



December 2010

Dear Asbury Communities Residents, Associates, Donors, and Friends:

We hope you are having a joyous holiday season with family and friends. The New Year is a time to reflect on the past year and prepare for the future. As we complete 2010, we wanted to write and update you on progress we have made this year despite continuing challenges in the economy. Asbury Communities continues to thrive and prepare for a strong future. We have moved Asbury Communities to a more conservative financial strategy in keeping with the new economic reality. We have intentionally worked to reduce operating costs and keep occupancy above industry averages to reduce year to year increases.

We have been migrating back to fixed long-term bonds because that is a more favorable way to finance now. We have an investment grade rating on our Maryland bonds and are working toward an investment grade rating for the entire Asbury system.

How are we looking toward the future? Given the changed economy and changes individuals are making in how they live their lives, we are in the process of a re-evaluation of our strategic plans. We have completed a comprehensive study of the physical plant and lifestyle programming at Springhill and have begun the review at Bethany Village. In 2011, we will conduct comprehensive reviews at Asbury Methodist Village, Asbury~Solomons, and Inverness Village. From this comprehensive analysis, we will prepare long-range capital plans for our five campuses that will be incorporated in a new near-term plan from 2012-2015.

In addition, we have been paying close attention to the newly enacted health care reform legislation. It will change everything about health care in an attempt to reduce the amount of U.S. gross national product devoted to health care expenditures. All of us, residents and associates will be impacted. We also know the changes will be phased in over three to four years so we need to use our time wisely to learn more and take action to be prepared for changes we may not yet fully understand. We will share what we learn with residents and associates so we all understand the effects of this new legislation.

We continue to ask for your help in recommending friends and family moving to our communities. We are deeply thankful for your gifts and your active participation. May God's Blessings be upon each of you.

Regards!

Ed Thomas
President/CEO

Doug Leidig
COO

Michael Connell
CFO

PS. Please watch *Inside Asbury* with Ed Thomas for additional updates and information.