

Shelter INSIGHTS

CREATING QUALITY COMMUNITIES

In this ISSUE...

In many ways, 2009 is a year many of us would like not to repeat. We lived through the Great Recession, and much of what we did was many times harder than before. Daily, we read about people losing their jobs. Many of us had close family members or friends who lost theirs. The news was full of stories about failing companies, foreclosures and other problems. It was a very challenging year, no doubt.

When I reflect on last year, however, I can't help but be filled with tremendous pride at what we accomplished at Shelter and Brightview. Construction was completed on Cambridge Commons in Dorchester County, Maryland as well as Brightview Concord River in Billerica, Massachusetts. We closed on the financing for four new development projects and two acquisitions – five of these closed in December! In September, we closed on financing from PNC Bank, and began the expansion of our very successful Brightview Avondell community in Bel Air, Maryland. We were also very fortunate to be awarded funding from the State of Maryland's Housing Department that enabled us to begin construction on a new Park View senior housing apartment community in Severna Park, Maryland and a new family community in Somerset County, Maryland. A key part of the financing for each project came from the federal Stimulus Program that was passed by Congress last year, without which, the projects would not have been feasible. In

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Marilynn Duker
President
The Shelter Group

SPOTLIGHT

4th Quarter

It was a busy end to the fourth quarter at Shelter Development. For one, an affordable, family community was completed. In addition, Brightview Senior Living added 3 communities to its portfolio with the completion of one community and the purchase of two existing communities. *Read on to learn more....*

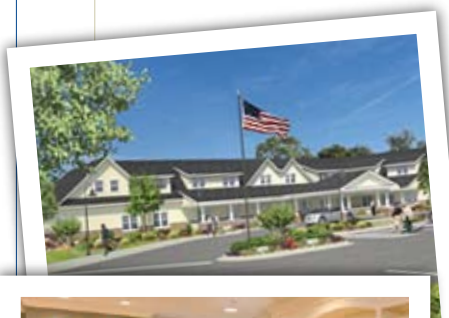
Cambridge Commons

Shelter Properties' newest affordable housing community for families is Cambridge Commons in Cambridge, Maryland. A 96-unit, garden apartment community on a 21 acre parcel in Dorchester County, the property is designed with a mix of two and three bedroom apartments to appeal to working families.

Additionally, a partnership with the Dorchester County Family YMCA was formed, and they will assist the youth at the community with meaningful, healthy and fun activities during the YMCA's After School Child Care program as well as the YMCA's Summer Day Camp Program. A few of the services include karate classes, physical fitness activities and wellness and nutrition seminars.

Construction on Cambridge Commons began in September, 2008. The first building and the Community Center were completed in July, 2008, and residents began moving in immediately. The entire community was completed in September, 2009. Cambridge Commons is currently 100% occupied with the final move-in occurring on January 19, 2010 to complete the lease-up process.

Cambridge Commons is Shelter Properties' thirteenth affordable family community and its forty-sixth overall.



Brightview Concord River

After thirteen months in construction, Brightview Concord River opened in December, 2009. Located in Billerica, Massachusetts, the community contains 58 Assisted Living apartments. The community also features 26 apartments in Wellspring Village, a secure residential neighborhood designed for the special needs of residents with Alzheimer's disease or dementia care needs.

At Brightview Concord River, residents receive as-needed assistance with such tasks as bathing, dressing, house-



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WINTER/SPRING

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addition, we acquired two assisted living communities in New Jersey with financing from FreddieMac. Finally, on New Year's Eve, Development Director Andrew Teeters took the train, in an ice storm, to Trenton, N.J. to pick up the last permit needed to enable him to close on the construction financing for Brightview Greentree, a rental community in Marlton, New Jersey that will include Independent and Assisted Living as well as an Alzheimers wing. We were thrilled to begin a new banking relationship on this project with Susquehanna Bank, and look forward to a long relationship with them.

At the same time, we managed to achieve very strong operating performance in both our Brightview and Shelter Properties portfolios, outperforming industry occupancies and revenue growth in both.

None of this just happens. All of the great work and accomplishments of 2009 were the result of the very best thing about our company – our people. We are incredibly fortunate to have so many wonderful people here who never give up, who keep going hard at every challenge thrown in their path and who are terrific problem solvers. We have so many people working in our communities who believe passionately in providing a great place for our residents to live, and who achieved outstanding Resident and Associate Satisfaction results again last year.

Our communities in the Baltimore and surrounding areas were tested in February, 2010, when the

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keeping or help with medications. Residents can also enjoy three chef-prepared meals each day as well as a variety of customized social and recreational activities to promote physical and emotional well being. For added safety and security, licensed nurses are on-site 24 hours a day.

Concord River is Brightview's 17th community and the fourth Brightview community in Massachusetts.

Brightview Mount Laurel and Brightview Woodbury Lake

In mid-December 2009, Brightview Senior Living officially became the owner of two additional Assisted Living and Alzheimer's Care communities, increasing Brightview's portfolio to nineteen. The new communities are located in Mount Laurel and Woodbury, New Jersey, approximately 15 miles apart and close to Philadelphia, Pennsylvania. Previously owned by J.S. Hovnanian and Sons, also of Mount Laurel, Hovnanian decided to sell the properties in order to concentrate on their company's core business of residential real estate development, specifically 55+ patio homes.

Hovnanian principals, Peter Hovnanian and Stephen Hovnanian said, "The decision to sell was not entered into lightly. Brightview is a good match for these communities as they are a company that shares our commitment to high quality. We admire their mission to be a great place to live and a great place to work."

During Hovnanian's ownership, the communities were managed by Sunrise Senior Living, and built by Sunrise in their signature Victorian architecture. The communities were built 12 to 15 years ago. Known previously as Sunrise Mount Laurel and Sunrise Woodbury Lake, the communities are now Brightview Mount Laurel and Brightview Woodbury Lake. Brightview Mount Laurel contains 100 apartments. Thirty-six apartments are dedicated to Alzheimer's Care. Brightview Woodbury Lake has 86 apartments, 21 of which are dedicated to Alzheimer's Care. The locations strengthen Brightview's presence in the greater Philadelphia area. The Manor at York Town and Brightview East Norriton are also in the vicinity. Construction began on Brightview Evesham (also in the Mt. Laurel vicinity) in January, 2010.

The Boston Globe Names Brightview Senior Living To Globe 100's Top Places To Work '09!

Brightview Senior Living was named one of the **Top Places to Work in Massachusetts** in the second annual employee-based survey project from The Boston Globe. The Globe's *100 Top Places to Work '09* magazine was published in November, 2009.

The Top Places to Work program recognizes the most progressive companies in the state based solely on employee opinions about company leadership, compensation and training, diversity and inclusion, career development, family-friendly flexibility and values and ethics. Nearly 1,000 qualified organizations, including private companies, non-profits and publicly held businesses, accepted an invitation to participate. The best of the best were then selected for the honor of being one of the top 100 places to work in the state. Brightview Senior Living was ranked 24th among midsize companies and 64th on the overall list. Out of 1000 companies and organizations that participated, Brightview Senior Living ranked in the top 6%!

Top places, continued on page 4

In 2009, Brightview Senior Living completed a year-long project to further brand its name as well as its mission: to be a team of people dedicated to creating vibrant senior living communities by providing excellent service to all of its customers.

Branding generally describes the multi-faceted endeavor to elevate a company name and mission in the local and regional marketplace. It also seeks to have the name more easily recognized and remembered. Components of branding, which assist in raising awareness of the company as well as each individual community, consist of graphics, photos, colors and design, brochures and stationery, signage, name tags and uniforms. The most important aspect of branding is that it is founded on a commitment that is fulfilled through the associates of each community for the benefit of residents.

Live Vibrant is Brightview's brand promise. Every resident is empowered to enjoy their most well-rounded day, every day. That's vibrant living! The website, logos and marketing materials help to "bottle" or "package" the Live Vibrant message, describing it to future residents. It is, however, the community's associates who bring the brand promise to life each day for the residents of their respective communities.

The cornerstone of Live Vibrant is that Brightview is a place where needs are met in an atmosphere of possibilities; where care is delivered with an appreciation for potential, rather than limitations; where seniors and their families can find quality solutions to senior living needs and wants; where Brightview communities bring everything together to help seniors live their most vibrant, fulfilling lives.

Service

As part of Shelter's annual Thanksgiving dinner, The Shelter Service Group led the drive to collect canned goods and other non-perishable food items. The items, along with leftovers from the dinner, were delivered to Paul's Place, an outreach center in Baltimore City.

Again in 2010, the Service Group is partnering with Park School in their commitment to Habitat for Humanity. Having completed the rehabs of ten houses in nine years, during 2010, Park is working on two more houses (one on their own and one co-sponsored with Friends School). They are also creating a new vision, "Build a Block," working on a whole block over a few years with the involvement of other schools. February 6th was the first volunteer day. March 27th will be the next build date.

The Service Group continues its monthly meal service at My Sister's Place Women's Center. The group serves all three meals on the fourth Tuesday of every month.

BRIGHTVIEW SENIOR LIVING LAUNCHES NEW WEB SITE

In late January, 2010, Brightview Senior Living launched a new website that includes each of its 19 senior living communities. The new site has generated a great deal of energy and excitement. Designed and built by The Berndt Group, a leading and national-award winning web design firm, the carefully crafted website strategy included several key objectives including validating Brightview's core company values, brand and messaging as well as creating a great user experience. The website will also serve as a resource for information and education related to senior living. In addition, with regularly updated content, the site will be fresh and encourage repeat visits by future residents and their families. A newly formed Web Site Committee is collecting interesting article ideas from the Shelter family so stay tuned for an opportunity to participate!



www.brightviewseniorliving.com

region experienced two major blizzards in the same week, resulting in over four feet of snow, major power outages and fallen trees. As a fly on the wall at one of our communities during these storms, you would have come away with a tremendous feeling about our associates. They put their personal lives on hold to staff their communities 24/7. In many cases, staff spent multiple nights at their communities. Those with four-wheel drive vehicles went out to pick up those who couldn't make it in on their own. In addition, our Human Resources Department devised a plan to get our more than 2,000 associates paid in spite of being unable to get to the office for several days during the storm. I couldn't be prouder of the way everyone pulled together to put our residents first, and to assure that they were safe and cared for.

With hope, 2010 brings an improving economy, albeit likely a slow recovery. Last year reinforced for me that when you have outstanding people working together towards common goals you can overcome many obstacles and achieve more than you ever thought possible.

THE SHELTER GROUP PORTFOLIO

(as of 03/01/10)

	No. of Properties	No. of Units
Brightview Senior Living	19	2,616
Shelter Properties Managed	46	5,358
In Development	27	3,440
Total	92	11,414



**GIVE. ADVOCATE. VOLUNTEER.
LIVE UNITED** 

IN 2009, THE SHELTER GROUP'S UNITED WAY OF CENTRAL MARYLAND CAMPAIGN ADOPTED A NEW APPROACH. In addition to raising money through a pledge drive, the campaign placed an emphasis on the mission and methods of the United Way. The theme was "The Shelter Giving Tree," and it highlighted the United Way's motto, "Give. Advocate. Volunteer." The goal of Shelter's campaign was to help associates understand exactly how their pledges help meet the United Way mission "to improve people's lives by mobilizing the caring power of our communities".

During the three week campaign, teams were encouraged to *Give* with on-line pledges, *Advocate* by visiting United Way partner organizations and *Volunteer* their time to a community cause.

Associates visited and volunteered at a number of local centers including the United Way 211 Call Center, the Ark Pre-School, My Sister's Place, the Maryland Food Bank, the Women's Housing Coalition and Mercy Hospital. Activities ranged from serving meals to impoverished and homeless women and their children to snuggling premature infants with drug and alcohol addiction in Mercy's Neonatal Intensive Care Unit (NICU). In addition, the "Leaves for Good Deeds" program was established in the home office. Associates awarded one another for help and support on the job. Each team also completed a United Way Facts Quiz to learn more about the impact of the United Way on central Maryland communities. Teams received a leaf for participation in the varied activities which were then placed on their team's Giving Tree.

THE RESULTS? Not only did The Shelter Group raise considerable funds through associate contributions, individuals experienced first hand how their contributions made a difference. The Shelter Group attained remarkable pledge participation and averaged a pledge of over \$350 per person. In addition, a generous corporate gift was given to the United Way. Thank you to everyone who participated in Shelter's campaign for the United Way of Central Maryland.

"Improving people's lives by mobilizing the caring power of our communities."
— United Way mission statement

Top places, from page 2

When the Boston Globe began its Top 100 Employers recognition in 2008, New Pond Village's Executive Director, Peter Welsh, and the Community Sales Director, Leslie Atlas, were shocked to see a competitor acknowledged in the contest. They believed Brightview to be a far superior employer, and were determined to enter in the second year. With assistance from other Brightviews in Massachusetts as well as the Corporate Office, the team at New Pond Village led the regional effort for a submission.

"We were both excited and proud to enter the 100 Top Places to work contest," said Welsh. "Excited because this was something new and different, allowing us a platform to 'spread the word' [about Brightview] and proud because, frankly, Brightview is a great employer."

Special congratulations to Brightview's communities in Massachusetts, New Pond Village, Brightview Danvers and Brightview Country Club Heights and their leadership teams, for achieving this very high honor.



Spotlight on Compliance



In the world of affordable rental housing, all residents must have their household incomes certified upon move-in and at least annually to verify that the residents are eligible for affordable housing. The Compliance Department ensures that each affordable property owned and managed by The Shelter Group complies with all relevant affordable occupancy and management provisions of multiple government loan, tax credit and rental subsidy programs.

Prior to 2006, the compliance process was conducted primarily at the site level, and for a variety of reasons, our results were not consistent. In addition, it was often the case that a number of annual resident recertifications were behind schedule. In 2006, Shelter centralized the compliance process and launched a pre-approval program called "Pre-Audit." Through the program, the Compliance Department ensures that Shelter's mission to provide affordable housing to those who need it is met by monitoring, reviewing and approving each move-in and annual income recertification for over 5,000 rental units. With a lot of hard work at both the property and corporate levels, all move-in

Compliance, continued on back page



Spotlight on Jonathan Herz

The Shelter Group's Director of Compliance, Jonathan Herz, was awarded Honorable Mention for Compliance Director of the Year at a breakfast ceremony hosted by the Property Management Association (PMA) in January, 2010. The Low Income Tax Credit Council annually recognizes excellence in Low Income Housing Tax Credit (LIHTC) management. Although Jonathan did not win the top award from PMA, he is certainly Compliance Director of the Year in our book!

Since joining Shelter, Jonathan's contributions and achievements have been numerous. As mentioned in the "Spotlight on Compliance," all affordable residents undergo a compliance pre-audit prior to move-in and at the time of recertification. Jonathan was instrumental in developing and implementing the Pre-Audit program. As a result of Jonathan's outstanding leadership, and for the first time, Shelter achieved 100% compliance with the LIHTC program (which is governed by the IRS) for the entire year of 2009. This is a tremendous feat and accomplishment. In addition, Jonathan has been instrumental in building and maintaining great relationships with the regulatory agencies governing Shelter's affordable communities. These relationships enable Shelter's Regional Management team to better work with those agencies to assure that Shelter is meeting its obligations and providing outstanding service to our residents.

"It is an honor to work alongside, and learn from Jonathan as he leads his department. Jonathan's guidance and exactitude have driven his team and The Shelter Group to success."

— Diane Edwards, Vice President of Operations

On a personal note, Jonathan lives in Sykesville with his wife, Karen Blandford, 16 year old son, Tommy, two dogs and a cat. He spends his free time traveling, fly-fishing, re-learning to play the cello, working in his home workshop, reading and helping Karen with gardening. His project for the spring will be to begin the long-deferred restoration of an overgrown apple orchard on his property.

Highland Commons Computer Center selected as a Designated Neighborhood Networks Center

In the fall, 2009, Highland Commons was selected as a Designated Neighborhood Networks Center. Neighborhood Networks, a program created by HUD in 1995, establishes community learning centers that improve computer access, advance literacy and provide access to employment opportunities for adults, children and seniors living in HUD-insured and assisted housing. The program is one of the first federal initiatives to promote self-sufficiency and help provide computer access to low-income housing communities.



Networks Center, continued on back page

PHFA Awards

At the PennDel AHMA (Pennsylvania-Delaware Affordable Housing Management Association) annual Fall Management Conference in October, 2009 in Dover, Delaware, three Shelter properties won the Excellence in Housing Management Award for the second year. The communities include Park View at Bethlehem, Park View at Naaman's Creek and Park View at Oak Crest.

The awards were given and presented by the Pennsylvania Housing Finance Agency (PHFA). The criterion for the awards is based upon the results of the Annual Physical Inspection and Management Review, conducted by PHFA.

Congratulations to the teams at the three communities!



Compliance, continued from front page

and recertification approvals are completed on a timely basis. Compliance also assists property operations with the company's relationships and communications with 13 statewide and local housing agencies as well as the U.S. Department of Housing and Urban Development (HUD) and the compliance departments of 4 private investment firms who represent investors in Shelter's affordable communities. The Compliance Department has also undertaken other new initiatives such as centralizing HUD Section 8 rental subsidy billings and contract renewals to ensure prompt collection of rental subsidy revenues.

Brown Bag Lunch

The Shelter Group recognizes the critical need to offer a helping hand and give back to those in need. To that end, during the second annual Brown Bag Lunch Project at a staff meeting in October, 2009, associates at the Home Office prepared 1,000 lunches to be distributed to Baltimore's less fortunate. Some associates assembled sandwiches while others compiled the lunch bags, adding fresh fruit, cheese crackers, a juice box and condiment packets. The lunches were then personally delivered to Jobs, Housing and Recovery's Guilford Center, Beans and Bread and the Helping Up Mission, three Baltimore based non-profit organizations working tirelessly to meet the basic needs of Baltimore City's homeless and impoverished citizens. Shelter's associates were both humbled by the activity and proud to again demonstrate Shelter's commitment to giving back to the communities in which we conduct business.



The Shelter Group made a financial contribution to NeighborRide, a volunteer-based transportation service with the mission to decrease isolation and improve the quality of life for Howard County's older residents. "It's truly a matter of neighbors helping neighbors," says Colleen Konstanzer, Neighbor Ride's Community Outreach Coordinator, "by providing the 'wheels' needed for local seniors to maintain their independence." Through NeighborRide, dedicated volunteers provide an average of 600 trips per month for seniors in Howard County who need transportation assistance to medical appointments, shopping, social outings, personal care and business, religious services, volunteer activities and other day-to-day needs

Although a new vehicle, awarded through a grant from the U. S. Department of Transportation will assist residents at Shelter's affordable, independent senior living communities in Anne Arundel and Howard County, NeighborRide is also an important resource for Shelter's residents in the Howard County area.

Look for the new Park View Transportation Program vehicle soon!

Networks Center, continued from front page

At Highland Commons, the community continues to provide robust resident services, serving the needs of the residents. In particular, the computer center at the community yields a high level of interest and participation. With the recent designation, the community will add support from Neighborhood Networks including on-site and remote technical assistance resources.

The Neighborhood Networks designation for Highland Commons indicates that the center possesses the tools to create programs and services to support the self-sufficiency of residents as well as the center's sustainability.