

AMENDED MINUTES  
FINANCE LIAISON COMMITTEE MEETING  
MAY 5, 2020

The meeting was called to order at 10:00 AM by Chairman Scott McCausland. Members present were Jody Ashenhurst, Ben Bastianen, Joan Bliss, Marcel Frenkel, Barbara Hayler, Scott McCausland, Jay Schachner, and Jim Westerman. CEO Nadia Geigler and CFO Dan Churchill represented The Admiral at the Lake. Due to our quarantine, resulting from the COVID-19 pandemic, the meeting was held online.

Minutes of the January 28, 2020 meeting were approved.

Scott welcomed our newest member, Marcel Frenkel, to the committee.

Dan reviewed the financial report for Q1, 2020, and explained the new dashboard, which includes the occupancy and financial summaries as well as the status of our bond covenants. He said the entry fee receipt/refund imbalance was a timing issue. He noted that payroll costs associated with the pandemic had not been allocated to "Pandemic" as of March 31 but will be going forward. He also noted that the Paycheck Protection Program Loan under the CARES Act was received in the amount of \$1.535 million. The majority of this loan is to be used for general payroll costs.

Ben said it appeared that we may be cash short by June 30, when Days Cash on Hand is measured. Dan replied that he is in close touch with the bondholders. They understand the problems caused by the pandemic, and are sympathetic to us. Jim asked about the possibility that an interest holiday may become necessary. Dan answered that it is a possibility, but that in any event there are reserves available to us from The Admiral Foundation and Kendal.

We are offering marketing incentives, including waiving monthly fees from the date of closing to move-in (six months if close by August 31), and a 2% discount for payment of the entry fee in full. Barbara asked if we would delay payment of entry fees. Dan said we would be willing to defer 80% of an entry fee for up to one year, until a home is sold. Marcel asked how this compares with our competitors. Dan replied that as yet we do not know what they may be offering, if anything.

Jim asked if Dan had an idea of what next year's increase in monthly fees may be. Dan said that at this time he anticipated it would be within the 3%-5% range, but.....

In answer to a question from Barbara, Dan assured us that we do not charge interest on any drawdown from the refunds of residents who outlive their money.

Scott advised us that the agenda for our next meeting would include consideration of operating and liquidity reserves. He said that under current conditions we should meet monthly.

Our next meeting is scheduled for 10:00 AM on Tuesday, June 2, 2020. It will be a video conference held remotely on Zoom.

Scott adjourned this meeting at 11:35 AM.

Jay Schachner  
Secretary