Incentive Application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Total Project Cost **28600000**

Applicant Name **Orchard Heights, Inc.**

Applicant Address **6400 Sheridan Drive, Suite 120, Williamsville, NY 14221**

Phone **716-839-4000**

Fax **716-839-3700**

E-mail **dmh@hamistergroup.com**

Website **www.orchardheights.com**

Fed ID# **-----**

Individual Completing Application

Name **Daniel M. Hamister**

Title **SVP**

Address **6400 Sheridan Dr., Suite 120, Williamsville, NY 14221**

Phone **716-839-4000**

Fax **716-839-3700**

E-Mail **dmh@hamistergroup.com**

Company Contact (if different from individual completing application)

Name

Title

Address

Phone

Fax

E-Mail

Company Counsel

Name of Attorney **Cheryl A. Green Esq.**

Firm Name **The Hamister Group, Inc**

Address **6400 Sheridan Drive, Suite 120, Williamsville, NY 14221**

Phone **716-839-4000**

Fax **716-839-3700**

E-Mail **cgreen@hamistergroup.com**

Identify the assistance being requested of the Agency

Exemption from Sales Tax	Yes
Tax Exempt Financing	No
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	Yes
Assignment/Assumption of existing PILOT benefits	No

Business Organization

Type of Business	Corporation
Year Established	1997
State of Organization	Delaware

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Mark E. Hamister- 100%

Business Description

Describe in detail company background, products, customers, goods and services

Family owned and operated for over twenty years, Orchard Heights is a one-story Assisted Living and Memory Care Residence located on seventeen acres of land in beautiful Orchard Park, NY. Options include Assisted Living, Memory Care and Respite Care. Orchard Heights has 120 assisted-living beds, 22 memory-care beds and now has its Enhanced License. The following is a list of our amenities and services: • Nurses on-site 24/7 • 24/7 Recreation Programs • Outings & Day Trips • Fine Dining Experience • Respite Care for short-term stays • Fully Furnished residences with private in-suite bathrooms • Personalized Care Plans • Medication Management • Diabetic Care, Oxygen Licensed, Special Diets • Daily Housekeeping • Ice Cream Parlor, Activities Room, Beauty Salon and Computer & Internet Access • Assistance with Aide & Attendance benefit paperwork for veterans and widows/widowers of veterans. • Wander Prevention System • Emergency Call Bell System

Estimated % of sales within Erie County **100%**

Estimated % of sales outside Erie County but within New York State

Estimated % of sales outside New York State

Estimated % of sales outside the U.S.

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?
(You may be asked to provide supporting documentation of the estimated percentage of local purchases)

Currently the facility spends roughly \$1.3 million annually on supplies, raw materials, and vendors, of that approximately \$850,000 is sourced from local firms, or about 65%.

Section II: Project Description & Details

Location of proposed project facility

Address **5200 Chestnut Ridge Rd**
City Orchard Park
State **New York**
Zip Code 14127
SBL Number 184.08-1-1.1
Town/City/Village Orchard Park
School District Orchard Park Central
Present Project Site Owner **Orchard Heights Inc**

Please provide a brief narrative of the project

The project is comprised of several components. 1) expansion of our current assisted living facility to include a new wing of 41 assisted living units. 2) addition of (2) 32-unit independent living apartment buildings. 3) additions to the existing facility common area and dining areas, to accommodate the increased capacity generated by the AL and IL additions. 4) lastly, there is a plan to update / refresh the existing facilities resident rooms, hallways, and activities spaces to be more in line with the fit and finish of the competition in the area.

Site Characteristics

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?
(If yes, please provide copy)

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

No

If yes, please attach additional documentation describing the efficiencies achieved.

Does or will company perform substantial research and development activities on new products/services at the project location?

No
If yes, please explain

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

N/A

Explain why IDA participation is necessary for this project to proceed. Focus on competitiveness issues, project shortfalls, etc.

It is our intention to bring our Orchard Heights facility up to the standards of today's long-term senior care resident. The Orchard Heights facility was built in 1990 and is yet to receive any major updates to its interior décor. In order to keep competitive with the other local long-term senior care facilities we need to replace the outdated finishes in our facility, and expand upon our product offerings to include more living and care options so that residents can have the ability to age in place. To accomplish this we plan on a complete refresh of the existing facility, additions to certain recreation and dining areas within the existing facility, expanding our assisted living unit count by a net of 30 beds, and adding 64 independent living apartments. The long-term senior care industry has evolved greatly since our Orchard Heights Facility began operating in 1991. Housing options for seniors have multiplied and the needs, wants, and demands of today's resident population have begun to shift away from our stand alone assisted living model, to a more permanent age in place model. The independent living apartment portion of our proposed project would provide us the ability to become more competitive within the age in place landscape that is beginning to define the senior housing market. Additionally, new units will be slightly larger for those customers wanting a little more space than our smaller existing units. Orchard Heights needs to complete this project in order for us to maintain our competitiveness within the marketplace and increase our ability to bring in new residents to our community. The total budget to complete this critical project is currently estimated at \$28.6M; \$24.7M of which are construction costs. Once operational, it is assumed that our assessed building value will significantly increase. Without abating the real estate taxes, the project becomes unfeasible. Lastly, we are looking at trying to reduce the cost of the project, additional costs such as sales tax on the construction materials, and mortgage taxes on the construction loan inflate the project total to an unsupportable level.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition **\$ 0**
0.00 acres **0.00** square feet

New Building Construction **\$ 23677500**
132000.00 square feet

New Building addition(s) **\$ 0**
0.00 square feet

Renovation **\$ 569100**
13000.00 square feet

Manufacturing Equipment **\$ 0**

Non-Manufacturing Equipment:
(furniture, fixtures, etc.) **\$ 503400**

Soft Costs: (professional
services, etc.) **\$ 2870000**

Other Cost **\$ 980000**

Explain Other Costs Financing Fees

Total Cost 28600000

Project Refinancing (est. amount) 0

Select Project Type (check all that apply)

No Industrial **No Multi-Tenant** **No Mixed Use**

No Acquisition of Existing Facility **No Commercial** **Yes Facility for the Aging**

No Housing **No Back Office** **No Civic Facility (not for profit)**

No Equipment Purchase **No Retail** **No Other**

SIC Code 8059

NAICS Code 623312

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	0 square feet	0	0
Warehouse	0 square feet	0	0
Research & Development	0 square feet	0	0
Commercial	0 square feet	0	0
Retail	0 square feet	0	0
Office	0 square feet	0	0
Specify Other	145000 square feet	28600000	100

Utilities and services presently serving site. Provide name of utility provider

Gas

Electric Size

Water Size

Sewer Size

5 of 10 **Other (Specify)**

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

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What is your project timetable (Provide dates)

Start date : acquisition of equipment

2014-10-01

End date : Estimated completion of project

2015-10-01

Project occupancy : estimated starting date of operations

2015-10-15

Have site plans been submitted to the appropriate planning department for approval?

Yes

Have any expenditures already been made by the company?

Yes

If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)

Design and Engineering has begun, and is nearly complete. Various legal expenses have been incurred during the planning board approval stage of the project. Various consultants have also been hired to perform soil boring tests as well.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to location):

	Current # of jobs at project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion
Full time	42	42	49
Part time	61	61	77
Total	103	103	126

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address

Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual payroll

1897300

Estimated average annual salary of jobs to be retained

32322

Average estimated annual salary of jobs to be created

25800

Estimated salary range of jobs to be created

From **20800** To **50000**

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated

Were you offered financial assistance to locate outside of New York State?

No

If yes, from whom and what type of assistance was offered

What competitive factors led you to inquire about sites outside of New York State?

We are currently investigating other markets for placement of our next facility. These markets have a lower cost of business than NYS, and they can also support a higher rent structure which makes investment decisions easier to justify.

Have you contacted or been contacted by other economic or governmental agencies regarding this project?

No

If yes, please indicate the Agency and nature of inquiry below

Section III: Adaptive Reuse Projects

Are you applying for a tax incentive under the Adaptive Reuse Program?

No

What is the age of the structure (in years)?

0.00

If yes, number of years vacant?

0

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)

No

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)

No

Does the site have historical significance?

No

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rates compared to regional industrial averages)

N/A

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the ECIDA with documentation of this support in the form of signed letters from these entities

N/A

Please indicate other factors that you would like the ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site or structure is presently delinquent in property tax payments

N/A

Section IV: Retail Determination

Will project involve the sales of goods or services to customers who personally visit the facility?

No

If yes, complete the Retail Questionnaire Supplement below.

Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?

Yes

If the answer is yes, please continue.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?

0.00 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

Will the project be operated by a not-for-profit corporation?

No

Is the project likely to attract a significant number of visitors from outside the economic development region in which the project will be located?

No

If yes, please provide a market analysis or other documentation supporting your response.

Would the project occupant, but for the contemplated financial assistance from the industrial development agency, locate the related jobs outside the State of New York?

No

If yes, please provide documentation regarding investigation of sites outside New York State.

Is the predominant purpose of the project to make available goods or services which would not otherwise be reasonably accessible to the residents of the project municipality?

No

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?

Yes

Is the project located in a Neighborhood Redevelopment Area?

No

Section V: Inter-Municipal Move Determination

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State **No**

Within Erie County **No**

If EITHER IS YES, please complete the following. If BOTH ARE NO, please 'save and continue' to the next section (Section VI: Facility Type - Single or Multi Tenant).

The Agency is required by state law to make a determination that Agency assistance is required to prevent the project occupant from relocating out of the state, or to preserve the project occupant's competitive position in its respective industry.

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc...)

If the project occupant is currently located in Erie County and will be moving to a different municipality, has the project occupant attempted to find a suitable location within the municipality?

<BLANK>

Is the project reasonably necessary to preserve the project occupant's competitive position in its industry?

Yes

If yes, please explain and provide supporting documentation

What factors have lead the project occupant to consider remaining or locating in Erie County?

What is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Multi-Tenant Facility

For Single Use Facility

Occupant Name

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

The National Investment Center for the Seniors Housing and Care Industry's 1st Quarter 2014 report, shows that during the last three years, inventory growth has been outpaced by demand for 11 of the 12 quarters, and that the trend is projected to continue through the first quarter of 2015. This means that, historically for the past 3 years, on a whole, the senior housing industry has not been able to build enough inventory to handle the demand created by the growing senior population. This trend will only continue as the baby boomer generation begins to age into the 75+ age cohort. The Orchard Park market is no exception to the growth trend. This point can be illustrated by looking at the demographic detail, where it is shown that there has been an increase in the senior population aged 80+ from 3,181 seniors in 2000, to 4,216 seniors in 2012, or a 32.54% (1) increase within 12 years, while inventory growth has been a modest 231(2) units within the same timeframe. (Sources: (1) Experian, (2) NIC Map Local). The high growth rate of the senior population aged 75+ over projected for the next 20 years creates a public need for more senior living services in our geographic area.

Have any tenant leases been entered into for this project?

No

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

Section VII: Environmental Questionnaire

General Background Information

Address of Premises

5200 Chestnut Ridge Rd., Orchard Park, NY 14127

Name and Address of Owner of Premises

Orchard Heights, Inc. 6400 Sheridan Dr., Suite 120, Williamsville, NY, 14221

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

The site is roughly 17 acres in size. There is an existing Senior Living facility that measures roughly 53,000 sqft. Wetlands do not exist. The southern portion of the site, which is undeveloped, has a steep grade that slopes away from the building towards Chestnut Ridge Road. Roughly half of the site is currently vacant and densely treed.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

Original structure was built between 1990 and 1991.

Describe all known former uses of the Premises

Prior to construction of the original ALF in 1991, the Site was a vacant wooded land. However, the eastern portion of the Site appeared to be formerly occupied by a residence from at least the 1920s to the late 1970s.

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

No

If yes, describe and attach any incident reports and the results of any investigations

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Wastewater is tied into the town sanitary system, and storm water is controlled / released by a retention pond.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

N/A

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

June 11, 2014

Erie County Industrial Development Agency

Attn: Grant Lesswing

95 Perry St, Suite 403

Buffalo, NY 14203

RE: Orchard Heights Expansion Project- Market Information

Mr. Lesswing,

Enclosed for your reference and use, are market data reports generated by the National Investment Center for the Senior Housing and Care Industry, and www.demographicsnow.com, for the Buffalo-Metro area and Orchard Park. These reports are representative of the data analyzed by industry experts and distributed to stakeholders (investors, banks, etc.) for development projects.

To briefly summarize, the data contained within the attached reports indicates that there has been modest growth in the number of independent living apartments in the market, 180, during a time period where the population utilizing such facilities has grown by approximately 939 persons, or 17.1%, and shows projected growth of the senior population aged 75+ by 409 persons, or 6.4% over the next five years. The reports also show that the occupancy rate for the market has been steadily increasing over the past five quarters, and is currently at 95.1%, well above that of the national average of 90.5%, and that the market is also seeing positive absorption of units for the past four consecutive quarters.

Adult children who are between the ages of 55 and 64, and still have living parents often play an important role in determining where their parents live when entering into senior housing. The attached data, shows that this age cohort has grown by 35.7% between the years 2000 and 2013, and that it is projected to grow by an additional 6.4% over the next five years. While there is no rule of thumb used to quantify the impact of this age group on the overall demand for senior housing in a market, there is a direct impact resulting in increased demand due to such population growth. Having said that, this impact is not included in the income qualified seniors analysis below.

Further analysis of the demographic data shows that there are approximately 2,447 income qualified seniors located within a five mile radius of the project site, and that within the same radius there are only 358 independent living apartments. When determining the market potential for certain development sites, it is common practice to determine a market penetration rate. This is calculated by dividing the number of available units, in this case 358, by the total number of income qualified residents, 2,447, to obtain the market penetration rate. The current penetration rate for the Orchard Park market is 14.6%. If this project were to come to fruition, there would be an additional 64 units added to the market, and the market penetration rate of independent living apartments would increase to 17.25%. A general rule of thumb within the industry states that markets with a penetration rate of 25% or less have a high need to additional units. Markets with penetration rates between 25%-30%

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PRIVILEGE.

have a moderate need for additional units, 30%-35% have a low need for additional units, and markets with 35% or more have no need for additional units.

Taken as a whole, the data illustrates that there is demand for this project, and the number of units proposed is justifiable. After your review of the information, if there are any questions, please feel free to contact me at 716.839.4000.

Regards,

A handwritten signature in blue ink, appearing to read "K. Budin" followed by a stylized flourish.

Kevin Budin
Financial Analyst



PROPERTY ADVISOR REPORT TM

1Q14

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PROPERTY ADVISOR REPORT

Comp Set Characteristics

Properties	6
Units	742
Avg Age	18
Metros	Buffalo, NY
Counties	Erie (NY)

Top 5 Operators

Operator	Properties	Units	Share
United Church Home Society (PID# 7783)	1	231	31.1%
Emeritus Senior Living (Multiple)	2	146	19.7%
The Hamister Group, Inc. (PID# 9900)	1	136	18.3%
The Courtyards, LLC (PID# 8585)	1	133	17.9%
Elderwood Senior Care (PID# 8738)	1	96	12.9%

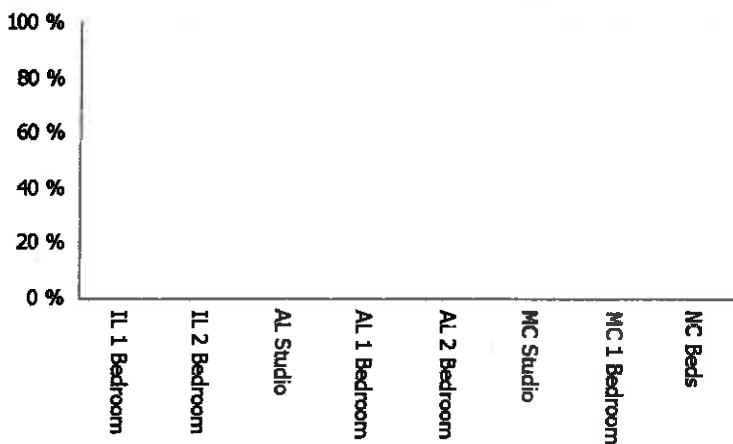
Segment Data

	Inventory	Occupancy			Average Rent		RPI
		1Q14	Quarterly Change	Annual Change	1Q14	Annual Change	1Q14
Independent Living	280	Protected	Protected	Protected	Protected	Protected	Protected
Assisted Living	400	93.0%	-250 bps	-328 bps	\$3,722	3.3%	\$3,471
Memory Care	62	Protected	Protected	Protected	Protected	Protected	Protected
Nursing Care	50	Protected	Protected	Protected	Protected	Protected	Protected

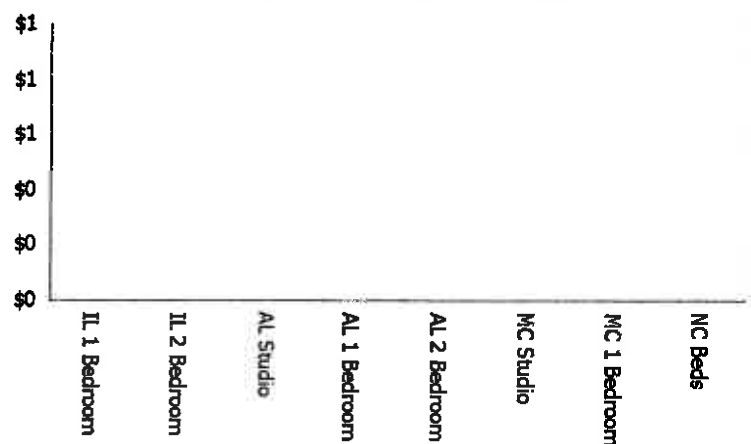
Unit Data

Segment	Unit Type	Inventory	Unit Mix	Occupancy	Average Rent	Entrance Fee
Independent Living	1 Bedroom	40	7.3%	Protected	Protected	N/A
Independent Living	2 Bedroom	48	8.7%	Protected	Protected	N/A
Assisted Living	Studio	181	33.0%	Protected	Protected	N/A
Assisted Living	1 Bedroom	164	29.9%	Protected	Protected	N/A
Assisted Living	2 Bedroom	4	0.7%	Protected	Protected	N/A
Memory Care	Studio	16	2.9%	Protected	Protected	N/A
Memory Care	1 Bedroom	46	8.4%	Protected	Protected	N/A
Nursing Care	Beds	50	9.1%	Protected	Protected	N/A

Occupancy By Unit Type



Average Rent By Unit Type



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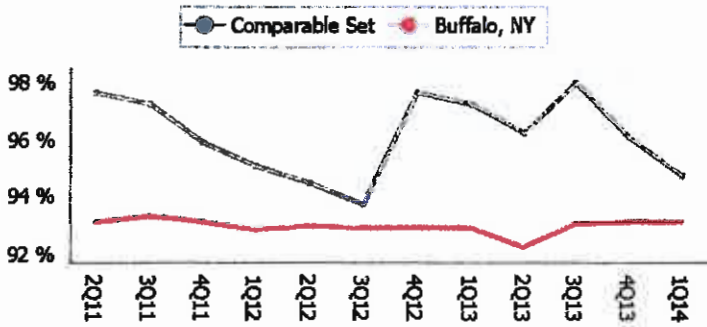
Comp Set Properties

#	ID	Name	Age	Address	Metro	County	Property Type/ Campus Type	Units	Operator
1	8585	Courtyards	30	5285 S Park Ave Hamburg, NY 14075	Buffalo, NY	Erie	Majority AL Freestanding	IL Units: AL Units: 133 MC Units: NC Beds:	The Courtyards, LLC
2	8738	Elderwood Village at Rosewood	16	76 Buffalo St Hamburg, NY 14075	Buffalo, NY	Erie	Majority AL Freestanding	IL Units: AL Units: 96 MC Units: NC Beds:	Elderwood Senior Care
3	9899	Emeritus at Orchard Glen	15	6055 Armor Rd Orchard Park, NY 14127	Buffalo, NY	Erie	Majority IL Freestanding	IL Units: 100 AL Units: MC Units: NC Beds:	Emeritus Senior Living
4	7783	Fox Run at Orchard Park	6	4125 N Buffalo Rd Orchard Park, NY 14127	Buffalo, NY	Erie	Majority IL CCRC	IL Units: 180 AL Units: 51 MC Units: NC Beds: 50	United Church Home Society
5	9900	Orchard Heights	22	5200 Chestnut Ridge Rd Orchard Park, NY 14127	Buffalo, NY	Erie	Majority AL Combined	IL Units: AL Units: 120 MC Units: 16 NC Beds:	The Hamister Group, Inc.
6	10052	Quakers Landing	15	101 Sterling Dr Orchard Park, NY 14127	Buffalo, NY	Erie	Majority AL Freestanding	IL Units: AL Units: MC Units: 46 NC Beds:	Emeritus Senior Living

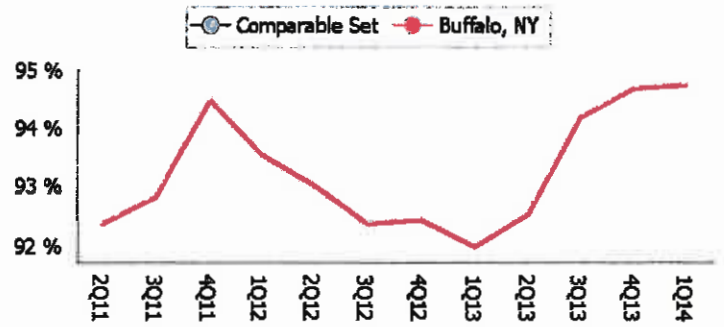
PROPERTY ADVISOR REPORT

Segment Occupancy

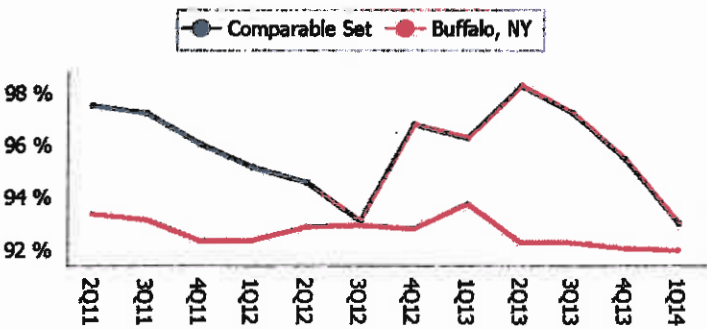
Seniors Housing Occupancy



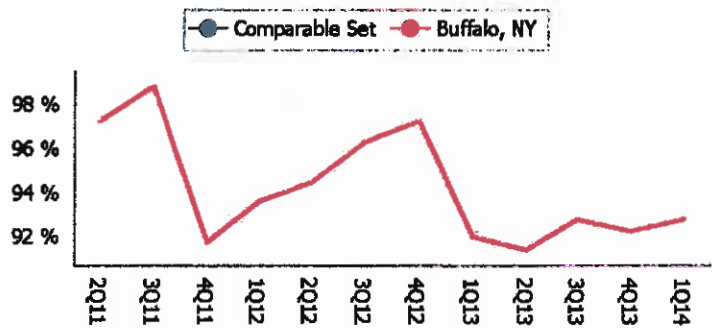
Independent Living Occupancy



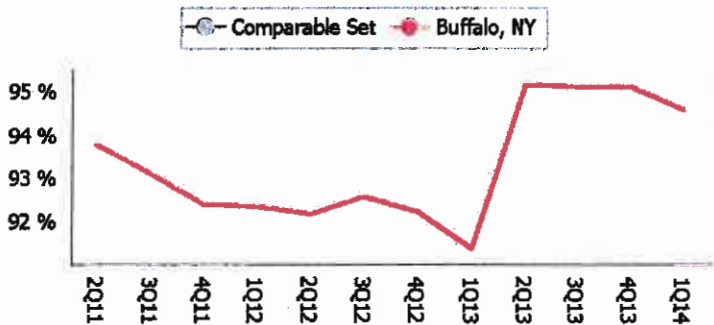
Assisted Living Occupancy



Memory Care Occupancy



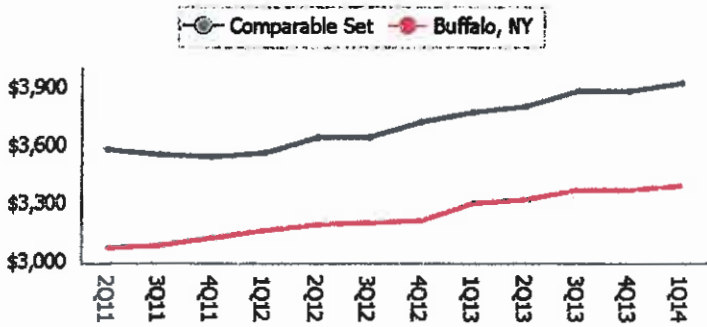
Nursing Care Occupancy



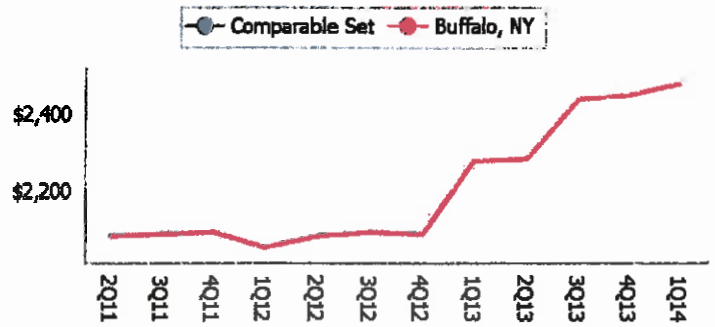
PROPERTY ADVISOR REPORT

Segment Average Rent

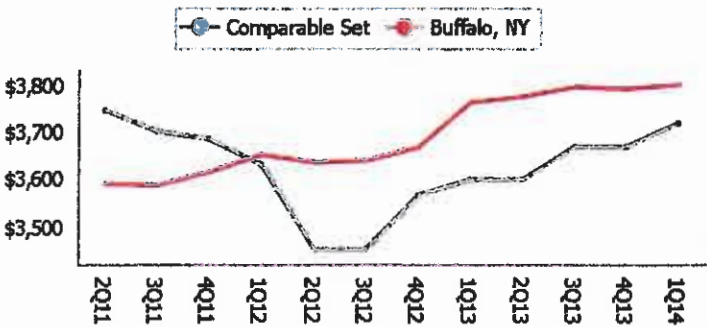
Seniors Housing Average Rent



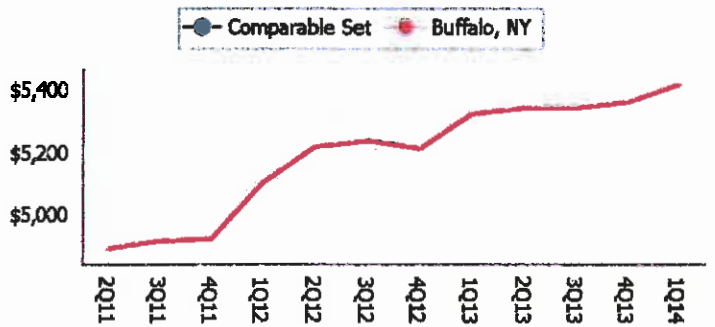
Independent Living Average Rent



Assisted Living Average Rent

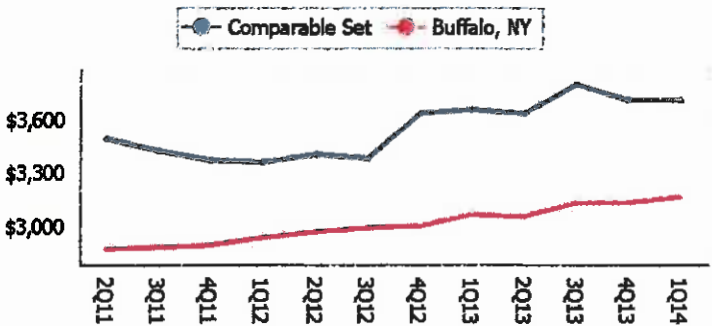


Memory Care Average Rent

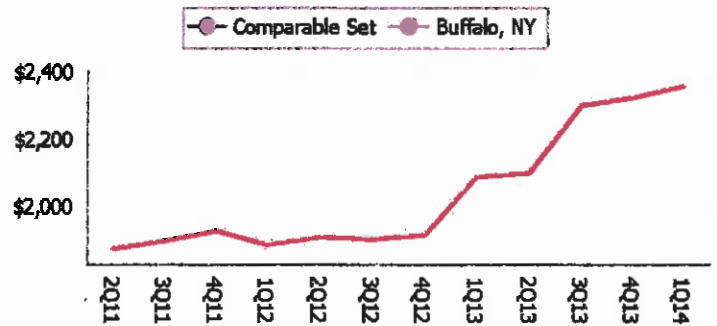


Segment Relative Performance Indicator (RPI)

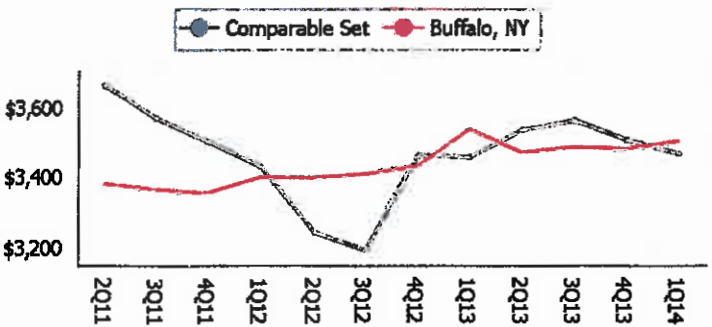
Seniors Housing Relative Performance Indicator (RPI)



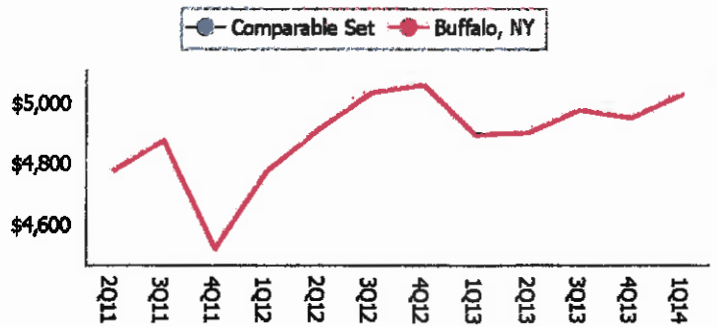
Independent Living Relative Performance Indicator (RPI)



Assisted Living Relative Performance Indicator (RPI)

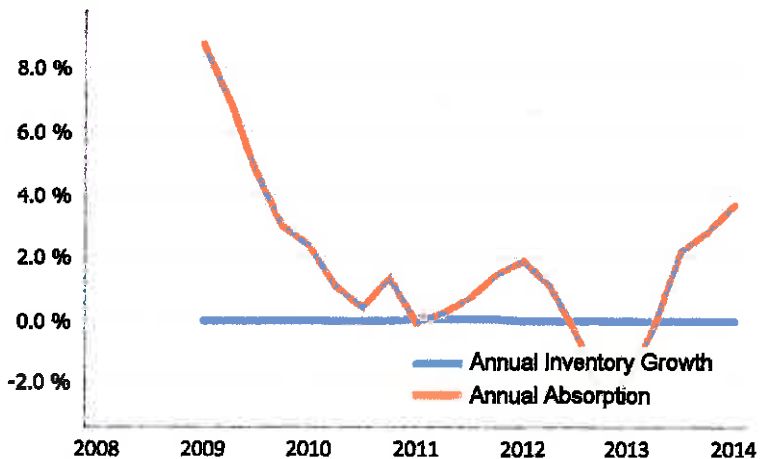
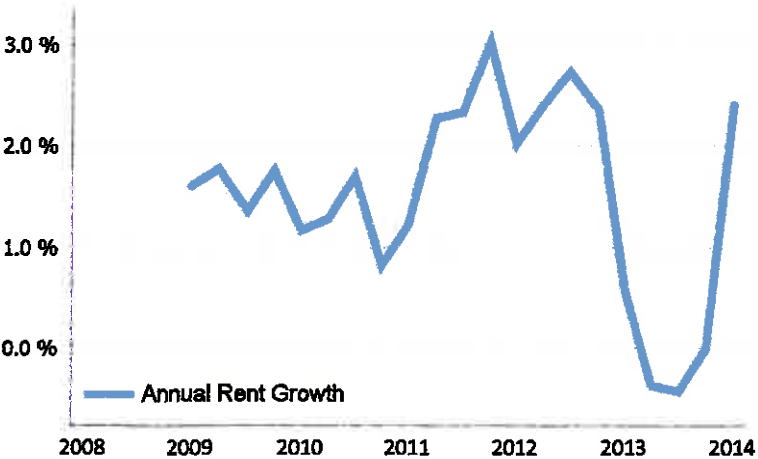
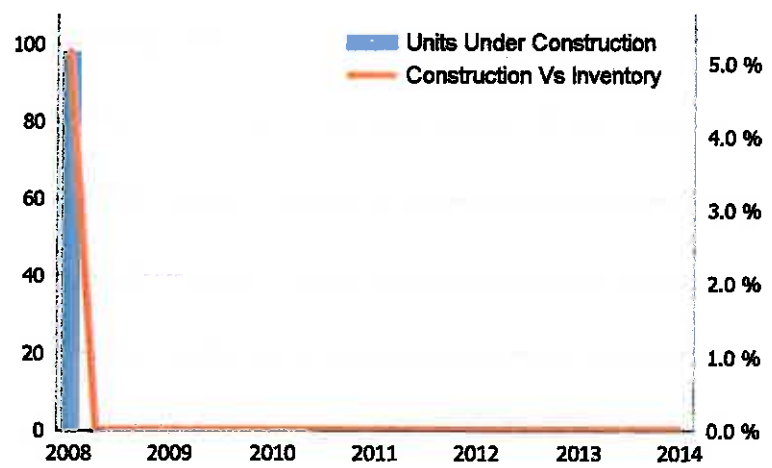
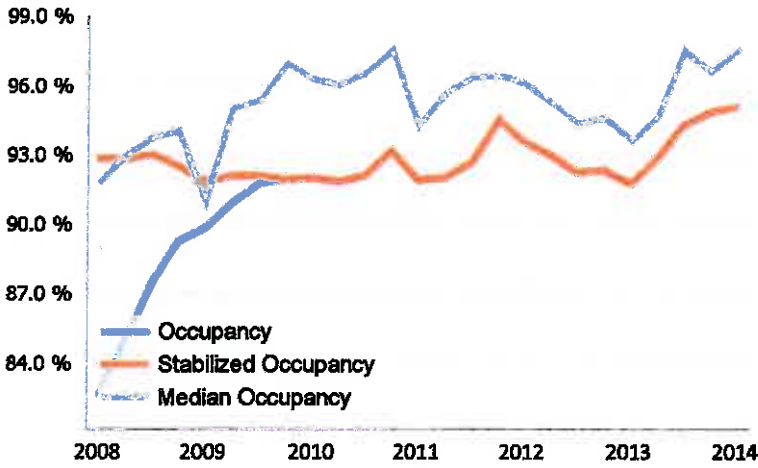
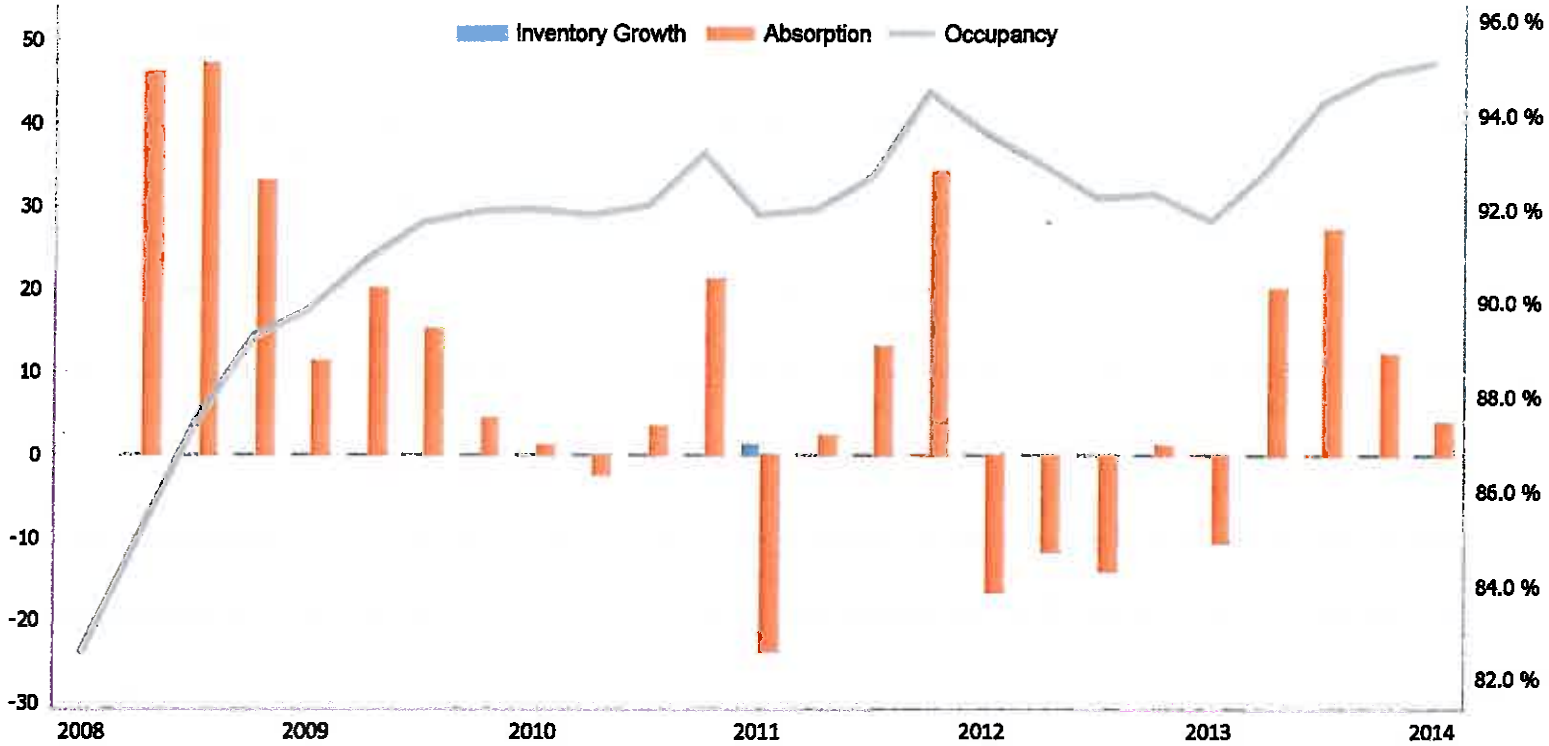


Memory Care Relative Performance Indicator (RPI)



Buffalo, NY Metro Market

Majority II | 1Q14



PROPERTY ADVISOR REPORT

Closed Transactions

Date	Property Name	Address	Metro	Prop Type/ Campus Type	Inventory	Buyer/Seller	Close Price	Price Per Unit	Year Built/ Renovated
2/28/2014	Peregrines Landing Senior Community	575 Cayuga Creek Rd Buffalo, NY 14227	Buffalo, NY	Majority IL Combined	IL: 78 AL: 22 MC: 22 NC: 22 Tot: 100	Buyer: Northstar Healthcare Income Trust Seller: Peregrine Senior Living (NY) Seller Broker:	\$12,500,000	\$125,000	Built: 2004 Ren:
2/27/2014	Chautauqua County Home	10836 Temple Rd Dunkirk, NY 14048	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 216 Tot: 216	Buyer: Seller: Seller Broker:	\$16,000,000	\$74,074	Built: 1949 Ren: 2003
8/4/2013	MapleWood Campus: Commons, Village, & Healthcare	151 Bennett Rd Buffalo, NY 14227	Buffalo, NY	Majority NC Combined	IL: AL: 80 MC: NC: 170 Tot: 250	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$23,345,207	\$93,381	Built: 1991 Ren:
8/4/2013	Elderwood Healthcare at Wheatfield	2600 Niagara Falls Blvd Niagara Falls, NY 14304	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 160 Tot: 160	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$10,766,049	\$67,288	Built: 1995 Ren:
8/4/2013	Elderwood Healthcare at Lakewood	5775 Maelou Dr Hamburg, NY 14075	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 166 Tot: 166	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$14,558,413	\$87,701	Built: 1980 Ren:
8/4/2013	Elderwood Healthcare at Oakwood	200 Bassett Rd Buffalo, NY 14221	Buffalo, NY	Majority NC FreeStanding	IL: 0 AL: 0 MC: 0 NC: 200 Tot: 200	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$9,333,006	\$46,665	Built: 1983 Ren:
8/4/2013	Elderwood Healthcare at Wedgewood	4459 Bailey Ave Buffalo, NY 14226	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 70 Tot: 70	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$6,601,001	\$94,300	Built: 1981 Ren:
8/4/2013	Elderwood Village at Glenwood	5271 Main St Buffalo, NY 14221	Buffalo, NY	Majority AL FreeStanding	IL: AL: 87 MC: NC: Tot: 87	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$7,295,517	\$83,857	Built: 1990 Ren:
8/4/2013	Elderwood Village at Rosewood	76 Buffalo St Hamburg, NY 14075	Buffalo, NY	Majority IL Combined	IL: 66 AL: 30 MC: NC: Tot: 96	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$5,779,329	\$60,201	Built: 1998 Ren:
8/4/2013	Elderwood Village at Westwood	580 Orchard Park Rd Buffalo, NY 14224	Buffalo, NY	Majority AL FreeStanding	IL: 0 AL: 112 MC: 0 NC: 0 Tot: 112	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$14,045,738	\$125,408	Built: 1998 Ren:
8/4/2013	Elderwood Health Care at Linwood	1818 Como Park Blvd Lancaster, NY 14086	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 94 Tot: 94	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$2,071,407	\$22,036	Built: 1995 Ren:
8/4/2013	Crestwood Commons	6910 Witmer Rd Niagara Falls, NY 14304	Buffalo, NY	Majority IL FreeStanding	IL: 98 AL: MC: NC: Tot: 98	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$5,797,071	\$59,154	Built: 2008 Ren:
8/4/2013	Elderwood Healthcare at Riverwood	2850 Grand Island Blvd Grand Island, NY 14072	Buffalo, NY	Majority NC FreeStanding	IL: AL: MC: NC: 90 Tot: 90	Buyer: Post Acute Partners Seller: Elderwood Senior Care Seller Broker:	\$7,893,115	\$87,701	Built: 1990 Ren:

GLOSSARY/TERMS

Average Rent	Asking private-room rent plus the average fee for care services. For nursing care, this represents the average per diem private-pay rate for private rooms. Average rent may also be referred to as AMR for independent living, assisted living, and memory care and ADR for nursing care.
Care Segment Type	Levels of care and services provided by the property. This can also be referred to as care segment. One unit of independent living, assisted living or memory care is equivalent to one nursing care bed.
Seniors Housing	The combination of independent living, assisted living, and memory care units.
Independent Living Units	The part or section of the property that provides independent living services.
Assisted Living Units	The part or section of the property that provides assisted living services, not including memory care services.
Memory Care Units	The part or section of the property that provides services to persons with Alzheimer's disease or other form of dementia. These are generally separate or secured areas, with specific programming for persons with memory impairment in addition to services provided for persons in assisted living.
Nursing Care Beds	The part or section of a property that only provides nursing care services.
Close Price	The total sales transaction price. If joint venture interest sold, this price is based on the 100% grossed-up price.
Competitive Set	Properties specified by the user to be used in analysis.
Index	"My Property" divided by the "Competitive Set" for any given metric. If the index value exceeds 1.0, "My Property" has a higher value than the "Competitive Set".
Inventory	The number of independent living units, assisted living units, memory care units, and nursing care beds that are operational and available for residence. One unit of independent living, assisted living, or memory care is equivalent to one nursing bed.
Occupancy	The average unit occupancy of reporting properties.
Entrance Fee	A property that charges a lump sum amount of money paid by a resident at the beginning of their stay that provides the right to occupy the residence. Properties generally charge at least \$20,000 for this lump sum payment. This type of property generally charges a monthly fee in addition.
Price Per Unit	The close price divided by the inventory of the portfolio.
Protected	Data are marked as "Protected" if there are an insufficient number of properties and/or unique stakeholders reporting data.
Relative Performance Indicator (RPI)	The sum of occupied inventory multiplied by "Average Rent" for each distinct independent living, assisted living, or memory care unit type divided by total inventory of that care segment.
Unit Mix	The percent of units of a specific type relative to the total number of units. For example, a property with 50 one-bedroom units and 100 two-bedroom units has a one-bedroom unit mix of 33.3%. This excludes "unknown" units.