

OPRS

Restructuring Q&A

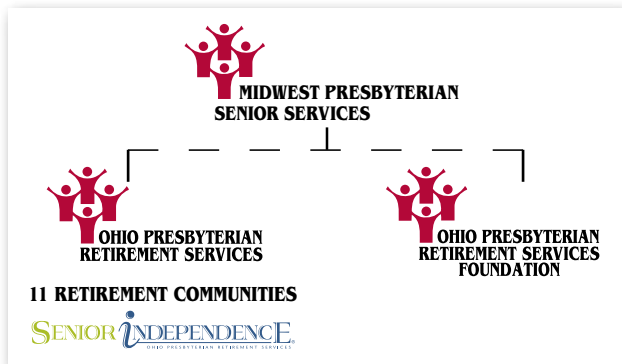
ESSENTIAL INFORMATION

1 *What is the OPRS corporate restructuring?*

On July 1, 2010, Ohio Presbyterian Retirement Services (OPRS) will undergo a corporate restructuring in order to build on our strengths and position us for growth in the future.

OPRS will become the official name of the parent company with three wholly owned subsidiary companies underneath: OPRS Communities, Senior Independence and Ohio Presbyterian Retirement Services Foundation (OPRS Foundation). The difference is shown below.

CURRENT ORGANIZATION



NEW ORGANIZATION



You may not be familiar with the old parent company name, Midwest Presbyterian Senior Services. This name was adopted in 2001, but was rarely used publicly. It makes sense to bring Ohio Presbyterian Retirement Services back as the name of the parent company, given its strong name recognition within our constituencies locally, and our industry nationally.

You'll notice that Ohio Presbyterian Retirement Services, the wholly owned subsidiary that owns and operates the 11 communities, has been renamed OPRS Communities. In addition, the primary difference in legal structure is the establishment of Senior Independence as a new wholly owned subsidiary company that will provide home and community-based services. It is expected that by this restructuring they will become stronger yet remain integral parts of the OPRS system.





ESSENTIAL INFORMATION CONTINUED

2 *Why are we doing this?*

Board and executive leadership determined that this change is necessary to address the growing need to help more people in more places, as well as to position OPRS for anticipated reform in health care systems, payor formulas and delivery of services.

OPRS began with the founding of its first retirement community in 1922, and has grown to include 11 communities to become the 15th largest organization of its kind in the country. OPRS Communities has net revenues exceeding \$140 million annually, and employs 2,350 people throughout the state.

Senior Independence began 30 years ago when OPRS received a grant from the Robert Wood Johnson Foundation to establish a “retirement community without walls” at Breckenridge Village. Today, through its seven agencies, Senior Independence serves more than 75,000 Ohio seniors in 42 Ohio counties, employs 650 people and has annual revenue approaching \$37 million. What’s more, Senior Independence is growing nationally through its *iPartner* program, a collaborative effort with other not-for-profit retirement communities that want to develop home and community based services. Senior Independence currently has two *iPartner* affiliates – Kendal Northern Ohio in Oberlin, Ohio and Westminster Canterbury Lynchburg, Virginia.

Ultimately, this corporate restructuring will make OPRS a more efficient, nimble organization, able to move more quickly to address trends and issues, and to serve a variety of new markets.

3 *How does this restructuring position OPRS for the future?*

Through this move, OPRS is better positioned to serve almost anyone, anywhere. No other organization offers the comprehensive services we do. We will continue to meet the needs of older adults in Ohio, and this change creates a platform for OPRS to serve the country.

4 *What about the OPRS Foundation?*

The OPRS Foundation has been a wholly owned subsidiary since its founding in 1986. The OPRS Foundation will continue to raise charitable funds to support those receiving services from both OPRS Communities and Senior Independence.

5 *Will the Mission of the organization change?*

The full OPRS organization will continue to adhere to its core values and beliefs, therefore its mission will remain the same. OPRS remains a faith-based, ecumenical, mission-driven organization.

OPRS Communities will continue to use the overall OPRS mission to provide older adults with caring and quality services toward the enhancement of physical, mental and spiritual well-being consistent with the Christian Gospel.

The OPRS Foundation will also maintain its current mission statement relating to its work with donors. Its mission is to support the older adult services of OPRS by nurturing a philanthropic environment that fosters generosity, volunteer involvement, donor relations and stewardship.

Senior Independence has developed its own mission statement as well, which is to extend and enhance the independence and well-being of older adults and build the capacity of family members, communities and organizations to care for them at home.

Our mission is to provide older adults with caring and quality services toward the enhancement of physical, mental and spiritual well-being consistent with the Christian Gospel.



WHAT IT MEANS FOR YOU

1 I am an OPRS community resident. What does this change mean to me?

From a day-to-day perspective, nothing will change. Your retirement community operations will remain the same throughout this corporate restructuring, and the high standards of quality in care and services will not be affected. Occasionally, you may see the name OPRS Communities in materials. Over time, you'll see a benefit from this change because as a subsidiary, OPRS Communities will have its own board of directors that are dedicated solely to advancement of the retirement communities of OPRS, strengthening retirement community operations.

2 I am an OPRS employee. What does this change mean to me?

As an employee of a retirement community, Senior Independence, or OPRS Foundation, you remain an employee of Ohio Presbyterian Retirement Services. The change in company structure will not affect your paycheck, benefits or your day-to-day job responsibilities.

3 I am a Senior Independence client. What does this change mean to me?

Your services and care teams will remain the same throughout this change. Senior Independence will continue to provide the same high quality delivery of services, with no disruption from the corporate restructuring. Over time you'll see a benefit from this change because as a subsidiary, Senior Independence will have its own board of directors that are dedicated solely to advancement of Senior Independence services, strengthening Senior Independence operations.

4 I am an OPRS vendor or business partner. What does this change mean to me?

Business relationships will not change due to the corporate restructuring.

GOVERNANCE & OPERATIONS

1 What does this mean for the Board of Directors?

Each of the three subsidiaries will have a Board of Directors. The OPRS Foundation has had its own board since its founding in 1986, and this board will not be affected by the change. Representatives from these three boards will comprise the Ohio Presbyterian Retirement Services parent company board. The benefit of this is that each subsidiary board can focus on governance of their distinct areas of operation. Work of the local retirement community boards will remain unchanged.

2 How does this affect the organization's financial position?





The OPRS financial position is expected to remain positive after the change, with no direct effect from the restructuring. OPRS maintains an investment grade "BBB" (Triple B) with stable outlook bond rating on its outstanding bonds rated by Standard & Poor's (S&P). OPRS continues to operate better than budget relative to its year-to-date Revenues versus Expenses. Investment structure, policies and governance continue unchanged.

3 Will OPRS Communities and Senior Independence continue to operate within the OPRS policies?

Absolutely! As wholly owned subsidiaries, OPRS Communities and Senior Independence remain a part of the OPRS system. They will continue to adhere to the same OPRS system-wide policies for Ethics and Compliance, HIPAA regulations and numerous additional requirements that have long defined the OPRS standard of care, service, and operations.

OPRS

Important Facts

-  OPRS is a faith-based organization and is the largest and most experienced not-for-profit provider of continuing care retirement communities and services in Ohio. OPRS Communities has net revenues exceeding \$140 million annually and employs 2,350 people throughout the state. Senior Independence serves more than 75,000 Ohio seniors through seven agencies serving 42 counties, employs 650 people, and has revenues approaching \$37 million.
-  Eight OPRS retirement communities have earned accreditation under the rigorous standards of CARF-CCAC (Commission on Accreditation of Rehabilitation Facilities – Continuing Care Accreditation Commission), an accomplishment only achieved by 14 percent of organizations nationally. Lake Vista of Cortland has made application for accreditation and is beginning the process.
-  The Life Care Commitment is the OPRS benevolent care program, and lies at the heart of our mission. Since the founding of OPRS in 1922, no OPRS resident has ever been asked to leave one of our communities because he or she – in good faith – ran out of the funds to pay for housing or care.
-  The OPRS Foundation raises and manages charitable funds for those served by OPRS Communities and Senior Independence. Since its founding in 1986, The OPRS Foundation has raised more than \$170 million, with 54 major projects funded through charitable gifts.
-  Senior Independence is the largest not-for-profit provider of adult day centers in Ohio with 13 located across the state.
-  Senior Independence is growing nationally through its *iPartner* (affiliate) program. Currently, there are two *iPartners*: Kendal Northern Ohio in Oberlin, Ohio and Westminster Canterbury Lynchburg, Virginia.



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