CRESTHAVEN MANAGEMENT, L.P.

ASSISTED LIVING & MEMORY CARE FACILITY

ORLAND PARK, ILLINOIS

PROJECT BUSINESS PLAN

JANUARY 2014
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Executive Summary of Project
Overview

Cresthaven Management, LLC (the “General Partner”) was formed to develop, construct, own and operate a new facility in the community of Orland Hills, Illinois, that will offer health care services and housing for older adults.

Among the partners in the General Partner:

- Revere Development Ltd. (“Revere” or the “Developer”), whose principal office is located in Cary, Illinois, will develop the Facility.
- Revere Healthcare, Ltd., (“Revere Healthcare”, or the “Operator”) whose principal office is located in Cary, Illinois, will operate the Facility.
- Lamp Incorporated (“Lamp” or the “Construction Manager”) will guarantee the construction loan necessary to construct the Facility and will serve as the construction manager of the Project.

Cresthaven Management, L.P. is the owner of the Project.

Cresthaven EB-5 Fund, LLC is a limited partner in the Project. Its managing member is the Local Government Regional Center of Illinois and its members are individual investors who are pursuing permanent resident status in the U.S. through the EB-5 immigrant visa program established by the U.S. Congress (the “EB-5 Program”).

Additional information about Revere and Lamp, including biographical information of management, is included in “Section 3-Management, Consultants and Advisors” of this Project Business Plan.

Project Costs. The total costs to develop and construct the Facility (the “Project”) are estimated to be $21,600,000, which will be funded by:

- An investment of $6 million from Cresthaven EB-5 Fund, LLC; provided by a total of 12 EB-5 Investors.
- The prepaid fees and expenses of $1,080,000 (representing the payment by the Sponsors of fees and expenses on behalf of the General Partner, including interest expense, state agency fees, permitting expenses, survey expenses, architects’ fees, consulting fees, legal fees and site development and utility easement expenses) (collectively, the “Contributed Paid Expenses”);
- A mortgage in the amount of approximately $14,520,000 from Citywide Lending Group (the “Lender”) secured by a first priority security interest in the real estate and assets of the General Partner to be negotiated by the parties (the “Mortgage”). After five (5) years of operations the Facility will refinance the mortgage using a nonrecourse loan insured by the U.S. Department of Housing and Urban Development (HUD).
Ownership Structure

The following provides a description of the organizational / ownership structure of Cresthaven post-investment by the EB-5 Investors.

- **Cresthaven Management, LLC** (General Partner) ($1.08M)
- **Cresthaven Management, L.P.** (Project/ Jobs Creating Entity)
- **Cresthaven EB-5 Fund, LLC** (New Commercial Enterprise/ Limited Partner) ($6M)
- **Up to 12 Investing Members @ $500,000 per Unit** (Members)
- **Lamp Construction** (Member)
- **Mortgage** (Citywide Lending Group) ($14.5M)
- **Revere Healthcare, Ltd** (Managing Member)
- **LGRC** (Managing Member)
The General Partner has determined that there is a total need for 119 new independent/pre-assisted and 62 assisted living units and 30 residential dementia units in the primary market area. The target population for these independent living and assisted living facility services are individuals aged 75 and older who require assistance with the activities of daily living but haven’s reached the acuity level of nursing care, as well as seniors who still live independently but desire services such as meals, housekeeping, maintenance, etc. The goal of the Facility is to provide hospitality and convenience services, room and board, as well as needed assistance, supervision, and care.

There are currently 518 independent living units, 277 assisted living units, and 65 Alzheimer’s units which are competitors specifically catering to the senior population in the primary market area.

Based on the favorable demand, market growth, and accessibility, the Facility will provide unparalleled service to the independent living and assisted living demographic.

The Facility will offer the following unit and community amenities

• Private carpeted suites
• Furnished (if needed)
• Individual heating and air conditioning controls
• All utilities included except phone and television
• Medical exam room
• Spa
• Snack Bar
• Living Room
• Dining Room
• Salon
• Discovery Room
• TV Room
• Activity Room

The Facility will also offer the following:

• Tailor services to individual circumstances.
• Encourage residents and family members to participate with professionals on staff to develop a comprehensive care plan.

Property Location and Description

The Facility will be located on 6.75 Acres of undeveloped land located at 9800 West 167th Street, Orland Hills, Illinois, 60467 (the “Site”) situated in Cook county. The legal address for the Facility will be 9800 West 167th Street, Orland Hills, Illinois, 60467. The site is an irregular shaped parcel consisting of approximately 6.75 acres. The parcel has approximately 330 feet of frontage along the northern side of West 167th Street between 104th Avenue and La Grange Road.

The site has access from West 167th Street. It has characteristics, both external and internal, which are functional and marketable in the local market area. Exposure, ingress, and egress are functional for use as an independent and assisted living community.

Qualifying Targeted Employment Area / High Unemployment Area

The Development and Construction of the Facility

Project Development. Revere Development Ltd. will be responsible for the development of the Facility.

The Developer, on behalf of the General Partner, has completed the zoning and entitlement process for the Project to begin construction.

Project Construction Overview; Timeline. The Construction Manager will be responsible for the construction of the Facility.

Following some preliminary site work (e.g., grading and utility work) to be completed, the Facility will require construction of a new building and related landscaping and parking lot paving. The Facility on completion will consist of:

• 25 independent living units
• 30 standard assisted living units
• 32 specialized memory care assisted living units

The Construction Manager has projected that construction of the Facility can be completed by August 2015. It is expected that the Facility will break ground in the 2nd quarter of 2014 and will be complete in the 3rd quarter of 2015. See the Construction Schedule included in “Section 4 - Construction / Building Process” of this Project Business Plan.

Capital Requirements

The total cost of the Project is budgeted as $21,600,000. Of this amount, (i) the Developer has already expended $1,080,000 in Contributed Prepaid Expenses, (ii) $6,000,000
will be provided from the capital contributions made by the EB-5 Investors in the Project. The remaining $14,520,000 of Project costs will be obtained through the mortgage from the Lender.

A budget for the construction and initial operating phases of the Project is included in “Section 3 - Financial Projections” of this Project Business Plan.

Loans Intended to be Used to Finance Project

The General Partner intends to obtain one or more loans in the aggregate amount of $14,520,000 to finance the construction of the Project, including a to-be-negotiated nonrecourse loan obtained through the U.S. Housing and Urban Development (the “U.S. HUD Loan”) and secured by the assets of the General Partner. The General Partner has not yet obtained the U.S. HUD Loan, but it has conducted preliminary negotiations for such a loan.

Job Creation

The Project will raise $6 million in investment money from foreign investors. Due to the fact that the State of Illinois Department of Employment Security has designated the location of the Site as a Targeted Employment Area, each investor will only be required to contribute $500,000 per 10 jobs created. See the TEA Certification Letter attached as Appendix V to this Project Business Plan.

Cresthaven has commissioned an economic impact study to determine the total number of jobs it may count for EB-5 job creation purposes (see Appendix IV for full study). A summary of the analysis is below:

- The economic impact analysis is based on the RIMS II input/output model for Cook, Lake, Will, and DuPage counties in Illinois.
- The total development budget is estimated at $21.052 million. Of this amount, $12.989 million represents hard construction costs EXCLUDING contingencies and fees, $0.630 million is for architectural and engineering fees, $0.348 million is for purchases of FF&E, and $0.522 million is for marketing. The remaining $6.911 million includes land, financing charges, permits, fees, and contingencies, and is not EB-5 eligible.
- The project will take less than two years, so only indirect and induced jobs can be counted for all these construction categories. The RIMS II final demand multipliers for these sectors excluding direct jobs are 8.6213 for hard costs, 9.382 for A&E, 7.158 for FF&E, and 4.005 for marketing costs. That would create 112, 6, 2, and 2 jobs respectively, for a total of 122 indirect and induced jobs from construction related activity.
- The number of operating jobs in the senior living center can be calculated from the number of units by type times the average number of direct jobs per unit times the employment multiplier, which is 1.4685. On this basis, the total number of jobs would be equal to $25 * 0.325 + 30 * 0.58 + 32 * 0.80 = 51 direct jobs and 75 total jobs. On the revenue basis, second year revenues are estimated at $4.33 million, which is $3.22 million in 2007 dollars times 28.055, or 90 jobs on the revenue basis, so the estimate of 75 jobs used is quite conservative.
- **Combining these activities, there are 122 jobs generated by construction related activities and 75 jobs from senior living operations, for a total of 197 total new jobs.**
Market Analysis

A market feasibility and demand analysis (the “Market Analysis”) of independent living/pre-assisted living as well as assisted living services and programs for older adults has been completed on behalf of the General Partner. See “Section 2—Market Analysis” of this Project Business Plan.

The Market Analysis has identified a large under-served population for independent living/pre-assisted living/assisted living services in the primary market area, which is consisting of the following areas: 131st Street on the North, Harlem Avenue on the East, Interstate 80 on the South, and Parker Road on the West. The primary market area is depicted in the map in the Market Analysis.

Demand Determination. Revere has determined the target market for independent living services as older adults age 75+ with an annual income of $35,000 or more. They identified 518 units (ILUs) as competitive in the primary market area. The market currently had 25 vacant units. All vacant units are considered competitive for the purpose of calculating demand. Industry statistics indicate that independent living apartments experience a turnover rate of 33%. Therefore, competition from turnover is calculated to be 171 units on an annual basis. In addition, there were 100 planned units which are also considered competitive. Generally, penetration rates between 3% and 6% are considered to indicate a very strong market demand. Based on industry guidelines the market penetration rates a facility offering an independent living program could support 101 ILUs. Due to growth projected in the target market, calculations yield a demand estimate rising to 119 units by 2013.

Revere determined the target market for assisted living services as older adults age 75+ with an annual income of $35,000 or more. Based on industry standards for assisted living, an individual can use up to 80% of annual income for rent in a residential care setting. The rent pays for room, basic utilities, three meals a day, activity program, security, scheduled transportation, maintenance, etc. Monthly fees in assisted living are typically higher because some amount of personal care is included in the fee. A total of 277 assisted living units (ALUs) were identified in competitive facilities in the primary market area. As a conservative measure, Revere deducted 50% of assisted living units considered competitive or comparable in the market penetration calculation. In addition, the 80 planned units are considered competitive. For assisted living, market penetration rates may be higher than typical senior housing projects due to the health care aspects of the industry. Generally, acceptable penetration rates for assisted living range between 8% and 15%. Revere sets a target penetration rate of 8% as a conservative measure. Based on industry guidelines and the market a facility offering an assisted living program could support approximately 50 units. Due to strong growth projected in the target market, demand calculations yield a demand estimate rising to 62 units by 2013.

Revere determined the target market for this project as older adults age 75+ with an annual income screen of $35,000 or more and moderate dementia. Based on industry standards for assisted living, an individual can use up to 80% of annual income for rent in a residential care setting.
setting. Revere identified four facilities with residential dementia care accommodations located in the primary market area with 65 units. In addition, research into planned projects revealed one dementia facility to be located in the primary market area and totaling 45 units. Based on standards originating from the older adult housing industry, the penetration rate for dementia is a measurement of market risk. The higher the penetration rate, the higher the market risk. The penetration rate can be obtained by multiplying the market area population in a particular age group by the percentage of the national population experiencing dementia for that age group. For residential dementia care, Revere sets the target market penetration rates at 12% due to the absence of an industry standard. This target penetration rate is comparable to the standard used in assisted living. Revere identifies demand for up to 22 units specializing in residential dementia care.

The Market Analysis has determined that there is a total need for new independent/pre-assisted, assisted living units, and residential dementia care units in the primary market area. These units are comprised of an income qualified need in 2014 divided among the following adult populations:

- 119 unit independent living development targeting middle and upper income older adults who desire a maintenance free lifestyle in a congregate living setting.
- 62 unit assisted living development targeting middle and upper income older adults who need assistance with activities of daily living (ADLs).
- 30 unit residential dementia development specializing in the care of middle and upper income older adults who need supervision and programming due to Alzheimer’s disease or related dementia.

The Operation of the Facility

The Facility will provide health care services and housing serving older adults who are in need of said services. The day-to-day operations of the Facility will be managed by Revere. Revere has managed numerous similar facilities. Revere's clients include hospitals, not-for-profit agencies and church groups that provide senior housing and long-term care to special populations. Highlights of Revere's operational resume include:

- Almost three (3) decades of service
- More than $500,000,000 in project development and financial oversight
- Full-service management and marketing services to more than 10,000 units

Targeted Clients. Populations benefited by the Facility will include older adults requiring assistance with activities of daily living and/or behavioral care and supervision, those who are
capable of living independently, and individuals with Alzheimer’s or related dementia diseases. Individuals must be age 75 and older with qualifying annual income.

**Comprehensive Service Package.** The Facility will combine health care services and housing serving all individuals who are in need of our services.

The assisted living will offer housing with services such as 3 meals per day in a central dining room, weekly housekeeping and linen service in each unit, emergency nursing care and emergency call system monitored 24-hours a day, scheduled exercise and fitness classes, daily activities program, and social services. Concierge service will be available to make reservations and appointments, arrange transportation, etc. Residents will be at least 75 years of age and will benefit from the available services designed to help them with daily living activities. Units will have wall-to-wall carpeting, individually controlled HVAC, large closets, handicap accessible bathrooms, and window treatments.

Services will include, directly or through third party contracts, but will not be limited to:

- Rental Housing
- Evaluation prior to admission
- Formulation of a care plan within 30 days of admission
- Occupational, physical, recreational and speech therapy
- Social Services Work
- Social activities and programs
- Nursing Oversight
- Nutritional services
- Spiritual therapy
- Pharmacy
- Memory care secure unit
- Family Counseling
- Medical Referrals
- Case Management
- Wellness/Nutritional Programs

Standard Assisted Living services will also include:
• Assistance with activities of daily living (ADLs): walking, eating, dressing, bathing, toileting and transfer between bed and chair.

• Assistance with instrumental activities of daily living (IADLs): doing laundry, cleaning of living areas, food preparation, managing money and conducting business affairs, using public transportation, writing letters, obtaining appointments, using the telephone, and engaging in recreational or leisure activities.

• Medication assistance and management.

• Emergency response systems that residents can activate.

• Health promotion and monitoring, such as blood pressure, pulse rate and weight checks.

• A variety of social, educational and recreational activities that include opportunities for socialization and wellness - including exercise - offered both within and outside the assisted living residence.

• Coordination, arrangement and ongoing evaluation of service provision.

• Transportation services that are either provided, arranged or coordinated by the assisted living program.

**Services Will be Reimbursed Through Multiple Reimbursement Vehicles.** The General Partner anticipates that it will receive payment for the services provided at the Facility from multiple reimbursement sources, including:

• Private Pay

• Insurance

**Affiliations.** The General Partner will also leverage its relationships with other institutions, including:

• Life Services Network (Providers)

• Alzheimer’s Associations

• Local Hospitals and Nursing Facilities

• Church Organizations

• Social Welfare Organizations

• Better Business Bureau
Management, Advisors and Consultants

Section 2
Revere Healthcare, Ltd., - Operator

Revere’s senior and special populations housing and healthcare professionals have maintained a watchful eye on the growing number of seniors, aging veterans, individuals with disabilities, young adults with autism, and other special populations and their increasing need for quality, attractive, affordable housing. Our development consulting services respond to the growing, changing, and complex needs, challenges and expenditures faced by senior housing and long-term care providers.

Today’s populations look for all the comforts of home with the perks of a five-star hotel. The provider’s challenge is to offer more amenities and services while maintaining affordability. Revere observed the trend early, but most importantly, recognized the need and is doing taking action. Revere, taking the initiative, studies various means to provide comfortable, quality living units at an affordable price. We have devised an affordable process allowing you to create an affordable project for your residents.

Typical units are affordable and comfortable with plentiful common areas for dining, lounging, or socializing with neighbors. Revere has made the concept affordable by working directly with experienced, professional design-build firms to create a prototype that keep construction costs well within sight.

With over $500,000,000 in financing and development oversight, our growth has been the result of satisfying the needs of senior living clients. The scope of our consulting services incorporates comprehensive feasibility analysis, financing options, and project management to produce creatively financed, well-managed, and strategically located facilities.

Our typical development consulting services include:

- Needs analysis
- Financial analysis
- Cash flow budgeting
- Complete project planning
- Financing guidance
- Operational planning
- Regulatory approvals
- Design and construction oversight

Revere has served the post-acute health care, special populations and older adult professionals since 1985 with our senior staff having over 300 years of combined hands-on operating experience. Revere's vast experience includes planning, development, marketing, repositioning, and management. Revere has served hundreds of clients in over forty states
based on their commitment to providing superior services and delivering them cost effectively.

Throughout its history, Revere has expanded its service offering to best meet the evolving needs of its clients. This approach allows Revere to become a trusted partner and gives its clients the tools necessary to best meet your objectives. Today, our range of services includes consulting, development, marketing, and management.

Revere has vast hands-on experience within housing and healthcare including facility planning, financing, development, marketing, support services, and management. Highlights of Revere’s experience include: hundreds of clients spanning more than 25 years of service; over $500,000,000 in project development and financing oversight; full-service management and marketing services to over 10,000 units; completion of over 250 feasibility studies; over 20,000 hours of interim leadership staffing management; extensive experiencing working with sponsors on HUD projects, particularly older adult housing and nursing facility/assisted living (section 232) projects. This experience includes the performance of market research, preparation of financial feasibility studies, development consulting, marketing, and management.

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<tr>
<th>Function</th>
<th>Description</th>
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<tr>
<td><strong>Manage and Operate</strong></td>
<td>Revere trains the management team and monitors them as they manage all aspects of operating the facility with the exception of the actual medical procedures. Revere implements standardized operating procedures, coding and billing, and management information systems. This ensures that each center operates uniformly and efficiently and provides a consistently high level of care for patients. This standardization also makes it easier to scale.</td>
</tr>
<tr>
<td><strong>Quality Assurance (“QA”)</strong></td>
<td>Revere ensures that its centers set the highest standards. Revere has a standardized QA program throughout its network to both verify operations and patient treatment.</td>
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<tr>
<td><strong>Continuous Improvement &amp; Best Practices</strong></td>
<td>Revere works to constantly refine processes throughout the facility, including business development, finance, design, construction, training and operations. Revere analyzes and benchmarks every aspect of its business to identify and implement best practices throughout its network.</td>
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<tr>
<td><strong>Marketing</strong></td>
<td>Revere accepts the relationship of trust and confidence established between Revere and the Client. Revere will work with the client to ensure that the marketing program facilitates the client’s intent but with the goal of also meeting the need of the market being served by the project. Also, see marketing plan.</td>
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Revere has created efficient and practical designs for its facilities by leveraging the experience obtained from its involvement in over 450 projects. Compared to other facilities, Revere believes its facilities incorporate significant design features that allow it to operate much more efficiently.

The following is biographical information concerning the management of Revere:

**Grant C. Shumway, Ph.D., Team Leader** - Dr. Shumway has nearly thirty years of experience in the post-acute health care, residential, and long-term care industries. His background encompasses feasibility, development, marketing, and management. In addition, he has administered several comprehensive community service programs. Prior to founding Revere Healthcare in 1985, Dr. Shumway served as Director of Older Adult Services for Lutheran General Health Care System. He also was senior consultant for Parkside Associates, Inc. He has also served as Chief Executive Officer for a large retirement community and long-term care facility managed by Alexian Brothers Health Management. Further, he has directly supervised hundreds of strategic planning and feasibility studies assisted in the financing, design, and development of close to a billion dollars in construction and directed the marketing and management of thousands of units.

**John Smith, C.A., Reimbursement Consultant** - Mr. Smith has over thirty years’ experience in health care finance. Prior to joining Revere in 1999, Mr. Smith served as a Vice President of Finance for a 556-bed nursing home chain. Mr. Smith has an extensive background in post-acute health care reimbursement through positions at Blue Cross/Blue Shield of Illinois, Alexian Brothers of America, Aetna, and Debes Corporation/Alden. Mr. Smith has a degree from the London School of Accountancy and is a Fellow of Institute of Chartered Accountants in England and Wales (CPA equivalent).

**Pamela A. Shumway, N.H.A., R.N., M.S., Operations Consultant** - Mrs. Shumway has more than twenty-five years’ experience in the health care and long-term care industries. Since joining Revere in 1988, she has served as Executive Director, Administrator, Assistant Administrator, and Director of Nursing within various projects in both turn-around situations and standard operating situations. Currently, she is responsible for overseeing the operations of multiple independent, assisted living, dementia, skilled nursing, and sub-acute units. Mrs. Shumway also has assisted in the development of multiple retirement communities, as well as, facilities providing all levels of long-term care. Prior to joining Revere, she served as Assistant Health Care Center Administrator, Administrator of Home Health and Assisted Living at Friendship Village in Schaumburg, Illinois (containing 624 independent living units, 30 assisted living units, and 180 nursing beds,) and as Director of Nursing at St. Paul’s Retirement Community located in South Bend, Indiana. Mrs. Shumway has a Bachelor of Science Degree in Health Care Administration and a Master’s Degree in Health Care Administration from the College of St. Francis.

**Carol A. Sichterman, M.A., R.D., L.D., Dietary Consultant** - Ms. Sichterman, who joined Revere in 1990, has more than thirty-five years of experience in the health care industry. Her background in health care encompasses Administrative Dietitian positions in both hospitals and retirement communities. Ms. Sichterman has served as a consultant dietitian in the health care field for over twenty-eight years. She has served as an instructor at Western Michigan...
University and Kellogg Community College. She has been an active officer and member of the Michigan Dietetic Association for over twenty years.

*John A. Dials, B.F.A., Graphic Design & Market Consultant* - Mr. Dials is a graphic and web designer with eight years of experience providing marketing materials to clients in the health care industry. He joined Revere in 1998 after graduating with a B.F.A. in Graphic Design from Northern Illinois University. Mr. Dials has designed collaterals for numerous marketing campaigns including complete identity/image creation or overhauls. Mr. Dials utilizes his experience and creativity to provide effective client solutions to design projects such as logos, letterhead, business cards, tri-folds, brochures, newspaper ads, web sites, multimedia presentations, postcards, surveys, posters, and signs.

**Revere Development, Ltd., the Developer**

*Development.* Revere’s senior and special populations housing and healthcare professionals have maintained a watchful eye on the growing number of seniors, individuals with disabilities, young adults with autism, and other special populations and their increasing need for quality, attractive, affordable housing. Our development consulting services are in response to the growing, changing and complex needs, challenges and expenditures faced by senior housing and long-term care providers.

Today’s populations are looking for all the comforts of home with all the perks of a five-star hotel. The provider’s challenge is to offer more amenities and services while maintaining affordability. Revere observed the trend early, but most importantly, saw the need and is doing something about it. Revere has taken the initiative to study various means to provide comfortable quality living units at an affordable price. We have devised an affordable process for you to create an affordable project for your residents.

Typical units are affordable and comfortable, with plentiful common areas for dining, lounging, or socializing with neighbors. Revere has made the concept affordable by working directly with experienced, professional design-build firms to create a prototype that keeps construction costs well within sight.

With over $500,000,000 in financing and development oversight, our growth has been the result of satisfying the needs of clients. The scope of our consulting services incorporates comprehensive feasibility analysis, financing options, and project management to produce creatively financed, well-managed, and strategically located facilities.

Our typical development consulting services include:

- Needs analysis
- Financial analysis
- Cash flow budgeting
- Complete project planning
- Financing guidance
- Operational planning
- Regulatory approvals
- Design and construction oversight
Lamp Incorporated, the Construction Manager

Our History

Lamp Incorporated is a third generation family-owned and operated business. We strive to offer the highest level of service to every project and deliver value by completing our projects on time and on budget. This tradition of success moves forward through an efficient management team.

Our roots began in 1932 when Clifford E. Lamp founded Lamp Construction, which operated solely as a General Contractor until 1954. We steadily expanded our services to include Design/Build in the late 1960s and became Lamp Incorporated in 1974 to incorporate all of our services.

In the early 1990s we added Construction Management to our growing list of client services. Lamp Incorporated expanded its engineering and management staff, as well as its updated technology and information systems, to become a recognized leader in our industry.

Today, we continue to provide all three basic construction delivery systems of general contracting, design/build, and construction management services to the complete satisfaction of our clients. We have been involved in a broad range of multi-million dollar new construction projects and many small, unique local projects for commercial, industrial, institutional, educational, health care, and recreational clients.

Our success and longevity is attributed to positive long-term relationships with our clients, who seek us for repeat business and offer us the highest compliment, by referring Lamp Incorporated to their business associates.

The Lamp Incorporated team is also active throughout the community. We have collectively volunteered thousands of hours, and have served many leadership roles, through our affiliation with many local not for profit charitable and service organizations, chambers of commerce, and professional associations. We believe in giving back to the communities we serve.

Lamp Incorporated has earned a solid reputation for excellence as one of the leading commercial and industrial construction companies in the Fox Valley area. As the 21st Century begins, Lamp Incorporated will keep ahead of the pace to further exceed the expectations of all clients.
Construction/Building Process

Section 3
Construction Management

The Sponsor has engaged Lamp Incorporated to execute the construction of the Facility. Lamp Incorporated is a third generation family-owned and operated business. Lamp Incorporated strives to offer the highest level of service to every project and deliver value by completing our projects on time and on budget. This tradition of success moves forward through an efficient management team. Lamp Incorporated has earned a solid reputation for excellence as one of the leading commercial and industrial construction companies in the Fox Valley area.

Lamp Incorporated has committed to guaranteeing that the development of the Facility will be delivered on time and within budget. Lamp will be responsible for any construction cost overruns and will be penalized financially if they deliver the project behind schedule.

Construction Schedule

A construction schedule for the Project is included at the end of this Section 3.

Architectural and Engineering Services

The General Partner has engaged Tyson and Billy Architects to provide architectural and engineering services for the Project.

Permits

Initial permits have been obtained to proceed with site work and other preliminary tasks.

The permits for the subcontractors will be the responsibility of the Construction Manager and will be applied for on an as-needed basis when appropriate.

Zoning

The Developer and Operator have completed the zoning and entitlement process for the project to begin construction.

Materials Required / Supply Sources

The following table depicts the typical contractor classes to be hired in the development and construction of the Facility. These various contractors and suppliers will be engaged for quotes and hiring once the project is underway.

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<th>Component Description</th>
<th>Contractor Type</th>
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<td>Demolition</td>
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<td>Earthwork &amp; Site Utilities</td>
<td>Site and Utility Contractors</td>
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<td>Asphalt Paving</td>
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<td>Category</td>
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<td>Chain Link Fences and Gates</td>
<td>Fencing Contractors/Rental Companies</td>
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<td>Sitescaping</td>
<td>Sitescaping Contractors/Suppliers</td>
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<td>Cast-in-Place Concrete</td>
<td>Precast Manufacturers</td>
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<td>Precast Concrete</td>
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<tr>
<td>Masonry</td>
<td>Masonry Contractors</td>
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<td>Structural and Misc. Steel</td>
<td>Tilt Up Contractors</td>
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<td>Rough Carpentry</td>
<td>Steel Fabricators</td>
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<td>Finish Carpentry / Casework</td>
<td>Steel Erectors</td>
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<td>Waterproofing Specialists</td>
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<td>Portland Cement Plastering</td>
<td>Ready Mix Suppliers</td>
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<td>Roofing</td>
<td>Foundation / Cement Contractors</td>
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<td>Caulking and Sealants</td>
<td>Plastering Contractors</td>
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<td>Stucco Contractors</td>
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<td>Roofing Contractors</td>
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<td>Overhead Doors</td>
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<td>Aluminum Entrances and Storefront</td>
<td>Overhead Door Suppliers</td>
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<td>Drywall and Acoustical Ceilings</td>
<td>Glazing Contractors</td>
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<td>Flooring</td>
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<tr>
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<td>Drywall Contractors</td>
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<td>Painting</td>
<td>Ceiling Contractors</td>
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<td>Fire Extinguishers and Cabinets</td>
<td>Carpet Suppliers and Installers</td>
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<td>Toilet Accessories</td>
<td>Tiling Contractors</td>
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<td>Dock Equipment</td>
<td>Painting Contractors</td>
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<tr>
<td>Miscellaneous Equipment</td>
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<td>Specialized Healthcare Equipment Suppliers</td>
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<tr>
<td>Electric</td>
<td>Electrical Contractors</td>
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Marketing Strategy

Section 4
MARKETING GOALS

Quantifiable goals have been established to provide benchmarks for the proposed Cresthaven project:

- Lead Generation: Generate a minimum of 32 new age and income qualified leads per month.
- Sales: Convert at least eight percent (8%) of leads into sales.
- Conversion: Achieve an average conversion time of one to six months from the date of the initial inquiry to the receipt of the reservation deposit.
- Absorption: Achieve an absorption rate of 3 units per month.

MARKETING STRATEGY

Based on our extensive industry experience, Revere has developed the following aggressive marketing approach for the proposed Cresthaven project.

Market Area Definition

Revere defines the primary market area as the communities of Orland Park, Homer Glen, and Orland Hills. The primary market draw is estimated to be two thirds of total residents, with the remaining one third originating from the secondary and tertiary market areas. The secondary market is defined as southwestern suburban Chicago, and the tertiary market area is defined as the greater Chicagoland area.

Target Market Segmentation

Revere identified target market segments by defining characteristics. The target market is defined as middle and upper income older adults age 75 years or more who need assistance with activities of daily living (ADLs). In 2009, there are over 2,000 qualified households in the primary market area. Secondarily, a market of influencers is defined as the adult children of older adults. The characteristics of this market are ages 45 to 75 years residing in the primary and secondary market areas.

Image/Message

The full marketing plan details the competitive advantages that differentiate Cresthaven from the marketplace. The plan includes discussion of an overarching message tailored to each target group and designed to communicate these competitive advantages. The image of Cresthaven will be communicated through design, artwork, and style of collaterals and electronic media.
Communications Strategies

The desired exchange between client and target market is in the sales office. All communication strategies are designed to generate an optimal number of in-person visits to the sales office. The communication strategies are organized by category as follows:

1. Public relations
2. Advertising
3. Other promotion
   1. Direct marketing
   2. Third-party marketing, managing referrals
4. Internal marketing

These communication strategies are detailed in the full marketing plan.

Network Marketing Emphasis

The philosophy of this marketing plan is to emphasize network marketing as the core strategy. Network marketing is the process of building relationships with key individuals and organizations that advise individuals on health care services or retirement living options. This type of marketing is particularly effective for marketing senior housing and assisted living/dementia care. Revere recommends staff participating in area civic, social, and church organizations. The Executive Director and Marketing Director will identify, contact, and engage in relationship building with these key individuals and organizations.

A related strategy is conducting a series of informational programs. The programs are helpful in increasing awareness about a product such as the proposed Cresthaven project. Programs focus on the lifestyle and services to be offered at Cresthaven are typically targeted at surrounding communities within the market area. Some individuals feel more comfortable in a group setting than in a one-on-one meeting, and these programs offer a forum for questions and comments from attendees that may be helpful to an individual exploring a independent and assisted living. Each program is preceded by an invitation. Programs could be provided in conjunction with other financial services providers, such as long-term care insurance brokers, financial planners, and lawyers, which would reduce the cost of promotion and broaden appeal.