

Memorandum

To: Sagepoint Senior Living Services Nursing Home and Rehabilitation Residents, Family and Representatives

From: Andrea S. Dwyer, NHA, MBA
Chief Executive Officer

Cc: Boards of Directors, Sagepoint Senior Living Services

Date: October 5, 2022

Re: Important Resident and Family Communication

First and foremost, I want to express my deep appreciation to you for placing your trust and confidence in Sagepoint for your care. We value your loyalty and always strive to provide you with clear communication regarding your care. This is to inform you of some important changes that will be occurring later this year related to the skilled nursing services (nursing home and rehabilitation) at Sagepoint.

Today, we are announcing that Sagepoint has entered into an agreement with a private family-owned company - Tryko/Marquis Partners - to sell the skilled nursing facility. Tryko/Marquis will become the exclusive owner and operator of the 170-bed Skilled Nursing and Rehabilitation Facility (SNF). **Please note that this change affects the skilled nursing and rehabilitation centers only. Sagepoint Senior Living Services will still own and operate the Assisted Living Services (The Gardens), Memory Care, Adult Day Services, and the Residential Service Agency "Home Care" program.**

Many individuals will ask why the skilled nursing facility (nursing home and rehabilitation) is being sold. Across the country, long term care organizations are shifting to a model with multiple member facilities which brings many strengths of a system including the economies of scale. This has not by any means been an easy decision. However, in order to address the demands for innovation in home and community services - features the Boards of Directors and Executive Management believe will be the future demands of our disabled and senior community members - a difficult decision was necessary. It was decided Sagepoint was in the unique position to address unmet caregivers' needs in southern Maryland by providing services and programs to allow more individuals to age in the place of their choice.

Please know, as we exit the skilled nursing facility (nursing home and rehabilitation) business line, the Boards of Directors and Executive Staff have worked diligently to locate a new owner operator who we believe are providers who can be expected, to every extent possible, to wholly retain all the staff you have come to trust. We also want to assure you that this transition will comply with Centers for Medicare and Medicaid Services and should not result in any increase of costs relating to you or your loved one's care.

We recognize that you may have questions about the transition and we look forward to engaging in further discussion by phone with you or your designated point of contact. In addition, Tryko/Marquis will be communicating directly with you to answer all of your questions. In the next few days, you will see signage posted as required by the state for the sale. In the days following, you can expect communication from both organizations as we navigate this transition. While change can be uneasy, a smooth transition is important for you, your families and is the highest priority for Sagepoint and Tryko/Marquis Leadership.

We are deeply honored you have placed your trust in us to provide your care and believe this new chapter will continue to build on the legacy of care that Sagepoint has offered for nearly 50 years.