

December 7, 2009

Dear Friends,

Over the past several months we have made a concerted effort to communicate with our residents in order to provide them with assurance that despite difficult economic times and recent articles about a few continuing care retirement communities (CCRCs) which have struggled or were forced to file for protection under bankruptcy laws, that Asbury Communities and our system of CCRCs remain financially strong and vibrant communities. In fact, the vast majority of continuing care retirement communities remain financially sound.

It is true that the senior living field has experienced, and will continue to experience, numerous challenges - a shaky economy, questionable business decisions, trying to stand alone in a competitive environment, changing regulations, shifting lending practices, to name a few. However, notwithstanding these factors – or perhaps because of them – the decision to reside in an Asbury community continues to be a wise one. Even in the midst of economic challenges, Asbury continues to operate from a position of strength, and here are a few of the reasons why:

- **Strong Board of Directors**

All Asbury CCRCs and Asbury Communities have boards of directors comprised of volunteers. These volunteers have expertise in various business areas and contribute this expertise to the Asbury organization by working together with system management to ensure the financial strength of our system.

- **Strong Budget Controls**

We have operated with expenses well below those budgeted in 2009 after instituting expense reductions in July. After years of improving our net operating margin (NOM), we are currently experiencing our strongest financial performance in years. While controlling expenses we make sure not to reduce the quality of services provided to our residents.

- **Strong Occupancy**

We implemented an enhanced marketing program in July that resulted in increasing our system-wide occupancy to more than 94 percent, as well as increasing Asbury's cash reserves. Asbury's system-wide occupancy is currently one of the highest among senior living providers.

- **Strong Management**

The management team is comprised of seasoned individuals who have been working in the CCRC industry for their entire careers and know how to adjust to changing circumstances in order to keep the organization strong while continuing to provide quality services to our residents, maximizing the value and security of CCRC living. The management team proactively assesses and addresses the challenges facing the industry.

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- **Strong Finances**

After finishing 2008 with 163 days of Cash on Hand, that total has climbed to more than 180 days of Cash on Hand. Our cash reserves are more than sufficient to provide refunds that honor our contracts. And the rate increases for residents in the Asbury system in 2010 will be the lowest increases we have made in many years.

It is likely you will read or hear about financial challenges affecting the senior living industry, and continue to see examples in the press. Asbury was, and continues to be, proactive in addressing those challenges. We will communicate about developments in the industry that may raise questions or cause concern.

In the face of these challenges, I'm proud to be a part of the Asbury system, which continues to do all the good we can by operating with residents first in our minds, and guided by the wisdom of our core values, which include financial stewardship.

As CEO of Asbury Communities, I want to assure you that our organization, our Asbury family, remains strong, and we continue to operate in a manner that ensures our continued strength for you and future generations.

All best regards,



Edwin C. Thomas, III

