



November 5, 2015

Dear StoneRidge Resident,

We want to share with you some important news about our community. The majority partner, Westminster Funds and the minority partner, LCS, owners of StoneRidge LLC, have gone through an extensive strategic review process and have decided to sell the community. LCS will remain as the manager, and they have entered into a purchase and sale agreement with ROC/Senior Housing Fund Manager, LLC, a part of Bridge Investment Group Partners, LLC.

From a daily operations perspective, Life Care Services, an LCS Company, will continue to operate StoneRidge with their employees Richard J. Kisner, Executive Director, and Yvette Dobruck, Administrator, who will continue as the day-to-day leadership team.

ROC/Seniors will acquire a majority stake in StoneRidge, with 90% ownership position. LCS will continue to have a minority interest in the community, a 10% ownership position.

LCS will work with its new partners, ROC/Seniors, to ensure a collaborative relationship with all residents. The partnership will be focused on what is in the best interest of the community and is committed to the long-term success of StoneRidge.

#### **How did we get here?**

The LCS-Westminster partnership has continuously sought opportunities to enhance service offerings within the community and ways to strategically evolve the existing community service model. These improvements require significant planning and capital investment.

In addition to the enhanced services and offerings, the community has worked hard to optimize operations performance. There have been many operational achievements as evidenced by the community nearing stabilized occupancy. (Building up from in the low 80% range to reaching 90% at the end of October) The community has increased revenues year over year, contained expenses, and worked with vendor partners to take advantage of preferred pricing arrangements, while maintaining high quality services throughout the community, with Avalon recognized as one of the very best health centers in the area.

As the partnership evaluated the current and future operations, it became clear that Westminster's interests in funding the startup of the community had been achieved. LCS became interested in recapitalizing their investment with a new company with a focus on stabilization.

The partnership went to market to find a new owner of the community – aligning community strategic planning efforts. As the partnership worked through the process, ROC/Seniors became a clear leader, and we are very excited to embark on this new partnership.

### **What does this mean for you as a resident of StoneRidge?**

Throughout the eleven years of history, StoneRidge has always served the residents of the community first and foremost. That philosophy will continue. Together, we have experienced different types of transitions and have seen great improvements. It is our goal that you will continue to enjoy the services, relationship integrity, and the comfort and security you have always appreciated.

Life Care Services is committed to the community and will continue to support you as the management company. Our desires have not changed from the time we developed StoneRidge in 2004 – we want to remain involved in the community and to serve you.

You should feel confident that the refundable portion of your entrance fee will be handled in accordance with your residency agreement, as has been the case at the community from the very beginning. We understand that being a resident of this community requires significant financial commitment and personal investment. The new partnership will continue to honor the terms of your residency agreements.

One of our goals in this process is to minimize any disruption you might feel. You remain our top priority and we are committed to the following:

- We will conduct business as usual.
- We will continue to maintain the campus to ensure the highest function and safety.
- We will continue to make sales and welcome new residents to the community.
- We will keep you updated throughout the process.
- The same friendly staff members will continue to provide service for you.
- We will continue to focus on your safety, well-being, and comfort.
- The new partnership has accepted the 2016 budget and plans which have been made with resident input.

### **What if you have questions?**

We understand that you will have many questions as we go through this process. Please feel free to contact Rich with your questions. Additionally, Rich and I will also be available on **Friday, November 6, at 10:00 a.m.**, in the auditorium for all residents so that we can address any questions.

We anticipate the sale transaction will be finalized in February 2016; however, there are still many details that must be completed that could possibly impact the timing. We will keep you updated on the progress. We will schedule meetings with all residents and the new ownership within in the next 90 days to allow you time to meet them formally and answer questions you may have of them.

We will work through this period as we have in the past, with great cooperation among residents and staff, continued positive outcomes, and a strong and vibrant future for everyone.

We appreciate your support of our wonderful community.

Sincerely,

Scott S. Doherty, NHA  
Vice President/Senior Director of Operations Management

Richard J. Kisner, RN, M.PH, FACHE  
Executive Director