MINUTES OF THE
ASBURY ATLANTIC, INC.
MEETING OF THE BOARD OF DIRECTORS

April 25, 2019

Asbury Atlantic, Inc. is a not-for-profit, tax-exempt corporation. Our charitable purpose is to create services for older adults that enhance the value of the entire span of life. The Asbury organization provides housing, healthcare, and other services to residents of its continuing care retirement communities, with a sense of financial security through our benevolent care program. Our charitable purpose and faith-based heritage guide our decisions and direction as we serve our residents and future generations of seniors. Asbury also reaches out to individuals and other organizations serving older adults in the communities in which its communities exist.

MEETING ATTENDEES

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<th>Board of Directors</th>
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<tr>
<td>Robert Boyd, Chair</td>
<td>Richard Findley</td>
<td>Larry Parks</td>
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<td>Dr. Robert Burke</td>
<td>Louis Grammes</td>
<td>Nicholas Serenyi</td>
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<td>Annice Cody</td>
<td>Doug Leidig, CEO</td>
<td>Carolyn Stamatakis</td>
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<td>Jeffrey Ernico</td>
<td>David Lingrell</td>
<td>Timothy Trissler</td>
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<th>Staff</th>
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<td>Andrew Joseph, General Counsel</td>
<td>Andrew Jeanneret, CFO</td>
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ITEM: CALL TO ORDER/CONSENT RESOLUTION

The meeting of the Board of Directors of Asbury Atlantic, Inc. was called to order by the Chair at approximately 9:00 a.m., a prayer was offered.

The Chair then referred to the Consent Resolution contained in the Board packet for the April 25, 2019 Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”), attached hereto.

Action: The following motion was duly seconded and unanimously approved.

IT IS HEREBY RESOLVED that the following be, and they are hereby, adopted, ratified, and/or approved as applicable:

1. Approval of Minutes. That the minutes of the February 7, 2019 Board of Directors meeting be, and they are hereby approved as they appear in the Board Packet, on Board Effect, for the April, 25 2019, Board of Directors Meeting (“Board Packet”).
2. Set Agenda. The agenda for the April 25, 2019 Board of Directors meeting, as it appears in the Board Packet for the April 25, 2019 Board of Directors meeting.

ITEM: REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE, FY 2018 FINANCIAL AUDIT

Mr. Jeanneret, CFO, began by reminding the Board that a recording of the full report made by CliftonLarsonAllen ("CLA") to the Audit and Compliance Committee, along with audit documents, are posted to Board Effect. Next, Mr. Grammes made his report to the Board by referring to specific sections in the financial audit documents, noting the following:

- CLA recommended no adjustments to the financial statements
- CLA did not recommend any adjusted or new financial controls
- CLA provided the Committee with an updated new accounting standards affecting senior living

In response to a question regarding the new accounting standards, Mr. Jeanneret, stated that the new accounting standards did not fundamentally change how information is classified and recorded in the financial statements. They are generally related to certain disclosures.

Action: The following motion was duly seconded and unanimously approved.

IT IS HEREBY RESOLVED that the Report of the Audit and Compliance Committee which includes a review of the FY 2018 Financial Audit be, and it is hereby, accepted.

ITEM: ADDITIONAL BUSINESS

A director raised question regarding the scope and topics covered at this meeting, which the directors then discussed in detail. It was noted that the operations and service quality issues, related to health care service, as well as resident satisfaction has been delegated to the Quality and Operations Committee, which includes resident Board members. It was discussed and agreed that the Committee’s minutes would be posted along with the Asbury Atlantic Board of Directors meeting minutes to provide additional publicly available information. The Committee minutes will be redacted in accordance with the disclosure law to exclude non-Asbury Atlantic business, as well as proprietary and confidential information.

Another director raised the issue of resident input into the budgeting process, particularly as it affects annual rate increases. The process of garnering resident input into this process has been left to each community and several examples of this were provided. It was agreed that all communities should have channels for resident input; therefore, Mr. Leidig stated that he would follow up through the operations leadership to ensure there is clarity and consistency at all communities.
Regarding the process and timeline, Mr. Ernico indicated that RSR will provide the Board with preliminary results at the Board meeting in May and provide an opportunity to answer directors’ initial questions. A fuller report and deliberative meeting will ensue during the June meeting, at which point, the Board will decide its next steps.

ITEM: CEO REPORT

Mr. Leidig provided an update Inverness Village, noting that Asbury was advised that its LOI bid was not accepted based on offer price. We have been advised that two bidders were selected and will be moving into a six week due diligence phase. We were also advised that the bidders followed Asbury’s contingency that its bid was predicated on maintaining all resident obligations, including entrance fee refunds and future life care services.

Given that the Inverness Board has seemingly aligned itself with the bondholders, it is likely that the bondholders are exercising significant control over the process. As a result, Asbury is seeking a path to resolve outstanding issues with Inverness and the bondholders, and be relieved of any further involvement or obligations.

In response to a Director’s question, Mr. Leidig added that the affiliation discussion with Albright Care Services (ACS) are progressing well. An ACS Board member and key leader will be attending the upcoming Leadership Development Institute (LDI) at Bethany Village, which will give us the opportunity to continue informal discussions. Following LDI, more formal meeting are planned to discuss next steps.

Lastly, Mr. Leidig reminded the Directors that information for the May Board meeting being held at Asbury Place Maryville will be populated to Board Effect. He is looking forward to touring the Maryville campus and the joint dinner with the AP Board the evening prior to the AComm meeting. All on-site travel arrangements will be organized by the ASCC staff, and assistance with flights and hotel accommodations is available if needed.

ITEM: ADJOURNMENT

The Chair asked if there was any further business, there being none, the meeting was adjourned at approximately 10:30 a.m.

Robert Burke, Secretary