

CAPITAL SENIOR LIVING CORP  
Form 10-K  
March 12, 2012  
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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2011**

Or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

**Commission file number: 1-13445**

**Capital Senior Living Corporation**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**75-2678809**  
*(I.R.S. Employer  
Identification No.)*

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14160 Dallas Parkway, Suite 300

75254

Dallas, Texas

(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code:

(972) 770-5600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by a check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes  No

Indicate by a check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the 26,437,996 shares of the Registrant's common stock, par value \$0.01 per share (Common Stock), held by non-affiliates (defined to exclude all of the Registrant's executive officers and directors) on December 31, 2011, based upon the closing price of the Registrant's Common Stock as reported by the New York Stock Exchange on June 30, 2011, was approximately \$245.6 million. As of February 29, 2012, the Registrant had 28,139,663 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

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Portions of the Registrant's definitive proxy statement pertaining to its 2012 Annual Meeting of Stockholders and filed or to be filed not later than 120 days after the end of the fiscal year pursuant to Regulation 14A are incorporated herein by reference into Part III of this report.

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**PART I**

**ITEM 1. BUSINESS.**

**Overview**

Capital Senior Living Corporation, a Delaware corporation (together with its subsidiaries, the Company), is one of the largest operators of senior living communities in the United States in terms of resident capacity. The Company and its predecessors have provided senior living services since 1990. As of December 31, 2011, the Company operated 84 senior living communities in 23 states with an aggregate capacity of approximately 11,800 residents, including 35 senior living communities which the Company either owned or in which the Company had an ownership interest and 49 senior living communities that the Company leased. As of December 31, 2011, the Company also operated one home care agency. During 2011, approximately 95% of total revenues for the senior living communities operated by the Company were derived from private pay sources.

The Company's operating strategy is to provide quality senior living communities and services to its residents, while achieving and sustaining a strong, competitive position within its chosen markets, as well as to continue to enhance the performance of its operations. The Company provides senior living services to the elderly, including independent living, assisted living, skilled nursing and home care services. Many of the Company's communities offer a continuum of care to meet its residents' needs as they change over time. This continuum of care, which integrates independent living and assisted living and is bridged by home care through independent home care agencies or the Company's home care agency, sustains residents' autonomy and independence based on their physical and mental abilities.

**Website**

The Company's Internet website [www.capitalsenior.com](http://www.capitalsenior.com) contains an Investor Relations section, which provides links to the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, Section 16 filings and any amendments to those reports and filings. These reports and filings are available through the Company's Internet website free of charge as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC).

**Industry Background**

The senior living industry encompasses a broad and diverse range of living accommodations and supportive services that are provided primarily to persons 75 years of age or older.

For the elderly who require limited services, independent living residences supplemented at times by home health care, offers a viable option. Most independent living communities typically offer community living packaged with basic services consisting of meals, housekeeping, laundry, 24-hour staffing, transportation, social and recreational activities and health care monitoring. Independent living residents typically are not reliant on assistance with activities of daily living (ADLs) although some residents may contract out for those services.

As a senior's need for assistance increases, care in an assisted living residence is often preferable and more cost-effective than home-based care or nursing home care. Typically, assisted living represents a combination of housing and support services designed to aid elderly residents with ADLs such as ambulation, bathing, dressing, eating, grooming, personal hygiene and monitoring or assistance with medications. Certain assisted living residences may also provide assistance to residents with low acuity medical needs, or may offer higher levels of personal assistance for incontinent residents or residents with Alzheimer's disease or other cognitive or physical frailties. Generally, assisted living residents require higher levels of care than residents of independent living residences and retirement living centers, but require lower levels of care than patients in skilled nursing facilities. For seniors who need the constant attention of a skilled nurse or medical practitioner, a skilled nursing facility may be required.

According to the American Seniors Housing Association Seniors Housing Construction Trends Report for 2011, 14.6% of the senior housing supply in the 100 largest metropolitan areas of the United States are assisted living units, 18.6% are independent living units, 43.0% are nursing care beds, 3.1% are memory care units and 20.7% relate to age restricted senior apartments.

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The senior living industry is highly fragmented and characterized by numerous small operators. Moreover, the scope of senior living services varies substantially from one operator to another. Many smaller senior living providers do not operate purpose-built residences, do not have extensive professional training for staff and provide only limited assistance with ADLs. The Company believes that many senior living operators do not provide the required comprehensive range of senior living services designed to permit residents to age in place within the community as residents develop further physical or cognitive frailties.

The Company believes that a number of demographic, regulatory and other trends will contribute to the continued growth in the senior living market, including the following:

### ***Consumer Preference***

The Company believes that senior living communities are increasingly becoming the setting preferred by prospective residents and their families for the care of the elderly. Senior living offers residents greater independence and allows them to age in place in a residential setting, which the Company believes results in a higher quality of life than that experienced in more institutional or clinical settings.

The likelihood of living alone increases with age. Most of this increase is due to an aging population in which women outlive men. Societal changes, such as high divorce rates and the growing numbers of persons choosing not to marry, have further increased the number of Americans living alone. This growth in the number of elderly living alone has resulted in an increased demand for services that historically have been provided by a spouse, other family members or live-in caregivers.

### ***Demographics***

According to the American Seniors Housing Association Seniors Housing Construction Trends Report for 2011, the largest 100 metropolitan areas of the United States contain approximately 66% of the total United States population, 62% of the age 65+ population, and 61% of the age 75+ population, based on the most recent population projections from the United States Census Bureau. As the number of persons aged 75 and over continues to grow, the Company believes that there will be corresponding increases in the number of persons who need assistance with ADLs.

### ***Senior Affluence***

The average net worth of senior citizens is typically higher than non-senior citizens, partially as a result of accumulated equity through home ownership. The Company believes that a substantial portion of the senior population has historically accumulated significant resources available for their retirement and long-term care needs. The Company's target population is comprised of moderate to upper income seniors who have, either directly or indirectly through familial support, the financial resources to pay for senior living communities, including an assisted living alternative to traditional long-term care. However, recent volatility and downturns in the housing, financial, and credit markets could negatively affect the ability of senior citizens to relocate into our communities, or the time at which they choose to do so, which could have a significant impact on our business, financial condition, cash flows, and results of operations.

### ***Reduced Reliance on Family Care***

Historically, the family has been the primary provider of care for seniors. The Company believes that the increase in the percentage of women in the work force, the reduction of average family size, and overall increased mobility in society is reducing the role of the family as the traditional caregiver for aging parents. The Company believes that these factors will make it necessary for many seniors to look outside the family for assistance as they age.

### ***Restricted Supply of Nursing Beds***

Several states in the United States have adopted Certificate of Need (CON) or similar statutes generally requiring that, prior to the addition of new skilled nursing beds, the addition of new services, or the making of certain capital expenditures, a state agency must determine that a need exists for the new beds or the proposed

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activities. The Company believes that this CON process tends to restrict the supply and availability of licensed nursing facility beds. High construction costs, limitations on government reimbursement for the full costs of construction, and start-up expenses also act to constrain growth in the supply of such facilities. At the same time, nursing facility operators are continuing to focus on improving occupancy and expanding services to subacute patients generally of a younger age and requiring significantly higher levels of nursing care. As a result, the Company believes that there has been a decrease in the number of skilled nursing beds available to patients with lower acuity levels and that this trend should increase the demand for the Company's senior living communities, including, particularly, the Company's assisted living communities.

### ***Cost-Containment Pressures***

In response to rapidly rising health care costs, governmental and private pay sources have adopted cost containment measures that have reduced admissions and encouraged reduced lengths of stays in hospitals and other acute care settings. The federal government had previously acted to curtail increases in health care costs under Medicare by limiting acute care hospital reimbursement for specific services to pre-established fixed amounts. Private insurers have begun to limit reimbursement for medical services in general to predetermined charges, and managed care organizations (such as health maintenance organizations) are attempting to limit hospitalization costs by negotiating for discounted rates for hospital and acute care services and by monitoring and reducing hospital use. In response, hospitals are discharging patients earlier and referring elderly patients, who may be too sick or frail to manage their lives without assistance, to nursing homes and assisted living residences where the cost of providing care is typically lower than hospital care. In addition, third-party payors are increasingly becoming involved in determining the appropriate health care settings for their insureds or clients, based primarily on cost and quality of care. Based on industry data, the typical day-rate in an assisted living facility is two-thirds of the cost for comparable care in a nursing home.

### **Operating Strategy**

The Company's operating strategy is to provide quality senior living services to its residents while achieving and sustaining a strong, competitive position within its chosen markets, as well as continuing to enhance the performance of its operations. The Company is implementing its operating strategy principally through the following methods:

#### ***Provide a Broad Range of Quality Personalized Care***

Central to the Company's operating strategy is its focus on providing quality care and services that are personalized and tailored to meet the individual needs of each community resident. The Company's residences and services are designed to provide a broad range of care that permits residents to age in place as their needs change and as they develop further physical or cognitive frailties. By creating an environment that maximizes resident autonomy and provides individualized service programs, the Company seeks to attract seniors at an earlier stage, before they need the higher level of care provided in a skilled nursing facility. The Company also maintains a comprehensive quality assurance program designed to ensure the satisfaction of its residents and their family members. The Company conducts annual resident satisfaction surveys that allow residents at each community to express whether they are very satisfied, satisfied or dissatisfied with all major areas of a community, including, housekeeping, maintenance, activities and transportation, food service, security and management. In both 2011 and 2010, the Company achieved 95% overall approval ratings from the residents' satisfaction surveys.

#### ***Offer Services Across a Range of Pricing Options***

The Company's range of products and services is continually expanding to meet the evolving needs of its residents. The Company has developed a menu of products and service programs that may be further customized to serve both the moderate and upper income markets of a particular targeted geographic area. By offering a range of pricing options that are customized for each target market, the Company believes that it can develop synergies, economies of scale and operating efficiencies in its efforts to serve a larger percentage of the elderly population within a particular geographic market.

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### ***Improve Occupancy Rates***

The Company continually seeks to maintain and improve occupancy rates by: (i) retaining residents as they age in place by extending optional care and service programs; (ii) attracting new residents through the on-site marketing programs focused on residents and family members; (iii) selecting communities in underserved markets; (iv) aggressively seeking referrals from professional community outreach sources, including area religious organizations, senior social service programs, civic and business networks, as well as the medical community; and (v) continually refurbishing and renovating its communities.

### ***Improve Operating Efficiencies***

The Company seeks to improve operating efficiencies at its communities by actively monitoring and managing operating costs. By having an established national portfolio of communities with regional management in place, the Company believes it has established a platform to achieve operating efficiencies through economies of scale in the purchase of bulk items, such as food and supplies and in the spreading of fixed costs, such as corporate overhead, over a larger revenue base, and to provide more effective management supervision and financial controls. The Company's growth strategy includes regional clustering of new communities to achieve further efficiencies.

### ***Emphasize Employee Training and Retention***

The Company devotes special attention to the hiring, screening, training, supervising and retention of its employees and caregivers to ensure that quality standards are achieved. In addition to normal on-site training, the Company conducts national management meetings and encourages sharing of expertise among managers. The Company's commitment to the total quality management concept is emphasized throughout its training program. This commitment to the total quality management concept means identification of the best practices in the senior living market and communication of those best practices to the Company's executive directors and their staff. The identification of best practices is realized by a number of means, including: emphasis on regional and executive directors keeping up with professional trade journals; interaction with other professionals and consultants in the senior living industry through seminars, conferences and consultations; visits to other properties; leadership and participation at national and local trade organization events; and information derived from marketing studies and resident satisfaction surveys. This information is continually processed by regional managers and the executive directors and communicated to the Company's employees as part of their training. The Company hires an executive director for each of its communities and provides them with autonomy, responsibility and accountability. The Company's staffing of each community with an executive director allows it to hire more professional employees at these positions, while the Company's developed career path helps it to retain the professionals it hires. The Company believes its commitment to and emphasis on employee training and retention differentiates the Company from many of its competitors.

### **Senior Living Services**

The Company provides senior living services to the elderly, including independent living, assisted living, skilled nursing and home care services. By offering a variety of services and encouraging the active participation of the resident and the resident's family and medical consultants, the Company is able to customize its service plan to meet the specific needs and desires of each resident. As a result, the Company believes that it is able to maximize customer satisfaction and avoid the high cost of delivering unnecessary services to residents.

The Company's operating philosophy is to provide quality senior living communities and services to senior citizens and deliver a continuum of care for its residents as their needs change over time. This continuum of care, which integrates independent living and assisted living and is bridged by home care, sustains residents' autonomy and independence based on their physical and mental abilities. As residents age, in many of the Company's communities, they are able to obtain the additional services they need within the same community, avoiding the disruptive and often traumatic move to a different facility.

### ***Independent Living Services***

The Company provides independent living services to seniors who typically do not yet need assistance or support with ADLs, but who prefer the physical and psychological comfort of a residential community that offers



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health care and other services. As of December 31, 2011, the Company owned or had ownership interests in 30 communities and leased 17 communities that provide independent living services, which include communities that combine assisted living services, with an aggregate capacity for approximately 6,800 residents.

Independent living services provided by the Company include daily meals, transportation, social and recreational activities, laundry, housekeeping and 24-hour staffing. The Company also fosters the wellness of its residents by offering access to health screenings (such as blood pressure checks), periodic special services (such as influenza inoculations), dietary and similar programs, as well as ongoing exercise and fitness classes. Classes are given by health care professionals to keep residents informed about health and disease management. Subject to applicable government regulation, personal care and medical services are available to independent living residents through either the community staff or through the Company's agency or other independent home care agencies. The Company's independent living residents pay a fee ranging from \$1,415 to \$6,105 per month, in general, depending on the specific community, program of services, size of the unit and amenities offered. The Company's contracts with its independent living residents are generally for a term of one year and are typically terminable by either party, under certain circumstances, upon 30 days notice.

### ***Assisted Living Services***

The Company offers a wide range of assisted living care and services, including personal care services, 24-hour staffing, support services, and supplemental services. As of December 31, 2011, the Company owned or had ownership interests in 14 communities and leased 41 communities that provide assisted living services, which include communities that combine independent living and other services, with an aggregate capacity for approximately 4,300 residents. The residents of the Company's assisted living residences generally need help with some or all ADLs, but do not require the more acute medical care traditionally given in nursing homes. Upon admission to the Company's assisted living communities, and in consultation with the resident, the resident's family and medical consultants, each resident is assessed to determine his or her health status, including functional abilities and need for personal care services. The resident also completes a lifestyles assessment to determine the resident's preferences. From these assessments, a care plan is developed for each resident to ensure that all staff members who render care meet the specific needs and preferences of each resident where possible. Each resident's care plan is reviewed periodically to determine when a change in care is needed.

The Company has adopted a philosophy of assisted living care that allows a resident to maintain a dignified independent lifestyle. Residents and their families are encouraged to be partners in the residents' care and to take as much responsibility for their well being as possible. The basic types of assisted living services offered by the Company include the following:

*Personal Care Services.* These services include assistance with ADLs such as ambulation, bathing, dressing, eating, grooming, personal hygiene, and monitoring or assistance with medications.

*Support Services.* These services include meals, assistance with social and recreational activities, laundry services, general housekeeping, maintenance services and transportation services.

*Supplemental Services.* These services include extra transportation services, personal maintenance, extra laundry services, and special care services, such as services for residents with certain forms of dementia. Certain of these services require extra charges.

The Company's assisted living residents pay a fee ranging from \$1,645 to \$8,160 per month, in general, depending on the specific community, the level of personal care services, support service and supplemental services provided to the resident, size of the unit and amenities offered. The Company's contracts with its assisted living residents are generally for a term of one year and are typically terminable by either party, under certain circumstances, upon 30 days notice.

The Company maintains programs and special units at some of its assisted living communities for residents with certain forms of dementia, which provide the attention, care and services needed to help those residents maintain a higher quality of life. Specialized services include assistance with ADLs, behavior management and life skills based activities programs, the goal of which is to provide a normalized environment that supports residents' remaining functional abilities. Whenever possible, residents assist with meals, laundry and housekeeping.

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Special units for residents with certain forms of dementia are located in a separate area of the community and have their own dining facilities, resident lounge areas, and specially trained staff. The special care areas are designed to allow residents the freedom to ambulate as they wish, while keeping them safely contained within a secure area with a minimum of disruption to other residents. Resident fees for these special units are dependent on the size of the unit, the design type and the level of services provided.

**Continuing Care Retirement Community Services**

The Company's continuing care retirement communities are senior living rental properties where the Company provides traditional long-term care through 24-hour-per-day skilled nursing care by registered nurses, licensed practical nurses and certified nursing assistants as well as assisted living and independent living care. The Company also offers a comprehensive range of restorative nursing and rehabilitation services in its communities including, but not limited to, physical, occupational, speech and medical social services. The Company's residents receiving skilled nursing services pay fees ranging from \$2,185 to \$7,625 per month, in general, depending on the specific community and the level of care provided. As of December 31, 2011, the Company owned one community and leased one community providing continuum of care services with an aggregate capacity for approximately 700 residents at all levels of care at those two communities.

**Home Care Services**

As of December 31, 2011, the Company provided home care services to clients at one senior living community through the Company's home care agency and made home care services available to clients at a majority of its senior living communities through third-party providers. The Company believes that the provision of private pay, home care services is an attractive adjunct to its independent living services because it allows the Company to make available more services to its residents as they age in place and increases the length of stay in the Company's communities. In addition, the Company makes available to residents certain customized physician, dentistry, podiatry and other health-related services that may be offered by third-party providers.

**Operating Communities**

The table below sets forth certain information with respect to senior living communities operated by the Company as of December 31, 2011.

Community	Units	Resident Capacity <sup>1</sup>				Ownership <sup>2</sup>	Commencement of Operations <sup>3</sup>
		IL	AL	CCRC	Total		
<b>Owned:</b>							
Canton Regency	Canton, OH	291		357	357	100%	03/91
Gramercy Hill	Lincoln, NE	146	62	103	165	100%	10/98
Heatherwood	Detroit, MI	158	185		185	100%	01/92
Independence Village	East Lansing, MI	151	161		161	100%	08/00
Independence Village	Peoria, IL	158	166		166	100%	08/00
Independence Village	Raleigh, NC	165	177		177	100%	08/00
Independence Village	Winston-Salem, NC	156	161		161	100%	08/00
Keystone Woods Assisted Living	Anderson, IN	58		70	70	100%	07/11
Laurel Hurst Laurel Woods	Columbus, NC	81	70	60	130	100%	10/11
North Pointe	Anderson, SC	40		70	70	100%	10/11
Sedgwick Plaza	Wichita, KS	144	134	35	169	100%	08/00
Summit Place	Anderson, SC	76	19	89	108	100%	10/11
Summit Point Living	Macedonia, OH	150	126	98	224	100%	08/11
Waterford at Columbia	Columbia, SC	120	141		141	100%	11/00
Waterford at Deer Park	Deer Park, TX	120	144		144	100%	11/00
Waterford at Edison Lakes	South Bend, IN	120	141		141	100%	12/00
Waterford at Fairfield	Fairfield, OH	120	140		140	100%	11/00

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Community		Units	Resident Capacity <sup>1</sup>				Total	Ownership <sup>2</sup>	Commencement of Operations <sup>3</sup>
			IL	AL	CCRC				
Waterford at Fort Worth	Fort Worth, TX	151	176			176	100%	06/00	
Waterford at Highland Colony	Jackson, MS	120	143			143	100%	11/00	
Waterford at Huebner	San Antonio, TX	120	135			135	100%	04/99	
Waterford at Ironbridge	Springfield, MO	119	142			142	100%	06/01	
Waterford at Mansfield	Mansfield, OH	119	142			142	100%	10/00	
Waterford at Mesquite	Mesquite, TX	154	176			176	100%	09/99	
Waterford at Pantego	Pantego, TX	120	143			143	100%	12/00	
Waterford at Plano	Plano, TX	136	109	57		166	100%	12/00	
Waterford at Shreveport	Shreveport, LA	117	136			136	100%	03/99	
Waterford at Thousand Oaks	San Antonio, TX	120	135			135	100%	05/00	
Wellington at Arapaho	Richardson, TX	137	112	57		169	100%	05/02	
Wellington at Kokomo	Kokomo, IN	95		99		99	100%	07/11	
Wellington at North Richland Hills, TX	North Richland Hills, TX	119	139			139	100%	01/02	
Wellington at Oklahoma City	Oklahoma City, OK	120	143			143	100%	11/00	
Wynnfield Crossing Assisted Living	Rochester, IN	50		79		79	100%	07/11	
		4,051	3,658	817	357	4,832			
<b>Leased:</b>									
Ventas:									
Amberleigh	Buffalo, NY	267	387			387	N/A	01/92	
Cottonwood Village	Cottonwood, AZ	163	131	58		189	N/A	03/91	
Crown Pointe	Omaha, NE	134	139	26		165	N/A	08/00	
Georgetowne Place	Fort Wayne, IN	162	242			242	N/A	10/05	
Harrison at Eagle Valley <sup>4</sup>	Indianapolis, IN	124	138			138	N/A	03/91	
Rose Arbor	Maple Grove, MN	137	86	87		173	N/A	06/06	
Towne Centre	Merrillville, IN	327			358	358	N/A	03/91	
Villa Santa Barbara	Santa Barbara, CA	126	64	62		126	N/A	08/00	
West Shores	Hot Springs, AR	137	131	42		173	N/A	08/00	
Whitley Place	Keller, TX	47		65		65	N/A	02/08	
HCN:									
Azalea Trails Assisted Living	Tyler, TX	52		70		70	N/A	09/10	
Buffalo Creek Assisted Living	Waxahachie, TX	52		70		70	N/A	09/10	
Dogwood Trails Assisted Living	Palestine, TX	61		72		72	N/A	09/10	
Hawkins Creek Assisted Living	Longview, TX	52		70		70	N/A	09/10	
Hearth at Prestwick	Avon, IN	132		150		150	N/A	08/06	
Hearth at Windermere	Fishers, IN	126		150		150	N/A	08/06	
Heritage Oaks Assisted Living	Conroe, TX	74		90		90	N/A	09/10	
Keepsake Village of Columbus	Columbus, IN	42		48		48	N/A	08/06	
Magnolia Court Assisted Living	Nacogdoches, TX	52		70		70	N/A	09/10	
Martin Crest Assisted Living	Weatherford, TX	52		70		70	N/A	09/10	
Pecan Point Assisted Living	Sherman, TX	52		70		70	N/A	09/10	
Santa Fe Trails Assisted Living	Cleburne, TX	52		70		70	N/A	09/10	
Spring Lake Assisted Living	Paris, TX	52		70		70	N/A	09/10	
Spring Meadows Libertyville	Libertyville, IL	197	208	45		253	N/A	04/11	
Spring Meadows Naperville	Naperville, IL	193	186	45		231	N/A	04/11	
Spring Meadows at Summit	Summit, NJ	88		98		98	N/A	04/11	

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Community		Units	Resident Capacity <sup>1</sup>				Ownership <sup>2</sup>	Commencement of Operations <sup>3</sup>
			IL	AL	CCRC	Total		
Spring Meadows at Trumbull	Trumbull, CT	150	136	42		178	N/A	04/11
Stonefield Assisted Living	McKinney, TX	74		90		90	N/A	09/10
Walnut Creek Assisted Living	Mansfield, TX	52		70		70	N/A	09/10
Waterford at Ames	Ames, IA	59						