



SOLOMON
DEVELOPMENT
SERVICES, LLC

SOLOMON-TRINITY CASE STUDY THREE - RESPOSITION OF CHATEAU VESTAVIA HILLS - BIRMINGHAM, ALABAMA

163 Existing Units – Expansion of the Memory Impairment from 16 to 24 units
\$1,400,000 in Capital Improvements

Financial results for the twenty-one-month period after assuming management was as follows:

	2011 Prior Management Actual Results	June 2013 Trinity Actual Results
Revenues	\$4,343,484	\$4,953,000
Expenses	(\$3,371,964)	(\$3,392,508)
EBITDA	\$971,520	\$1,560,492
Margin	22.4%	31.5%
Valuation	\$12,500,000	\$18,500,000 Lease Value
		\$20,806,560 Market Value
Value Creation		\$8,306,560

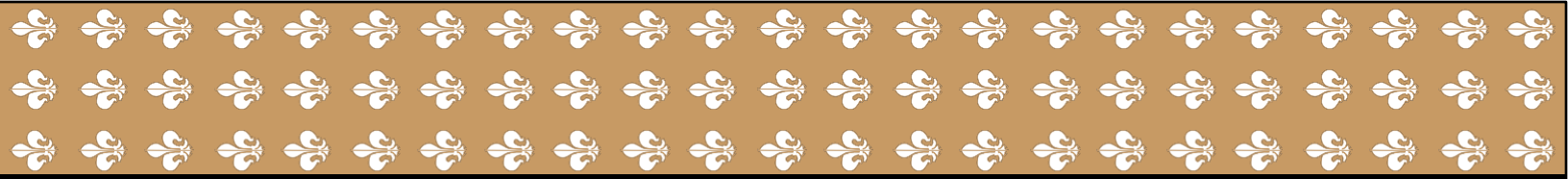
These results occurred primarily for the following reasons:

Increasing Revenues through:

- Repositioning asset and \$1,400,000 capital improvement program.
- Robust development of a new marketing program with targeted collaterals and external business development.
- Execution of one-on-one/shared care programs.
- Development of new pricing programs after re-capitalization of asset.
- Combining IL units to provide broader options for customers.
- Executing new ancillary fee profit centers such as adult day care, technology, and apartment delivered meals, etc.

Reduction of expenses in the following areas:

- Better management of overtime and agency employment.
- Reducing excess staffing in assisted living and specific departments such as maintenance and developing cost effective out sourced options.
- Negotiation of lower insurance premiums.
- Negotiation of group discounts in contracts and purchasing.
- Negotiation of lower benefit costs.
- Negotiation of a group food contract commensurate with cost control training.



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**SOLOMON-TRINITY CASE STUDY OF REPOSITONING & OPERATIONAL
IMPROVEMENT
\$1,400,000 CAPITAL IMPROVEMENT PROGRAM**

