EXHIBIT SNARL #1

WHISPER WOODS OF SMITHTOWN
HARBOR SPECIAL NEEDS PROGRAM PLAN OF OPERATION

I. Philosophy and Mission of Our Harbor Special Needs Program

Our Special Needs Assisted Living Residence, known as our "Harbor Special Needs Program," provides special care and specialized programming for residents with Alzheimer's disease or other dementias.

In the Harbor Special Needs Program, we create an environment for our memory-impaired residents that promotes a sense of autonomy and choice, love and belonging, self-esteem and the ability to make a contribution. We understand that each resident is unique with a lifetime of experiences and memories that remain accessible and can be shared and understood.

Each resident is entitled to live a life with dignity, and to have a sense of trust in and control over his or her environment. We relate to the person, not to the disease or its symptoms. We understand that basic human needs are the same for everyone, including people with dementia. Every resident is treated with respect.

II. Admission and Discharge Criteria

Whether an internal move from our traditional assisted living or admission of a new resident to our Residence, our decision about whether the Harbor Special Needs Program and the services it offers are appropriate will be based on the resident's health and functional status. The resident must have been diagnosed by his or her physician as having mild to moderate Alzheimer's disease or other dementia.

The resident will need to provide a physician's statement about his or her current health status; we will require this statement to be written on the "Assisted Living Residence Medical Evaluation") form (DOH form 3122). Our registered nurse will also assess the resident's health status and functional abilities before a decision is made. Admissions decisions are based on information obtained from the physician and on this assessment. Generally, Harbor Special Needs admissions decisions are based on whether the services we provide can meet the resident's needs. However, there are certain health and functional conditions that, if present, would mean that we are unable to meet those needs based on state regulations.

III. Assessments and Service Planning

Our Registered Nurse assesses the resident's health status and functional abilities before any move to our Harbor Special Needs Program. All residents are reassessed by a

Registered Nurse at least once every six (6) months thereafter or whenever there is a significant change in the resident's condition.

The resident's Individualized Service Plan is based on these assessments. The resident and his or her legal representative and/or family members are involved at a service plan meeting in developing the Individualized Service Plan, which describes the care and services we will provide.

A change in the resident's assessment may result in changes in the resident's Individualized Service Plan if the assessment indicates that the resident needs more care or services or different kinds of care and services.

IV. Staffing; Staff Training

Staffing

Our staffing is determined by the then-current occupancy and the amount of care our Harbor Special Needs residents require based on the assessment of residents by the nurses and the individualized service plans of our residents, as follows: An inter-disciplinary team, including a nurse, assesses each resident for the appropriate level of care. Resident Care Associates are then scheduled based upon this analysis of resident needs. Staffing levels are reviewed at least weekly to address the changing number of residents and their care needs. Daily adjustment of staff for particular shifts may occur as well, depending upon residents' needs as well as the preferences of residents for times when they desire to receive meals, baths or other personal care services.

In our Harbor Special Needs Program/Assisted Living setting, on average, we employ at a minimum two Resident Care Associates (RCAs) during our 7:00 AM – 3:00 PM shift; two RCAs during our 3:00 PM – 11:00 PM shift; and two RCAs during our 11:00 PM – 7:00 AM shift. Overnight staffing will be awake.

In all cases, the Residence (taken as a whole) shall assign a minimum of 3.75 hours of personal services staff time per resident per week, in accordance with applicable law.

A registered professional nurse shall be on-site at the Residence (taken as a whole) and on duty a minimum of 8 hours per day 5 days per week, and a licensed practical nurse shall be on-site at the Residence and on duty a minimum of 8 hours per day the other 2 days per week. A registered professional nurse shall also be on call and available for consultation 24 hours a day. 7 days a week when not available onsite. Additional nursing coverage may be made available if necessary and documented by your medical evaluation or otherwise by your attending physician and/or your Individualized Service Plan.

In addition, case managers (who may be a licensed nurse also assuming nursing coverage responsibilities at the Residence) shall be on site at least 40 hours per week and as required to meet the case management services needs of the residents.

In addition, the Residence shall have at least the following staffing: a qualified administrator 40 hours per week; 1 hour per resident per week of housekeeping staff; 2 hours per resident per week of food service staff, including a food service manager and qualified dietician; and 40 hours per week of a qualified activities director.

Although the number of employees may vary from time to time (i.e. attendance in necessary meetings held outside out of the Residence; holidays; resident assessments conducted away from the Residence; any extenuating circumstances affecting staff availability such as staff illness, unexpected call-outs, shortage of qualified staff, turnover of staff, etc.), every effort is made to maintain consistent staffing patterns in accordance with needs. At no time will staffing fall below state mandated minimum levels on each unit.

Training

All Resident Care Associates shall receive at least 40 hours of initial training in topics required by applicable law, including training in caring for persons with dementia, within the first three months of their employment and thereafter shall receive at least 12 hours of training annually in relevant topics. In addition, Resident Care Associates receive an annual assessment of their performance and effectiveness, including at least one direct observation of performance.

All Harbor Special Needs Program employees including those who are not licensed or certified (for example, housekeeping and dining staff) also receive orientation relevant to the services being provided in the Harbor Special Needs Program, as well as dementia-specific training annually.

V. Our Physical Environment, Safety and Design Features

The physical environment is an important factor in enhancing the way in which residents experience their daily lives. Our Harbor Special Needs Program apartments and common areas are designed to provide a safe, homelike environment that promotes privacy and orientation while encouraging socialization. Families are asked to furnish the resident's apartment with familiar and meaningful furniture and possessions, photos, pictures and other items that support the resident's sense of continuity and individuality.

The Harbor Special Needs Program is self-contained with its own dining room and common areas and includes security measures to minimize the risk of wandering.

Activities and Recreation

Cultural, social, recreational, spiritual and wellness programs are available to residents both on-site and through group trips. Our goal is to maintain residents' contentment by providing failure-free programming throughout the day. Residents are encouraged to attend, but may choose not to. A program and activity calendar is available for families each month to encourage family involvement as well.

The Program Director conducts an initial assessment of each resident's likes and dislikes. Ongoing assessments of each resident are completed so that appropriate activities can be provided. Staff is available to explain to families why certain activities have been chosen, and how these activities help the resident to maintain his or her optimal functioning.

VI. Our Family-Centered Approach

We recognize that the care of each person with memory impairment requires a family-centered approach. Each Harbor Special Needs Program resident must have a designated person (Conservator, attorney-in-fact, health care representative or relative) who participates in service planning for the resident. This person most often is a family member. Other family members and friends also play a key role in the care of the memory-impaired resident. Ongoing communication with staff enables families to be part of residents' lives.

We encourage family and friends to visit and to share meals and participate in scheduled activities, including both daily activities and special outings and events. Regularly scheduled family meetings provide opportunities for fun. feedback and support. Educational programs for families are also provided.