



**2010**

**Annual Report**



June 8, 2011

Dear Wind Crest Residents:

We are pleased to present this Annual Report to the residents of Wind Crest. The Annual Report includes a review of our community's activities in 2010, updated information regarding your Board of Directors, and a financial summary report for 2010.

Thank you for continuing to share your gifts and make this community a place where people truly live better. A special thanks to the newest members of the community -- our community is stronger, more engaging and more complete because of your presence. You join all the residents who value the exceptional quality of life and programs and services at Wind Crest.

Additionally, we want to recognize the terrific staff members who always remain committed to making a difference in people's lives and fulfilling the Wind Crest mission every day.

We hope you will attend the annual meeting on **June 10, 2011 at 11:00AM in the Fireside Restaurant** to meet members of the Wind Crest Board of Directors and ask any questions you may have. Thank you for the trust you have placed in us by choosing Wind Crest as your home.

A handwritten signature in blue ink that reads "Craig A. Erickson".

Craig A. Erickson  
Executive Director

A handwritten signature in blue ink that reads "Rodney M. Coe".

Rodney M. Coe  
Chairman of the Board

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**Mission:**  
***“SHARING OUR GIFTS TO CREATE COMMUNITIES  
THAT CELEBRATE LIFE”***

**The Board of Directors of National Senior Campuses, Inc. and its supported communities are committed to achieving the mission by:**

- 1. Promoting an active quality of life for seniors**
  - Creating large scale retirement campuses to promote activity and healthy living
  - Providing a Resident centered service culture
  - Encouraging Resident run activities with professional support
  
- 2. Achieving excellence in services and programs**
  - Exercising its authority in services, programs, fees, facilities and financing
  - Embracing compliance, ethics, and integrity
  - Overseeing services and programs personally and in meetings with Residents Advisory Council
  - Taking a long-term view of fiduciary responsibility
  
- 3. Insuring affordability to middle income seniors**
  - Focusing on the long term viability of the community for current and future residents
  - Using financing strategies to lower the cost of capital
  - Qualifying for exemption from federal and state income tax
  - Obtaining property tax reductions from community governments
  - Accumulating net income to further the mission
  - Maintaining a policy for 100% refundable entrance deposit
  - Offering fee-for-service health care
  
- 4. Making a life care commitment**
  - To the extent feasible, ensuring that no resident should ever have to leave a community as a result of financial inability to pay for the cost of their care
  - Encouraging fundraising efforts in support of Benevolent Care
  
- 5. Fostering Growth**
  - Committing to making this lifestyle available to an increasing number of seniors
  - Increasing efforts to achieve affordability

## **2010: In Review**

### **Community Profile**

Last year was another very successful year for Wind Crest. The community had positive operating income for the first time as occupancy increased from 79% to 84%. Resident satisfaction continued to trend positively in all areas with our dining program ranking at the top of the Erickson Living communities.

In 2010, Wind Crest continued to build upon its strong reputation of its culture of fun, family and community. Wind Crest settled 32 new apartment homes and 31 re-sales, welcoming more than 80 new neighbors into the community. By the end of December, Wind Crest was home to 674 residents and 484 occupied apartments.

The Sales & Marketing Office heavily focused on outbound calling and segmenting our prospects into groups of our likeliest to least likely prospects and their time frame for wanting to move. This allowed us to host events that were specific to each group of prospects and speak to the motivations and triggers that would help them move forward. We continued to work closely with our external vendors within our ERMS (Erickson Realty & Moving Services) Program with nearly 100% of our reservists. This program helped our reservists to remove the obstacles to moving and shortened the overall sales cycle.

It is a wonderful testament to the quality of life at Wind Crest and the recognized value this community offers that so many people continued to move in the midst of ongoing nationwide economic concerns, changing real estate markets, and some uncertainty surrounding the change of ownership to Erickson Living - the new development and management company for Wind Crest. Despite these changes, those residents, your newest neighbors, demonstrated faith and confidence in the success of the community. This is greatly appreciated.

Wind Crest is fortunate to have an exceptional staff of individuals who care deeply about our mission and enjoy working together to provide residents with the very best care and service. Over 90 full time employees and 175 part time employees work hard to make Wind Crest a great lifestyle choice for retirees in the Denver area.

### **Summary of 2010 Financial Results**

The community had an operating income of \$807,248 which was slightly better than the planned 2010 budget operating income of \$755,816. The overall loss inclusive of non-operating income items like depreciation was (\$2.9 million). This financial success was once again achieved by efficient operations and a prudent approach to hiring and spending by an experienced leadership team and a strong marketing effort which delivered a significant number of settlements in a challenging year.

At the end of this report you will find a Summary Financial Statement of the 2010 results. This statement is excerpted from the audited financial statements of the community. The

complete 2010 audited financial statements and notes, which are an integral of the statements, are available upon request in the Administration office.

## **Resident Satisfaction**

Wind Crest conducted its annual Resident Satisfaction Survey in December 2010. The overall results surpassed our 2009 ratings. Wind Crest's performance in 2010 was very positive, with significant improvements in nineteen of the 53 factors.

	<b>2010 Results</b>	<b>2009 Results</b>
Overall Satisfaction	89.2%	86.4%
Dining Satisfaction	87.4%	88.3%
Would You Recommend Wind Crest?	95.0%	94.0%

The areas with top performance were the Medical Center, Dining, Transportation, Security, and Housekeeping. Action plans have been identified for a small number of areas that saw declines in year over year scores. Wind Crest received recognition from Holleran, Inc., the company that administers the annual survey for six questions that scored in the top 10% of the 250 communities they survey.

## **Community Highlights and Initiatives**

### ***General Services***

The General Services team continued to make impressive strides in resident satisfaction in several areas of their service delivery. All factors, with the exception of guest parking, saw positive movement. The Security department (96.1%), Transportation services (95.6%) and Housekeeping services (89.4%) ranked number one across the Erickson Living Enterprise for their satisfaction scores. Additionally, maintenance response time, a focus area for 2010 saw a notable 3.7% improvement in satisfaction.

In January 2010, the Security team transitioned to 12 hour shift schedules to respond to the many EMTs who also work at local fire and rescue departments. This innovative scheduling reduced staff overtime with no increase in total staffing hours. The Security team also reported increased satisfaction with the new schedules.

The Custom Interiors team continued their partnership with Marketing to enhance the appeal of unsold apartments. Together they designed a contemporary new floor-plan, the Holbrook by removing walls of a two bedroom apartment to create a large open kitchen and living area. The Holbrook has been very popular among prospective residents. All the converted apartments have been sold and Wind Crest is continuing to make similar enhancements to other unsold apartments.

Guest parking continues to be a primary challenge. Wind Crest currently provides forty visitor parking spots and has plans to continue adding visitor spaces over the next year as more residents join the community.

## ***Dining Services***

In 2010 our Wind Crest Dining team had many staff changes. Executive Chef, Marcus Cordova, transitioned to the Director of Dining Services position, when Claire Menefee joined the General Services team. Robert Gaiko became the new Executive Chef and Jackie Burns was promoted from a Service Manager to the Restaurant Manager. Overall, there were 13 promotions within the Dining Department. Along with all the transitions, strong satisfaction scores continued with 87.4% of residents reporting they are very satisfied with the overall Wind Crest Dining program, the top ranking score within all Erickson communities.

The Wind Crest dining department has continued to sponsor theme nights which are very popular and well attended by residents and guests. The team worked with the Resident Advisory Council Dining Committee and implemented the Resident Volunteer Program. Over 50 residents regularly volunteer their time to help with labor-intensive food preparation, putting daily menus together, and assisting residents in the café to expedite their orders as organized and efficiently as possible.

## ***Resident Life***

Beth Irtz joined Wind Crest as the Associate Executive Director and Resident Life Director early in 2010 and has made positive strides in team building and resident satisfaction. A new community resources coordinator, Peter Ritchie joined the team and has made a large impact on the lives of residents. His department continues to provide abundant opportunities for residents to socialize, enjoy life, and give back to the community with the support he provides to more than 80 resident-led clubs. Space issues and room scheduling continue to be a challenge as the number and size of our clubs continue to expand.

Outpatient therapy continues to operate at a profit for Wind Crest and has served almost one-third of Wind Crest residents. The department manager, Tammi Bond, was named therapist of the year by the Erickson Living support team. The wellness department has continued to expand classes and strengthen the personal training program in the fitness center. Wind Crest had the highest satisfaction scores in 2010 among all 16 Erickson Living communities as a testament to the department manager Kristy Hebert and her strong team.

During the fall quarter of 2010 Wind Crest partnered with the University of Denver to sponsor a master level social work graduate student on the campus for her practicum. This proved to be a very positive experience for the student and our residents. We plan to continue this relationship in the future. Our fitness and wellness manager participated in a wellness task force effort with public schools in the area and other local businesses as part of a Douglas County initiative to become the healthiest county in Colorado.

## ***Medical Center***

The Wind Crest Medical Center had an 85% penetration rate in 2010. Seventy-five percent of the residents use the Medical Center on a full time basis and ten percent of the residents utilize the Medical Center through the Care Path program, and do not use Wind Crest physicians for their primary care. The Medical Center was pleased to add dermatology services to the Medical Center in addition to cardiology, podiatry, and neurology services that have been ongoing since 2009. As part of its resident outreach program, the Medical Center conducts regular monthly health related presentations given by invited speakers. At end of 2010, the Medical Center welcomed Dr. Mike Straight who replaced Dr. Janet Brown who left the Medical Center in fall 2010. Quality indicators, resident satisfaction, employee retention, and financial indicators remained above average for the Medical Center in 2010.

## ***Erickson Advantage***

The Erickson Advantage (EA) health plan at Wind Crest ended 2010 with 185 members or 27.4%. For the fourth consecutive year, Erickson Advantage has performed extremely well against national benchmarks. The plan scored more than 87.8% for member satisfaction compared to a national benchmark of 73.9% for 2010. Over 92% of the respondents said that they would likely renew their Erickson Advantage coverage, 87% agree that the plan provides value compared to the nation benchmark of 75.1% and 88.9% said they would recommend Erickson Advantage to a friend. Members' attitudes about the plan continue to be very positive, with all ratings being significantly higher than their respective National Benchmarks.

## ***Philanthropy***

Wind Crest residents and staff continued to be extremely generous with both their time and resources, both within and outside the community. During the year, residents and staff participated in various philanthropic activities to raise money for the following areas that support the community:

- Benevolent Care: This fund provides support for those residents who might deplete their assets due to extraordinary financial circumstances.
- Student Scholarships: This fund provides scholarships of up to \$1,000 per year for Dining Services students who are pursuing post-secondary education. Students must meet certain criteria to qualify for a scholarship.
- Staff Appreciation: This campaign raises money to grant employees a "thank you" gift of appreciation for their hard work. Appreciation gifts are given to non-exempt staff members by residents at the end of the calendar year.

Rather than hosting a large Gala in 2010 to benefit the Benevolent Care Fund, a committee of staff and residents focused on smaller events and activities including a "Walk-and-Roll", Wine Tasting and Casino Night. The Treasure Chest generously donated \$6,000 to the fund. Despite challenging economic times, the fund also received a number of generous contributions from individual residents. In 2010 Wind Crest raised over \$20,000 for the fund. In addition, Jim Davis, the new owner of Erickson Living, made a generous personal contribution of \$175,000. During a visit from the Erickson Living executive team, the

Resident Advisory Council presented a thank you book personally signed by residents as an appreciation of his gift to Wind Crest.

Fundraising for the Student Scholarship Program in 2010 included many fun events such as Friday Jeans Day, a Holiday Bake Sale where the students provided the baked items, and a Rockies Jeans Day for Residents. Over 52% of the resident homes donated more than \$50,000 to the Scholarship fund and provided scholarships for 22 graduating seniors. A celebration was held on May 16, 2010 for the scholars, family and residents.

The Staff Appreciation Fund Committee worked very hard to raise a total of \$102,000 from the residents for the 2010 campaign. These monies came from 78% of our 484 occupied units and various resident groups. These employees, who cannot accept tips or gifts during the year, were absolutely thrilled by the generosity of residents.

In 2011, Wind Crest will continue to provide information about the purpose of these philanthropic campaigns, especially the Benevolent Care Fund as we seek to build this fund so it will be available when needed in the future. Based on the experience at other not-for-profit communities and the already enthusiastic support for the charitable mission of this community, it is expected that some residents will wish to make more substantial contributions through annual giving, pledges, or bequests in the future. Wind Crest looks forward to supporting this and encourages anyone interested in making a difference to contact Tamika Mitchell or Carlie Thomas.

The following is a summary of activity in 2010 for the Benevolent Care and Scholars' funds:

	Benevolent Care Fund	Scholars' Fund
2010 Beginning Balance	\$86,187	\$38,927
Funds Raised, 2010	\$210,482	\$55,144
Funds Expended, 2010	\$2,653	\$24,750
2010 Ending Balance	<b>\$294,017</b>	<b>\$69,321</b>
Resident Participation	<b>32%</b>	<b>52%</b>

In 2009, a separate Investment Committee of the Wind Crest Board of Directors was formed to monitor closely the Restricted Funds (charitable funds) collected from Wind Crest residents. The Investment Committee's chosen objective is for these funds to provide current income and a relatively stable market value (a Fixed-Income portfolio approach).

The returns earned on the Restricted Funds portfolio amounted to **1.94%** (net of fees) for 2010. The portfolio mix at year-end was as follows, and it will continue to be monitored on a monthly, quarterly, and annual basis:

<b>Cash</b>	<b>6%</b>
<b>Fixed Income</b>	<b>94%</b>
Corporate	54 %
US Government	22 %
Other	18 %

## ***Community Outreach***

One of the strengths of Wind Crest is the level of connection and activity that exists beyond our gates, spilling out into the greater Denver area. The tremendous gifts and talents of staff and residents are enhanced; the connection with our surrounding area is made stronger; and we create a wonderful synergy with the general community.

In June, Wind Crest was a sponsor for the Eden International Conference and had a strong presence at the conference and hosted an intergenerational approach called Embracing Elderhood at the community. Twelve middle school students attending the Eden International Conference came to Wind Crest and worked with elders to develop a legacy storyboard and were interviewed by Eden's CEO for the general session the following day. The Wind Crest Chorale was invited to close the conference and was a big hit. We began a process to introduce the Eden Alternative through the Eden at Home Series workshops in 2009 and nearly 100 residents and staff completed the 12-hour series focused on person centered care and care partnering at Wind Crest

Wind Crest was a host site for a 9Health Fair in April 2010. Over 250 visitors came to the campus for screenings and tests. Wind Crest staff and residents volunteered their time and talent to make this a great success. Residents also partnered with El Dorado Elementary School in 2010 and fostered an ongoing relationship between students and our residents to develop relationships and promote positive aging.

The Erickson Living Values Team at Wind Crest strives to enhance our employee experience, celebrate employee achievements, and encourage and create interdepartmental relationships. This committee partnered with residents on a number of fundraising efforts throughout the year supporting organizations such as the Red Cross, Project Cure, the Douglas County Women's Crisis & Family Outreach Center, Denver ACTS food bank, and the Children's Hospital with fundraising. Wind Crest's most significant financial contribution went to the Alzheimer's Association where residents, employees, and the Teasure Chest raised and contributed over \$5,000.

Wind Crest's staff participated with a local community college in developing an "Elder Care Specialist" curriculum for Certified Nursing Assistants to develop a blended role in preparation for the development of the RG household model and continues to be involved in teaching and developing this curriculum.

## ***Diversity***

During 2008, the National Senior Campuses, Inc. Board of Directors chartered a diversity and inclusion committee to work with Erickson Management focusing on a long term strategy promoting a culture of diversity and inclusion. Erickson Management empowered a Diversity and Inclusion Council to develop an enterprise approach to defining an inclusive strategy that leveraged diversity and created an environment where residents, staff, and management felt heard and supported. The strategy capitalizes on the value of a diverse management team, staff complement and resident population. Our focus has been on establishing diversity and inclusion as key values. While we will not achieve success overnight, we view this strategy as a business imperative given the changes in the American workforce. Success with this strategy will help position Erickson to compete for the best talent and thereby continue to provide top quality services to our residents.

Wind Crest completed an Employer Information Report EEO-1, which shows that the community has opportunity to further develop its diverse identity. The most diverse employee population at Wind Crest is Hispanic/Latino which also reflects the overall diversity of Denver and the state of Colorado. Efforts are being made to advertise in strategically placed minority publications to increase awareness of what Wind Crest offers and opportunities available to a greater minority population.

The Human Resources Department and Administration work closely with each department to ensure that we are actively seeking ways to establish and maintain our connection with diverse community organizations and populations. The community also highlights diversity through recognition of federally recognized heritage months (e.g. Asian-American Heritage month and Women's History month) at each Employee Town meeting and each department sponsors activities designed to celebrate diversity within their individual teams. Ongoing employee classroom and one-on-one training assists managers to further develop the skills needed to effectively lead a diverse work force and utilize the various talents of their teams.

The Eden at Home training teaches participants to see individuals for their strengths and focus on ways elders can contribute to a community at any stage of life. The underlying Eden Principles are enhancing a culture at Wind Crest that encourages residents and employees to embrace uniqueness, celebrate differences, and create an inclusive atmosphere, ensuring that anyone will feel welcomed within the community.

### ***“Green” Initiatives***

From its inception, Wind Crest made the conscious decision to “go green.” We are good stewards of the community's natural resources through our business conduct in areas of energy management, community initiatives, design, development, and construction. Erickson, in partnership with the Board of Directors and Wind Crest management is committed to becoming more aware of how it can “go greener.”

The purposes for “going green” are to support the reduction of our carbon footprint which equates into the reduction of our overall carbon emissions. This will minimize our community's impact on global warming. We also want to be good stewards of resident resources by developing energy efficient communities that require less direct utility cost. This in turn supports our financial/business objectives to provide affordable retirement living and services to our residents.

The following are examples of systems or programs that reflect our commitment to the environment and reducing costs for the community:

- Light/motion sensors in offices
- Regularly scheduled HVAC tune-ups
- Energy Star appliances in apartments
- Compact fluorescent light bulbs in common areas
- Load shedding/power management
- Environment-friendly disposable products in housekeeping
- Microfiber mops and dusters (rather than cotton)
- Comingled recycling from apartments
- Energy management computer systems (monitors)

- Tinted bridge windows in climate controlled walkways (helping to keep heat/cool air in)
- Green cubby program for residents who wish to receive communication electronically (20% participation).

Wind Crest expects to continue these initiatives in 2011 and evaluate additional green options that have been successful in other Erickson communities such as reusable containers for carry-out meals and converting used cooking oil to fuel for our buses.

## **Resident Accomplishments and Highlights**

The Resident Advisory Council (RAC) plays an important role in keeping the focus on what is important to residents through their support, guidance and communication. The RAC held its third election for members and officers for 2010/2011. Over 79% of our residents voted in a secret ballot process managed by the Resident Election Committee. Ten residents ran for the RAC and five were elected for vacancies. The Officers currently serving are:

John Lillie, President  
 Karen Weerts, Vice President/Dining Services and Erickson Advantage Liaison  
 Henry Rice, Secretary  
 Aurline Emmett, Medical Liaison  
 David Milek, Civic Relations Liaison  
 Larry Carr, Marketing Liaison  
 Dick Coan, General Services Liaison  
 Edie Collins, Resident Life *Daily* Liaison  
 Judy Jones, Resident Life *Ancillary Health* Liaison

We are grateful for the tremendous contributions of our outgoing RAC members and those who served for part or most of 2010: Jim Murphy, Dr. Chet Crawford, Jim Fenn, Ron Brown, Mary Kennedy, and Hayward (Woody) Doyle.

## **Staff Accomplishments and Highlights**

This past year marked a significant amount of leadership change and transition for Wind Crest employees with new directors leading four major departments: Beth Irtz became our Resident Life Director, Claire Menefee transitioned to General Services, Marcus Cordova was promoted to Dining Director, and Tamika Mitchell moved from Greenspring to become our Human Resources Director when Kit McDaniels retired. While change of this magnitude can be unsettling, employees adapted very well, supporting their new department leaders and working hard to ensure services to residents were uninterrupted. Continued improvement and strong overall scores in resident satisfaction was a great accomplishment and a reflection of the quality, dedication, and character of Wind Crest staff during these leadership changes.

Wind Crest recognized two of the strongest employees, awarding “Best of the Best” to Andrea Simmons, Maintenance Mechanic, and Kristy Hebert, Wellness Manager.

## **2011: Looking Forward**

Reservations have been very strong to start the year, leaving the community with less than 50 apartments available to reserve. Wind Crest is on track to be significantly ahead of projections for occupancy and is likely to have more residents move to the community in 2011 than last year.

### **Areas of Focus**

- Continue to consistently and efficiently deliver programs and services looking for opportunities to innovate and expand as warranted.
- Build on the success of modifying empty apartments to make them more attractive to the market.
- Settle remaining inventory.
- Maintain stable operations and expenditures to ensure the community remains financially sound.
- Work with development partners on plans for health care facility and longer term plans to continue the campus expansion as the community approaches stabilized occupancy and the priority list grows.
- Further training and leadership development of staff to successfully manage growth of community and to prepare them for future opportunities and promotions.

### **Financial Plans**

Annually, the Wind Crest Board of Directors reviews the proposed delivery of community services and programs for the following year and adopts a resident fee schedule, through approval of the community business plan (“Budget”). The Budget is formulated by the Wind Crest management team during the fall of each year and is approved by the Board on or before December 1st for the ensuing calendar year. Management’s proposed budget to the Board takes into consideration suggestions from the community and attempts to attain spending levels that meet the Board’s standards for community quality of life while maintaining affordability to the residents.

In approving each Budget, the Board seeks a financial plan that sustains the community’s long term financial stability. During the year, the Board reviews financial performance at least quarterly and in consultation with Management may make adjustments to the Budget if major assumptions or needs change.

The 2011 Budget for Wind Crest assumed continued efficiency in operations and strong sales and projected the community would have a net operating income of \$1.2 million. Community-based expenses have been at or below budget assumptions and are expected to remain so. Settlements and revenue year to date are ahead of budget. Wind Crest is on track and projecting to meet or exceed the budgeted operating income for 2011.

## **Campus Development**

Planning is well underway for the health care facility with construction targeted to begin in 2012. Erickson Living and Wind Crest will continue taking a prudent and disciplined approach to further development beyond the health care facility. However, with both current and projected demand strong, the future growth of Wind Crest into a second neighborhood is already in the initial planning stages.

## **Renaissance Gardens (RG)**

Wind Crest is currently planning and working closely with an Erickson planning team to break ground for Renaissance Gardens in the spring of 2012.

Wind Crest obtained approval to develop a small assisted living residence for approximately 7-10 residents while we wait for the RG to develop on our campus. We have named this small place for some of our elders "Aspen House". In 2010 we began investigating the licensure requirements and planning with the corporate team. We plan to open Aspen House in mid-2011, in one of our residential buildings. Wind Crest's IT Manager, Murry Mercier, in his professional growth is certified to be the Assisted Living Administrator for Aspen House.

The continued financial health of Wind Crest requires Erickson and the Board of Directors to develop the community responsibly by closely monitoring market demand and the projected needs of residents. Erickson's new owner has committed to review development options over the next few months and update the Board of Directors and the community in late summer of this year. A top priority will be building Renaissance Gardens. Erickson and the Board recognize the importance of doing so, both to fulfill the commitment to current residents and to attract future residents. We will continue to update residents on the progress of the community's development and provide more specifics on the exact timing of Renaissance Gardens through periodic and routine communication as decisions are made and plans finalized.

## **Programs and Initiatives to Maintain Service, Culture, Mission and Values**

The early years of an operation are a critical time in the development of a community's culture. In addition to hiring employees who will share the mission and values of this community, Wind Crest provides ongoing training to its staff through All Staff and Leadership Team meetings, departmental in-services, mentoring, employee performance reviews, and development classes for managers and other employees. Eden at Home training will remain a cornerstone program to not just maintain, but enhance our culture and continues to include residents and employees together in classes. As we move forward with a new and strengthened management company, Wind Crest will continue to be the best retirement choice in Colorado for people who want to be a part of a vibrant, life-enriching community.

## **Your Executive Management Team**

**Craig Erickson, Executive Director (1998):** Craig joined the Wind Crest team in September 2006. Prior positions at Erickson Retirement Communities included Associate Executive Director, VP of Financial Planning and Analysis, and Chief Information Officer. Craig earned a Bachelor of Science degree in civil engineering from the University of Virginia and an M.B.A. in finance from the Wharton School of Business. Currently, he is board Chair of the Chamber of Commerce of Highlands Ranch and a board member of the LeadingAge Colorado (formerly Colorado Association of Homes and Services for the Aging).

**Elizabeth Irtz, RN, NHA, Associate Executive Director and Director of Resident Life (2008):** Beth is a registered nurse and licensed nursing home administrator with over 30 years of experience in long term care. She has held positions as Director of Nursing, Nursing Home Administrator, Vice President of Patient Care Services and Chief Life Enhancement Officer. Beth has consulted in over 200 long term care facilities in 20 states. She graduated from the University of Kentucky with a Bachelors of Science in Nursing. She is an Eden Mentor and Educator with the Eden Alternative and Past Board President for Colorado Culture Change Coalition and serves on the Culture Change Accountability Board administering grants from nursing facility civil money penalties. In March of 2010, Beth took on the dual roles of AED and Director of Resident Life.

**Jason Atwell, Director of Sales and Marketing (2004):** Jason has been with Erickson Retirement Communities since 2004. He began his career with Erickson at Riderwood Village in Silver Spring, MD, moved to Houston, TX to open Eagle's Trace, and came to open Wind Crest in 2006. Jason holds a Masters Degree in Marketing and Communication from Franklin University in Columbus, OH. He has moved with Erickson several times because of the great value he places on the unparalleled lifestyle that Erickson Retirement Communities provides.

**Claire Menefee, Director of General Services (1996):** A trained dietitian, Claire began her career as a clinical dietitian at a hospital in Northern Virginia. She has worked in nursing homes, hospital food service administration and catering management. In January of 1996, Claire joined Erickson as the Assistant Director of Dining Services at Oak Crest Village. In 1998 she was promoted to the Director of Dining Services at Seabrook Village in Tinton Falls, New Jersey. Claire always wanted to return to the West so when an opportunity arose to open Dining Services at Wind Crest she joined the community as the Director of Dining Services. Interested in some new challenges, Claire accepted the position of General Services Director in April 2010. Claire and her husband, David, live in beautiful Franktown, Colorado.

**Marcus Cordova, Director of Dining Services (2007):** Marcus is a native to Colorado, and fifth generation Coloradan. Marcus has worked as a Chef most of his life and has a strong

passion for good cooking and great food. He began his career as an apprentice working under some exceptional chefs before opening a small restaurant in Monte Vista, Colorado. Prior to joining Wind Crest, he has been an owner and Chef of a catering company, a Chef de Cuisine in a local country club, and the Executive Chef and General Manager of a specialty food market in Evergreen. Marcus joined the Wind Crest team as the Executive Chef in 2007 before accepting the position as the Director of the Dining Services in April 2010. Marcus, his wife, Kathrine, and five children reside in Henderson, Colorado and enjoy spending time doing all of the outdoor activities that Colorado has to offer.

**Dr. Barbara Morris, Medical Director (2008):** Dr. Barbara Morris is the medical director for the Wind Crest Medical Center, an Erickson Health Medical Group (EHMG) site. She joined in June of 2008 having spent the prior 12 years with Colorado Permanente Medical Group. Dr. Morris is a family physician with advanced certification in geriatrics. She has extensive experience in geriatrics, primary care, Medicare, and home health services. She is thrilled to be part of a team that is able to provide comprehensive, compassionate, and prompt care to Wind Crest residents.

**Karen Lux, Director of Finance (2007):** Karen, a native to Colorado, joined the Wind Crest team as the Assistant Director of Finance in 2007 and was promoted to the Director position a year later in June 2008. Prior to joining Erickson, she worked as the Controller for Mountainsmith, a small outdoor company in Golden, CO, and also held various finance/accounting positions with several entities at Qwest Communications. Karen earned both her Bachelor of Science degree in Accounting and an M.B.A from Regis University in Denver, CO and has a CPA designation.

**Murry Mercier, Information Technologies Site Manager (2003):** Murry Mercier has worked in the technology field for Erickson Living over the past 8 years. After spending four years running the Erickson Living email environment and working on projects related to Electronic Medical Records and data integrity, he moved into operational support at Wind Crest. This has given Murry direct experience in providing services to seniors and engaging in activities towards the successful aging of our residents. He achieved his undergraduate degree in business management from the University of North Carolina at Wilmington and MBA from the University of Phoenix.

**Tamika Mitchell, Director of Human Resources (2006):** Tamika Mitchell is the Human Resources Director at Wind Crest. Tamika began her career at Erickson in February 2006 as the Sr. Human Resources Manager at Greenspring located in Springfield, Virginia. She relocated to Colorado in October, 2010 to join the Wind Crest Team as the Human Resources Director. Tamika has a BS in Communications and Management from Southern Connecticut State University and a MA in Human Resources and Counseling from the University of Bridgeport and is currently working on a MBA. She also has her Certification as a Professional in Human Resources (PHR) from the Human Resources Certification Institute and she is an active member of the Society for Human Resources Management (SHRM).

## **Your Resident Advisory Council (RAC)**

### **John Lillie, President**

John Lillie moved to Wind Crest in the spring of 2008 from Ann Arbor, Michigan where he was a professor on the faculty of the University of Michigan in the Medical School and the School of Dentistry. John had his undergraduate training at Kalamazoo College and received his D.D.S. in 1966, a PhD in Anatomy and Cell Biology in 1972 and completed a two year residency in Oral and Maxillofacial Surgery. In addition to teaching medical, dental and graduate students, he co-directed a basic science research laboratory. John served on a number of University committees and national and international professional organizations. For five years, he was Interim Assistant Dean for Predoctoral Education and Faculty Affairs in the School of Dentistry. John and Sue were married in 1966, raised two daughters and have three grand children. They enjoy travel, being outdoors and spending time with their grandchildren. John has been active in a number of Wind Crest organizations including the General Services Committee of the RAC. The Windy Wooders, The Wind Crest Chorale and the Model Train Club and serves currently as the RAC President.

### **Karen Weerts, Vice President / Dining Services and Erickson Advantage Liaison**

Karen Weerts and her husband, Bob, began to call Wind Crest “home” in the summer of 2007. Professionally, she was the administrator for Weerts Funeral Homes, Davenport, IA, in the pre-planning department. Karen has her Colorado Health & Life Insurance License, which is very helpful for her Liaison duties. Prior to moving to Wind Crest, Karen served as Board Member of a Townhome Association in Centennial, Colorado, and a Lake Association in Wisconsin. Karen previously was the owner of a Women’s Image Center in Davenport, Iowa and a top national sales person and manager for Leiters Designer Fabrics in Kansas City. Karen has been married to “Treasurer Chest Bob” for 46 years and they have four children and nine grandchildren.

### **Henry Rice, Secretary**

Henry J. Rice married the prettiest Nurse at Colorado General Hospital, and has been married for over fifty years. They have a Daughter, Jeni, who lives in Parker and is looking after their three Grandchildren. Mr. Rice graduated with a degree in Electrical Engineering; Juris Doctor, Law and is a Registered Professional Engineer. Admitted to various State and Federal Courts, Admitted to U. S. Supreme Court, 3/28/77. His services were benefited by many organizations, including; U. S. Bureau of Reclamation, Denver, Colorado Van Scoyoc and Wiskup, Inc. "K Street" Washington, D. C. Nebraska Public Power District, Columbus, Nebraska; Stone & Webster Management Consultants, N.Y., Boston, and Denver City of Lodi, California Transmission Agency of Northern California. Since moving to Wind Crest in 2009, Henry has participated in many activities. Leader and animator of the Wind Crest "One Spirit" Many Faiths in Fellowship Group since early '10. Originator of the First Ever "Clarence Burton Open Oven" Essay Contest Writer and Director of the 2010 Smash Hit, "Thanksgiving Turkey Trial" Writer and Director of the new 2011 (and even better) "Thanksgiving Nostalgic Radio Broadcast" Served on the Resident Life COTRAC and now serves on RAC.

**David Milek, Civic Relations Liaison**

David Milek served in the U.S. Navy in 1944-46. Graduated from the Univ. of Colorado 1949 with a B.A. Economics and Political Science. Formed Milek Insurance Services, Inc. in Denver CO. Sold agency to son and daughter and retired Dec.31, 1994. President Independent Insurance Agents of Colorado, Inc. Colorado State National Director Independent Insurance of America. Governors Committee of Highway Safety. Goodwill Industries of Denver, Chair. Board Member Colorado Alliance for the Mentally ILL. Past President of Golden K-Foothills Kiwanis Club. Married 61 years to Maggie who died Dec.29, 2009. We have four children, nine grand children, two great grandchildren. Moved to Wind Crest on July 9, 2010.

**Dick Coan, General Services Liaison**

Dick was born in Wyandotte, MI. His family moved from there to Ohio, and then to Illinois, and then to Wisconsin where he finished high school. He graduated from Lawrence College with a degree in Geology and was commissioned in the USAF. He completed Pilot Training and Helicopter Pilot Training and began his duties as a pilot at Lake Charles AFB, LA. In 1962 he received a degree in Aeronautical Engineering from the University of Wyoming. In 1975, while stationed in Germany, he completed a M.A. in Business Administration with Ball State University. After leaving the Air Force as a Lt Col he worked as a Logistician with the Martin Aerospace Corporation. He also spent 4 ½ years with the EPA as a Grantee of AARP. Dick has 45 years of volunteer service with the Boy Scouts of America, as Scoutmaster and as a trainer of youth and adults. Dick and Marilyn were married in 1955 and lived in Hawaii and in Germany and several "stateside" locations courtesy of the Air Force. They moved to Wind Crest in July, 2007 after living for nearly 30 years in Jefferson County near Columbine High School. They have three sons, and three grandchildren

**Larry Carr, Marketing Liaison**

Larry and his wife Eleen moved to Wind Crest from Arizona in the fall of 2009. After receiving his BA degree in Business from Michigan State University and serving two years as a Lieutenant in the U.S. Army, Larry became the majority owner and manager of an Independent Insurance Agency in Mesa, Arizona. Twenty-one years later the firm ranked nationally in the top tier in size among Independent Insurance Agencies in the U.S. and was sold. Immediately following the sale, Larry founded a Risk Management firm catering to small business firms and compensated strictly on a fee basis. He has served as President of a State Trade Association, State delegate for several years to a National Trade Association, recipient of a number of trade association recognitions, including the *Independent Insurance Agents and Brokers of Arizona* highest recognition, the *Arizona Hall of Fame* award. He earned a professional Chartered Property and Casualty Underwriter (CPCU) designation focusing on economics, business law, accounting, risk management, and ethics; and has served on many committees and councils, both within and outside the insurance industry.

**Aurline Emmett, Medical Liaison**

Aurline Emmett graduated from Weber College, Utah, then a community college. She received a scholarship to the University of Southern California for her Junior year. That was 1939 and television was just getting started. At USC students were writing and acting in scripts that were shown on the TV sets in the lobbies of movie theaters. She decided this was the career she wanted but first she went back to Salt Lake and got her degree at the University working after school at station KLS in the copy department. While at USC a script she had written for a class was presented on CBS's short wave station. This led to a job offer at KFAC, the classical music station of Los Angeles and from there to a job as an account

executive in an advertising agency. She married Robert Emmett, when he graduated from USC's Dental School in 1945 and then was drafted into the Army Air Corps. Aurline continued her career in radio and TV until Bob returned home after a year in Japan with the occupation army. Home was Sherman Oaks, California, where they raised five children. When Bob began showing signs of dementia, Aurline knew she had to go back to work to finish putting the children through college. She enrolled in a UCLA Extension class, "Group Counseling for Women". At the end of the class she was asked to take the training to teach the class. She taught the class for several years, eventually becoming coordinator of the Extension Advisory Service, which counseled campus and extension students. That lasted seventeen years until retirement from UCLA, then retirement from California to Wind Crest in October of 2008. Her new career is great grandmother.

**Eddie Collins, Resident Life *Daily Liaison***

Eddie and her husband, Don, moved into Evergreen Crossing in 2008. She graduated from the University of Denver and began her teaching career at Smiley Junior High School, in the Denver Public Schools. Later she taught Spanish in Minnesota and Wisconsin, and served for nine years as an elected School Board member in Oshkosh, WI. She has been a church organist for over 55 years and still plays every Sunday. At Wind Crest she has been part of the Wisdom Writers, Government Affairs, Current Issues, and Wind Crest Learners Groups. Eddie has long been active in human rights and world peace issues. She and Don are active supporters of The Nature Conservancy and love to travel with Elderhostel. They have three children and five grandchildren.

**Judy Jones, Resident Life *Ancillary Health Liaison***

Judy Jones moved into Wind Crest's Evergreen Crossing in the spring of 2008. After graduating from Valparaiso University in 1962, Judy joined the St. Louis audit staff of one of the "Big Eight" public accounting firms, Peat, Marwick Mitchell (now known as KPMG). She obtained her CPA and worked there for 14 years with progressive management responsibilities. She was admitted to the partnership in 1974. After moving to Denver, she worked as Vice President Finance for DTC, the real estate development company responsible for developing the Denver Tech Center and Meridian International Business Park. DTC was owned by an English company that also owned properties in Boston, Atlanta, Houston and San Diego. She ultimately served as the defacto chief financial officer for the US property companies of the English parent. Judy retired in 1999 after 20 years with DTC.

## **Organization and Governance (Board)**

### ***Organization***

Wind Crest is organized as a not-for-profit corporation and is an affiliate of National Senior Campuses, Inc. (NSC). Wind Crest is governed by its Board of Directors, whose members are independent of Erickson Retirement Communities, LLC and its affiliated organizations. Erickson Living employees do not serve on the Board of Directors.

The Wind Crest Board is responsible for oversight of the development, financing and operations of the Community. The Board has retained Erickson Living to provide management services for the Community pursuant to a Management and Marketing Agreement. With no private shareholders to pay, the Community's net assets are retained for the long-term benefit of current and future residents and to further the Community's charitable mission.

Wind Crest is one of 15 communities supported by National Senior Campuses, Inc. (NSC). NSC acts as an umbrella organization by organizing separate not-for-profit corporations that operate retirement communities (such as Wind Crest) and providing ongoing strategic planning, governance and operational resources to the community boards. It also develops and monitors overall policies and guidelines for operations and standards of care in order to promote efficiency while preserving the high-quality standards of its supported organizations. NSC develops long-range strategic plans and formulates relationships that are beneficial to its supported organizations and promote cost savings within the system.

The Board of NSC currently consists of 9 independent directors, each of whom brings a particular expertise to the Board. To assure that NSC is responsive to its Supported Organizations that own and operate the communities; at least one of the directors of each Supported Organization is also a director of NSC. This allows each Supported Organization to have representation and direct involvement in the formulation of policies and activities of NSC that affect a community.

For more information about the organization and governance of Wind Crest and NSC please go to [www.NationalSeniorCampuses.org](http://www.NationalSeniorCampuses.org).

### ***Board of Directors***

All corporate authority resides in the Wind Crest Board of Directors as fiduciaries of the Corporation, subject to the requirements and restrictions set forth in the Corporation's Charter, Bylaws and applicable law. As fiduciaries, the directors are the stewards of the corporation's assets and have the responsibility for seeing that the corporate mission is being fulfilled and that the assets of the corporation are being effectively used for that purpose.

Erickson Living is responsible for the day-to-day management of Wind Crest pursuant to a Management and Marketing Agreement between Wind Crest and Erickson Living. The Board of Directors regularly monitors the quality and effectiveness of management performance and decisions including the execution of its strategies in support of the mission.

The Board of Directors is comprised of a maximum of 12 and a minimum of 6 people. At least one of the directors of Wind Crest must be a member of the Board of Directors of NSC and is appointed by NSC to a one-year term. One of the other members of the Board of Directors must be a resident of Wind Crest.

Wind Crest's Board of Directors is committed to maintaining strong corporate governance principles and practices. The Board periodically reviews evolving legal, regulatory and best practice developments to determine those that will best serve the interests of our stakeholders.

If you would like additional information about Wind Crest's corporate governance practices, you may view many of the documents listed below at [www.National-Senior-Campuses.org](http://www.National-Senior-Campuses.org) or visit the Executive Director's office where you will be provided access to review the contents of the Community Reading File:

- Corporate Governance Guidelines
- Amended and Restated Articles of Incorporation
- Bylaws
- Form 1023 – Application for Recognition of Exemption
- IRS 990, Return Of Organization Exempt From Income Tax (most recent year)
- IRS determination letter recognizing exempt status under 501(c)(3)
- Management and Marketing Agreement
- Official Statement of Bond Issue (as applicable)
- Audit Committee Charter
- Conflict of Interest Policy
- Community Board Resident Director Recruitment Policy and Procedure
- RAC Handbook
- Summary copy of current year budget and rolling three-year business plan
- Annual Report (most recent copy) which contains the Mission Statement, Management Report, Director Biographies, and Organization Chart
- Audited Financial Statement

### ***Corporate Governance Guidelines and Committee Charters***

The Corporate Governance Guidelines and the charters of the committees of the Board of Directors describe our corporate governance practices. The Corporate Governance Guidelines and charters are intended to ensure that the Board has the necessary authority and practices in place to review and evaluate our business operations and to make decisions that are independent of the Management Company. The Corporate Governance Guidelines establish the practices the Board follows with respect to board composition and selection, board meetings, board committees and director compensation. Members of the Board of Directors are expected to participate in continuing education activities designed to maintain their knowledge of current industry developments and corporate governance practices. To achieve the Board education objective the Board maintains memberships in leading corporate governance trade associations such as the National Association of Corporate Directors and Board Source. The Board annually conducts a self-evaluation to assess compliance with the Corporate Governance Guidelines and identify opportunities to improve Board performance.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect changes in regulatory requirements and evolving oversight practices.

### ***Board Activities 2010-2011***

In April 2010, the sale of assets of the prior manager, Erickson Retirement Communities, was approved by the bankruptcy court. Erickson Living Management was organized by the purchaser as a new company. As the community's independent, not-for-profit board, the Wind Crest Board entered into a management contract with the new Erickson Living organization and will continue its oversight role in this relationship.

As the sale of the Erickson Retirement Communities assets was being undertaken, the Board carried on its work at the community and regional level and the "Residence and Care Agreement" currently in effect continued to be honored. The Board will continue its dedicated service to residents working together with the local management team and with the support of Erickson Living.

During 2010, the Board held its formal quarterly meetings and additional meetings, as necessary. Among the actions taken by the Board during 2010-2011 were:

- Approval of the Budget for 2011.
- Meetings with the Residents Advisory Council to receive their input on the effectiveness of community operations and priorities.
- Review of the results of the annual Residents' Satisfaction Survey including the Action Plans proposed by Erickson Living Management to address matters needing corrective action as reported in the survey.
- Meeting with the residents at the Annual Town Meeting to review the operations of Wind Crest.
- Special meetings and all board meetings to discuss Erickson Living issues and Wind Crest issues.
- Special RAC meetings, town meetings, and letters regarding governance addressing Erickson Living and Wind Crest issues with residents.
- Meeting with residents to discuss the 2011 budget and fees.
- Numerous meetings with the Executive Director and management staff to review operating, compliance and financial reports.
- Wind Crest Board and NSC Board member support of the Benevolent Care Fund
- Recorded 100% Director participation in Wind Crest philanthropic initiatives.
- Selected our first resident director, Duffy Deardorff

Wind Crest requires Erickson Living to adhere to a Code of Business Conduct, a Compliance Plan and a Whistleblower Policy. The Board regularly receives reports from Erickson Living on the continued adherence to these policies.

During 2010, the Board recruited additional regional directors to expand the skill sets of the Board and to help build Wind Crest relationships with and connections to the community in which it is located. A full listing of the Board of Directors appears at the end of this section of the report.

## ***Committees of the Board of Directors***

The Board of Directors has appointed various Committees to undertake certain aspects of the Board's duties. Each Committee is governed by a Committee Charter that was approved by the Board of Directors. The Committee members are shown with the organization chart at the end of the Governance section.

### **Executive Committee**

The Executive Committee comprises the Chairperson of the Board, President, Treasurer and Secretary; and has the authority to act for the Board of Directors between meetings in accordance with powers granted by State law and bylaws provisions.

### **Audit Committee**

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and the qualifications and performance of the independent public accounting firm engaged as the Community's independent auditor.

The Committee relies on the expertise and knowledge of the Management Company and the independent auditor in carrying out its oversight responsibilities. The Management Company is responsible for the preparation, presentation, and integrity of our financial statements, accounting and financial reporting principles, internal control over financial reporting, and disclosure controls and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Management Company is responsible for objectively reviewing and evaluating the adequacy, effectiveness, and quality of our system of internal control. The Community's independent auditor, PricewaterhouseCoopers LLC, is responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

With respect to 2010, the Audit Committee met with PriceWaterhouseCoopers to review the audited financial statements and the auditor's report, to review the auditor's report on internal controls as well as the management company's response and planned corrective actions, and to review other matters that the auditors are required to discuss with the Audit Committee. Upon completion of its work with respect to the 2010 audit, the Audit Committee will deliver its report to the residents at a Town Meeting.

### **Investment Committee**

The purpose of the Investment Committee is to assist Board of Directors to fulfill its oversight responsibilities with respect to the investment, monitoring, accountability and control of Benevolent Care Funds, Excess Cash and other community funds as may be appropriate. The Committee is an Advisory Committee with director representatives drawn from the Boards of Directors of NSC and the Communities. The Investment Committee was formally established as a separate Committee in January 2009. Previously the monitoring of investment activities

was provided through an Investment Subcommittee of the Finance & Acquisitions Committee, which is no longer a functioning committee. The Boards of Directors of NSC and its Supported Communities decided to create a separate Investment Committee in recognition of the growing levels of investment dollars across the communities and the need to provide a singularly focused committee to oversee these funds.

### ***Director Compensation***

In 2010, Wind Crest paid a total of \$64,391 in compensation to the members of the Board of Directors of Wind Crest.

Directors' Compensation for Wind Crest was recommended by NSC and was approved by the Wind Crest Board of Directors based upon the recommendations of an independent compensation consultant retained to review the reasonableness of director's compensation. In determining the amounts of compensation, the Board and the consultant considered the time and expertise requirements of directors and fees paid to directors of comparable companies, both for-profit and not-for-profit.

### ***Form 990***

A copy of the most recent Form 990, Return of Organization Exempt From Income Tax, can be reviewed in the Executive Director's Office or online at

[www.NationalSeniorCampuses.org](http://www.NationalSeniorCampuses.org).

## **Your 2011 Board of Directors**

### **Rod Coe - Chair**

Dr. Coe serves as Professor Emeritus at the Department of Community and Family Medicine of the Saint Louis University School of Medicine. He also held faculty appointments in the Division of Geriatric Medicine and the School of Public Health. Formerly he was Director of Medical Care Research Center in St. Louis. He is the author of numerous books and articles in professional journals.

### **Dave Burk**

Mr. Burk is a highly accomplished senior insurance executive with broad-based specialty expertise in healthcare and professional liability. During his nearly 40 years of professional experience, Mr. Burk has served in numerous leadership positions, including Vice President of VHA Inc., a national healthcare cooperative with 2200 organization members, and President and CEO at Holy Cross Resources, Inc., the insurance, risk management, and benefit services subsidiary of Trinity Health. Currently, Mr. Burk is a principal at DLB Consulting Inc., in Fort Collins, Colorado. Mr. Burk received his B.A. from Cardinal Glennon College and his M.A. from St. Louis University.

### **Jim Hayes**

A registered CPA, Mr. Hayes most recently was employed as Senior Associate Director of Admissions and Financial Aid at the Stephen M. Ross School of Business at the University of Michigan where he was involved in all aspects of recruiting, admissions, and enrollment. He is a retired partner of PricewaterhouseCoopers where he served as Partner in Charge of Minority Recruiting and Retention, and Partner in Charge of Workforce Diversity at Coopers & Lybrand prior to the merger of the two firms. In both positions, Mr. Hayes succeeded in developing and implementing strategies to enhance workforce diversity. Mr. Hayes holds a Bachelor's Degree in Accounting from St. Joseph's University in Pennsylvania.

### **Steve Hunsicker**

Currently a principal of SPACE Architects in St. Louis, Missouri, Mr. Hunsicker has been creating innovative architectural solutions for health care, corporate, and educational clients for more than two decades. His collaborative, multidisciplinary design philosophy seeks the optimum balance between organizational, cultural, and environmental considerations. He also served as a trustee for Westminster Christian Academy. Former board assignments and activities include the City of Kirkwood Parks Department, the Solar Foundation, and as a facilitator at the Missouri Governor's Student Leadership Forum on Faith and Values.

### **Boone Powell**

Mr. Powell served as president and chief executive officer of Baylor Health Care System for 20 years managing a major regional network of acute care facilities, community hospitals, family health centers, senior health centers, and contract affiliations. Recognized by Business Week magazine in 1990 as one of "Five Best Health Care Executives" in the country he also worked as President and CEO of Hendrick Medical Center and served as Chairman for the Health Industry Council in Dallas. He has served on boards for the National Young Life organization, the Greater Dallas Chamber, Dallas Citizens Council, U.S. Oncology, Abbott Laboratories and others. Mr. Powell is also a fellow of the American College of Health Care Executives. Mr. Powell's education includes a Bachelor of Business Administration from Baylor University, and a Masters in Public Health from the University of California.

**Duffy Deardorff, Resident Director**

Mr. Deardorff is a Resident Director from Wind Crest Village in Highlands Ranch, Colorado. He graduated from Tulsa University with a Bachelor of Science in Petroleum Engineering and later from Golden Gate Baptist Theological Seminary with a Master of Arts in Theological Studies. He was called into the ministry as associate pastor of Summit Community Church, employed by Overseas Missionary Fellowship, and served as executive pastor at Applewood Baptist Church. He is currently employed part-time by the Baptist Foundation of Colorado as operations director reporting to a 12-member Board of Directors.

**Scott A. Hollingsworth**

Mr. Hollingsworth is president of S.L.I. Group, an integrated design-build firm focusing on private sector commercial architecture and construction. Previously, he worked as a manager with Turner Construction Company. Mr. Hollingsworth has contributed to notable projects including One OK Plaza in Tulsa, OK; the renovation of the historic Emily Morgan Hotel across from the Alamo in San Antonio, TX, and the \$1.7 million Grace School K-8 classroom renovation project in Houston. He is an active member of Grace Presbyterian Church in Houston and serves on the board of Gina's Light Foundation.

**Michelle Evans Bohrer**

Ms. Bohrer practices law with the firm of Bohrer & Zucker LLP. For the past 20 years, she has represented clients in regard to commercial litigation and employment defense needs. Ms. Bohrer serves as Chair of the Leadership Council for the Gulf Coast Region of the American Cancer Society. She was the first woman chair of the Rotary Lombardi Award, an annual event honoring the NCAA college linemen of the year, with all proceeds going to benefit the American Cancer Society. A graduate of the University of Houston, she has contributed to numerous publications including The Houston Business Journal, The New York Times, and Texas Lawyer.

**Grover C. Wrenn**

Mr. Wrenn is a retired entrepreneur and senior executive with 40 years of experience in health care services, environmental science, regulatory policy and occupational health and safety. He has served as President and COO of Safety-Kleen Corp., Chairman and CEO of Accent Health Corp and CEO of EnSys Environmental Products, Inc., Chairman of Strategic Diagnostics, Inc., (NASDAQ: SDIX), CEO of Applied Bioscience International, and Founder and CEO of Environ International. He also served as Chairman of Axolotl, Inc., a health information technology company which was recently sold to the United Health Group. Presently, Mr. Wrenn is a Director and Vice Chair at Albion Holdings, Inc., and a trustee of Eckerd College. He holds a Master of Science in Public Health (Environmental Sciences and Engineering) from the University of North Carolina. He currently resides in Denver, CO.

**Rosetta B. Robins, Ph.D., J.D.**

Dr. Robins is an experienced professional with over 25 years of executive administrative and legal experience. Currently, she is a principal in Strategic Management Solutions LLC, a management and human resources consulting firm specializing in employment law and business management practices. During her legal career, she practiced corporate law in both law firm and corporate settings. Before entering the legal profession, she held positions at the University of Kansas Medical Center in administration and teaching—associate dean/assistant professor, School of Allied Health and director and associate director center of excellence and research assistant professor, School of Medicine. Active in community and civic organizations she has served on the boards of numerous organizations including the Mid-Continent Girl Scouts, Greater Kansas City Women's Foundation and Jackson County Board

of Services for the Developmentally Disabled. She earned advanced degrees—JD, PhD, and MPA—at the University of Missouri at Kansas City.

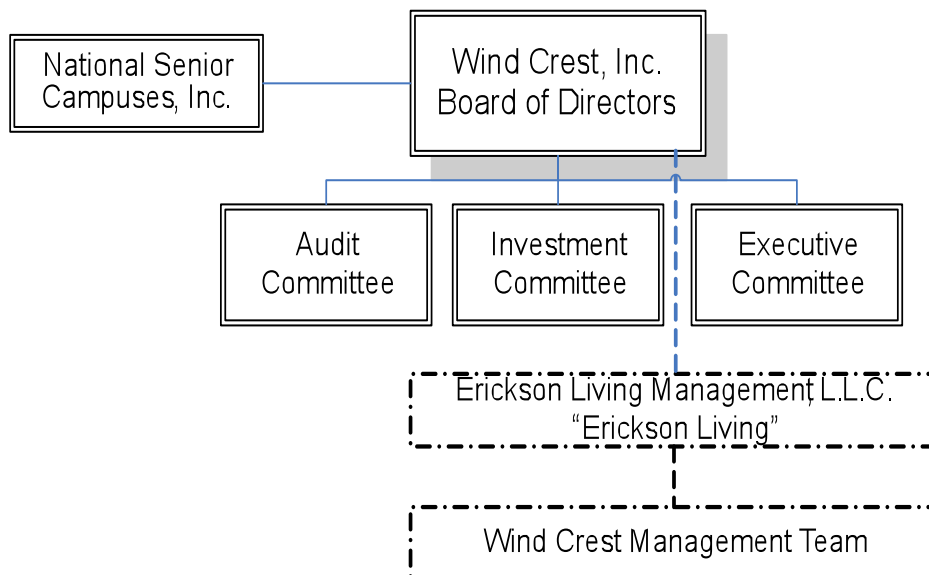
### **Zina Jacque**

Zina Jacque is the senior pastor at the Community Church of Barrington Illinois. Previously she has served on the staffs of multicultural, urban, and suburban churches and has done extensive work in the areas of education, counseling, and support programs. Dr. Jacque most recently served as the Executive Director and Founder of the Pastoral Counseling Center of Trinity Church in Boston. In this role she implemented training on mental health issues for local pastors and led the Center in the delivery of 2,400+ annual direct service hours. Previously Jacque was the Interim Director of Christian Education at the Melrose Church in Massachusetts. There she implemented a separate and unique Children's Church and youth group. She has also acted as Protestant Chaplain at Bentley College and as the Executive Director of the Boston Ten Point Coalition where she served as a key member of the Boston program of violence reduction: Operation Ceasefire. Dr. Jacque holds a Doctorate of Theology and a Masters of Divinity degree from Boston University (Summa Cum Laude), an M.A. from Columbia University, and a B.A. from Northwestern University.

### **Mike Roskiewicz**

Mr. Roskiewicz is Senior Vice President and General Counsel of First Mercury Financial Corporation (NYSE: FMR), a publicly-traded insurance and insurance services company that markets and underwrites specialty commercial insurance products. In this capacity, Mr. Roskiewicz has responsibility for corporate governance, mergers and acquisitions, regulatory compliance under the federal securities laws and the state insurance codes, litigation management and general employment and contract matters. Prior to joining First Mercury, Mr. Roskiewicz was a partner in the Michigan law firm of Dickinson Wright, PLLC where he represented clients in sophisticated business transactions, including mergers and debt restructurings, private equity investments, and sale/leaseback transactions. Mr. Roskiewicz received his B.A. in psychology from the University of Michigan in 1990 and his J.D. from Washington University School of Law in St. Louis in 1993. He lives in Birmingham, Michigan with his wife and four young sons.

## *Wind Crest, Inc. Organizational Chart*



### LEGEND:

\_\_\_\_\_ = governance relationship (by charter or bylaws)

----- = contractual relationship

## *Wind Crest Committees of the Board of Directors*

### **Executive Committee:**

- Rod Coe, Chair
- Jim Hayes, President and Vice Chair
- Duffy Deardorff, Secretary
- Boone Powell, Treasurer

### **Audit Committee:**

- Dave Burk, Chair
- Duffy Deardorff
- Steve Hunsicker
- Mike Roskiewicz

### **Investment Committee:**

- Jim Anders
- Fred Haas
- Jim Hayes
- Willow Pasley
- Larry Shubnell

**Wind Crest Inc.****Statements of Operations****For the Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
Unrestricted revenues, gains and other support:		
Resident occupancy revenue	\$ 12,614,441	\$ 11,387,183
Ancillary fees	1,882,405	2,001,083
Amortization of resident deposits, net of marketing expenses	43,558	531,863
Interest	7,785,678	7,445,976
Processing fees	17,550	30,150
Other revenue	344,606	287,405
Net assets released from restriction used for operations	27,403	20,303
Total revenues, gains and other support	<u>22,715,641</u>	<u>21,703,963</u>
Expenses:		
Salaries, wages and benefits	6,081,514	6,124,523
Rent	3,257,653	8,689,551
Professional and contracted services	2,261,027	3,132,075
Supplies	435,066	420,634
Dietary and other supplies	1,240,185	1,140,976
Building grounds and maintenance	328,222	275,574
Utilities	649,074	545,735
Administrative and other	304,821	303,120
Management fees	630,123	458,637
Resident relations	62,026	111,277
Insurance	159,745	183,387
Interest	7,646,412	789,502
Real estate taxes	658,864	482,254
Depreciation	1,926,149	819,643
Expenses incurred related to temporarily restricted net assets	27,403	20,303
Total expenses	<u>25,668,284</u>	<u>23,497,191</u>
Operating loss	(2,952,643)	(1,793,228)
Other income:		
Gain on forgiveness of working capital loan and related accrued interest	23,959,400	-
Excess of revenues over expenses / (expenses over revenues)	<u>\$ 21,006,757</u>	<u>\$ (1,793,228)</u>

These statements are excerpted from the audited financial statements of the community. The audited financial statements and notes, which are an integral part of the statements, are available in the Administration office.