

Receiver Update

August 3, 2024

This is the third of our weekly updates that we will post to Casey's Pond website. The purpose of these updates is to provide Casey's Pond residents, staff, and the broader public the latest information available about the status of the receivership process. These updates do not replace or supersede any targeted notices, formal announcements or urgent critical messages that may be necessary in the future.

Background

Casey's Pond was placed into receivership because it could not pay off the approximately \$44 million bonds, now over \$68 million with accrued interest and fees, that were needed to construct the community in Steamboat in 2013. Casey's Pond is a regulated, Colorado nonprofit corporation that regularly works with its bondholders to address the community's significant debt burden and produced and provided annual financial statements audited by an independent financial firm. After months of sustained efforts by Casey's Pond nonprofit Board and its bondholders to find a buyer that would commit to continuing all aspects of the senior care community, the bondholders placed Casey's Pond into receivership.

Operational/Transition Activity

During this past week, we announced the closure of the Doak Walker Community effective October 27, 2024. Notices were provided to all residents on Monday and a general announcement was made soon after. This difficult decision was made as the sales process discussed below was beginning. After assessing the difficult economic situation of the skilled nursing facility and consultation with our brokers, we determined that most prospective buyers are not interested in buying the facility with an operational skilled nursing facility.

With this announcement, we and the staff are focused on providing the assistance and resources necessary for a successful transition for our Doak Walker residents. We also recognize this announcement impacts staff directly supporting our Doak residents as well as the entire Casey's Pond staff. Within the next few weeks, we will communicate plans related to the impacts this closure will have on staff.

Sale Process

Our broker team launched the marketing process last week. As previously announced, over 1,000 notifications were sent to parties our brokers believe may have an interest in buying Casey's Pond. Over the first few days, they received significant interest and there are over twenty qualified prospective buyers who have begun their due diligence processes.

The first on-site tours with prospective buyers are being schedule for this coming week.

Please understand that as we plan and weigh options, there is a lot of outside speculation and many rumors circulating. We remain committed to communicating our decisions directly to impacted residents and staff first. We will communicate these decisions more broadly once those directly impacted have been notified.

Cordes & Company