Our Mission

Peconic Landing strives to be one of the preeminent continuing care communities in the United States. We are achieving our goals by operating as a partnership with residents, our Board of Trustees, management and staff.

Peconic Landing is a not-for-profit organization as described in Section 501 (c) 3 of the IRS code.

Our Community

Peconic Landing continues to be the first and only equity based life care retirement community in New York. The community differs greatly from the traditional entrance fee model and offers a co-operative agreement, giving members all the advantages of home ownership without any of the burden. In addition a life care agreement provides members with the peace of mind that comes from lifetime access to long term care at no additional cost.

The 144-acre waterfront campus with breathtaking views is located on Long Island’s North Fork with easy access to the Hamptons, Connecticut and New York City. Members reside in either one of the 109 spacious cottage homes or 141 well-appointed apartments. The Shores, Peconic Landing’s Enriched Living and Skilled Nursing Care centers, provides members with nursing and rehabilitative care.

Peconic Landing provides an active, healthy and worry-free lifestyle for those 62 years of age and over. Members immerse themselves in a myriad of resident-managed clubs and committees and the community has evolved into a dynamic cultural and arts hub on the North Fork.

Peconic Landing is also the first and only community on Long Island to have earned a five-year Continuing Care Retirement Community Accreditation. This distinction belongs to an elite group of less than 10% of all continuing care communities in America.
Message from John M. May

Chair, Board of Trustees

2010 was another year of accomplishment and recognition for Peconic Landing. Our accomplishments furthered our progress toward fulfilling Peconic Landing’s mission of becoming a preeminent continuing care retirement community in America. In this letter, I would like to describe how those achievements in 2010 helped us fulfill our mission.

We improved the lives of our residents. We achieved high levels of resident satisfaction; we attracted 26 new residents to move to our community; and many of our residents referred their friends to Peconic Landing.

We provided rewarding employment. We had a 96% employee retention rate; and we increased health benefits for our employees.

We offered high quality programs and services. Our residents participated in over 32 clubs and activities; our “Lifetime Learning” program and our “Working Wonders” program expanded; we completed our second year of simulcast Metropolitan Opera performances.

We strengthened our financial condition. Our successful $29,575 million bond refinancing provided considerable savings in annual interest costs; and we increased our cash reserves by approximately $2 million.

We were a good community neighbor. We actively supported North Fork community organizations; and we formed a partnership with the East End Arts Council to expand art and music programs on the East End.

We planned for the future. We developed plans for expansion of our health care capacity and for the establishment of a much needed memory care center; we are evaluating home health care and other health-related services; we expanded the scope of Brecknock Hall, a historic mansion on our campus so that it can become a regional cultural arts center and provide a site for weddings, celebrations and community events.

We continued to operate with a culture of cooperation and mutual respect. None of the achievements of 2010 could have been accomplished without the dedicated support and participation of our community-based Board of Trustees, our resident Cooperative Board, our highly skilled CEO/President, our capable management team, our residents and our 215 employees, all working together as a team. We thank each of them for making 2010 an excellent year; and we look forward with confidence to meeting the challenges that 2011 and future years will bring.

John M. May
Chair, Board of Trustees
Message from Robert J. Syron
CEO & President

We continued to build on the foundation of excellence throughout 2010 resulting in a tremendously successful year. Through collaborative efforts of the Board of Trustees, leadership team, cooperative board, residents and staff we reached several milestones and received numerous accolades.

Our financial accomplishments included successful bond re-financing, resulting in cash flow savings of approximately $700,000 a year. We beat the budget and ended the year with a positive bottom line. This, coupled with cost saving measures that did not affect service quality, allowed us to give the lowest monthly service fee increase since the opening of Peconic Landing. We received a Fitch rating - uncommon in the continuing care retirement industry. This rating will be most advantageous for us when we embark upon financing for future expansion.

I am very proud of the national and state recognitions bestowed upon us this year. The Shores Skilled Nursing Center was named one of “the Best Nursing Homes in the Country” by U.S. News & World Report. Clearly this is an incredible milestone since this puts the Shores in the top one percent of best nursing homes in America. And for the second consecutive year the Shores was awarded a Five Star Rating from Medicare. We also earned the Continuing Care Accreditation Council re-certification, which places us among the top 10% of continuing care communities in the country. On a state-wide level, for the second year in a row, we were ranked in the top twenty-five “Best Companies in New York” to work for.

Our motto at Peconic Landing has always been, “We do what is in the best interest of the resident’s”. So, receiving our highest Resident Satisfaction Survey to date was most rewarding. The residents showed their appreciation in turn by giving the largest contribution to the Employee Appreciation Fund since the opening of Peconic Landing.

2010 was also a bittersweet year with the passing of our Founder and first Board President, William G. Thompson. Bill’s vision was for Peconic Landing to be the preeminent Life Care Retirement Community in the US. It was a true honor for me to serve under Bill’s tenure and to have an integral part in the fulfillment of his vision. Also in 2010, we lost our beloved medical director, Dr. Anthony Bernado, who left the legacy of a true healer.

The collective efforts of Peconic Landing’s Board of Trustees, Cooperative Board, residents, management and staff have steered this community to our great successes of 2010. We look forward to expanding our services and continue our quests for excellence in 2011.

Robert J. Syron
CEO and President
A Commitment to Excellence

The national standards for quality that earned Peconic Landing the distinctive five-year accreditation from both the Continuing Care Accreditation Commission (CCAC) and Person-Centered Care in 2008 continued to serve as a foundation for our success in 2010.

We sought accreditation in addition to meeting all requirements for New York State legal and regulatory agencies. This means that Peconic Landing conforms to proven business practices, employee training, information management and continuous quality improvement planning. Each year, we must submit an Annual Conformance to Quality Report to prove adherence to the standards and to maintain accreditation. In 2010 we earned CCAC re-certification.

Peconic Landing has a collective commitment to excellence and we will continue to set the highest standards and transform our goals into successful achievements.

2010 Accomplishments

Accolades

- Greg Garrett, VP of Health Care Services, received “Young Administrator of the Year” award by New York Association of Homes and Services for the Aging (NYASHA)
- Robert J. Syron, President/CEO was named “Citizen of the Year” for his community service by Congregation Tifereth Israel
- Named one of the 25 Best Companies in New York State to work for in the Small/Medium Business Category
- US News and World Report named the Shores as one of the best nursing homes (top 1%) in the US
- The Shores was awarded Five-Star Nursing Home Medicare rating
- Suffolk Times recognized Peconic Landing as the 2010 Business of the Year
- Received highest Resident Satisfaction Survey to date
Financial Accomplishments

• Received Fitch Rating -BBB
• Successful bond re-financing
• Beat the budget, resulting in a positive bottom line
• Lowest monthly service fee increase since the opening of Peconic Landing
• Produced a perfect independent financial audit
• Employee Appreciation Fund highest to date

Strategic Accomplishments

• Established Brecknock Hall as a cultural arts center
• Completed successful conversion of additional apartments and guest cottages
• Placed Greenport police substation on Peconic Landing property
• Earned Continuing Care Accreditation re-certification
• Successfully implemented new Choice Dining Program

Community Initiatives

• May Mile fund raising event resulted in highest donation to date to the Greenport Fire department.
• Hosted the North Fork’s first outdoor juried sculpture show
• Expanded affiliation with the East End Arts Council by hosting classes and programs at Brecknock Hall
• Simulcasted 92nd Street Y programs and invited the public at large
Board of Trustees

It is the responsibility of the 12-member Board of Trustees to ensure the fiduciary integrity of Peconic Landing and the performance of services outlined in the Care and Subscription Agreements, which constitute the contract between Peconic Landing and members of the Cooperative Board.

The members of the Board of Trustees as of December 2010 include:

**John M. May (Chairman)**
Management Consultant; former President of William E. Hill & Co.; former director of several NYSE companies

**Paul J. Connor, III (Vice Chairman)**
President and CEO, Eastern Long Island Hospital in Greenport, New York

**Thomas Doolan (Secretary)**
President of TBD Associates; former President and CEO of Southampton Hospital and Eastern Long Island Hospital

**Luke Babcock**
Analyst and Manager, Saybrook Capital; former Vice President of Private Client Services at Donaldson, Lufkin & Jenrette

**Rosamond Phelps Baiz**
President of The Old Field Vineyards in Southold, New York

**Gregory Ferraris**
Certified Public Accountant, Banducci, Katz & Ferraris in Sag Harbor, New York

**Robert Goldman**
Capital Cities/ABC; formerly with American Broadcasting Companies, Inc.

**Alice Hussie**
Real estate broker; former Southold Town Councilwoman, 1991-1999

**The Reverend Peter Larsen**
Rector, St. John’s Episcopal Church in Southampton, New York

**Thomas J. McCarthy**
President, Thomas J. McCarthy Real Estate, Inc.

**Sandra K. Novick**
Senior Vice President, Director of Marketing Suffolk County National Bank

**Edward Wellington Webb II**
Retired Senior Vice President, American Heart Association

**Emeritus Members**
Jerry Callis, DVM
Edgar Goodale
Lisa Israel
William G. Thompson
Raymond G. Wesnofske
The Cooperative Board

Through its unique equity program, Peconic Landing residents are granted membership in the Housing Association, a cooperative corporation. The Housing Association Cooperative Board has seven members – four appointed and three elected by residents of the community. At the Annual Meeting of all cooperative members held each March, an election takes place. In 2010, the resident members of the Peconic Landing Housing Association Cooperative Board were Peter Ewald, Harold Hansen and Dorothy Lucek.

Regulatory Oversight

As a lifecare community providing long-term care, Peconic Landing is subject to all the laws and regulations set forth by the New York State Department of Health in association with the New York State Continuing Care Retirement Community Council. The cooperative ownership aspect of the community is governed through the New York State Attorney General’s Office while the insurance component of the lifecare contract is overseen by the New York State Department of Insurance, which approves all monthly service fees and purchase prices.
A Message from Steven G. Carroll, 
Chief Financial Officer

The audited statements for the years ended December 31, 2010 and 2009 were prepared by the certified public accounting firm of Horan, Martello, Morrone, P.C. of Hauppauge, New York.

Peconic Landing continues to be a leader in the industry due to our strong occupancy, talented staff and active Board members.

Peconic Landing achieved an investment grade rating from the Fitch rating agency in 2010. No small feat for a single site equity model life care community. In addition to the favorable rating, Peconic Landing completed a debt re-structuring by issuing bonds in December 2010 in the amount of $29,575,000 and retiring the bonds issued in 2000. The fixed long bond rate of 6% in the 2010 issue replaced the previous fixed rate of 8%. The annual debt service cash flow savings are approximately $700,000.

Despite continued real estate valuation issues around the country, Peconic Landing’s independent resident occupancy remained above 96%. We instituted a share price increase during the year, a testimony to the strong demand for Peconic Landing’s independent residences. The occupancy level in skilled nursing and enriched housing remained strong and was 97% at year end.

The current ratio at year end (current assets divided by current liabilities) was 3.7. Enviable in any industry and certainly in these economic times.

Cash Overview

Cash reserves increased by $1,835,988 in 2010. Internally and externally (CCRC Actuaries) prepared ten year cash flow projections reflect sustained positive cash flow. Cash flow is particularly enhanced after 2013 when the fees included in the current resident agreement contract begin to be collected (remarketing and renewal and replacement fees). Total liquid cash available for operations at December 31, 2010 equated to 306 days, well above the bond covenant requirement of 175 days.
Revenue Overview

In 2010, the lower than expected decrease in revenue was 1.2%. The reduction resulted from an increase in member occupancy in the nursing home which displaced private pay revenue. Remarketing fees and other revenue sources exceeded budgeted revenue by $223,666.

<table>
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<tr>
<th>Revenues, gains and other support:</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Resident Service Revenue - Independent</td>
<td>$13,871,804</td>
<td>$13,295,838</td>
<td>$12,852,825</td>
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<td>Resident Service Revenue - Enriched Living</td>
<td>1,033,343</td>
<td>1,011,430</td>
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<tr>
<td>Resident Service Revenue - Skilled nursing</td>
<td>2,692,863</td>
<td>3,109,009</td>
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<td>Amortization of Health Care Fees</td>
<td>960,316</td>
<td>1,157,497</td>
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<tr>
<td>Other Income</td>
<td>1,131,014</td>
<td>1,342,693</td>
<td>977,396</td>
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<tr>
<td>Interest Income</td>
<td>751,851</td>
<td>845,025</td>
<td>718,067</td>
</tr>
</tbody>
</table>

| Total Revenues, Gains, and Other Support   | 20,441,191 | 20,761,492 | 20,591,629 |
| Net Assets Released from Restriction       | 413,471    | 540,707    | 734,649    |

Total Revenues, Gains and Other Support     | $20,854,662 | $21,302,199| $21,326,278|

Operating Expense Overview

Minimizing resident service fees is the paramount goal in the budgeting process. I am pleased to report that Peconic Landing performed better than budget for the fifth straight year. Salaries and benefits are the largest component of expenses; containment of those costs is critical. The Health Reimbursement Account program, for the second year, produced significant savings while also providing the most cost effective competitive health insurance benefits for the employees. The national benchmark as reported by CARF-CCAC in their latest Continuing Care Retirement Communities Operational Benchmark Report reflects that Peconic Landing’s ratio of staff to residents is significantly more efficient when compared to the national average. That statistic supports management’s quality versus quantity staffing philosophy.
Community Connections

As a business, Peconic Landing is an economic mainstay in Southold Town, employing over 200 people and spending an estimated $2 million with local businesses. Each year, we make a not-for-profit contribution in lieu of taxes in excess of $1.4 million with nearly $900,000 allocated for school taxes.

Our members and employees have established a culture founded on being good neighbors and give generously of their time, talent and financial resources to support a myriad of local causes. We’re committed to making a difference in the lives of others both on campus and in the community at-large.

Community Commitment Program
Through our Community Commitment Program, we are building on our strong foundation of being a good neighbor to establish Peconic Landing as an invaluable resource to all segments of the community for health, wellness and cultural arts. In 2010 through our partnership with the East End Arts Council we hosted a variety of classes and lectures for all ages at Brecknock Hall. In coordination with the resident art committee and EEAC we hosted the first juried sculpture show on the North Fork.

Special Events & Initiatives
The Peconic Landing 5K & May Mile, an annual multi-generational fitness event to celebrate Older Americans Month, has grown into a prominent community event. Since its inception in 2005 we have raised over $80,000 to benefit the Greenport Fire Department whose members provide valuable services to Peconic Landing throughout the year.
Our members continue to provide inspiration and support for youngsters in our community. Cooperative programs such as weekly reading sessions with elementary school students, an annual dictionary donation to third graders across the North Fork, a mentoring program and scholarships to college bound seniors from local high schools all make a difference in the lives of our local students. At the Trailblazers and Pathfinders mentoring event residents share their experiences and provide guidance to graduating seniors.

**Making a difference**

A long list of organizations benefit from our employees’ efforts and/or Peconic Landing’s Charitable Giving Program, including: American Heart Association, American Cancer Society Relay for Life, Boy Scouts of America, Community Action Southold Town (CAST), Cutchogue Lions Club, Diabetes Research Institute, East End Arts Council, Families with Children from China Chinese Language and Heritage Program, Eastern Long Island Hospital Volunteers, Girl Scouts of America, Greenport Fire Department/Rescue Squad, Greenport Little League and Girls Softball, Greenport Recreation Center, Maureen’s Haven, Nassau/Suffolk Services for Autism, North Fork Audubon, North Fork Captains Association, North Fork Chamber of Commerce, North Fork Community Theater, North Fork Counseling Services, Red Cross Shelter-in-Place Program, Renewable Energy Committee for Greenport Village, Southold-Greenport Rotary, Sag Harbor Volunteer Fire Department, Southold Historical Society, Southold Hurricane & Emergency Preparedness, Southold Project in Aquaculture Training, School Advisory Boards/PTAs, Southold Music Booster Club, SAVES (Spay Alter Vaccinate Every Stray), St. Agnes Church and St. Patrick’s Youth Group Council.
**Brecknock Hall**

Under the stewardship of Peconic Landing Brecknock Hall has evolved into a cultural hub and event location on the North Fork.

The “old” hall serves as a perfect backdrop for theatrical performances, concerts and classes. Collaborations with the East End Arts Council, North Fork Community Theater and other local non-for-profit organizations resulted in a myriad of programs and events throughout 2010.

The romantic and elegant ambiance of Brecknock Hall also serves as a choice location for many special occasions. Weddings, private dinners and corporate retreats create a new and successful business line for Peconic Landing.

**Community Fund of Peconic Landing**

Peconic Landing members are invited to contribute to a Community Fund which has provided support for initiatives to improve overall quality of life and services.

This giving program offers several different gifting options, including charitable gift annuities, lifetime trusts, bequests and matching gifts. The Community Fund serves as a vital way for residents to invest in the future of the community as well as provide enhancements for the present.

A committee of 12 members directs the Community Fund, considering requests for disbursements by residents and management before making recommendations to the Board of Trustees for approval.