



## Resident Update: Frequently Asked Questions February 2024

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*In January 2024, we welcomed new ownership to our community, continuing a proud tradition of service that began with the establishment of Asbury Acres in 1956 by the United Methodist Holsten Conference. We are excited for this new chapter in our evolution and deeply appreciative of the support and understanding shown by residents and associates throughout this transition. Their well-being has been and remains our highest priority.*

### **Is Asbury Place financially sound?**

Yes. In 2022, the Asbury Place Board of Directors entered into negotiations with its bondholders to restructure its long-term debt obligations. Those negotiations, which ended with the sale of Asbury Place to MFA Tennessee Holdings, LLC, in 2024, has put Asbury Place on a strong financial path for the future.

The agreement was a positive resolution to the financial restructuring process: it fully resolved existing long-term financial obligations and provides greater flexibility for ongoing investments in the future.

### **How is Asbury Place investing in the future?**

Strengthening our ability to invest in the future of Asbury Place and continue its legacy of service has been our primary driver and focus throughout this transition.

Now that we have successfully resolved our debt obligations and transitioned to our new ownership, our leaders will soon begin drafting a master plan for the next several years. In the immediate term, we are planning renovations and enhancements to our Bistro and Dining Room facilities and offerings.

In addition, plans are underway to update and expand some of our 1-bedroom apartments to better address marketplace demands.

Residents can expect to continue receiving timely maintenance services, quality dining choices, and a beautifully maintained campus by our team of dedicated associates.

### **Are community entrance fee refunds being honored?**

Yes. All contractual and entrance fee obligations to current residents were maintained. That was an important component of the negotiations and search for a new operator.

### **Does Asbury Place still offer a full continuum of care for residents?**

Yes. We continue to provide quality independent living in apartments, cottages, and townhomes, as well as assisted living and memory care services. As part of the transition to new ownership, we entered into an agreement with an experienced, national nursing care provider. They will continue to offer quality skilled nursing and rehabilitation services in the Health Care Center on our campus, and Asbury Place residents have priority access.

### **Who owns Asbury Place?**

MFA Tennessee Holdings, LLC is jointly owned by McFarlin Artisan, LLC, a privately held investment firm with a combined 50 years of experience in senior living, and Asbury Communities, Inc., the nation's 14<sup>th</sup>-largest system of not-for-profit continuing care retirement communities. McFarlin Artisan is the majority owner of Asbury Place. Asbury Communities holds a minority ownership share and has a management agreement to support day-to-day operations.

### **Does Asbury Place still have local leadership?**

Under the new ownership plan, Asbury Place Kingsport and Steadman Hill Assisted Living will be led by a Regional Executive Director, who is supported by a management agreement with Asbury Communities. That role also oversees Asbury Place Maryville's Executive Director. We are committed to hiring seasoned professionals with experience in senior living, facilities maintenance, and hospitality.

### **Why did Asbury Place restructure?**

A decade ago, Asbury Place embarked on a multi-year strategic plan to reposition its campuses in Maryville and Kingsport to address its relatively large and outdated health care centers. In 2016, a Healthcare Repositioning Project began, focused on modernizing our skilled nursing and assisted living services. This was financed principally through tax-exempt bonds. Soon after the completion of that project, Asbury Place faced unprecedented operational and financial challenges, including a national trend of shrinking utilization and reimbursement for skilled nursing services, the devastating effects of the COVID-19 pandemic, and staffing challenges.

We are grateful to have had the support of residents and associates throughout this process and look forward to continuing to provide quality senior living services for many years to come.