

## Senior Housing, LLC Senior Housing Management Group, Inc.

Prepared: August 17th, 2016

Corporate Overview - Senior Housing Management Group, Inc. [SHMG] is a State of Virginia company headquartered in Richmond, VA. We have employees in both Virginia and Florida. Senior Housing Management Group, Inc. is the operation and management company for Senior Housing, LLC (Federal ID 54-1931737). Both companies share the same organizational structure and management philosophies. This philosophy promotes innovation and encourages creativity through a decentralized managerial environment. This philosophy is reflected on our mission statement:

***To create premier living environments that offer personal, affordable, and nurturing services to residents and guests in order to sustain their dignity and their maximum level of independence. A family-oriented approach characterizes services of the highest quality while promoting consistency, security and affordability for the residents and guests.***

Our mission guides a vision and provides the structure upon which all the activities that Senior Housing, LLC undertakes are based upon. We value residents and guests as family members, respecting their privacy and honoring their dignity. We believe that with our assistance, each resident can enjoy a happy and productive life. We vest with each facility administrator the ability to respond immediately to residents' concerns and strive to respond to needs by soliciting feedback from each project's community advisory panel.



John Goode is pictured above fourth from the left at the ribbon cutting for Viera Manor.



John Goode has over 36 years of experience in development of health care facilities ranging from doctors' offices, ambulatory surgery centers, dialysis clinics and assisted living facilities. The professionals who make up the management team have experience in accounting, finance, engineering, maintenance, operations, policy, and licensing requirements. The result is turnkey service from one company and confidence in the outcome.

We value employees, recognizing that residents and guests rely upon them to deliver the services they require for independence. Employees are encouraged and supported in their daily duties through training, education and a superior setting in which to work that rewards high levels of service and a caring attitude. We believe that employees must participate in defining job processes, specifying measures of accountability and identifying rewards when objectives are met. Employee selection and retention are measures of managerial success and

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meritorious service is commendable.

We believe that residents, guests and employees recognize and appreciate quality. Therefore, we maintain quality indices for all operations so that residents and employees are assured that the Company acts in their best interests.

The expressions above of corporate purpose reflect commitments of management to all the projects, whether directly owned and operated or developed and managed for others.

Professional Services - Senior Housing, LLC provides a range of professional services that culminate in a state-of-the art facility to meet the demographic profile and service needs of the selected population. The completed assisted living facility for example offers residents and guests a range of accommodations and activities, including limited health care services that address their individual needs and wants. SHMG staff provide ongoing management for the facilities. Current and continuously updated resident/guest policies and procedures ensure consistent operations. We manage various facility protocols such as; staffing procedures, emergency evacuation procedures, information systems, resident billing, and accounts payable processes. The financial reporting system provides comprehensive information about operations without burdening facility staff with requests for reports.

SHMG offers the ability to assure residents of a facility that their needs and wants are fulfilled and their rights are safeguarded. State licensing requirements specify a host of responsibilities that staff must execute correctly and continuously.

Two key elements affect the successful operation of any facility. The first element is maintaining a well-trained workforce. The second element is offering services that residents and guests benefit from directly so that they may remain at the facility even though their needs change. SHMG's management professionals bring the tools and techniques necessary for successful operations and management.

SHMG ensures residents of the facility will receive the highest quality services. Integrated information systems allow for a centralized overview of the facility's operations while permitting the facility a degree of autonomy to develop a local character and respond promptly to the community it serves.

***Senior Housing, LLC and SHMG are recognized and approved senior housing facility developers and operational managers by the:***

***US Government Department of Housing and Urban Development and the  
US Government Department of Veterans Affairs.***

John Goode is the 100% owner and President of SHMG and 100% owner and Managing Member of Senior Housing, LLC. Mr. Goode graduated from the Virginia Military Institute in 1967 with a Bachelor of Science in civil engineering and minor in mathematics. He completed a tour of Duty in Vietnam and returned to raise his two daughters and add a son with his high school sweetheart and wife Laura of 50 years. Mr. Goode is a graduate of the State of Florida Department of Elder Affairs, Assisted Living Facilities, Core Training Program #020001445.

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Anthem Lakes in Jacksonville Florida is pictured above. Opening in January 2017



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Porch of Lexington Manor in Port Charlotte Florida is pictured above. Opened in 2000

***Additional Comments for Consideration***

- SHMG believes that frequent senior management visits to the facility and interviews with residents and staff are crucial to understanding the resident's needs and staff performance. The commitment to facility visits demonstrates care and concern to residents and staff by management and owner. The Key to a successful facility is establishing a genuine feeling of a resident family environment and committed united staff team.
- SHMG has an excellent working relationship with PQH Architects and an established relationship of trust and competency.
- SHMG has an existing working with the proposed development team.
- SHMG understands the importance of providing the owner with frequent financial reports detailing an accurate project status.
- SHMG has successfully and simultaneously navigated the requirements of the US Government Department of Housing and Urban Development and the US Government Department of Veterans Affairs during development, financing and operation of multiple facilities.

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Applicable Portfolio

In 2002, Senior Housing, LLC developed and the Lexington Manor Assisted Facility, Port Charlotte, Florida, a HUD-insured 86 unit, 102 licensed bed assisted living facility.

In 2002, Senior Housing, LLC and SHMG developed and operated the Superior Residences of Clermont, a 66 unit assisted living and 20 unit memory impaired facility in Clermont, Florida. SHMG successfully provided assistance in management until sale of the property in 2004.

In 2003, SHMG was contracted to provide management services for the Lexington Manor Assisted Facility, Port Charlotte, Florida. The services were successfully provided to the owner until sale of the property in December 2006.

In 2008, Senior Housing, LLC began developing Viera Manor Assisted Living, Melbourne, Florida. SHMG is currently managing the facility. Viera ALF is an 86 unit, 100 licensed beds, FHA Project No. : 067-43137, AHCA license AL12361 assisted living facility.

In 2015, Senior Housing Management Group, Inc is currently engaged in the management of Anthem Lakes, Jacksonville, Florida. Anthem Lakes is a 119 unit continuing care facility that provides assistance with daily living to independent, assisted care, and memory impaired seniors. Anthem Lakes, FHA Project No. 063-43091, qualified and received mortgage insurance through the United States Department of Housing and Urban Development FHA 232 New Construction Mortgage Insurance program.



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*SHMG successfully and simultaneously navigated the requirements of the Department of Housing and Urban Development and Department of Veterans Affairs during development, financing and operation of Viera Manor Assisted Living facility an 86 unit assisted living facility. The following article appeared in National Real Estate Investor Magazine.*

**A New Model for Veterans' Assisted Living Needs**

Today, there are more than 23.8 million U.S. veterans living among us, with more than half of them aged 60 or older. As these service men and women advance in their years, they are going to increasingly count on healthcare providers to meet their medical and mental health needs. For years, the Department of Veterans Affairs (VA) has offered generous benefits to help veterans pay for and receive such treatment. Now, thanks to a new twist on a little-known VA property development program, those efforts could be aided even further.

In 1991, Congress authorized the VA to lease its own property to help develop facilities, goods and services that benefit veterans. The “enhanced use lease” program, as it is called, has helped the agency complete a host of projects in the intervening years, including office buildings, parking facilities, power plants, homeless shelters, child care and mental health centers, and low-cost senior housing.

Those efforts have proved successful because private developers were able to finance construction and shoulder the risks on their own. But a new assisted living center going up in Viera, Florida, promises to change the nature of the game by significantly reducing development risk, paving the way for more assisted living facilities to be built in the years to come.

Viera Manor Assisted Living Residence, which will open for business next year, combines the VA's EUL program with financing insured by the U.S. Department of Housing and Urban Development. In this, the project will be the first assisted living facility in the country to bring the missions of both agencies under one roof. As part of the agreement, the facility will provide priority consideration for U.S. veterans, in addition to a 10% discount for leasing a room. Plus, veterans who live in the facility will be able to take advantage of the existing VA Outpatient Clinic located right next door.

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Financing the transaction through HUD's Section 232 loan insurance program enabled the developer, INVENCO Senior Housing LLC, to obtain a lower interest rate than conventional financing could offer, and at least 15 more years on the loan term. In addition, HUD-insured loans are non-recourse, meaning the developer doesn't bear any liability outside of the equity it invests. Combined with the EUL, which eliminates the cost of land, HUD financing enables developers to generate a tremendous return to investors for a fully stabilized assisted living facility.

Of course, the process is complicated and not for everyone. In addition to filling out a HUD loan application spanning 3,000 pages and reviewing the 100-page lease, the interagency nature of the deal meant that all documents and conditions had to be approved by both HUD and the VA.

But with the first deal behind us, much of the heavy lifting is now done. Given how much land the VA has in its national property portfolio, combined with the need to take care of a significant population of aging veterans, we think the Viera Manor deal could serve as a valuable template for other assisted living developers to emulate across the country. You would be hard-pressed to find a better financing paradigm – or a more deserving customer base.

*Laura Saull-Smith is a senior director at Washington-based Love Funding, which secured the financing for Viera Manor. John Goode is a managing member of INVENCO Senior Housing LLC, the project's developer.*

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# Senior Housing, LLC

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### John Goode ~ Resume: Experience

2002 – Present

Senior Housing Management Group, Inc., Richmond, Virginia: President

- Management firm specializing in the management of Assisted Living Residences. Florida Department of Elder Affairs, Core Training Program, Certificate # 04-02-2003

1999 - Present

Senior Housing, LLC Richmond, Virginia: Managing Member

- Development firm specializing in senior housing facilities.

1997 - Present

Diversified Development of Virginia, Inc. Richmond, Virginia: President

- Resumed operations as development firm specializing in health care facilities.

1994-1997

CMSS Medical Facilities Consultants Richmond, Virginia: President

- Participated in project development from preliminary negotiations through completion of construction.

1987-1994

Diversified Development of Virginia Inc. Richmond, Virginia: President

- Created development firm to assist physician groups and hospitals in development and construction of health care facilities. Coordinated land acquisition, design, financing, ownership and construction for the owner.

1978-1988

Marshall Erdman and Associates, Inc Madison, Wisconsin: Building Consultant

- Coordinated planning, design and contract administration for Mid-Atlantic States. Primary client/physician contact, with overall responsibility of pre-contract activities.

1971-1978

Evans-Goode and Associates, Atlanta, Georgia: President

- Single-family residential construction and land development firm.

1968-1971

United States Army, El Paso, Texas: Officer

- Captain, 06/70 to 06/71: Chaparral/Vulcan training battalion, El Paso, Texas.
- First Lieutenant, 06/69 to 06/70: Military Assistance Command, Team 26, Republic of Vietnam
- Second Lieutenant, 06/68 to 06/69: Test and Evaluation Command, El Paso, Texas

1967 TO 1968

Caterpillar Company Peoria, Illinois: Sales & Marketing

### Education

Bachelor of Science, Civil Engineering: Virginia Military Institute, 1967

Majors: Civil Engineering, Mathematics

Honors: Distinguished Military Graduate (DMG)

**Extracted from the HUD 232 loan guarantee application**

Love Funding Corporation  
Viera Manor Assisted Living Facility  
2900 Veteran's Way  
Viera, FL 32940  
FHA #: 067-43137

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### Additional Information – Management Agent John Goode and Senior Housing Management Group, Inc.

John L.C. Goode is the 100% owner and managing member of Senior Housing, LLC. Mr. Goode has been involved in healthcare businesses for over 30 years and has been involved in construction and development of residential and commercial properties since 1971. Mr. Goode served in the U.S. Military from 1968-1971 and was promoted to Captain at the Chaparral/Vulcan training battalion in El Paso, Texas. After his service in the military, Mr. Goode joined Evans-Goode and Associates who specialized in single family residential construction and development. Mr. Goode then worked as a building consultant for Marshall Erdman and Associates gaining experience in commercial planning, design, and contract administration. Mr. Goode then established a development firm to assist physician groups and hospitals in the development and construction of healthcare facilities.

In addition to his healthcare development firm, Diversified Development of Virginia, Inc., in 1999 Mr. Goode established Senior Housing, LLC for purposes of developing senior housing facilities and in 2001 founded Senior Housing Management Group, Inc. which specializes in the management and operations of assisted living facilities. Senior Housing Management Group, Inc. was the management company for Lexington Manor Assisted Living located in Port Charlotte, Florida. Lexington Manor is a current HUD-insured assisted living facility that was developed and operated by Senior Housing, LLC and Senior Housing Management Group, Inc. until sale of the property in December 2006. These companies are still owned by John Goode, the key principal in the subject transaction. Senior Housing Management Group, Inc., the management company for Lexington Manor, is the proposed management agent for the subject. The building layout, unit mix, and amenities offered at Lexington Manor have served as the model for the development of the subject. Similar to Lexington Manor, the facility will be licensed for 102 beds and will offer double occupancy in the six two-bedroom units and in most of the one-bedroom units.

Additionally, Senior Housing, LLC and Senior Management Group, Inc. developed and operated the Superior Residences of Clermont, an assisted living facility in Clermont, Florida, that is also the exact same building as the subject facility. One difference at the Clermont facility is that one wing was dedicated as a memory care wing with 20 private units. The wing became so popular that management converted all 20 private units to semi-private units filled to capacity with 40 residents. Senior Housing Management Group, Inc. also operated the Clermont facility until its sale in 2004. This facility was not financed by HUD. A key note is that Schmid Construction, Inc., the general contractor for the subject facility, was also the general contractor on the Clermont facility.

Mr. Goode has experience in the construction, design, planning, engineering, and development of healthcare and senior housing properties. Mr. Goode graduated from Virginia Military Institute with a Bachelor of Science in civil engineering and mathematics. He also received a distinguished military graduate honor.

### Credit History

Report Date:	<u>February 15, 2010</u>
Firm:	<u>MDA 'residential' report</u>
Score:	<u>805 TransUnion, 787 Experian, 791 Equifax</u>

Program Guidance: Dunn & Bradstreet or other *acceptable* commercial credit report for business entities and RCMR 'residential' for individuals are required. If not using D&B an acceptable commercial credit report must include the following: a) public filings that includes suits, liens, judgments, bankruptcies & federal debt; b) UCC filings; c) credit payment history; d) industry standards showing how the facility compares in the areas of financial stress & payment trends;

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and e) a credit payment delinquency risk score over a 12-month period. Credit reports can be no more than 60 days old at the time of the Firm Application submission.
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**Key Questions**

	<u>Yes</u>	<u>No</u>
1. Does the credit report identify any material derogatory information not previously discussed?	_____	<u>x</u>
2. Does the underwriter have any concerns related to their review of the credit report?	_____	<u>x</u>

**Other Business Concerns/232 Applications**

	<u>Yes</u>	<u>No</u>
1. Does the Principal identify any other business concerns?	_____	<u>x</u>
a. Do any of the other business concerns have pending judgments; legal actions or suite; or, bankruptcy claims?	_____	<u>x</u>
b. Do the credit reports on the 10% sampling of the other business concerns indicate any material derogatory information?	_____	<u>x</u>
2. Does the Principal identify any other Section 232 or Section 232/223(f) loans on Part VI and Attachment Two of their certification?	_____	<u>x</u>

**Conclusion**

**John Goode has experience in the development and operations of healthcare facilities.**

In addition, Mr. Goode has demonstrated an acceptable credit history. The underwriter recommends this principal as an acceptable participant in this transaction.