

A Unique Concept in Managed Independent Living, Resident Care, Retirement Development and Operation

Our Turn-Key Service

February 2007

Wil Hallman Retirement Development has 15 years of proven retirement community development and management. The company's unique concept addresses a growing need for managed independent living, residential care, retirement communities for the middle class whose primary asset is their house. Our company provides for an integrated approach to retirement community development from the initial planning of the project through the long term management of the community. We provide a complete turn key community which is completely built out, 100% occupied, debt free and fully operational ready for your management or ours. An overview of the development service of a turn key community is as follows:

Project Planning

- Property selection, evaluation and pricing
- Project layout and sketch plan
- Project Performance

Project Approval & Permitting

- Aid in the development and selection of the type of corporation to be formed. "S" Corporation, Limited Liability Company, Partnership, etc.
- Assemble and manage the appropriate team including a civil engineer and architect to achieve project approval and permitting
- Work with the local authorities i.e. Planning Commission, Zoning Board (If required), Councilmen or Supervisors or Commissioners, Sewer Authority and Water Authority to achieve project approval and permitting including the following:
 - Zoning as required
 - Conditional use as required
 - Planning Commission Approval
 - Conservation District Approval & Sequencing
 - DEP Planning Module Approval
 - Penn DOT Approval as required
 - Commissioner/Supervisor Approval
 - Land Development Agreement
 - Age Restricted Covenant

Funding

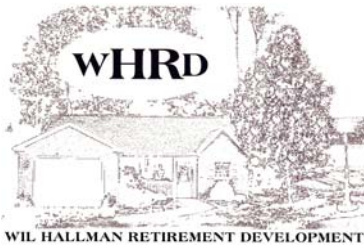
- Provide a proven unique concept in retirement living
- Provide a proven Retirement Development Company
- As required, consult with and advise a qualified company in preparing demographic and impact reports
- Develop of project parameters, development costs, construction costs, operational costs and cash flow requirements
- Develop the sale prices and funding options as required. Provide a proven marketing and sales structure for the required initial Sales
- Work with private and/or bank lenders to obtain project financing
- Implement the required business system structure for tracking and reporting
- Manage the contractual agreements and flow of cash through the project

Preconstruction

- Provide proven layouts for site work and unit architectural layouts
- Work with the utility companies i.e. Electric, Gas, Phone, Cable TV, etc. on design layout and requirements
- Implement an on-going Marketing and Sales Strategy
- Develop a complete list of nonrefundable upgrade options
- Meet with customers for the selection of upgrade options
- Work with civil engineers, mechanical engineers and architects to provide final sealed drawings
- Secure the appropriate building Approvals & Permits

Construction

- Manage design, engineering approvals, permits, construction, marketing and phasing of operational costs from partial occupancy to full occupancy.
- Develop the required scope of work and negotiate the contract with a primary site contractor and/or subcontractors as required (Firm contract, sub all work, Cost Plus, contact with costs not to exceed and percentage returned for savings---or other types of contracts)
- Develop the required scope of work and negotiate the contract with a general contractor and/or subcontractors as required (Firm contract, sub all work, Cost Plus, contact with costs not to exceed and percentage returned for savings---or other types of contracts)
- Select, provide guidance and oversight of the project superintendent



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Phase operation

- Provide a proven residential agreement and other documents used for resident unit "ownership"
- Establish an operating budget and determine the required maintenance and service fees
- Provide a proven system for the management and reporting of operational performance
- Advise, assist and train for on-going marketing, ad designs, photos and types of advertising i.e. direct mail, newspapers, T.V., senior publications, shows, luncheons, expos, displays, radio, internet, etc.
- Select, provide guidance and oversight of sales personnel. Advise, assist and train for unit pre-sales and final unit deposits and sales
- Select, provide guidance and oversight of office, maintenance, and grounds care personnel

Long term operation

- Advise on staffing needs, costs, salaries and aid in the selections for the long term operation of the community
- Fee based operational management as requested

Once the project is approved by the owner and a land use fee is determined, Wil Hallman Retirement Development takes full responsibility and control of the project through completion and full occupancy (full occupancy is considered to be 95% of the available units occupied). All fees and costs will be absorbed and paid through the corporation under which the community is being developed. At full occupancy all cost should be absorbed and the project zeroed out for long term operation without any debt service. Projects may carry resident supported mortgages as developed in the budget to support demographic requirements and economic changes. Operational Budgets will be developed and maintenance/service fees reviewed to ensure operational cost coverage and growth of the escrow accounts to cover emergencies and future major maintenance requirements. The community will be ready for management by the owner or Wil Hallman Retirement Development.

Wil Hallman Retirement Development Compensation is as follows:

- \$5,000 per month retainer fee during project planning and approval
- Upon obtaining the required funding a \$150,000 concept fee is due WHRD.
- Upon project approval, a monthly development fee will be paid over the life of the project based on 8% of the estimated project cost divided by the expected build out of the project.
- A final payment of any unpaid development fee, based on 8% of the actual project costs, will be due upon full occupancy.

We look forward to discussing your interest in developing a unique independent living, residential care, retirement community and providing your operational management needs.

Sincerely,

Wil Hallman, President