
Christenson Advisory Services (“CA”) is pleased to present the 2015 ASHA Seniors Housing Industry Executive Compensation Survey report of results. This report provides seniors housing companies with current information on key organization metrics and compensation program structure/design characteristics. In addition, competitive compensation levels are provided (both 2014 actual awards and 2015 target opportunities) for 32 management level positions.

A total of 48 companies participated in the survey. We extend our sincere appreciation to all participating companies for providing valuable information, which has enabled us to perform an extensive examination of compensation within the seniors housing industry. We hope this report serves as a valuable benchmarking resource to compare your company's compensation program and pay practices to the market.

Sincerely,

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Participants

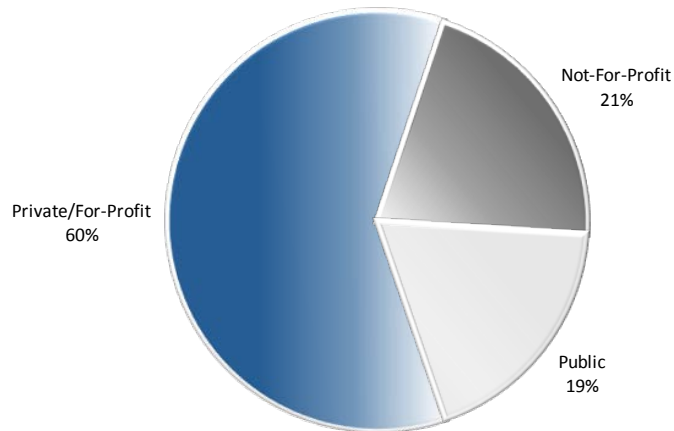
Below is a partial list of the participating companies. This list does not include all 48 participants, as some companies prefer to remain anonymous. The companies listed below gave approval to list their name as a participant.

Allegro Senior Living, LLC	Good Neighbor Care Centers LLC	Senior Star Management Company
Americare	Harbor Retirement Associates	The Covenant Group
Belmont Village, L.P.	HCP, Inc.	The Springs Living
Benchmark Senior Living	Integral Senior Living	UPMC Senior Communities
Brightview Senior Living, LLC	Life Care Services, LLC	USA Properties Fund
Brookdale Senior Living	Mather LifeWays	Ventas, Inc.
Capri Communities LLC	MBK Senior Living	Vi
Carlton Senior Living	Merrill Gardens	Virginia Baptist Homes, Inc.
CommonBond Communities	Milestone Retirement Communities, LLC	Volunteers of America
Commonwealth Assisted Living LLC	Pathway Senior Living LLC	Watermark Retirement Communities, Inc.
Cottage Senior Living, Inc.	Realtex Development Corporation	Welltower, Inc.
Era Living, LLC	Retirement Housing Foundation	Westminster Communities of Florida
Gardant Management Solutions	Ridge Care, Inc.	Westmont Living

Operational Information

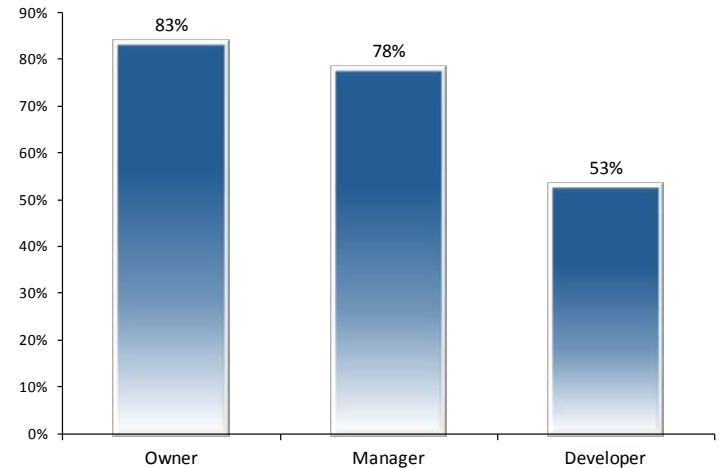
What is the status of your company?

Private/for-profit companies make up over one-half (60%) of the survey’s participants. The remaining participants are fairly evenly split between not-for-profits and publicly traded organizations.



How is your company classified?

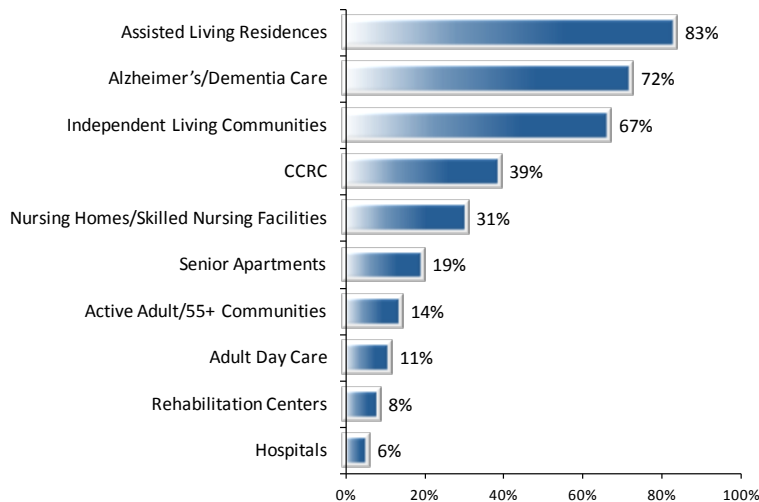
Fourteen percent (14%) of the participants categorize their company as an owner and manager of seniors housing properties, while just under one-half (47%) classify their organization as an owner, manager, and developer of such properties.



Portfolio Information

What types of seniors housing properties does your company own and/or manage?

At least two-thirds of the participating companies reported owning and/or managing assisted living residences, Alzheimer’s/dementia care facilities and/or independent living communities. However, the full spectrum of seniors housing properties are represented in the survey results. Furthermore, 86% of participating companies are diversified, owning and/or managing multiple property types (91% in 2014).



How many seniors housing properties does your company currently own and/or manage?

The table below provides statistics on the number of properties currently owned and/or managed by participating companies. There are instances in which a few participants own and/or manage a relatively large number of properties (e.g., assisted living residences, continuing care retirement communities, independent living communities), resulting in average values greater than the 75th percentile.

	25th %ile	Median	Average	75th %ile
Active Adult/55+ Communities	6	10	8	11
Adult Day Care	1	2	2	2
Alzheimer's/Dementia Care	4	8	14	17
Assisted Living Residences	10	16	72	32
Continuing Care Retirement Communities	4	9	80	20
Hospitals	33	40	40	48
Independent Living Communities	1	7	20	14
Nursing Homes/Skilled Nursing Facilities	2	8	43	49
Rehabilitation Centers	41	77	77	112
Senior Apartments	2	5	7	12

Base Salary

What was the average percentage change in base salary between the following calendar/fiscal years?

Between calendar/fiscal year 2014 and 2015, 89%, 88%, and 92% of the participating companies increased the base salary for top management, senior management/function heads, and the company overall (all employees), respectively. On average, an increase between 2.1% and 4% was most common. The results are much the same when projecting base salary changes between calendar/fiscal year 2015 and 2016. Eighty-nine percent (89%), 91%, and 91% of participants anticipated providing increases to top management, senior management/function heads, and the company overall (all employees), respectively. Again, the largest portion of these increases were expected to fall in the 2.1% to 4% range. Lastly, a relatively small percentage of the participating companies reported either no change or a decrease in base salary between the calendar/fiscal years surveyed.

		Decreased By				No Change	Increased By			
		6.1+%	4.1-6%	2.1-4%	0.1-2%		0.1-2%	2.1-4%	4.1-6%	6.1+%
Between 2014 & 2015 (Actual)	Top Management	0%	3%	3%	0%	6%	3%	51%	26%	9%
	Senior Management/Function Heads	3%	0%	6%	0%	3%	6%	54%	17%	11%
	Company Overall (all employees)	0%	0%	6%	0%	3%	12%	62%	12%	6%
Between 2015 & 2016 (Projected)	Top Management	0%	0%	6%	0%	6%	3%	66%	17%	3%
	Senior Management/Function Heads	0%	0%	6%	0%	3%	3%	71%	14%	3%
	Company Overall (all employees)	0%	0%	6%	0%	3%	9%	76%	6%	0%

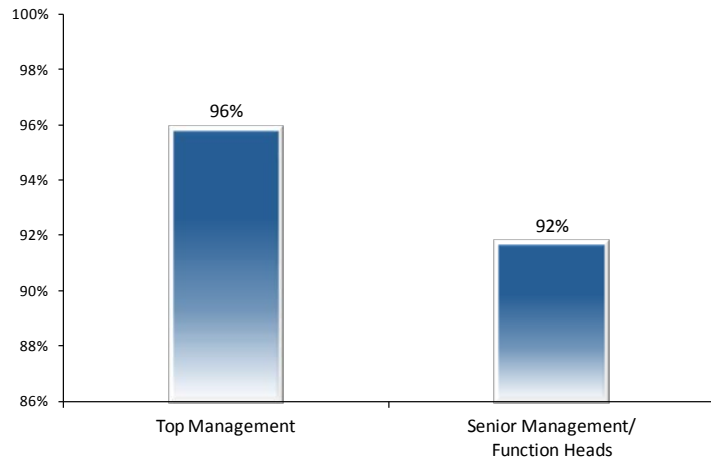
Annual Incentives (Cash Bonus)

Does your company have an annual incentive program?

Two-thirds of the participating companies have an annual incentive program.

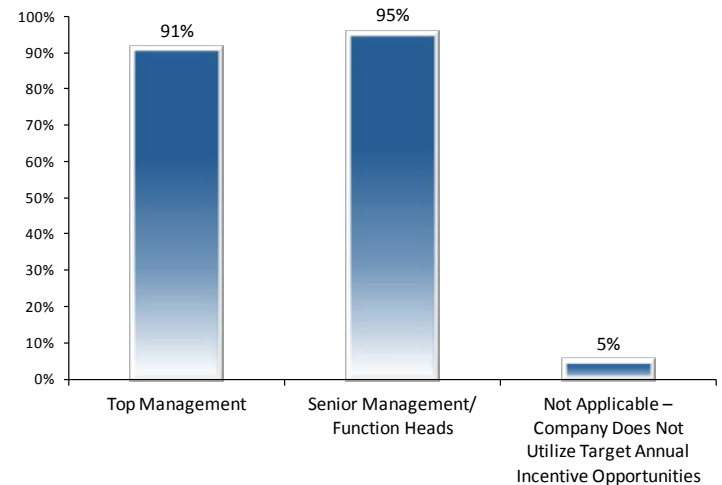
Which of the following organization levels are eligible to receive an annual incentive award?

Most, but not all, participating companies include their top managers and senior management/function heads in the annual incentive program.



Which of the following organization levels have a target annual incentive opportunity (normally expressed as a percentage of base salary)?

The use of target annual incentive opportunities is common among participating companies with most providing target bonuses to both organization levels surveyed. Five percent (5%) of participants indicated that their company does not utilize target opportunities.



Annual Incentives (Cash Bonus)

How did your company’s average annual incentive award payout compare from one calendar/fiscal year to the next?

For top management and the company overall (all employees), the leading practice among participating companies was to provide the same annual incentive award payout for calendar/fiscal year 2014 performance when compared to the payout for 2013 performance. Regarding senior management/function heads, the leading practice among participants was to provide an increased payout. On average, an increase between 1% and 5% was most common. When comparing the award for calendar/fiscal year 2014 performance to the award projected for 2015 performance, no change in payout was expected to be the leading practice among participating companies across both organization levels surveyed and the company overall (all employees). Finally, a relatively small percentage of the participating companies reported a decreased payout from one calendar/fiscal year to the next.

		Decreased By					No Change	Increased By				
		21+	16-20%	11-15%	6-10%	1-5%		1-5%	6-10%	11-15%	16-20%	21+
2014 Compared To 2013 (Actual)	Top Management	5%	0%	10%	5%	0%	43%	24%	5%	0%	5%	5%
	Senior Management/Function Heads	0%	0%	10%	5%	0%	40%	35%	5%	0%	5%	0%
	Company Overall (all employees)	5%	5%	10%	0%	0%	48%	24%	0%	5%	0%	5%
2015 Compared To 2014 (Projected)	Top Management	0%	0%	0%	5%	10%	50%	25%	5%	0%	0%	5%
	Senior Management/Function Heads	0%	0%	0%	5%	11%	47%	26%	0%	5%	5%	0%
	Company Overall (all employees)	0%	0%	0%	5%	10%	50%	25%	0%	10%	0%	0%

Long-Term Incentives

Which of the following long-term incentive performance measures are currently used by your company?

Subjective/individual performance is the long-term incentive performance measure most common among participating companies. Across both organization levels surveyed, this measure is currently used by a majority of the participants when gauging performance. Moreover, participating companies reported using two and three measures, on average, at the top management and senior management/function head organization levels, respectively.

	Top Management	Senior Management/ Function Heads
Subjective/Individual Performance	63%	67%
Cash Flow from Operations (CFFO)	25%	33%
Compound Annual Growth Rate (CAGR)	25%	33%
EBITDA Growth	25%	33%
Net Operating Income (NOI)	25%	17%
Occupancy Targets/Growth	25%	17%
Return on Equity	13%	0%
Other	38%	50%

Other: Total Shareholder Return (TSR), ROI on Program Max.

Which of the following vehicles does your company currently use to deliver long-term incentive awards?

Among participating companies, restricted stock is the most commonly used vehicle to deliver long-term incentive awards to both organization levels surveyed.

	Top Management	Senior Management/ Function Heads
Restricted Stock	38%	50%
Cash-Based Awards	13%	17%
Performance Shares/Units	13%	17%
Phantom Equity	13%	17%
Stock Options	13%	17%
LTIP/Operating Partnership Units	25%	0%
Profit Sharing	13%	0%
Other	13%	33%

Other: Deferred cash awards/compensation.

Long-Term Incentives

How did your company’s average long-term incentive award payout compare from one calendar/fiscal year to the next?

Across both organization levels surveyed, the leading practice among participating companies was equally split between providing the same and an increased long-term incentive award payout for calendar/fiscal year 2014 performance when compared to the payout for 2013 performance. Regarding the company overall (all employees), the leading practice among participants was to provide the same payout. On average, an increase between 1% and 5% was most common. When comparing the award for calendar/fiscal year 2014 performance to the award projected for 2015 performance, no change in payout was expected to be the leading practice among participating companies for top management and the company overall (all employees). Regarding senior management/function heads, the same and an increased payout was anticipated by an equal number of participating companies. Finally, a relatively small percentage of the participating companies reported a decreased payout from one calendar/fiscal year to the next.

		Decreased By					No Change	Increased By				
		21+%	16-20%	11-15%	6-10%	1-5%		1-5%	6-10%	11-15%	16-20%	21+%
2014 Compared To 2013 (Actual)	Top Management	0%	0%	0%	0%	0%	50%	25%	13%	0%	0%	13%
	Senior Management/Function Heads	0%	0%	0%	0%	0%	50%	33%	0%	0%	17%	0%
	Company Overall (all employees)	0%	0%	0%	0%	0%	63%	25%	0%	0%	0%	13%
2015 Compared To 2014 (Projected)	Top Management	13%	0%	0%	0%	0%	50%	25%	13%	0%	0%	0%
	Senior Management/Function Heads	0%	0%	0%	0%	0%	50%	17%	17%	0%	17%	0%
	Company Overall (all employees)	13%	0%	0%	0%	0%	63%	13%	13%	0%	0%	0%

Benefits

What modifications have been made to your company's benefits program over the last plan year?

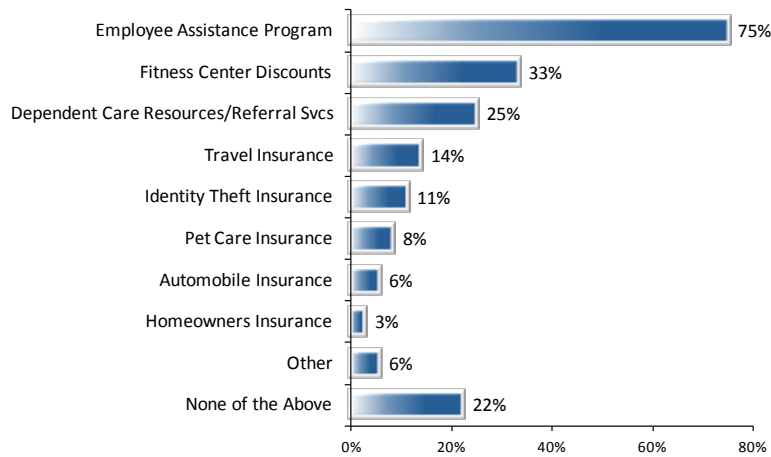
Six of the nine benefit plans surveyed are offered by most (or all) of the participating companies. These include health, dental, group life and disability insurance, 401(k)/defined contribution plans, and flexible spending accounts. For all of these plans, a majority of the participants did not make any modifications over the last plan year. Conversely, long-term care insurance, defined benefit (pension) plans, and stock purchase plans are not included in the benefits program at a majority of the participating companies.

	Increased the Level of Benefits to Employees	Decreased the Level of Benefits to Employees	Added this Plan	Eliminated this Plan	No Modifications Were Made	NA - Not Offered by the Company
Health Insurance	8%	17%	3%	0%	72%	0%
Dental Insurance	0%	3%	0%	0%	97%	0%
Group Life Insurance	3%	3%	0%	0%	92%	3%
Disability Insurance	6%	0%	3%	0%	83%	8%
Long-Term Care Insurance	3%	0%	0%	0%	33%	64%
401(k)/Defined Contribution Plan	11%	0%	3%	0%	81%	6%
Defined Benefit (Pension) Plan	3%	0%	0%	0%	26%	71%
Stock Purchase Plan	0%	0%	0%	0%	26%	74%
Flexible Spending Accounts	9%	0%	3%	3%	66%	20%

Benefits

Which of the following additional benefits/insurance are provided by your company?

Seventy-eight percent (78%) of the participating companies provide additional benefits and/or insurance to their employees. Employee assistance programs are most common, offered by three-quarters of the participants.



Other: Legal Assistance/Expense Insurance, Employee Discount Program.

What percent of the premium is paid by your company?

The table below shows the percent of the premium paid by participants for various types of coverage under their company's benefits plans.

		Median	Average
Exempt	Health Insurance - Employee Only	80%	78%
	Health Insurance - Dependents	60%	46%
	Dental Insurance - Employee Only	50%	46%
	Dental Insurance - Dependents	26%	31%
	Group Life Insurance	100%	90%
	Disability Insurance - Short-Term	0%	32%
	Disability Insurance - Long-Term	100%	55%
	Long-Term Care Insurance	0%	0%
	Non-Exempt	Health Insurance - Employee Only	80%
Health Insurance - Dependents		60%	48%
Dental Insurance - Employee Only		60%	47%
Dental Insurance - Dependents		47%	34%
Group Life Insurance		100%	83%
Disability Insurance - Short-Term		0%	34%
Disability Insurance - Long-Term		82%	51%
Long-Term Care Insurance		0%	0%

Top Management

			Calendar/Fiscal Year 2014						
		# of Companies	Statistics	Base Salary	Annual Incentive Award	Total Annual Cash Compensation	Long-Term Incentive Award	Total Compensation	
Chief Operating Officer/President	Aggregate	30	25th %ile	\$196,579	\$35,000	\$215,500	\$32,500	\$222,079	
			Median	\$275,000	\$79,500	\$300,000	\$41,660	\$300,000	
			Average	\$281,388	\$154,847	\$391,279	\$245,830	\$422,999	
			75th %ile	\$327,150	\$214,831	\$484,290	\$254,989	\$484,290	
	Ownership Status	Public	3	25th %ile	\$367,000	\$270,915	\$637,915	ISD	\$778,133
				Median	\$459,000	\$340,230	\$799,230	ISD	\$1,079,665
				Average	\$411,333	\$373,832	\$785,165	ISD	\$1,076,832
				75th %ile	\$479,500	\$459,948	\$939,448	ISD	\$1,376,948
		Private/For-Profit	20	25th %ile	\$193,158	\$32,000	\$220,000	ISD	\$220,000
				Median	\$280,000	\$56,000	\$300,000	ISD	\$300,000
				Average	\$262,501	\$118,285	\$341,357	ISD	\$344,848
				75th %ile	\$319,301	\$201,252	\$402,000	ISD	\$402,000
	Not-For-Profit	7	25th %ile	\$187,500	\$35,000	\$205,000	ISD	\$222,500	
			Median	\$267,218	\$65,835	\$290,535	ISD	\$290,535	
			Average	\$282,358	\$125,830	\$372,236	ISD	\$377,236	
			75th %ile	\$282,630	\$148,975	\$378,376	ISD	\$378,376	
	Incumbent Location	Northeast	3	25th %ile	\$227,500	ISD	\$245,000	ISD	\$262,500
				Median	\$280,000	ISD	\$280,000	ISD	\$280,000
				Average	\$290,377	ISD	\$449,677	ISD	\$461,343
				75th %ile	\$348,065	ISD	\$569,515	ISD	\$569,515
Midwest		11	25th %ile	\$196,579	\$25,500	\$222,079	ISD	\$222,079	
			Median	\$274,724	\$148,975	\$423,699	ISD	\$423,699	
			Average	\$297,988	\$164,162	\$462,150	ISD	\$466,542	
			75th %ile	\$340,400	\$213,480	\$544,784	ISD	\$568,944	
South		10	25th %ile	\$230,305	\$53,918	\$267,634	ISD	\$267,634	
			Median	\$280,568	\$67,000	\$335,527	ISD	\$335,527	
			Average	\$290,970	\$128,049	\$380,605	ISD	\$468,105	
			75th %ile	\$337,250	\$173,140	\$392,150	ISD	\$392,150	
West		6	25th %ile	\$169,662	ISD	\$182,162	ISD	\$194,662	
			Median	\$275,000	ISD	\$300,000	ISD	\$300,000	
			Average	\$237,761	ISD	\$270,132	ISD	\$273,703	
			75th %ile	\$300,000	ISD	\$300,000	ISD	\$300,000	

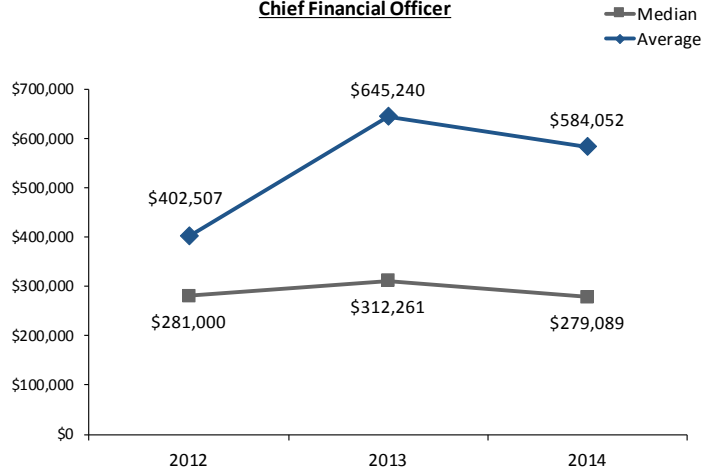
Top Management

			Calendar/Fiscal Year 2014						
		# of Companies	Statistics	Base Salary	Annual Incentive Award	Total Annual Cash Compensation	Long-Term Incentive Award	Total Compensation	
				Chief Operating Officer/President	Aggregate	30	25th %ile	\$196,579	\$35,000
Median	\$275,000	\$79,500	\$300,000				\$41,660	\$300,000	
Average	\$281,388	\$154,847	\$391,279				\$245,830	\$422,999	
75th %ile	\$327,150	\$214,831	\$484,290				\$254,989	\$484,290	
Revenue	Under \$65 Million	9	25th %ile		\$153,608	\$28,250	\$175,000	ISD	\$175,000
			Median		\$193,158	\$40,000	\$220,000	ISD	\$220,000
			Average		\$247,576	\$97,367	\$334,125	ISD	\$334,125
			75th %ile		\$275,000	\$100,650	\$402,000	ISD	\$402,000
	\$65 Million - \$175 Million	10	25th %ile		\$186,368	\$35,000	\$207,618	ISD	\$216,368
			Median		\$242,609	\$42,000	\$270,000	ISD	\$270,000
			Average		\$241,865	\$75,722	\$279,726	ISD	\$285,726
			75th %ile		\$295,000	\$65,835	\$324,790	ISD	\$324,790
Over \$175 Million	10	25th %ile	\$295,268		\$166,753	\$331,300	ISD	\$331,300	
		Median	\$319,301		\$235,232	\$491,980	ISD	\$491,980	
		Average	\$349,740		\$280,864	\$554,005	ISD	\$637,943	
		75th %ile	\$388,815		\$365,898	\$704,430	ISD	\$742,516	
Number of Employees	Under 450	5	25th %ile	\$153,608	\$15,170	\$163,947	ISD	\$163,947	
			Median	\$200,000	\$20,000	\$220,000	ISD	\$220,000	
			Average	\$279,806	\$133,113	\$359,673	ISD	\$359,673	
			75th %ile	\$280,000	\$194,500	\$280,000	ISD	\$280,000	
	450 - 1,000	10	25th %ile	\$184,658	\$34,000	\$210,250	ISD	\$214,290	
			Median	\$209,000	\$38,500	\$242,079	ISD	\$252,500	
			Average	\$261,809	\$128,180	\$364,353	ISD	\$367,853	
			75th %ile	\$326,527	\$102,944	\$386,000	ISD	\$386,000	
	Over 1,000	14	25th %ile	\$272,662	\$106,244	\$300,000	\$36,660	\$300,000	
			Median	\$300,000	\$187,140	\$362,600	\$48,319	\$362,600	
			Average	\$305,060	\$193,685	\$434,183	\$316,106	\$497,404	
			75th %ile	\$337,325	\$244,756	\$534,831	\$461,660	\$550,805	

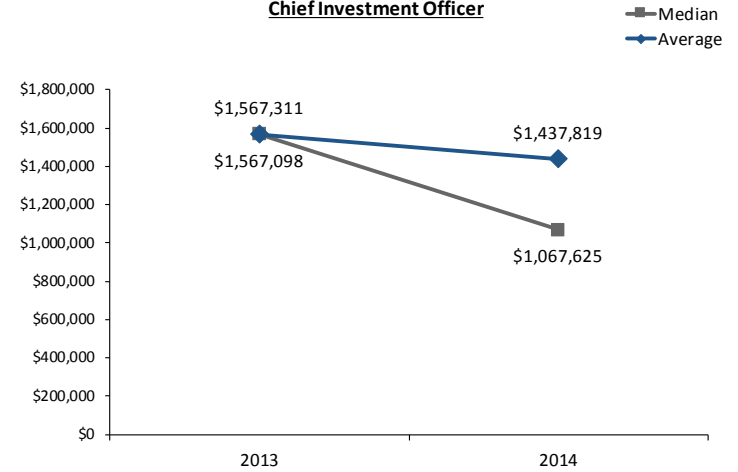
			Calendar/Fiscal Year 2015			Incumbent Information		
		# of Companies	Statistics	Base Salary	Target Annual Incentive Award	Target Long-Term Incentive Award	Number of Direct Reports	Job Description Degree of Match
	Aggregate	28	25th %ile	\$196,755	13%	\$23,125	4	100%
			Median	\$298,500	25%	\$37,500	7	100%
			Average	\$298,349	39%	\$298,129	7	98%
			75th %ile	\$360,000	50%	\$312,504	8	100%

Top Management

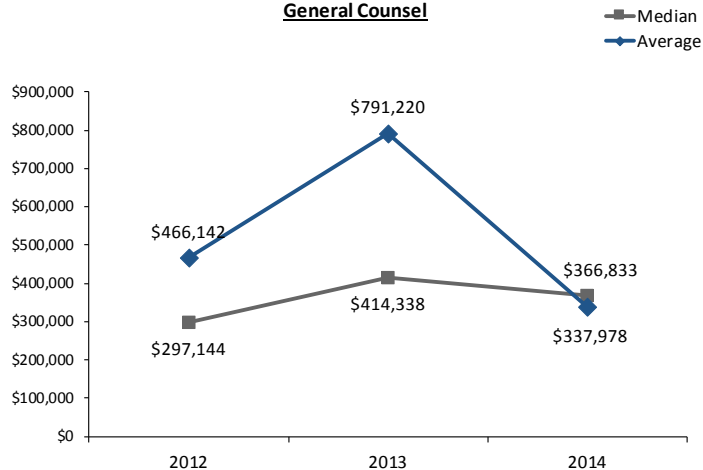
Chief Financial Officer



Chief Investment Officer



General Counsel



Top Management

	Job Attributes	Job Description
Chief Executive Officer	Typically Reports To:	Chairman of the Board, Board of Directors
	Education:	Advanced Degree
	Experience:	15+ Years
	Related Title(s):	CEO, President
	Responsible for directing the overall business activities of the company. Establishes short- and long-term company objectives and policies and leads new business development initiatives. Liaises with Board of Directors on corporate matters and focuses on the profitability of the organization.	
Chief Operating Officer/ President	Typically Reports To:	CEO
	Education:	Advanced Degree
	Experience:	15+ Years
	Related Title(s):	COO
	Assists the CEO in the overall management of the company. Participates and/or leads the company in establishing operating policies and procedures. Coordinates the company's daily operations and activities. Monitors budget preparation and evaluates operating results.	
Chief Financial Officer	Typically Reports To:	CEO
	Education:	Advanced Degree
	Experience:	15+ Years
	Related Title(s):	CFO, EVP-Finance
	Formulates financial policy and plans in conjunction with the CEO/COO/President. Provides overall direction for accounting, financial reporting, tax, and budget activities. Focuses on financial transactions, policies, and procedures. Meets corporate short- and long-term objectives and regulatory requirements. May be involved in the capital-raising efforts of the organization.	
Chief Investment Officer	Typically Reports To:	CEO, CFO, Investment Committee
	Education:	Advanced Degree
	Experience:	15+ Years
	Related Title(s):	CIO
	Top investment professional responsible for developing and implementing the company's investment strategy. Coordinates the due diligence, acquisitions, development and asset management functions from a strategic perspective, and has a sufficient level of understanding and experience relative to each of these functions. Utilizes a broad perspective of various functions when making investment decisions.	
General Counsel	Typically Reports To:	CEO
	Education:	Advanced Degree
	Experience:	15+ Years
	Related Title(s):	Chief Legal Officer
	This is the top legal position. Ensures that business practices, policies, and dealings of the company meet regulatory requirements to protect the company from legal action. Keeps management informed of legislation and governmental regulations and their legal implications for corporate activities. Protects the company's legal interests and maintains its operations within the scope established by law. Participates in deal structuring.	