

DISCLOSURE STATEMENT

May 2025

FAIRHAVEN

A CONTINUING CARE COMMUNITY

AN AFFILIATE OF ACTS RETIREMENT-LIFE COMMUNITIES, INC.

THE PROVIDER OF CONTINUING CARE AT FAIRHAVEN IS
ACTS COMMUNITIES OF MARYLAND, INC.

NOTE: The issuance of a Certificate of Registration by the Maryland Department of Aging does not constitute approval, recommendation, or endorsement of a continuing care retirement community by the Department of Aging, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this Disclosure Statement.

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DISCLOSURE STATEMENT

This Disclosure Statement is provided to prospective residents of Fairhaven.

1. NAME AND ADDRESS OF THE COMMUNITY.

Acts Communities of Maryland, Inc. operates a continuing care retirement community known as Fairhaven (hereinafter called "Fairhaven"). Fairhaven is located at 7200 Third Avenue, Sykesville, Maryland 21784.

2. NAME AND ADDRESS OF THE LICENSED PROVIDER.

The provider is Acts Communities of Maryland, Inc. (hereinafter called "Acts MD"), a Maryland nonprofit corporation. The business address of Acts MD is 420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034.

3. ORGANIZATIONAL STRUCTURE AND RELIGIOUS AFFILIATION.

Acts MD, a Maryland nonprofit corporation and provider of Fairhaven, is affiliated with ACTS Retirement-Life Communities, Inc. ("Acts"), a Pennsylvania nonprofit corporation, which is affiliated with other nonprofit organizations with similar missions and purposes to serve senior adults. Acts MD, Acts and these affiliate organizations, which include ACTS Retirement Services, Inc., ACTS Legacy Foundation, Inc., ACTS Management Services, Inc., ACTS Signature Community Services, Inc., ACTS Acquisition and Development Company, LLC, ACTS Retirement-Life Communities Management, LLC, Acts Alliance Management, LLC, Mease Life, Inc., and Bonita Springs Retirement Village, Inc. d/b/a The Terraces at Bonita Springs are organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and are exempt from federal income taxes on their exempt income pursuant to Section 501(a) of the Code. Acts and its affiliates are not responsible for the financial and contractual obligations of Acts MD. Gerald T. Grant serves as the Chief Executive Officer of Acts and its affiliates, including Acts MD. Acts MD is governed by a separate Board of Directors appointed by ACTS Acquisition and Development Company, LLC, a controlled affiliate of Acts, as its sole corporate member. Acts MD is not affiliated with any other religious, fraternal, or charitable organizations. Acts' business address is 420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034.

4. NAME, ADDRESS AND TELEPHONE NUMBER OF THE PERSON TO BE CONTACTED FOR ADMISSION INFORMATION.

Admission information for Fairhaven can be received by contacting a Life Care Consultant at (443) 398-3126.

5. **DESCRIPTION OF THE PHYSICAL PROPERTY AND THE COMMUNITY.**

Fairhaven is situated on approximately 51 acres and is located in southern Carroll County, Maryland. The community and the land on which it is located is owned by Acts MD. The campus is surrounded by farmlands and woods, but is part of a suburban setting, located just thirty minutes from Baltimore and forty-five minutes from Washington, D.C.

Fairhaven consists of 303 residential living units comprised of single-story cottages, villas, and an apartment building with some underground parking. The residences range from one bedroom apartments to two bedroom with den apartments, and from one bedroom cottages to deluxe two bedroom cottages with gallery. The villas are comprised of one-story units and units with full walkout basements. Most residences are connected by covered hallways to the Beasman Center, Uplands, and Aspen.

The Beasman Center includes administrative offices, three restaurants, lounge, performing arts space, Bistro, gift shop, the Little Market, library, beauty and barber shops, wood working shop, ceramics studio, craft room, fitness center, photography lab, computer lounge, and a music practice and game room. Uplands, located at the main entrance to Fairhaven, houses newly renovated apartments on the upper two floors and office space for social services and medical staff, meeting rooms, and the Wellness Center. The Wellness Center consists of examination rooms and offices for specialized medical services to support residential living. The Health Center contains a comprehensive care center currently licensed for up to 69 beds and 35 assisted living beds. The Aspen contains office space, a restaurant, lounge, card room and a pool room. The Courtyard Building contains an art studio and a meeting room. An indoor heated swimming pool, whirlpool, greenhouse, solarium, par-three three-hole golf course, putting green, gardening plots, pickle ball court, and a two-mile nature trail are also located on Fairhaven's campus.

6. **MINIMUM AGE FOR ADMISSION.**

The minimum age for occupancy is 62 years.

7. **STATEMENT OF RESIDENT POPULATION.**

As of December 31, 2024, 302 of the residential living units, comprehensive care beds, and assisted living beds were occupied with a total current population at Fairhaven of approximately 377 residents.

8. **LIST OF THE NAMES AND BUSINESS ADDRESSES OF THE OFFICERS AND DIRECTORS OF THE PROVIDER.**

The business address for each officer and director listed below is c/o ACTS Retirement-Life Communities, Inc., 420 Delaware Drive, P.O. Box 2222, Fort Washington, PA 19034.

Board of Directors

Occupation

Karen I. Christiansen, CMA	Acts President
Norm Desmarais	Fairhaven Resident, retired
H. Bruce Detweiler, CPA	Acts Resident, retired
Anne Blandford Forrest	Heron Point Resident, retired
Gerald T. Grant	Acts Chief Executive Officer
Michael D. Kelly	Acts Board Member, retired
Daniel W. Lawson, II	Acts Board Vice Chairman, retired
Anne Neary	Bayleigh Chase Resident, retired
Ellen Paquette	Buckingham's Choice Resident, retired

Officers

Position

Karen I. Christiansen, CMA	Chairman
Gerald T. Grant	Vice Chairman
Glenn D. Fox, Esquire	Secretary
Susan Ahern, CPA, CMA	Treasurer
Jonathan D. Grant	Assistant Secretary
Peggy C. Valdivia	Assistant Treasurer

Per the requirements of §10-427(a)(1) of the Maryland Code, at least one full and regular member of the Board of Directors of Acts MD must be a resident of Fairhaven, Buckingham's Choice, Bayleigh Chase, or Heron Point of Chestertown, the communities located in Maryland for which Acts MD serves as the provider. Each such Board member is to be selected according to the same written standards and criteria used to select other Board members, except that prior to the resident Board member officially joining the Board, the Board (or the member) is to confer with the Resident Association. Currently, one resident from each of Fairhaven, Buckingham's Choice, Bayleigh Chase, and Heron Point of Chestertown serves as a full and regular member of the Acts MD Board.

The process for appointing a resident to the Board is as follows:

The Board members of Acts MD are elected by ACTS Acquisition and Development Company, LLC, Acts MD's sole corporate member, based on established criteria. The criteria currently includes sympathy to the mission of Acts MD, related professional and business experience, previous experience serving on a Board and understanding the fiduciary relationship to the Board. Potential residents are interviewed by Officers and/or Directors to narrow down the selection. Prior to the resident officially joining the Board, a representative of the Board or member will confer with representatives of the residents' association.

Acts MD has no officer, director, trustee, managing or general partner, or person with a 10% or greater equity or beneficial interest in the provider.

9. CRIMINAL VIOLATION STATEMENT.

No officer or director has been convicted of a felony or pleaded nolo contendere to a felony charge or has been held liable or enjoined in a civil action by final judgment for any felony or civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation of property. No officer or director is currently subject to an injunctive or restrictive court order. None have had any state or federal license or permit suspended or revoked during the last ten years as a result of an action brought about by a governmental agency or department that arose out of or related to the business activity of health care including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

10. NAMES AND ADDRESSES OF ANY DIRECTORS, OFFICERS, MANAGERS, ASSOCIATED CORPORATIONS OR PROFESSIONAL SERVICE FIRMS PROVIDING GOODS, LEASES OR SERVICES TO THE COMMUNITY OF A VALUE OF \$10,000 OR MORE WITHIN ANY ONE YEAR.

Acts MD has no directors, officers or managers who own an interest in or receives any remuneration from, either directly or indirectly, any professional service firm, association, trust, partnership, or corporation providing goods, leases, or services to Acts MD with a real or anticipated value of \$10,000 or more in any one year.

11. DESCRIPTION OF THE BUSINESS EXPERIENCE OF THE PROVIDER AND ITS DIRECTORS IN THE OPERATION OR MANAGEMENT OF LIFECARE COMMUNITIES.

Acts MD is an affiliate of Acts, which has extensive experience in the ownership of lifecare communities and currently owns or is affiliated with the lifecare communities in Pennsylvania, New Jersey, Delaware, Maryland, North Carolina, South Carolina, Georgia, Alabama and Florida that are listed below:

Fort Washington Estates (PA)	Bayleigh Chase (MD)
Gwynedd Estates (PA)	Heron Point of Chestertown (MD)
Spring House Estates (PA)	Matthews Glen (NC)
Southampton Estates (PA)	Tryon Estates (NC)
Lima Estates (PA)	Park Pointe Village (SC)
Normandy Farms Estates (PA)	Lanier Village Estates (GA)
Granite Farms Estates (PA)	Magnolia Trace (AL)
Brittany Pointe Estates (PA)	Westminster Village (AL)
The Evergreens (NJ)	St. Andrews Estates (FL)
Cokesbury Village (DE)	Edgewater at Boca Pointe (FL)
Country House (DE)	Indian River Estates (FL)
Manor House (DE)	Azalea Trace (FL)
Fairhaven (MD)	Mease Life (FL)
Buckingham's Choice (MD)	The Terraces at Bonita Springs (FL)

Presently, approximately 11,128 residents live in the previously listed communities.

The management of Acts is provided at the direction of Acts' Board of Directors, Chief Executive Officer, and President. The following is a listing of and background information for the current officers and senior management for Acts:

Gerald T. Grant serves as Chief Executive Officer. He has been with Acts since 1988 and previously served as President and Chief Operating Officer and Executive Vice President & Chief Financial Officer. He currently serves as an officer and member of the board of Acts Retirement-Life Communities and affiliate entities. Mr. Grant has been active in various healthcare industry and financial organizations, including currently serving as a member of LeadingAge CEOMO. He is a former surveyor for CARF/CCAC and was previously a member of its Financial Advisory Panel. Mr. Grant has a Bachelor's Degree in Accounting from The Pennsylvania State University and a Master's Degree in Finance from LaSalle University.

Karen I. Christiansen serves as President, having most recently served as Executive Vice President & Chief Financial Officer. Ms. Christiansen has been with Acts since 1996. She currently serves as an officer and member of the board of Acts Retirement-Life Communities and many of its affiliate organizations. In addition, Ms. Christiansen is a former member of church council, serving on its board of deacons, as well as previously serving on the board of directors for a not-for-profit organization that provides supportive programs and outreach services to those in need. She is a former member of the LeadingAge Budget and Finance Committee and previously served as a surveyor for CARF/CCAC and was a member of its Financial Advisory Panel. Ms. Christiansen is a Certified Management Accountant and a member of the Institute of Certified Management Accountants. She was previously nominated for Philadelphia Business Journal's Women of Distinction Award. Ms. Christiansen has a Bachelor's degree in Accounting from Gwynedd Mercy University, and a Master's degree in Finance from Temple University. In addition, she has completed a leadership program at The Wharton School of the University of Pennsylvania.

Glenn D. Fox, Esquire serves as Executive Vice President and General Counsel. Mr. Fox joined Acts in 2016 after having spent several years as its outside corporate counsel. Prior to joining Acts, Mr. Fox was a partner in a major law firm located in Philadelphia, Pennsylvania. He has more than 40 years of experience representing numerous business and nonprofit organizations, including senior living, long-term care and other health care providers, in corporate, transactional, tax and financial matters. Mr. Fox currently serves on the LeadingAge General Counsel Group, on the LeadingAge Legal Committee, and previously on the board of directors of a not-for-profit social service organization and as President of the board of directors of the foundation that supported that organization. Mr. Fox earned a Bachelor of Business Administration degree in Accounting from Temple University, a Juris Doctorate degree from Temple University School of Law, and a Master of Laws degree in Taxation from Villanova University. He is also a Certified Public Accountant.

Jonathan D. Grant serves as Executive Vice President and Chief Operating Officer. He has over 40 years of experience in the retirement and health care environment.

After joining the Acts Culinary Department in 1984 as a member of the wait staff, Mr. Grant held various positions within the organization, including Culinary Director, Administrator, Director of Community Information Technologies, Executive Director at St. Andrews Estates and Tryon Estates, Vice President of Operations, Mid-Atlantic Region, and Senior Vice President, Community Operations. Mr. Grant holds Bachelor of Arts and Master of Business Administration degrees from Florida Atlantic University and is a LeadingAge Leadership Fellow. In addition, Mr. Grant works with various industry related associations and boards.

James H. Petty serves as Executive Vice President and Chief Strategy Officer, previously serving as Senior Vice President, Strategy & Mission Development and Vice President of Operations, Mid-South Region. He has 29 years' experience in the senior living industry. Mr. Petty has a varied background which began at Acts in 1996, and he previously served as the Executive Director at Park Pointe Village in Rock Hill, South Carolina. Licensed as a Nursing Home and Assisted Living Administrator, his background also extends into development and marketing, where he served as the vice president of marketing services for a senior living development firm. Mr. Petty has a Bachelor's degree in Business Administration from Gordon College and a Master of Business Administration degree from Augusta University. Mr. Petty is also a LeadingAge Leadership Fellow.

Susan Ahern serves as Senior Vice President and Chief Financial Officer. Ms. Ahern has been with Acts since 2000, most recently serving as Vice President and Controller. She is a Certified Public Accountant and a Certified Management Accountant. Ms. Ahern is a member of the Pennsylvania Institute of Certified Public Accountants and the Institute of Certified Management Accountants. She is a former member of the CARF/CCAC Financial Advisory Panel and previously served as virtual financial surveyor for the organization. Ms. Ahern earned her bachelor's degree in Accounting from Messiah University, her Master of Business Administration degree from LaSalle University and is a Fellow in the LeadingAge Leadership Academy.

Sean T.R. Fletcher serves as Senior Vice President, Real Estate Services. Mr. Fletcher has been with Acts since 2005, most recently serving as Vice President, Property Management and Construction Services. He has a wide range of experience in construction and operations and has held positions as a project manager and estimator for Ernest Bock & Sons, a Philadelphia based general contractor, and spent 13 years in arena, stadium and convention center operations for Philadelphia based Spectacor. Mr. Fletcher also served eight years as Treasurer and Secretary of the Via Verde Master Home Owner's Association in Boca Raton, FL. He earned a Bachelor of Science degree in Sports Management from Temple University and has taken post graduate courses in Construction Management at Drexel University.

Deirdre E. Groenen, Esquire serves as Senior Vice President and Chief Human Resources Officer. Ms. Groenen joined Acts in 2020 and has a unique background of both legal and human resources experience. She practiced law in civil litigation for many years, including employment litigation and counseling. She also has significant experience in HR leadership, compliance, training and development, diversity and inclusion, discrimination and harassment training and prevention, federal and state

leave laws, and employee benefits and compensation. Ms. Groenen is a frequent speaker on HR topics, including in the areas of diversity and inclusion and HR compliance, and is a member of the Society of Human Resources Management and Tristate HRMA. Ms. Groenen has a Bachelor's degree in Political Science from Temple University and a Juris Doctorate from Temple University's Beasley School of Law.

Peter J. Kress serves as Senior Vice President and Chief Innovation Officer, and has been with Acts since 1993. After leading the information technology group at Acts for 25 years, he transitioned to a role leading AI-forward innovation and technology initiatives including Acts' new research and development function, the Innovation Lab. Before joining Acts, Mr. Kress was President of his own software consulting company for over 10 years. He serves as a commissioner for the Center for Aging Services Technologies (CAST), an advisory board member for the CIO Consortium and was a co-founder of the LTPAC Health IT Collaborative. Mr. Kress is actively involved in promoting the use of technology to support well-being for seniors and frequently speaks on a variety of industry topics. He holds a Bachelor of Arts degree from Covenant College and a Master of Arts degree in Gerontology from the University of Southern California. Mr. Kress has also completed graduate studies in divinity and theology at Westminster Theological Seminary. Mr. Kress is passionate about the intersection of aging services, joyful longevity, artificial intelligence, and innovation.

Jeremy O. Neely serves as Senior Vice President and Chief Community Operations Officer. Mr. Neely has almost 30 years of healthcare management and retirement living experience and is a licensed Nursing Home Administrator. He has served Acts in a number of roles since 1999, most recently as Vice President of Operations, Northeast Region. He is a past member of the LeadingAge PA board of directors, most recently serving as Immediate Past Chair. In 2022, he was named Leader of the Year by LeadingAge PA. This award recognizes an individual who demonstrates excellence in management and governance accountability, is proactive in quality of care to residents, and has played a pivotal role in overall operations leading to organizational success. Mr. Neely is a Certified Aging Services Professional (CASP) and a LeadingAge Leadership Fellow. He has a Bachelor's degree in Accounting and Economics from Eastern Connecticut State University and a Master of Business Administration degree from Eastern University.

Joshua S. Pasker, Esquire serves as Senior Vice President, Deputy General Counsel. Prior to joining Acts in 2025, Mr. Pasker was a transactional and business partner at Saul Ewing LLP for over 19 years, where he served as Co-Office Managing Partner of the Philadelphia Office and Vice-Chair of the Public Finance Practice Group. Mr. Pasker is an experienced transactional lawyer who has represented business and nonprofit corporations in financing, transactional and corporate matters. Mr. Pasker has served on several boards including the March of Dimes Transportation, Building & Construction Awards Board which partners with community business leaders to raise awareness and funds for the mission of the March of Dimes. Mr. Pasker has a Bachelor of Arts degree in Political Science from the University of Delaware and a Juris Doctorate degree from The Pennsylvania State University Dickinson School of Law.

Brian T. Rutter serves as Senior Vice President, Chief Communications and Brand Officer. He has been with Acts since 2022 and previously served as Chief Marketing Officer for Acts Alliance Management, LLC, an affiliate of Acts. He possesses prior career experience in marketing, public relations/communications, brand, and sales with organizations that include Delta Air Lines, Deloitte Consulting, the National Association of Convenience Stores, and Armstrong World Industries. Mr. Rutter is active in his community, where he is Co-President of the Board of Trustees of First Presbyterian Church; President of the Hamilton Club of Lancaster; a member of the Board of Trustees of the Fulton Theatre; and a mentor and member of the Advisory Committee for the Young Men's Mentor Program with the Lancaster Chamber of Commerce. Mr. Rutter has a Bachelor's degree in Business Administration from Franklin & Marshall College and a Master of Business Administration degree from Emory University.

Holly S. Schade serves as Senior Vice President and Chief Clinical Officer. She most recently served as Vice President of Health and Home Services. Ms. Schade has over 35 years of clinical experience and healthcare management experience. She has been with Acts since 1993, previously serving as Director of Nursing, Nursing Home Administrator, Information Systems Medical Liaison, and as the Executive Director of Spring House Estates. Ms. Schade is a licensed Nursing Home Administrator and a board-certified licensed registered nurse in gerontology. She holds a Bachelor's degree in Business Administration from Thomas Jefferson University and a Master of Business Administration degree from Eastern University. Ms. Schade is also a Certified Aging Services Professional and a LeadingAge Leadership Fellow. Ms. Schade is a former surveyor for CARF/CCAC, conducting numerous accreditation surveys throughout the United States and Canada.

Craig D. Thompson serves as Senior Vice President, Chief Property & Sustainability Officer. He has been with Acts since 2022 previously serving as President and Chief Operating Officer of Acts Alliance Management, LLC, an affiliate of Acts. Prior to joining Acts, he served Willow Valley Communities beginning in 2018 and after a 35 year career in operations for Armstrong World Industries, Case New Holland, and High Industries. Mr. Thompson has a Bachelor's degree in Operations Management from The Pennsylvania State University, an Executive Master of Business Administration degree from Drexel University, and a Master of Science in Organizational Dynamics from the University of Pennsylvania.

Lori M. Woodward serves as Senior Vice President and Chief Marketing Officer. Prior to joining Acts in 2012, Ms. Woodward held a series of leadership positions in the senior living industry, including positions with Hamlyn Senior Marketing, Springpoint Senior Living, Sunrise Senior Living and Presbyterian Homes of New Jersey. Ms. Woodward serves as a volunteer with Boys & Girls Club of Philadelphia. She earned a Bachelor's degree in English and Business from Millersville University, and a Master of Business Administration degree in Marketing from LaSalle University.

George R. Bryan serves as Vice President of Operations, Southeast Region. Mr. Bryan joined Acts in 1994 and has previously served in various roles throughout his

career with Acts including Nursing Home Administrator, Executive Director, and Campus Executive Director. He has served as a board member of the LeadingAge Florida as well as a member of the CCRC Public Policy and Membership Committees. Mr. Bryan holds a bachelor's degree in Health Service Administration from the University of Central Florida, a Master of Business Administration degree from Florida Atlantic University and is a LeadingAge Leadership Fellow. He is a licensed Nursing Home Administrator in the state of Florida.

Stephen V. Egges serves as Vice President of Operations, Mid-South Region. He has been with Acts since 1989, previously serving as Vice President, Nutrition and Wellness Services and as the Executive Director of Brittany Pointe Estates, Normandy Farms Estates, and Tryon Estates. Mr. Egges serves on the Public Committee with LeadingAge NC. He holds a Bachelor of Science degree from The Pennsylvania State University and a Master's degree from Eastern University. Mr. Egges is also a licensed Nursing Home Administrator.

Christopher J. Hartman, Sr. serves as Vice President, IT Operations. He has been with Acts since 2003, most recently serving as Corporate Director of Technology Services. Mr. Hartman has over 30 years of experience in the information technology industry. He maintains his CASP (Certified Aging Services Professional) Certification through the University of North Texas, and he holds a Master's certificate in Business Leadership and Management from Michigan State University.

Megan Longley serves as Vice President, Sales. Ms. Longley joined Acts in 2015 and has over 25 years' experience in sales and marketing, operations, and new business development in senior living services. At Acts, Ms. Longley provides leadership and guidance for the achievement of company-wide occupancy objectives and the strategic sales effort. She has held a series of senior leadership positions for senior living organizations operating in over 27 states to include adult daycare, CCRC, independent living, assisted living, memory care and home care. A few of her leadership positions have included Senior Vice President of Strategic Operations at Benchmark Senior Living and Director of Sales at Marriott Senior Living. She also holds a Personal Care Administrator license in the Commonwealth of Pennsylvania. She is an active supporter of ARC of Delaware County. Ms. Longley has presented sales and marketing best practices at multiple state and national conferences and has been awarded three National Mature Media promotion awards. Ms. Longley has a Bachelor of Arts degree in Gerontology/Social Work from The Pennsylvania State University and has completed post-graduate studies at Harvard University.

Teresa C. Moore serves as Vice President, Resident Health Services. Ms. Moore has more than 35 years of experience in healthcare and over 25 years of experience in the senior services industry. She has been with Acts since 1996 and most recently served as Corporate Director of Resident Health Services and, prior, as Regional Clinical Director, Nursing Home Administrator, and Director of Home Health. Ms. Moore has served as a CARF/CCAC surveyor and is a member of the American Association of Post-Acute Care Nursing. She is a registered nurse, a licensed Nursing Home Administrator, and holds a Bachelor's degree in Human Services from Gardner Webb University.

PatrickD. Picciocchi serves as Vice President, Culinary and Resident Experiences. Mr. Picciocchi originally joined Acts in 2006 and served in several roles with the organization including as Executive Director at Matthews Glen in Matthews, North Carolina, and as the Chief Hospitality Officer of Acts Alliance Management, LLC, an affiliate of Acts. He is a licensed Nursing Home Administrator in the states of Pennsylvania, Delaware and North Carolina. Mr. Picciocchi holds a Bachelor of Science degree in Hotel and Institutional Management from the University of Delaware, a Master of Business Administration degree from Delaware Valley College, and a Master of Science degree in Management from the University of Wilmington.

Paul M. Reinbold, MD, CMD serves as Vice President and Chief Medical Director. Dr. Reinbold previously provided services as a Medical Director to multiple skilled nursing communities since 1995. He also previously served as the Corporate Medical Director and Clinical Operations Advisor to the CEO at Integrace, Inc., prior to the affiliation with Acts. Since 2010 he continues as the Medical Director of Bayleigh Chase in Easton, MD. He fulfilled a maximum term as Chief of the Medical Staff for the University of Maryland-Shore Medical Center Easton. Dr. Reinbold is certified as a Medical Director by the Post-Acute and Long-Term Care Medical Association and is Board Certified in Internal Medicine by the American Board of Internal Medicine. He holds a Bachelor's degree in Biology from the University of Delaware, a Medical Degree from Hahnemann University School of Medicine and completed his residency in Internal Medicine at Lehigh Valley Hospital.

Jodie R. Reinhart serves as Vice President, Strategy & Business Development. She has been with Acts since 2022 and previously served as Chief Financial Officer for Acts Alliance Management, LLC, an affiliate of Acts. Ms. Reinhart possesses previous career experience as Chief Financial Officer for a nonprofit in government contracting, and auditing and tax services for a variety of corporations in public accounting. She is active in the community, having previously served as the Board Chair of Samaritan Center and Treasurer of CHI St. Joseph's Children's Health. Ms. Reinhart has a Bachelor's degree in Biology from Elizabethtown College, a Bachelor's degree in Accounting from Lebanon Valley College and is a licensed Certified Public Accountant.

Brian E. Rounsavill serves as Vice President of Procurement & Contract Management. He joined Acts in 2021 and previously served as Corporate Director of Procurement and Contract Management. Prior to joining Acts, Mr. Rounsavill served as the Senior Director of Contracting and Procurement for the Children's Hospital of Philadelphia and the Director of Purchasing at Princeton University. He holds several industry certifications, as a Certified Professional in Supply Management (CPSM), Certified Purchasing Manager (CPM) and Accredited Purchasing Practitioner (APP). He has been recognized by the National Purchasing Institute with their Achievement of Excellence in Procurement Award, served two terms as President of the New Jersey Higher Education Purchasing Association, was elected Chair of the National Association of Educational Procurement's Ad Hoc Committee on Defining & Calculating Cost Savings, and is the author of several industry articles on cost savings and strategic sourcing strategies. Mr. Rounsavill received his undergraduate degree in

Business Management from Moravian College and his Master of Business Administration degree from Lehigh University.

Michael F. Salitsky serves as Vice President of Operations, Mid-Atlantic Region. He has over 28 years of health care management experience, and he previously served as the Executive Director of Country House. Prior to joining the Acts family, Mr. Salitsky was with Five Star Senior Living for eight years as the Executive Director of the Foulk Manor South Community in Wilmington, Delaware. He has been on the Board of Examiners of Nursing Home Administrators for 10 years serving as the Board President for six years. Mr. Salitsky is a licensed Nursing Home Administrator in the State of Delaware since 1995 and has a Bachelor of Arts degree from Wilkes University.

Peggy C. Valdivia serves as Vice President, Financial Services. Ms. Valdivia joined Acts in 2006, most recently serving as Vice President and Controller. Ms. Valdivia serves on the board of the Supportive Services of the Aging and Disabled United Appeal Fund in Alabama and is a former member of the CARF/CCAC Financial Advisory Panel, previously serving as virtual financial surveyor for the organization. Ms. Valdivia earned her Bachelor's degree in Accounting from Bloomsburg University of Pennsylvania, her Master of Business Administration degree from Eastern University and is a LeadingAge Leadership Fellow.

David Vega serves as the Vice President of Operations Analysis and Compliance. He has been with Acts since 1991 and previously served as the Corporate Director of Compliance. He began his career at Acts in the Accounting Department and for the last 22 years has served the organization in various roles in the Compliance and Internal Audit Departments. Mr. Vega is a Certified Compliance Professional and is Certified in Healthcare Compliance. Mr. Vega has a Bachelor's Degree in Business Administration from American Intercontinental University, a Certificate in Forensic Accounting from the University of North Carolina at Charlotte, and a Master's Degree in Health Informatics from Walden University.

Terri A. White serves as Vice President of Operations, Northeast Region. She has over 30 years of health care management experience. Ms. White is a licensed Delaware Nursing Home Administrator and is a LeadingAge Leadership Fellow. She remains active in senior living as a member and Board Chair for LeadingAge New Jersey and Delaware. Ms. White also previously served on the Board of Directors for Delaware Health Care Facilities Association. Ms. White earned her Bachelor of Science degree in Organizational Communications from Ohio University and received her Master of Science Management degree in Organizational Leadership from Wilmington University.

Management Staff – Susan Arcadia serves as Executive Director of Fairhaven. Mrs. Arcadia began her career with Acts in 1999, serving as Executive Director of Gwynedd Estates and then three other Acts communities in Pennsylvania. After a brief departure from Acts, during which she served as Chief Operating Officer for a life plan community and relocated to Maryland, she returned to Acts in 2021. She is a licensed Nursing

Home Administrator in the state of Pennsylvania and has over 35 years experience in senior living. She has served as an accreditation surveyor for CARF/CCAC. Ms. Arcadia holds a Bachelor's degree in Social Welfare from The Pennsylvania State University and a Master's degree in Healthcare Administration from West Chester University.

12. SERVICES PROVIDED OR PROPOSED TO BE PROVIDED UNDER CONTRACTS FOR CONTINUING CARE AT THE COMMUNITY INCLUDING THE EXTENT TO WHICH MEDICAL CARE IS FURNISHED.

A summary of the services included and not included in the monthly fee are listed in Exhibit A.

13. DESCRIPTION OF ALL FEES REQUIRED OF RESIDENT INCLUDING THE ENTRANCE FEE AND PERIODIC CHARGES, IF ANY.

Resident Contract Effective January 14, 2020 and after:

Fairhaven currently offers three types of agreements for residents, a fully declining life care contract (Type A), a fifty percent (50%) refundable life care contract (Type A), and a "modified" contract (Type B), all of which involve an entrance fee and monthly fees.

Under the terms of the fully declining life care contract (Type A), the entrance fee and monthly fees entitle the resident to lifetime occupancy of a living accommodation in a residential, assisted living or skilled/comprehensive care unit based on need. There is no increase in the monthly fee as a result of the need for a higher level of care. The entrance fee, less an administrative fee (equal to five percent (5%) of the entrance fee), is amortized at a rate of two percent (2%) per month for each month, or fraction thereof, that resident occupies an independent living residence and at a rate of four percent (4%) per month for each month, or fraction thereof, that resident occupies a living accommodation in assisted living or skilled/comprehensive care. After the period of amortization, which shall be at most fifty (50) months, there is no refund of the entrance fee. Refunds are contingent upon the resale of the resident's independent living unit or as otherwise specified in the Resident Contract.

Under the terms of the fifty percent (50%) refundable life care contract (Type A), the entrance fee and monthly fees entitle the resident to lifetime occupancy of a living accommodation in a residential, assisted living or skilled/comprehensive care unit based on need. There is no increase in the monthly fee as a result of the need for a higher level of care. The entrance fee is amortized at a rate of two percent (2%) per month for each month, or fraction thereof, that resident occupies an independent living residence and at a rate of four percent (4%) per month for each month, or fraction thereof, that resident occupies a living accommodation in assisted living or skilled/comprehensive care. After deducting an administrative fee (equal to five percent (5%) of the entrance fee), and once forty-five percent (45%) of the entrance fee has been amortized, amortization of the remaining entrance fee shall cease. Refunds are contingent upon the resale of the resident's independent living unit or as

otherwise specified in the Resident Contract.

Under the terms of the “modified” contract (Type B), the entrance fee and monthly fees also entitle the resident to lifetime occupancy of a living accommodation in a residential, assisted living or skilled/comprehensive care unit based on need, but there is a change in the monthly fee as a result of the need for a higher level of care. Once a resident is relocated either on a temporary basis for more than two months or on a permanent basis to either assisted living or skilled/comprehensive care, the monthly fee increases to the stated assisted living or skilled/comprehensive health care center rate. The entrance fee, less an administrative fee (equal to five percent (5%) of the entrance fee), is amortized at a rate of two percent (2%) per month for each month, or fraction thereof, that resident occupies an independent living residence and at a rate of four percent (4%) per month for each month, or fraction thereof, that resident occupies a living accommodation in assisted living or skilled/comprehensive care. After the period of amortization, which shall be at most fifty (50) months, there is no refund of the entrance fee. Refunds are contingent upon the resale of the resident’s independent living unit or as otherwise specified in the Resident Contract.

CAREFULLY READ THE CONTINUING CARE AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE ACTS MD IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.

Exhibit B, attached, lists the entrance and monthly fee plans for the current contracts offered at Fairhaven. Entrance fees are subject to change without notice, and monthly fees are subject to change with sixty (60) days prior written notice (in accordance with the terms of the resident contract).

Residence and Care Agreements Effective Prior to January 14, 2020:

Fairhaven previously offered two types of entrance fees under both Type A and Type C agreements – one that amortized over a period of fifty (50) months at the rate of two percent (2%) per month (or fraction of a month) and one that was 90% refundable. Under the Type A agreement, the amortization rate was four percent (4%) per month (or fraction of a month) if admission was directly into assisted living or comprehensive care. The amount of the entrance fee varied with (i) the type of agreement chosen (i.e. Type A or Type C), (ii) whether an amortizing or refundable entrance fee was chosen, (iii) the size of the unit, and (iv) whether there were one or two persons to receive benefits under the residence and care agreement. The amount of the monthly fee varied with (i) whether there were one or two persons receiving benefits under the residence and care agreement, and (ii) the size of the unit.

Under the terms of the Type A agreement that was in effect prior to January 14, 2020, there is no separate or additional charge when a resident relocates from a residential living unit to assisted living or comprehensive nursing care on either a temporary or permanent basis. Rather, upon relocation to assisted living or comprehensive care, the resident continues to pay the same monthly fee as was being paid in the apartment, cottage or villa last occupied by the resident.

Under the terms of the Type C agreement that was in effect prior to January 14, 2020, when a resident relocates to either assisted living or comprehensive nursing care on either a temporary or permanent basis, the resident pays for services received, including an occupancy fee calculated on a daily basis but stated on a monthly basis. In the instance that a temporary or permanent stay in assisted living or comprehensive care qualifies for Medicare reimbursement, residents under the Type C agreement will not be charged for those days eligible for Medicare reimbursement. In addition, Fairhaven will make available to the residents various other services on a fee-for-service basis. The Type C agreement provides resident access to the continuum of care available at Fairhaven.

14. **HISTORY OF FEES.**

The amount of the changes in all fees for each of the previous five (5) years is as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Monthly Fees:</u>					
Independent Living	3.90%	4.65%	7.50%	4.50%	3.75%
Assisted Living	3.90%	4.65%	7.50%	4.50%	4.00%
Comprehensive Care	3.90%	4.65%	7.50%	4.50%	4.00%
<u>Entrance Fees:</u>					
Independent Living	4.00%	4.75%	5.00%	2.50%	3.00%
Assisted Living	4.00%	4.75%	5.00%	5.00%	3.00%
Comprehensive Care	4.00%	4.75%	5.00%	5.00%	3.00%

15. **OPERATING RESERVE REQUIREMENT.**

Acts MD maintains reserves that have been designated by the Board of Directors for specific purposes. These reserves are the property of the corporation and are used at the discretion of the Board of Directors. The corporation employs an investment advisor who selects and monitors various managers guided by an investment policy. The investment policy is reviewed at a minimum on an annual basis by management and the investment advisor.

The operating reserve requirement for the fiscal year ending December 31, 2024 was \$20,406,000 based on the following calculation using audited financial statements for the fiscal year ending December 31, 2024.

Operating Expenses	\$91,458,000
Less: Depreciation & Amortization	9,786,000
Less: Deferred financing costs amortized through interest expense	<u>50,000</u>
Total	\$81,622,000
25.0% of Total (requirement)	\$20,406,000

As of December 31, 2024, the operating reserve requirement is fully funded, with total combined cash and cash equivalents and investments without donor restrictions of \$21,189,000.

16. LONG-TERM FINANCING.

The Series 2020A Bonds are tax-exempt fixed rate bonds with a coupon rate of 5.00% and principal maturing in varying amounts from 2028 to 2049.

The Series 2020B Bonds are taxable fixed rate bonds with a coupon rate of 3.30% and principal maturing in varying amounts from 2022 to 2027.

17. RENEWAL AND REPLACEMENT FUND.

Acts MD is committed to allocating resources to address building and equipment repair and replacement as well as new community improvements at Fairhaven. A percentage of annual entry fees have been allocated towards the capital budget. Acts MD also has access to a working capital line of credit provided by Acts to assist in funding certain repair/maintenance and capital projects.

18. ANTICIPATED EXPANSION OR DEVELOPMENT.

The WillowBrooke Court skilled nursing and OakBridge Terrace assisted living pantries and dining room project is projected to be completed in 2025. In addition, design for repositioning of the floors for WillowBrooke Court and OakBridge Terrace began in 2024 which will better utilize the floors for projected future census needs. Design of the lower level of the Beasman Center is complete with construction to begin during the second quarter of 2025. Health Care Center corridor design was completed in 2024 and upgrades are also scheduled to start during the second quarter of 2025. Installation of an electric car charger has also been completed. No new independent living units are planned at this time.

19. CERTIFIED FINANCIAL STATEMENTS OF THE PROVIDER.

Attached hereto as Exhibit C are certified financial statements for Acts MD as of December 31, 2024.

20. CASH FLOW FORECAST.

Attached hereto as Exhibit D is a cash flow forecast for the current and next two fiscal years for Acts MD.

21. ANNUAL MEETING.

Acts MD will satisfy the requirements of the Code of Maryland Regulations ("COMAR") 32.02.01.21C.(21) and Maryland Code, Human Services Article ("HSA") §10-426 for the annual meeting with residents of Fairhaven as required by COMAR 32.02.01.19A and HSA §10-425(a)(8).

22. ROLE OF RESIDENT ASSOCIATION.

The role of the Fairhaven Residents Association is to; a) promote and further the common interests of the residents in creating a healthful, enjoyable, and useful community life, b) communicate and cooperate with the executive director and staff of Fairhaven and c) to elect a resident council to act on behalf of the association.

23. DESCRIPTION OF INTERNAL GRIEVANCE PROCEDURE.

Fairhaven has established an internal grievance procedure to address resident grievances. A Resident or a group of residents collectively may submit a grievance in writing to the executive director, Fairhaven, 7200 Third Avenue, Sykesville, MD 21784. Fairhaven will send a written acknowledgement to the Resident or group of residents within five (5) days after receipt of the written grievance. Fairhaven will assign personnel to investigate the grievance. A Resident or group of residents who file a written grievance are entitled to a meeting with management of Fairhaven within thirty (30) days after receipt of the written grievance, in order to present the grievance. Fairhaven will provide a response in writing within forty-five (45) days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within thirty (30) days after Fairhaven provides its response to the grievance, a Resident, group of residents, or Fairhaven may seek mediation through one of the community mediation centers in the State or another mediation provider. If a Resident, group of residents, or Fairhaven seeks mediation under the preceding sentence, the mediation shall be nonbinding.

24. AMENDMENT OF DISCLOSURE STATEMENT.

Acts MD will amend this disclosure statement if at any time, in the opinion of Acts MD or the Maryland Department of Aging, an amendment is necessary to prevent the disclosure statement from containing any material misstatement of fact or omission of a material fact.

EXHIBIT A

Summary of Services Included and Not Included in Monthly Fee

After a resident has established financial and medical qualification and enters into a Resident Contract, in consideration of the payment of the entrance fee and monthly fee, Fairhaven agrees to provide lifetime living accommodations in an accommodation designated for the resident, assisted living services, comprehensive nursing care services, meal service, and the services discussed below. The residents' rights under the Resident Contract are not proprietary and do not include any right, title or interest in the real or personal property of Fairhaven, nor does any resident have the right to transfer, convey, assign or devise his or her rights under the Resident Contract. The residents' rights are primarily for services, with a contractual right to occupancy.

Fairhaven is a full-service continuing care retirement community. Below is a summary of the services both included and not included in the monthly fee.

Services Included:

Health Care Services

- Lifetime medical care:
 - Assisted living services in the on-site assisted living residence
 - Comprehensive nursing services in the Health Center
 - Physical therapy, occupational therapy and speech therapy as prescribed by a physician
 - Access to primary care physicians on site, including Radiology, Ophthalmology and consultants for multiple medical specialties
 - Health Center staffed 24 hours per day
- Transportation to all approved medical consultants off-site
- One meal daily in the Beasman Center dining rooms, Copper Kettle Grill or the Bistro, offering choice of menu and carry out option
- Any special diet prescribed by Fairhaven's physicians

The following benefits and services are available to all:

Living Accommodations

- Choice of living accommodations
- Private patio with all cottages and ground floor apartments
- Balconies in the Courtyard Apartments
- Underground parking for the Courtyard Apartments
- Utilities including a basic telephone credit
- 24-hour call system
- Basic cable/TV including over 74 channels
- Individual thermostat control in each residence for heating and air conditioning
- Blinds and wall-to-wall carpet
- All-electric kitchen in each unit

- Bathrooms with grab bars or blocking for grab bars in tubs and showers, plus accommodations for the disabled as necessary
- Soundproof construction between residences
- Once monthly housekeeping services, including light housekeeping
- Laundered linens for bedroom and bath
- Complete maintenance of all units, buildings, common area grounds, recreation areas and equipment
- Periodic redecoration and replacement of Fairhaven's equipment and furnishings

Amenities and Services

- Use of all amenities including:
 - Chapel
 - Indoor swimming pool and spa
 - Greenhouse
 - Art studio
 - Three hole par-3 golf course
 - Library
 - Music room
 - Garden
 - Nature trail
 - Game room
 - Ceramics studio
 - Darkroom
 - Work shop
 - Computer lounge
 - Fitness center with certified fitness trainer
 - Crafts room
 - Club room
- Self-service laundry centers
- Individual mailboxes
- Storage space for apartment residents' extra personal belongings
- Illuminated parking areas
- Safety supervision of buildings and grounds
- Transportation for certain planned group activities

Services not listed above are not included as part of the services received under the Resident Contract in exchange for the monthly fee.

The following services are available to residents of Fairhaven for purchase at additional cost on an individual basis; any other services are the responsibility of the resident to procure:

- Beauty and barber shops
- Group travel trips arranged for special cultural, social, sporting and scenic excursions
- Daily delivery of newspaper(s)

- Hobby clubs, art supplies, theater, orchestra and lecture series, bridge tournaments and some community entertainment and activities
- Covered parking spaces available on a monthly rental basis
- Guest meals and guest accommodations
- Items purchased in the Little Market and Gift Shop
- Dental services
- Podiatry, psychiatry and optician services
- Prescription eyeglasses
- Hearing aids

In addition to the entrance fee established for the type of living accommodations, Fairhaven reserves the right to make additional charges to certain residents at the time of execution of the Resident Contract for special conditions of such residents at the time of entry. Fairhaven reserves the right to make an additional charge ("Surcharge") to a resident if the resident will be under age sixty (60) on the occupancy date. This Surcharge is not part of the entrance fee refund required in Title 10, Section 10-448 of the Continuing Care Act.

The Resident Contract provides that a resident is to receive one meal per day in exchange for the monthly fee. Additional meals will be available on a fee-for-service basis. Resident will receive three meals per day in assisted living and skilled/comprehensive care and will be separately charged, and responsible to pay, for the two additional meals. A resident who is away from Fairhaven for a period of fourteen (14) days or more may receive an away credit towards his or her monthly fee.

Under the Resident Contract, at the time it is determined that a resident of Fairhaven for medical reasons will transfer, on a permanent basis, to the assisted living residence for assisted living care or to the health center for comprehensive care, the monthly fee continues at the same rate as that applicable to the type of residential living unit last occupied by the resident.

Assisted Living at Fairhaven

The name and address of the assisted living facility located at Fairhaven is OakBridge Terrace at Fairhaven, 7200 Third Avenue, Sykesville, MD 21784-7553. In addition to OakBridge Terrace at Fairhaven, Acts MD operates the following assisted living facilities.

OakBridge Terrace at Heron Point
501 East Campus Avenue
Chestertown, MD 21620-1696

OakBridge Terrace at Buckingham's Choice
3200 Baker Circle
Adamstown, MD 21710-9653

OakBridge Terrace at Bayleigh Chase
56 Cynwood Drive
Easton, MD 21601-3864

There have been no changes to the assisted living programs at any of the assisted living facilities operated by Acts MD.

As part of its continuum of care, Fairhaven offers a program of assisted living. OakBridge Terrace at Fairhaven is an assisted living facility that contains 35 assisted living beds and is licensed to provide three levels of care in the assisted living program. Services provided in the Fairhaven assisted living program are provided in accordance with the terms of the Resident Contract. Assisted living units are currently found on the ground floor of the Health Care Center building. Fairhaven has a Residential Services Agency license. Fairhaven is able to provide additional services to residents living in cottages and apartments. Maryland law requires certain additional information to be set forth regarding a continuing care retirement community's assisted living program, as set forth below.

Special Programming

While Fairhaven provides significant training to its staff in order to provide the highest quality of care, Fairhaven does not offer on-site special programming for assisted living residents with particular needs or conditions.

Security

Residents and their property are kept secure through a variety of ways. The assisted living unit has a centrally located nursing station which is staffed by nursing personnel twenty-four hours per day, seven days a week. The unit is also monitored by security officers who make rounds and are available twenty-four hours per day.

Doors to resident rooms may be locked and the residents given a door key should this be requested. A master key is kept by the charge nurse so there is always access to a locked room. Every resident is provided a nightstand that can be locked. Residents also may request that valuables be secured in a locked safe by the Security department.

As provided in the Resident Contract, Fairhaven has the right to enter residents' assisted living accommodations to carry out the intent of that agreement, including performance of housekeeping duties, response to medical alert system, response to fire alert system, entry in the event that a resident is reported missing or not having responded to a call, and maintenance procedures. Fairhaven recognizes each resident's right to privacy and therefore limits its entry to living accommodations to legitimate emergencies and, on notice, for routine housekeeping and maintenance services.

Health Status Monitoring

As the provider, Fairhaven is responsible for monitoring the health status of the assisted living residents. Fairhaven also has the primary responsibility for determining the cost of and purchasing durable medical equipment.

Residents are responsible for arranging for or overseeing their care and for contracting for services not otherwise included in the monthly fee. This includes equipment and supplies.

Residents who have a long-term care insurance policy should request their advisors to review the policy and the residence and care agreement to determine whether there are potential areas of duplication or areas where benefits can be coordinated.

EXHIBIT B

CURRENT FEES

The following pages comprise the entrance fees and monthly fees for the resident contracts currently offered at Fairhaven as described in Section 13 of this disclosure statement. There are three different price plans from which residents may choose when selecting the fully declining life care contract (Type A), the Acts Life Care Premier Plan, the Acts Life Care Asset Preservation Plan, and the Acts Life Care Income Preservation Plan. There is one price plan associated with the fifty percent (50%) refundable life care contract (Type A), the Acts Life Care 50 Plan, and one price plan associated with the “modified” contract (Type B), the Acts Balanced Plan.

Note that the entrance fees are subject to change without notice, and monthly fees are subject to change with sixty (60) days prior written notice (in accordance with the terms of the Resident Contract). Carefully read the Resident Contract for the conditions that must be satisfied before Fairhaven is required to pay an entrance fee refund.

Fairhaven Signature Pricing

To fit your individual goals, preferences, and budget, Acts offers a variety of affordable financial options that are designed to accommodate your income, asset and insurance situation. Each individual residence is priced to reflect the many attributes of that particular residence. Your Life Care Consultant will help you decide on the location and pricing plan that best suits your preferences. Pricing plans include:



Acts Balanced Plan

Acts Balanced Plan is for those who wish to pay a lower entrance fee and assume the risk of higher health care costs should they need it. Though entrance fees are lower, all Balanced Plan residents will pay the same health care rate at the time of needing a higher level of care. This health care rate may be substantially higher than that of the monthly rate offered as part of Acts Life Care Premier pricing plan and other pricing plans.



Acts Life Care® Premier

The most popular of the Acts financial options, Acts Life Care Premier features an entrance fee and monthly fee that secure your residency at an Acts community. With Acts Life Care, monthly fees will never increase solely as a result of needing a higher level of care. The entrance fee (less an administrative fee) amortizes over a 50-month period with the unamortized balance returned to you or your estate should you no longer reside at the community during that period.



Acts Life Care 50

Acts Life Care 50 offers a refund of 50% of the net entrance fee for those who wish to provide a financial legacy. Under this plan, the entrance fee (less an administrative fee) amortizes over a 25-month period, with the balance being returned to you or your estate when your period of occupancy ends.



Acts Life Care Asset Preservation

The Asset Preservation Plan is for those who desire the highest level of asset preservation. This plan offers the same benefits of lifestyle and health care security, but has a higher level of asset protection than Acts Life Care Premier. With a lower entrance fee, this plan is designed for those who enjoy a comfortable and predictable income.



Acts Life Care Income Preservation

The Income Preservation Plan is for those who have a strong asset base. With Acts Life Care Income Preservation, your assets fund the entrance fee, while you enjoy higher income protection with more value-driven monthly service fees.



Acts Balanced / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Uplands	McIntosh (One Bedroom)	580-620	\$126,900-\$136,900	\$1,704-\$1,727
	Rome (One Bedroom w/Den)	932	\$182,900	\$2,634
	Empire (Two Bedroom)	1,200-1,552	\$207,900-\$274,900	\$3,691-\$4,689
Aspen	Gala (One Bedroom)	546	\$122,900	\$1,632
	Baldwin (One Bedroom/Den)	660-743	\$138,900-\$165,900	\$1,886-\$1,946
	Cameo (One Bedroom/Den)	803-886	\$177,900-\$196,900	\$2,045-\$2,291
	Cortland (One Bedroom)	906	\$177,900	\$2,600
	Jonathan (One Bedroom w/Den)	922	\$183,900	\$2,678
Courtyard	Anne Arundel (One Bedroom)	770-848	\$204,900-\$225,900	\$3,006-\$3,322
	Baltimore (One Bedroom)	917	\$239,900	\$3,713
	Harford (One Bedroom/Den)	976	\$251,900	\$3,945
	Montgomery (One Bedroom/Den)	983-995	\$251,900	\$3,970-\$4,006
	Howard (One Bedroom/Den)	1,005	\$251,900	\$4,073
	Frederick (One Bedroom/Den)	1,026	\$251,900	\$4,153
	Carroll (Two Bedroom)	1,205-1,248	\$285,900-\$291,900	\$4,703-\$4,874
	Talbot (Two Bedroom/Den)	1,540	\$376,900	\$6,064
	Calvert (Two Bedroom/Den)	1,562	\$383,900	\$6,131
	Dorchester (Two Bedroom/Den)	2,010	\$424,900	\$6,433
	Somerset (Two Bedroom/Den)	2,050	\$433,900	\$6,452
Second Person Fees			\$40,000	\$2,182

subject to change without notice

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the monthly health care center rate (for example the current 2025 rate is \$9,797 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Balanced Details

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the health care center monthly rate (for example the current 2025 rate is \$9,797 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

- Entrance fees are effective November 1, 2024. Monthly fees are effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee, health care center rate or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care Premier / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Uplands	McIntosh (One Bedroom)	580-620	\$180,900-\$191,900	\$3,342-\$3,580
	Rome (One Bedroom w/Den)	932	\$258,900	\$3,844
	Empire (Two Bedroom)	1,200-1,552	\$309,900-\$363,900	\$4,343-\$5,091
Aspen	Gala (One Bedroom)	546	\$172,900	\$3,278
	Baldwin (One Bedroom/Den)	660-743	\$201,900-\$221,900	\$3,388-\$3,492
	Cameo (One Bedroom/Den)	803-886	\$233,900-\$247,900	\$3,572-\$3,765
	Cortland (One Bedroom)	906	\$251,900	\$3,803
	Jonathan (One Bedroom w/Den)	922	\$254,900	\$3,834
Courtyard	Anne Arundel (One Bedroom)	770-848	\$290,900-\$315,900	\$4,323-\$4,520
	Baltimore (One Bedroom)	917	\$337,900	\$4,726
	Harford (One Bedroom/Den)	976	\$349,900	\$4,910
	Montgomery (One Bedroom/Den)	983-995	\$350,900-\$351,900	\$4,929-\$4,947
	Howard (One Bedroom/Den)	1,005	\$356,900	\$4,953
	Frederick (One Bedroom/Den)	1,026	\$359,900	\$4,989
	Carroll (Two Bedroom)	1,205-1,248	\$402,900-\$410,900	\$5,313-\$5,410
	Talbot (Two Bedroom/Den)	1,540	\$489,900	\$6,309
	Calvert (Two Bedroom/Den)	1,562	\$495,900	\$6,376
	Dorchester (Two Bedroom/Den)	2,010	\$605,900	\$6,556
	Somerset (Two Bedroom/Den)	2,050	\$614,900	\$6,575
Second Person Fees			\$40,000	\$2,182

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Premier Details

- Acts Life Care Premier entrance fees effective November 1, 2024. Monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care 50

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE UP TO AGE 79	ENTRANCE FEE AGE 80-89	MONTHLY FEE
Uplands	McIntosh (One Bedroom)	580-620	\$262,900-\$278,900	\$287,900-\$305,900	\$3,676-\$3,938
	Rome (One Bedroom w/Den)	932	\$375,900	\$411,900	\$4,228
	Empire (Two Bedroom)	1,200-1,552	\$449,900-\$527,900	\$492,900-\$578,900	\$4,777-\$5,600
Aspen	Gala (One Bedroom)	546	\$250,900	\$274,900	\$3,606
	Baldwin (One Bedroom/Den)	660-743	\$292,900-\$321,900	\$321,900-\$352,900	\$3,727-\$3,841
	Cameo (One Bedroom/Den)	803-886	\$339,900-\$359,900	\$371,900-\$394,900	\$3,929-\$4,142
	Cortland (One Bedroom)	906	\$365,900	\$400,900	\$4,183
	Jonathan (One Bedroom w/Den)	922	\$369,900	\$405,900	\$4,217
Courtyard	Anne Arundel (One Bedroom)	770-848	\$421,900-\$458,900	\$462,900-\$502,900	\$4,755-\$4,972
	Baltimore (One Bedroom)	917	\$489,900	\$537,900	\$5,199
	Harford (One Bedroom/Den)	976	\$507,900	\$556,900	\$5,401
	Montgomery (One Bedroom/Den)	983-995	\$508,900-\$510,900	\$557,900-\$559,900	\$5,422-\$5,442
	Howard (One Bedroom/Den)	1,005	\$517,900	\$567,900	\$5,448
	Frederick (One Bedroom/Den)	1,026	\$521,900	\$572,900	\$5,488
	Carroll (Two Bedroom)	1,205-1,248	\$584,900-\$595,900	\$640,900-\$653,900	\$5,844-\$5,951
	Talbot (Two Bedroom/Den)	1,540	\$710,900	\$778,900	\$6,940
	Calvert (Two Bedroom/Den)	1,562	\$719,900	\$788,900	\$7,014
	Dorchester (Two Bedroom/Den)	2,010	\$878,900	\$963,900	\$7,212
	Somerset (Two Bedroom/Den)	2,050	\$891,900	\$977,900	\$7,233
Second Person Fees			\$40,000	\$40,000	\$2,400

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care 50 Details

- Entrance fees effective November 1, 2024. Monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. The entrance fee will cease amortizing and becomes firm when it reaches 50% of the net entrance fee.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care Asset Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Uplands	McIntosh (One Bedroom)	580-620	\$153,900-\$163,900	\$3,910-\$4,189
	Rome (One Bedroom w/Den)	932	\$220,900	\$4,497
	Empire (Two Bedroom)	1,200-1,552	\$263,900-\$309,900	\$5,081-\$5,956
Aspen	Gala (One Bedroom)	546	\$146,900	\$3,835
	Baldwin (One Bedroom/Den)	660-743	\$171,900-\$188,900	\$3,964-\$4,086
	Cameo (One Bedroom/Den)	803-886	\$198,900-\$210,900	\$4,179-\$4,405
	Cortland (One Bedroom)	906	\$214,900	\$4,450
	Jonathan (One Bedroom w/Den)	922	\$216,900	\$4,486
Courtyard	Anne Arundel (One Bedroom)	770-848	\$247,900-\$268,900	\$5,058-\$5,288
	Baltimore (One Bedroom)	917	\$287,900	\$5,529
	Harford (One Bedroom/Den)	976	\$297,900	\$5,745
	Montgomery (One Bedroom/Den)	983-995	\$298,900-\$299,900	\$5,767-\$5,788
	Howard (One Bedroom/Den)	1,005	\$303,900	\$5,795
	Frederick (One Bedroom/Den)	1,026	\$305,900	\$5,837
	Carroll (Two Bedroom)	1,205-1,248	\$342,900-\$349,900	\$6,216-\$6,330
	Talbot (Two Bedroom/Den)	1,540	\$416,900	\$7,382
	Calvert (Two Bedroom/Den)	1,562	\$421,900	\$7,460
	Dorchester (Two Bedroom/Den)	2,010	\$515,900	\$7,671
	Somerset (Two Bedroom/Den)	2,050	\$522,900	\$7,693
Second Person Fees			\$40,000	\$2,182

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Asset Preservation Details

- Acts Life Care Asset Preservation entrance fees effective November 1, 2024 and monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care Income Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Uplands	McIntosh (One Bedroom)	580-620	\$217,900-\$230,900	\$3,041-\$3,258
	Rome (One Bedroom w/Den)	932	\$310,900	\$3,498
	Empire (Two Bedroom)	1,200-1,552	\$371,900-\$436,900	\$3,952-\$4,633
Aspen	Gala (One Bedroom)	546	\$207,900	\$2,983
	Baldwin (One Bedroom/Den)	660-743	\$242,900-\$266,900	\$3,083-\$3,178
	Cameo (One Bedroom/Den)	803-886	\$280,900-\$297,900	\$3,251-\$3,426
	Cortland (One Bedroom)	906	\$302,900	\$3,461
	Jonathan (One Bedroom w/Den)	922	\$305,900	\$3,489
Courtyard	Anne Arundel (One Bedroom)	770-848	\$349,900-\$379,900	\$3,934-\$4,113
	Baltimore (One Bedroom)	917	\$405,900	\$4,301
	Harford (One Bedroom/Den)	976	\$419,900	\$4,468
	Montgomery (One Bedroom/Den)	983-995	\$421,900-\$422,900	\$4,485-\$4,502
	Howard (One Bedroom/Den)	1,005	\$428,900	\$4,507
	Frederick (One Bedroom/Den)	1,026	\$431,900	\$4,540
	Carroll (Two Bedroom)	1,205-1,248	\$483,900-\$493,900	\$4,835-\$4,923
	Talbot (Two Bedroom/Den)	1,540	\$587,900	\$5,741
	Calvert (Two Bedroom/Den)	1,562	\$595,900	\$5,802
	Dorchester (Two Bedroom/Den)	2,010	\$727,900	\$5,966
	Somerset (Two Bedroom/Den)	2,050	\$737,900	\$5,983
Second Person Fees			\$40,000	\$2,182

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Income Preservation Details

- Acts Life Care Income Preservation entrance fees effective November 1, 2024 and monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on the permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Fairhaven Signature Pricing

To fit your individual goals, preferences, and budget, Acts offers a variety of affordable financial options that are designed to accommodate your income, asset and insurance situation. Each individual residence is priced to reflect the many attributes of that particular residence. Your Life Care Consultant will help you decide on the location and pricing plan that best suits your preferences. Pricing plans include:



Acts Balanced Plan

Acts Balanced Plan is for those who wish to pay a lower entrance fee and assume the risk of higher health care costs should they need it. Though entrance fees are lower, all Balanced Plan residents will pay the same health care rate at the time of needing a higher level of care. This health care rate may be substantially higher than that of the monthly rate offered as part of Acts Life Care Premier pricing plan and other pricing plans.



Acts Life Care® Premier

The most popular of the Acts financial options, Acts Life Care Premier features an entrance fee and monthly fee that secure your residency at an Acts community. With Acts Life Care, monthly fees will never increase solely as a result of needing a higher level of care. The entrance fee (less an administrative fee) amortizes over a 50-month period with the unamortized balance returned to you or your estate should you no longer reside at the community during that period.



Acts Life Care 50

Acts Life Care 50 offers a refund of 50% of the net entrance fee for those who wish to provide a financial legacy. Under this plan, the entrance fee (less an administrative fee) amortizes over a 25-month period, with the balance being returned to you or your estate when your period of occupancy ends.



Acts Life Care Asset Preservation

The Asset Preservation Plan is for those who desire the highest level of asset preservation. This plan offers the same benefits of lifestyle and health care security, but has a higher level of asset protection than Acts Life Care Premier. With a lower entrance fee, this plan is designed for those who enjoy a comfortable and predictable income.



Acts Life Care Income Preservation

The Income Preservation Plan is for those who have a strong asset base. With Acts Life Care Income Preservation, your assets fund the entrance fee, while you enjoy higher income protection with more value-driven monthly service fees.



COTTAGES AND VILLAS

Acts Balanced / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Classic Cottages	Starling (One Bedroom)	847-1,014	\$185,900-\$206,900	\$3,164-\$3,409
	Cardinal (One Bedroom w/Den)	1,040-1,235	\$214,900-\$267,900	\$3,573-\$3,939
	Oriole (Two Bedroom)	1,201-1,454	\$259,900-\$317,900	\$5,326-\$5,405
	Robin (Two Bedroom w/Den)	1,382-1,554	\$303,900-\$342,900	\$6,107-\$6,248
	Raven (Two Bedroom w/Sunroom)	1,677-1,881	\$389,900-\$425,900	\$6,928-\$7,119
	Swallow (Two Bedroom w/Den)	2,248	\$503,900	\$7,335
Cottages at the Point	Meadowlark (Two Bedroom w/Carport)	1,240-1,424	\$275,900-\$311,900	\$5,668-\$6,266
	Martin (Two Bedroom w/Den & Carport)	1,435-1,688	\$313,900-\$403,900	\$6,328-\$6,742
Villas	Blue Jay (Two Bedroom w/Garage)	1,832-1,998	\$408,900-\$421,900	\$6,667
	Heron (Three Bedroom/Lower Level w/Garage)	3,640	\$440,900-\$451,900	\$6,672-\$6,691
Second Person Fees			\$40,000	\$2,182

subject to change without notice

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the monthly health care center rate (for example the current 2025 rate is \$9,797 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Balanced Details

Under the terms of the Balanced Plan, residents pay a lower entrance fee and current Balanced Plan monthly fee during their time in independent living. If they later require care in OakBridge Terrace or WillowBrooke Court, they will pay the health care center monthly rate (for example the current 2025 rate is \$9,797 per month). When the resident transfers to a higher level of care, the health care center rate in effect at that time will apply.

- Entrance fees are effective November 1, 2024. Monthly fees are effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee, health care center rate or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



COTTAGES AND VILLAS

Acts Life Care Premier / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Classic Cottages	Starling (One Bedroom)	847-1,014	\$258,900-\$290,900	\$4,530-\$4,626
	Cardinal (One Bedroom w/Den)	1,040-1,235	\$295,900-\$338,900	\$4,744-\$5,087
	Oriole (Two Bedroom)	1,201-1,454	\$367,900-\$412,900	\$5,815-\$5,950
	Robin (Two Bedroom w/Den)	1,382-1,554	\$420,900-\$451,900	\$6,317-\$6,480
	Raven (Two Bedroom w/Sunroom)	1,677-1,881	\$487,900-\$523,900	\$7,115-\$7,271
	Swallow (Two Bedroom w/Den)	2,248	\$590,900	\$7,407
Cottages at the Point	Meadowlark (Two Bedroom w/Carport)	1,240-1,424	\$387,900-\$433,900	\$6,030-\$6,388
	Martin (Two Bedroom w/Den & Carport)	1,435-1,688	\$436,900-\$510,900	\$6,429-\$6,846
Villas	Blue Jay (Two Bedroom w/Garage)	1,832-1,998	\$525,900-\$535,900	\$7,398
	Heron (Three Bedroom/Lower Level w/Garage)	3,640	\$532,900-\$542,900	\$7,404-\$7,421
Second Person Fees			\$40,000	\$2,182

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Premier Details

- Acts Life Care Premier entrance fees effective November 1, 2024. Monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



COTTAGES AND VILLAS

Acts Life Care 50

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE UP TO AGE 79	ENTRANCE FEE AGE 80-89	MONTHLY FEE
Classic Cottages	Starling One Bedroom	847-1,014	\$375,900-\$421,900	\$411,900-\$462,900	\$4,983-\$5,089
	Cardinal One Bedroom w/Den	1,040-1,235	\$429,900-\$491,900	\$470,900-\$538,900	\$5,218-\$5,596
	Oriole Two Bedroom	1,201-1,454	\$533,900-\$598,900	\$584,900-\$656,900	\$6,397-\$6,545
	Robin Two Bedroom w/Den	1,382-1,554	\$610,900-\$655,900	\$669,900-\$718,900	\$6,949-\$7,128
	Raven Two Bedroom w/Sunroom	1,677-1,881	\$707,900-\$759,900	\$775,900-\$833,900	\$7,827-\$7,998
	Swallow Two Bedroom w/Den	2,248	\$856,900	\$939,900	\$8,148
Cottages at the Point	Meadowlark Two Bedroom w/Carport	1,240-1,424	\$562,900-\$629,900	\$616,900-\$689,900	\$6,633-\$7,027
	Martin Two Bedroom w/Den & Carport	1,435-1,688	\$633,900-\$740,900	\$694,900-\$812,900	\$7,072-\$7,531
Villas	Blue Jay Two Bedroom w/Garage	1,832-1,998	\$762,900-\$777,900	\$836,900-\$852,900	\$8,138
	Heron Three Bedroom/Lower Level w/Garage	3,640	\$772,900-\$787,900	\$847,900-\$863,900	\$8,144-\$8,163
Second Person Fees			\$40,000	\$40,000	\$2,400

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care 50 Details

- Entrance fees effective November 1, 2024. Monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. The entrance fee will cease amortizing and becomes firm when it reaches 50% of the net entrance fee.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care Asset Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Classic Cottages	Starling (One Bedroom)	847-1,014	\$220,900-\$247,900	\$5,300-\$5,412
	Cardinal (One Bedroom w/Den)	1,040-1,235	\$251,900-\$288,900	\$5,550-\$5,952
	Oriole (Two Bedroom)	1,201-1,454	\$312,900-\$350,900	\$6,804-\$6,962
	Robin (Two Bedroom w/Den)	1,382-1,554	\$357,900-\$384,900	\$7,391-\$7,582
	Raven (Two Bedroom w/Sunroom)	1,677-1,881	\$414,900-\$445,900	\$8,325-\$8,507
	Swallow (Two Bedroom w/Den)	2,248	\$502,900	\$8,666
Cottages at the Point	Meadowlark (Two Bedroom w/Carport)	1,240-1,424	\$329,900-\$368,900	\$7,055-\$7,474
	Martin (Two Bedroom w/Den & Carport)	1,435-1,688	\$371,900-\$434,900	\$7,522-\$8,010
Villas	Blue Jay (Two Bedroom w/Garage)	1,832-1,998	\$447,900-\$455,900	\$8,656
	Heron (Three Bedroom/Lower Level w/Garage)	3,640	\$452,900-\$461,900	\$8,663-\$8,683
Second Person Fees			\$40,000	\$2,182

subject to *change without notice*

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Asset Preservation Details

- Acts Life Care Asset Preservation entrance fees effective November 1, 2024 and monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



Acts Life Care Income Preservation / Age 62 and up

LIVING ACCOMMODATION		APPROX. SQ. FT.	ENTRANCE FEE	MONTHLY FEE
Classic Cottages	Starling (One Bedroom)	847-1,014	\$310,900-\$349,900	\$4,122-\$4,210
	Cardinal (One Bedroom w/Den)	1,040-1,235	\$355,900-\$406,900	\$4,317-\$4,629
	Oriole (Two Bedroom)	1,201-1,454	\$441,900-\$495,900	\$5,292-\$5,415
	Robin (Two Bedroom w/Den)	1,382-1,554	\$505,900-\$542,900	\$5,748-\$5,897
	Raven (Two Bedroom w/Sunroom)	1,677-1,881	\$585,900-\$628,900	\$6,475-\$6,617
	Swallow (Two Bedroom w/Den)	2,248	\$709,900	\$6,740
Cottages at the Point	Meadowlark (Two Bedroom w/Carport)	1,240-1,424	\$465,900-\$520,900	\$5,487-\$5,813
	Martin (Two Bedroom w/Den & Carport)	1,435-1,688	\$524,900-\$613,900	\$5,850-\$6,230
Villas	Blue Jay (Two Bedroom w/Garage)	1,832-1,998	\$631,900-\$643,900	\$6,732
	Heron (Three Bedroom/Lower Level w/Garage)	3,640	\$639,900-\$651,900	\$6,738-\$6,753
Second Person Fees			\$40,000	\$2,182

subject to change without notice

Monthly Fee

The monthly fee includes:

Utilities/Taxes

Water, heat, electricity, air-conditioning, standard cable television, wireless internet, property taxes.

Maintenance

Repairs, maintenance and replacement of equipment, exterior cleaning, groundskeeping including lawn service, snow removal from company property.

Personal Services

One chef-prepared meal for each day of the month (additional meals available), recreation program catering to a wide spectrum of interests, 24-hour security, 24-hour access to a resident nurse, nurse practitioner, medical alert system, monthly light housekeeping, annual apartment inspection and cleaning, scheduled local transportation, access to either personal or shared laundry facilities, additional storage.

Acts Life Care Income Preservation Details

- Acts Life Care Income Preservation entrance fees effective November 1, 2024 and monthly fees effective January 1, 2025. Pricing is subject to change without notice. Upon occupancy, the company provides 60-days notice prior to changes in the monthly fee or other ancillary charges.
- Entrance fee becomes firm upon payment of 10% of the current entrance fee and execution of the Resident Contract.
- During the first 90 days of occupancy, the entrance fee is 100% refundable for any reason.
- After the 90th day of occupancy, the refund will be calculated by amortizing the entrance fee (minus a 5% administrative fee) by 2% for each month of occupancy in the independent living residence, and by 4% for each month of occupancy on a permanent basis in the Assisted Living or Skilled Care Centers. At the end of the period of amortization, which shall be at most 50 months, there will be no refund.
- Specific terms and conditions apply. Please refer to Resident Contract and Disclosure Statement.



EXHIBIT C

AUDITED FINANCIAL STATEMENTS

The following pages comprise the 2024 Audited Financial Statements for Acts Communities of Maryland, Inc..

Acts Communities of Maryland, Inc.

Financial Statements and
Supplementary Information

December 31, 2024 and 2023

Acts Communities of Maryland, Inc.

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December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
Acts Communities of Maryland, Inc.

Opinion

We have audited the financial statements of Acts Communities of Maryland, Inc. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining information for 2024 on pages 23 to 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of the Company, and the Maryland Department of Aging and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania
April 29, 2025

Acts Communities of Maryland, Inc.

Balance Sheets

December 31, 2024 and 2023

(In Thousands)

	2024	2023
Assets		
Cash and cash equivalents	\$ 5,569	\$ 7,334
Investments	30,037	36,532
Accounts receivable, entrance fee receivables and other receivables, net	4,947	4,434
Prepaid expenses, inventory and deposits	1,353	1,265
Property and equipment, net	215,944	207,258
Goodwill	104,538	104,538
Deferred costs, net	1,922	1,739
Total assets	<u>\$ 364,310</u>	<u>\$ 363,100</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 9,171	\$ 11,698
Resident monthly fees paid in advance	3,243	3,918
Long-term indebtedness	129,966	133,805
Charitable gift annuity obligations	119	92
Entrance fee deposits	983	803
Refundable portion of entrance fees	49,128	62,459
Deferred revenue from entrance fees	125,834	105,720
Due to affiliated organizations	17,617	18,504
Total liabilities	<u>336,061</u>	<u>336,999</u>
Net Assets		
Without donor restrictions	15,224	12,499
With donor restrictions	13,025	13,602
Total net assets	<u>28,249</u>	<u>26,101</u>
Total liabilities and net assets	<u>\$ 364,310</u>	<u>\$ 363,100</u>

See notes to financial statements

Acts Communities of Maryland, Inc.

Statements of Operations and Changes in Net Assets

Years Ended December 31, 2024 and 2023

(In Thousands)

	2024	2023
Operating Revenue		
Resident services revenues, net of amortization of entrance fees	\$ 63,960	\$ 60,168
Resident services revenues from third-party payors	11,761	11,638
Investment income	885	704
Net assets released from restrictions to provide resident services	932	808
Other revenue	859	778
Total operating revenue before amortization of entrance fees	78,397	74,096
Amortization of entrance fees	15,543	13,360
Total operating revenue	93,940	87,456
Operating Expenses		
Salaries, wages and benefits	46,484	44,451
Contracted services	12,541	10,619
Utilities	5,160	5,046
Food	3,611	3,407
Supplies	3,880	3,926
Real estate taxes	1,375	1,341
Insurance	1,258	1,023
Other	2,932	3,084
Total operating expenses before depreciation, amortization and interest	77,241	72,897
Depreciation and amortization	9,786	8,470
Interest, net	4,431	4,078
Total operating expenses	91,458	85,445
Operating income	2,482	2,011

See notes to financial statements

Acts Communities of Maryland, Inc.**Statements of Operations and Changes in Net Assets (continued)**

Years Ended December 31, 2024 and 2023

(In Thousands)

	2024	2023
Changes in Net Assets Without Donor Restrictions		
Operating income	\$ 2,482	\$ 2,011
Net unrealized gain on investments	782	1,229
Other valuation adjustment	(1,389)	(1,323)
	<u>1,875</u>	<u>1,917</u>
Net operating income	1,875	1,917
Net assets released from restrictions to acquire property and equipment	<u>850</u>	<u>557</u>
Change in net assets without donor restrictions	<u>2,725</u>	<u>2,474</u>
Changes in Net Assets With Donor Restrictions		
Contributions	603	349
Interest and dividend income	409	160
Net unrealized gain on investments	211	882
Change in split interest agreements	(18)	(36)
Net assets released from restrictions to:		
Provide resident services	(932)	(808)
Acquire property and equipment	(850)	(557)
	<u>(577)</u>	<u>(10)</u>
Change in net assets with donor restrictions	(577)	(10)
Change in net assets	2,148	2,464
Net Assets, Beginning	<u>26,101</u>	<u>23,637</u>
Net Assets, Ending	<u>\$ 28,249</u>	<u>\$ 26,101</u>

See notes to financial statements

Acts Communities of Maryland, Inc.

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

(In Thousands)

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 2,148	\$ 2,464
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,786	8,470
Amortization of entrance fees	(15,543)	(13,360)
Other valuation adjustment	1,389	1,323
Amortization of bond premium	(859)	(831)
Amortization of deferred financing costs	50	48
Entrance fees and deposits from nonrefundable resale contracts	36,651	26,801
Refunds of nonrefundable entrance fees and deposits from resale contracts	(1,982)	(1,636)
Administrative fee included in gross entrance fees	(1,824)	(1,344)
Increase in deferred costs	(397)	(547)
Net realized and unrealized gain on investments	(1,194)	(2,129)
Net change in due to affiliated organizations	(887)	1,680
Changes in assets and liabilities:		
Increase in accounts receivable and other receivables	-	(71)
(Increase) decrease in prepaid expenses, inventory and deposits	(88)	162
Decrease in resident monthly fees paid in advance	(675)	(383)
(Decrease) increase in accounts payable and accrued expenses	(1,211)	865
Net cash provided by operating activities	<u>25,364</u>	<u>21,512</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(16,053)	(17,833)
(Increase) decrease in investments	(1,406)	8,029
Net cash used in investing activities	<u>(17,459)</u>	<u>(9,804)</u>
Cash Flows From Financing Activities		
Refunds of refundable entrance fees	(12,121)	(11,866)
Payment of accounts payable, construction	(3,641)	(4,174)
Change in charitable gift annuity obligations	50	38
Payments on charitable gift annuity obligations	(23)	(16)
Payments on long-term indebtedness	(3,030)	(2,930)
Net cash used in financing activities	<u>(18,765)</u>	<u>(18,948)</u>
Net decrease in cash, cash equivalents and restricted cash and cash equivalents	(10,860)	(7,240)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>17,231</u>	<u>24,471</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 6,371</u>	<u>\$ 17,231</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	<u>\$ 5,250</u>	<u>\$ 4,870</u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Obligations incurred for the acquisition of property and equipment	<u>\$ 2,205</u>	<u>\$ 3,641</u>

See notes to financial statements

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

1. Nature of Operations and Organizational Matters

Acts Communities of Maryland, Inc., formerly known as Integrace, Inc. d/b/a ACTS Retirement-Life Communities of Maryland (the Company), is a not-for-profit Maryland corporation, of which ACTS Retirement-Life Communities, Inc. (ACTS), a Pennsylvania not-for-profit corporation (through its wholly owned subsidiary ACTS Acquisition and Development Company, LLC), is the sole member. The Company provides residential, assisted living and skilled care services to senior adults in its four continuing care retirement communities (CCRCs), located in Maryland.

ACTS Management Services, Inc. (AMS) is a not-for-profit Pennsylvania corporation providing management, marketing and development services to senior living providers. AMS is the sole member of ACTS Retirement-Life Communities Management, LLC (ARLCM), a Pennsylvania limited liability company. AMS and ARLCM provide management, marketing and development services to the Company.

ACTS Retirement Services, Inc. is the sole member of ACTS and AMS.

2. Summary of Significant Accounting Policies

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include working capital accounts invested in highly liquid instruments purchased with an original maturity of three months or less. The restricted cash and cash equivalents included in investments were comprised of debt related reserves. The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the balance sheets that sum to the total of the same such amounts reported in the statements of cash flows.

	2024	2023
	(In Thousands)	
Cash and cash equivalents	\$ 5,569	\$ 7,334
Restricted cash and cash equivalents included in investments	802	9,897
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 6,371</u>	<u>\$ 17,231</u>

Investments and Investment Risk

Investments with readily determinable fair values are measured at fair value in the balance sheets. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in net operating income in the statements of operations and changes in net assets unless the income is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Company's investments are comprised of a variety of financial instruments. The fair values reported in the balance sheets are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the balance sheets could materially change in the near term.

Investments include assets without restrictions and assets with restrictions. Assets without restrictions represent assets that are available for the general use and purposes of the Company and assets that are used to meet statutory reserve requirements. Assets with restrictions include amounts held in trust to meet debt related requirements and amounts restricted by donors for specific purposes or time periods.

Accounts Receivable and Entrance Fee Receivables

The Company assesses collectability on all resident accounts prior to providing services. An allowance for expected credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Company has exhausted all collection efforts and accounts are deemed impaired.

Entrance fee receivables are evaluated for collectability prior to residents being admitted to the communities based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed.

Property and Equipment

Property and equipment are stated at cost. Donated assets are recorded at their fair value at the date of donation. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	10 to 25 years
Building and improvements	8 to 55 years
Furniture, fixtures and equipment	3 to 10 years

When assets are sold or retired, the asset values and related accumulated depreciation are eliminated from the accounts and any gain or loss is included in the statements of operations and changes in net assets. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

Gifts of long-lived assets such as land, buildings or equipment are reported as other revenue, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Depreciation expense was \$9,572,000 in 2024 and \$8,277,000 in 2023.

Interest is capitalized for assets that require a period of time to be constructed or to prepare them for their intended use. The amount of interest capitalized was \$160,000 in 2024 and \$643,000 in 2023.

Goodwill

In connection with the recording of the assets and liabilities of Heron Point of Chestertown, Inc. (HP) in 2010 and the Company in 2019, the fair value of the assets was less than the fair value of the liabilities. As a result, goodwill of \$104,538,000 was recorded in connection with these transactions and allocated to each reporting unit. HP merged into the Company in 2022. As a result of this change in reporting structure, the goodwill previously assigned to HP's separate reporting unit of \$22,551,000 was assigned to the Company.

Goodwill is not amortized; instead, the Company evaluates goodwill for impairment on an annual basis or more frequently if indicators of impairment exist. In 2024, the Company assessed qualitative factors (events and circumstances) to determine whether it was more likely than not (that is, a likelihood of more than 50%) that the fair value of the Company was less than its carrying amount, including goodwill. Based on the assessment of qualitative factors, the Company concluded that it was more likely than not that the fair value of the Company exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary. As such, no impairment loss was recorded in 2024.

In 2023, the Company chose to perform a quantitative test and engaged an independent valuation firm to evaluate the Company's goodwill for impairment. For the reporting unit, the estimated fair value was determined using a combination of a discounted cash flow analysis and market-based approach. The cash flows employed in the discounted cash flow analysis were based on the Company's internal projection model for years beyond 2023, using growth rates that estimated future growth in the industry in which the Company operates. The discount rates used in the discounted cash flow analysis were intended to reflect the risks inherent in the future cash flows of the reporting unit and were based on an estimated cost of capital. In addition, the market-based approach utilized comparable public company trading values. The Company concluded that the fair value, as estimated by the independent valuation firm, of the Company exceeded its carrying amount, including goodwill. Therefore, additional testing to identify potential impairment was unnecessary. As such, no impairment loss was recorded in 2023.

Deferred Costs

Deferred costs include incremental costs of obtaining agreements that would not have been incurred if the agreements were not obtained and are recorded at cost. Deferred costs are amortized over the estimated life expectancy of the residents using the straight-line method, which approximates the period of time that services are expected to be transferred to residents. Amortization of deferred costs was \$214,000 in 2024 and \$193,000 in 2023.

Deferred Financing Costs

Deferred financing costs are amortized straight-line over the terms of the related debt, which approximates using the effective interest method and are classified net with the related debt. Amortization expense, which is included as a component of interest expense, was \$50,000 in 2024 and \$48,000 in 2023.

Resident Monthly Fees Paid in Advance

The Company offers a discount to residents who pay the next year's monthly fees in advance and recognizes the fees as revenue when earned.

Entrance Fees

Under a continuing care contract (resident agreement) for a residential living unit, the Company receives entrance fee payments in advance. The Company offers both nonrefundable and refundable resident agreements. Under the nonrefundable resident agreements, residents who terminate their contracts will generally be entitled to a refund of the entrance fee less 2% of the entrance fee per month of residency. Under the refundable resident agreements, the entrance fee is reduced to no less than the guaranteed refund, as specified in the resident agreement, and refunds to residents are generally paid by the Company after a new resident occupies the residential living unit vacated by the former resident.

The nonrefundable portion of entrance fees is amortized to revenue over the actuarially computed life expectancy of the residents using the straight-line method, which approximates the period of time that services under the resident agreements are expected to be transferred to residents and the Company's performance obligation to the residents is satisfied, and is classified as deferred revenue from entrance fees on the balance sheets. Amortization of nonrefundable entrance fees was \$15,543,000 in 2024 and \$13,360,000 in 2023.

The guaranteed refundable portion of entrance fees is classified as refundable portion of entrance fees on the balance sheets and is not amortized to revenue.

Under the Type A life-care contract, residential living residents are entitled to assisted living or skilled care services, as needed, with no increases in the current monthly service fees as a result of transferring to a higher level of care. Under the Type B residential contracts, residents receive 60 days of assisted living or skilled care services at the residential living rate. Type C contracts are considered fee-for-service contracts whereby residents pay the daily rate in assisted living or skilled care.

The gross contractual refund obligations under existing resident agreements were approximately \$104,329,000 and \$105,238,000 at December 31, 2024 and 2023, respectively.

Obligation to Provide Future Services

The Company engages an independent actuary once every three years to calculate the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. Based upon the last calculation performed (as of December 31, 2023), the present value of the net cost of future services and the use of facilities, based on a discount rate of 5%, did not exceed the balance of deferred revenue from entrance fees. Based upon this calculation, and the analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2024 and 2023.

Charitable Gift Annuity Obligations

The Company entered into arrangements with certain donors whereby the donor contributes assets to the Company and, in return, is entitled to receive a series of annuity payments. Under the terms of the arrangements, the estimated liability is to be held in a segregated fund or account until the death of the donor. Upon receipt, the contribution is recorded as a restricted asset, and the present value of the future annuity payments is recorded as a liability. The difference between the asset and the liability is reported as a contribution with donor restriction or directly to other revenue on the statements of operations and changes in net assets if the gift is designated for a purpose without donor restriction.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Resident Services Revenues

Resident services revenues are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Resident services revenues are recognized as performance obligations are satisfied.

Payment terms and conditions for the Company's resident agreements vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident services revenues for recurring and routine monthly services due from private pay residents are generally billed monthly in advance. Resident services revenues for ancillary services due from private pay residents are generally billed monthly in arrears. Resident services revenues due from Medicare, Medicaid and other third-party payor programs are billed monthly in arrears.

Resident services revenues are primarily comprised of skilled care, assisted living and residential living revenue streams, which are primarily derived from providing nursing, assisted living and housing services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Company has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer. Therefore, the Company considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled care, assisted living and residential living revenues are recognized on a daily or month-to-month basis as services are rendered.

The Company receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Company estimates the transaction price based on the terms of the contract, correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Contract Balances

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Company's future performance). Contract liabilities represent the Company's obligation to transfer goods or services to a resident for which the Company has received consideration (or the amount is due) from the resident. The Company's beginning and ending contract assets and liabilities are separately presented on the balance sheets as of December 31, 2024 and 2023. Contracts assets and liabilities as of December 31, 2022 in thousands are as follows:

Accounts receivable, entrance fee receivables and other receivables, net	\$	4,645
Resident monthly fees paid in advance		4,301
Deferred revenue from entrance fees		94,890

Income Taxes

The Company is a not-for-profit corporation exempt from federal income taxes on exempt income under Section 501(a) of the Internal Revenue Code and other income taxes under similar statutes. Accordingly, no provision for income taxes has been recorded in the financial statements.

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

Measure of Operations and Performance Indicator

The statements of operations and changes in net assets include the determination of operating income and net operating income (the performance indicator). Operating income includes only those operating revenues and expenses that are an integral part of the Company's program activities and net assets released from donor restrictions to provide resident services. Net operating income includes all operating activities, as well as changes in unrealized gains and losses on investments and other valuation adjustment.

Changes in net assets without donor restrictions which are excluded from the determination of the performance indicator, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets, if any).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company evaluated subsequent events for recognition or disclosure through April 29, 2025, the date the financial statements were issued.

3. Liquidity and Availability of Resources

As of December 31, the Company has financial assets available for general expenditures within one year of the date of the balance sheets, consisting of the following:

	2024	2023
	(In Thousands)	
Cash and cash equivalents	\$ 5,569	\$ 7,334
Accounts receivable, entrance fee receivables and other receivables, net	4,947	4,434
Investments without donor restrictions	15,620	12,491
Total	<u>\$ 26,136</u>	<u>\$ 24,259</u>

The Company has other assets restricted as to use: state reserves, donor-restricted funds and debt related reserves. These amounts have been excluded from the amounts above.

As part of the Company's liquidity management, cash in excess of daily requirements is invested in short-term investments and money market funds. The Company may designate a portion of any operating surplus to a general reserve. This fund may be drawn upon to meet unexpected liquidity needs.

Donor-restricted funds of \$6,394,000 and \$6,945,000 at December 31, 2024 and 2023, respectively, can be made available based on the passage of time or other events specified by the donors.

Additionally, the Company maintains a \$10,000,000 available line of credit, as discussed in more detail in Note 7.

Acts Communities of Maryland, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

4. Investments, Fair Value Measurements and Financial Instruments

Investments

The classification of the Company's investments as of December 31 is set forth in the following table:

	2024	2023
	(In Thousands)	
Investments without donor restrictions	\$ 15,620	\$ 12,491
State unemployment escrows	471	450
Donor-restricted funds	13,144	13,694
Debt related reserves	802	9,897
Total	<u>\$ 30,037</u>	<u>\$ 36,532</u>

Investment return is as follows:

	2024	2023
	(In Thousands)	
Without donor restrictions:		
Interest and dividend income	\$ 684	\$ 686
Net realized gain on investments	201	18
Total investment income	885	704
Net unrealized gain on investments	782	1,229
With donor restrictions:		
Interest and dividend income	409	160
Net unrealized gain on investments	211	882
Total investment return	<u>\$ 2,287</u>	<u>\$ 2,975</u>

Fair Value Measurements

The Company measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities and other observable inputs.

Acts Communities of Maryland, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The fair value of the Company's investments were measured using the following inputs at December 31:

2024					
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	
	Total				
(In Thousands)					
Instruments measured and reported at fair value:					
Investments:					
Mutual and exchange traded funds, fixed income	\$ 9,775	\$ 9,775	\$ -	\$ -	
Equities	7,204	7,204	-	-	
U.S. government securities	4,843	-	4,843	-	
Money market funds	4,409	4,409	-	-	
Corporate debt securities	2,722		2,722	-	
Time deposits	471	471	-	-	
Mutual and exchange traded funds, equity	404	404	-	-	
Municipal bonds	160	-	160	-	
Other	49	-	49	-	
Total	\$ 30,037	\$ 22,263	\$ 7,774	\$ -	
2023					
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)	
	Total				
(In Thousands)					
Instruments measured and reported at fair value:					
Investments:					
Mutual and exchange traded funds, fixed income	\$ 10,494	\$ 10,494	\$ -	\$ -	
Equities	6,935	6,935	-	-	
U.S. government securities	4,784	-	4,784	-	
Money market funds	10,948	10,948	-	-	
Corporate debt securities	2,574	-	2,574	-	
Time deposits	450	450	-	-	
Mutual and exchange traded funds, equity	184	184	-	-	
Municipal bonds	76	-	76	-	
Other	87	-	87	-	
Total	\$ 36,532	\$ 29,011	\$ 7,521	\$ -	

Acts Communities of Maryland, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Financial Instruments

Money market funds, mutual and exchange traded funds, equities and time deposits are valued based on quoted market prices in active markets, which are considered Level 1 inputs. U.S. government securities, corporate debt securities, municipal bonds and other investments are generally valued using quoted market prices of similar securities, which are considered Level 2 inputs.

5. Accounts Receivable, Entrance Fee Receivables and Other Receivables

Accounts receivable, entrance fee receivables and other receivables are comprised of the following at December 31:

	2024	2023
	(In Thousands)	
Resident monthly fees	\$ 900	\$ 892
Resident entrance fees	1,317	804
Third-party accounts	3,206	4,035
Other	139	54
Total receivables	5,562	5,785
Allowance for credit losses	(615)	(1,351)
Accounts receivable, entrance fee receivables and other receivables, net	<u>\$ 4,947</u>	<u>\$ 4,434</u>

6. Property and Equipment

Property and equipment is comprised of the following at December 31:

	2024	2023
	(In Thousands)	
Land and improvements	\$ 32,353	\$ 31,792
Building and improvements	217,134	195,875
Furniture, fixtures and equipment	21,371	18,405
Construction in progress	4,558	11,242
Total property and equipment	275,416	257,314
Accumulated depreciation	(59,472)	(50,056)
Property and equipment, net	<u>\$ 215,944</u>	<u>\$ 207,258</u>

7. Short-Term Indebtedness

The Company has a \$10,000,000 unsecured revolving line of credit with ACTS. The annual interest rate is based on the ACTS cost of capital (5.9% at December 31, 2024). There were no outstanding borrowings at December 31, 2024 and 2023.

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

8. Long-Term Indebtedness

The Company's long-term indebtedness has been issued under a Master Trust Indenture, dated February 1, 2020, as supplemented which includes a lien on the underlying property and assignment of pledged revenues, as defined. The Company is also required to meet certain financial covenants.

The Company's long-term indebtedness consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
	(In Thousands)	
The Town of Chestertown Economic Development Refunding Revenue Bond Series 2018B. The interest rate is 3.7% and principal matures in varying amounts through 2038.	\$ 19,400	\$ 20,435
Maryland Health and Higher Educational Facilities Authority Revenue Bonds Integrace Issue Series 2020A. The interest rate is 5% and principal matures in varying amounts from 2028 through 2049.	87,110	87,110
Maryland Health and Higher Educational Facilities Authority Taxable Revenue Bonds Integrace Issue Series 2020B. The interest rate is 3.3% and principal matures in varying amounts through 2027.	<u>6,395</u>	<u>8,390</u>
Total	112,905	115,935
Bond premiums, net	17,839	18,698
Unamortized deferred financing costs	<u>(778)</u>	<u>(828)</u>
Total long-term indebtedness	<u>\$ 129,966</u>	<u>\$ 133,805</u>

Anticipated principal repayments on long-term indebtedness are as follows (in thousands):

Years ending December 31:	
2025	\$ 3,140
2026	3,245
2027	3,360
2028	3,460
2029	3,625
2030-2034	20,770
2035-2039	24,200
2040-2044	22,455
2045-2049	<u>28,650</u>
Total	<u>\$ 112,905</u>

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

9. Net Assets

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
	(In Thousands)	
Financial assistance to residents	\$ 1,707	\$ 1,424
Purchase of property and equipment	1,438	1,932
Other	3,130	3,497
Restricted in perpetuity	<u>6,750</u>	<u>6,749</u>
Total net assets with donor restrictions	<u>\$ 13,025</u>	<u>\$ 13,602</u>

The income distributions from net assets held in perpetuity are available to fund financial assistance to residents and other donor restricted purposes.

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose, or by occurrence of other events specified by donors.

10. Endowments

The Company's endowments consist of funds established for various donor-restricted purposes. Its endowments include donor restricted endowment funds only. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

The Company has interpreted the relevant Maryland law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds to be held in perpetuity absent explicit donor stipulations to the contrary. As a result of this interpretation, the Company classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to be held in perpetuity, (b) the original value of subsequent gifts to the endowment to be held in perpetuity and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment funds that is not classified to be held in perpetuity is classified as endowment earnings with donor restrictions until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by the relevant Maryland law.

Unless specifically defined, the Company considers the following factors when a donor restricted endowment fund is required by donor stipulation to accumulate or appropriate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Company and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and appreciation of investments
- (6) Other resources of the Company
- (7) The investment policies of the Company

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

Changes in endowment net assets consist of the following for 2024:

	Endowment Earnings	Endowments to be Held in Perpetuity (In Thousands)	Total
Endowment net assets, beginning of year	\$ 1,955	\$ 6,749	\$ 8,704
Investment return, net	600	-	600
Contributions	-	1	1
Appropriation of endowment assets for expenditure	(290)	-	(290)
Endowment net assets, end of year	<u>\$ 2,265</u>	<u>\$ 6,750</u>	<u>\$ 9,015</u>

Changes in endowment net assets consist of the following for 2023:

	Endowment Earnings	Endowments to be Held in Perpetuity (In Thousands)	Total
Endowment net assets, beginning of year	\$ 1,111	\$ 6,742	\$ 7,853
Investment return, net	1,030	-	1,030
Contributions	-	7	7
Appropriation of endowment assets for expenditure	(186)	-	(186)
Endowment net assets, end of year	<u>\$ 1,955</u>	<u>\$ 6,749</u>	<u>\$ 8,704</u>

Funds With Deficiencies

The fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the relevant state law requires the Company to retain as a fund of perpetual duration. These deficiencies are reported as net assets without donor restrictions. There were no deficiencies reported at December 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Company has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments. Endowment assets include those assets of donor restricted funds that the Company must hold in perpetuity. Endowment assets are invested in a manner that is intended to produce results that are measured against the price and yield results of the BofA Merrill Lynch three-month U.S. Treasury Bill Index (cash and cash equivalents), Bloomberg Barclays U.S. Aggregate Bond Index (fixed income securities) and the Standards and Poor's 500 Stock Index (equity securities) while assuming a moderate level of investment risk.

Acts Communities of Maryland, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

Strategies Employed for Achieving Objectives

The Company relies on a long-term growth strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Company targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy

The Company has a policy of appropriating net assets with donor restrictions for distribution as deemed prudent. The amount needed to fund the distributions will first be taken from the accumulated excess earnings from prior years, then from the accumulated net capital gains of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the endowment earnings balance.

11. Resident Services Revenues

The Company disaggregates revenue from contracts with residents by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Resident services revenues consist of the following for 2024 and 2023:

	2024			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	\$ 42,938	\$ 13,114	\$ 7,908	\$ 63,960
Medicare and other	425	-	7,328	7,753
Medicaid	-	-	4,008	4,008
Total resident services revenues	<u>\$ 43,363</u>	<u>\$ 13,114</u>	<u>\$ 19,244</u>	<u>\$ 75,721</u>
Amortization of entrance fees				<u>\$ 15,543</u>
	2023			
	Residential Living	Assisted Living	Skilled Care	Total
	(In Thousands)			
Private pay	\$ 39,932	\$ 9,541	\$ 10,695	\$ 60,168
Medicare and other	651	-	6,790	7,441
Medicaid	-	-	4,197	4,197
Total resident services revenues	<u>\$ 40,583</u>	<u>\$ 9,541</u>	<u>\$ 21,682</u>	<u>\$ 71,806</u>
Amortization of entrance fees				<u>\$ 13,360</u>

12. Retirement Plan

The Company participates in a 401(k) Plan (the ACTS 401(k) Plan) covering substantially all full-time employees. The ACTS 401(k) Plan allows for qualified employees to voluntarily contribute up to the Internal Revenue Service maximum. In accordance with the terms of the ACTS 401(k) Plan, the Company matches up to 100% of the first 3% of the employee's contribution, plus an additional 50% of the next 2% of the employee's contribution. Plan expense was \$782,000 in 2024 and \$754,000 in 2023.

13. Concentrations of Credit Risk

The Company grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements, related to providing residential and healthcare related services.

The Company maintains cash accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses resulting from this, and management believes it is not subject to any significant credit risk related to cash accounts.

14. Commitments and Contingencies**Senior Living Services Industry**

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

Construction Agreements

The Company entered into construction agreements for certain development and renovation activities at various communities. Commitments were approximately \$1,718,000 as of December 31, 2024.

Statutory Requirement

Under State of Maryland statutes through the Maryland Department of Aging, the Company must maintain operating reserve requirements that are equal to 25% of total operating expenses, exclusive of depreciation and amortization, for the most recent fiscal year. The combined statutory minimum liquid reserve requirement at December 31, 2024 and 2023 was \$20,406,000 and \$19,232,000, respectively. At December 31, 2024 and 2023, the total combined cash and cash equivalents and investments without donor restrictions were \$21,189,000 and \$19,825,000, respectively.

Litigation

The Company operates in an industry where various suits and claims arise in the normal course of business. The Company maintains general and professional liability coverage on a claims-made basis through a commercial insurance carrier. Management is not currently aware of any claims that have been or will be asserted that will, after consideration of applicable insurance coverages, have a material adverse effect on the financial statements.

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

15. Related-Party Transactions

The Company entered into a Management, Marketing and Development Agreement (the Agreement) with ARLCM and AMS (collectively, Manager) which is automatically renewable for one year on each anniversary date. Management fees are equal to 4% of gross revenues, plus any out-of-pocket expenses. Marketing fees are equal to 4% of gross entrance fee proceeds, plus any out-of-pocket expenses. Development fees are equal to 4% of project costs for qualified capital projects. In addition, certain key employees of the Company are employees of Manager; the Company reimburses Manager for the related salary and benefit costs. Total fees incurred under the Agreement were \$7,329,000 in 2024 and \$6,571,000 in 2023. Amounts payable in connection with the Agreement are included in the balance sheets as due to affiliated organizations and were \$12,008,000 and \$12,973,000 at December 31, 2024 and 2023, respectively. These balances are intended to be settled currently in the normal course of business.

At December 31, 2024 and 2023, the Company also had net balances due to ACTS and affiliates of \$5,609,000 and \$5,531,000, respectively. These amounts are included in the balance sheets as due to affiliated organizations and are intended to be settled currently in the normal course of business.

The Company participates with ARLCM in self-insured workers compensation and health insurance programs. In accordance with the terms of the Agreement, the Company pays ARLCM a fixed premium for its participation in these programs, which is adjusted from time to time. Premiums paid in connection with these programs were \$3,914,000 in 2024 and \$3,904,000 in 2023.

16. Functional Expenses

The Company provides housing, healthcare and other related services to residents within its geographic locations. The financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization and other occupancy costs, are allocated to a function based on a usage of space.

Expenses relating to providing these services are approximately as follows for 2024 and 2023:

	2024		
	Program Services	General and Administrative	Total
	(In Thousands)		
Salaries, wages and benefits	\$ 44,590	1,894	\$ 46,484
Contracted services	4,755	7,786	12,541
Utilities	5,160	-	5,160
Food	3,532	79	3,611
Supplies	2,924	956	3,880
Real estate taxes	1,375	-	1,375
Insurance	1,255	3	1,258
Other	1,499	1,433	2,932
Depreciation and amortization	9,572	214	9,786
Interest, net	4,431	-	4,431
Total	\$ 79,093	\$ 12,365	\$ 91,458

Acts Communities of Maryland, Inc.

Notes to Financial Statements
December 31, 2024 and 2023

	2023		
	Program Services	General and Administrative	Total
	(In Thousands)		
Salaries, wages and benefits	\$ 42,568	1,883	\$ 44,451
Contracted services	3,656	6,963	10,619
Utilities	5,046	-	5,046
Food	3,359	48	3,407
Supplies	2,791	1,135	3,926
Real estate taxes	1,341	-	1,341
Insurance	1,022	1	1,023
Other	1,710	1,374	3,084
Depreciation and amortization	8,277	193	8,470
Interest, net	4,078	-	4,078
Total	<u>\$ 73,848</u>	<u>\$ 11,597</u>	<u>\$ 85,445</u>

Acts Communities of Maryland, Inc.

Combining Balance Sheet Schedule

December 31, 2024

(In Thousands)

	Fairhaven **	Buckingham's Choice **	Bayleigh Chase **	Heron Point **	Other *	Total
Assets						
Cash and cash equivalents	\$ 2	\$ 2	\$ 2	\$ 2	\$ 5,561	\$ 5,569
Investments	9,107	6,091	4,249	5,045	5,545	30,037
Accounts receivable, entrance fee receivables and other receivables, net	1,258	1,105	1,747	776	61	4,947
Prepaid expenses, inventory and deposits	235	258	133	249	478	1,353
Property and equipment, net	81,092	45,517	37,571	42,071	9,693	215,944
Goodwill	3,615	26,874	39,764	22,551	11,734	104,538
Deferred costs, net	672	483	368	399	-	1,922
Corporate advances and transfers	-	-	-	5,212	(5,212)	-
Total assets	<u>\$ 95,981</u>	<u>\$ 80,330</u>	<u>\$ 83,834</u>	<u>\$ 76,305</u>	<u>\$ 27,860</u>	<u>\$ 364,310</u>
Liabilities and Net Assets (Deficit)						
Liabilities						
Accounts payable and accrued expenses	\$ 1,271	\$ 1,381	\$ 1,312	\$ 619	\$ 4,588	\$ 9,171
Resident monthly fees paid in advance	728	1,754	761	-	-	3,243
Long-term indebtedness	-	-	-	19,196	110,770	129,966
Charitable gift annuity obligations	30	-	36	53	-	119
Entrance fee deposits	118	105	479	281	-	983
Refundable portion of entrance fees	18,914	27,808	1,890	516	-	49,128
Deferred revenue from entrance fees	37,285	35,856	16,040	36,653	-	125,834
Due to affiliated organizations	-	-	-	-	17,617	17,617
Corporate advances and transfers	26,985	3,245	73,837	-	(104,067)	-
Total liabilities	<u>85,331</u>	<u>70,149</u>	<u>94,355</u>	<u>57,318</u>	<u>28,908</u>	<u>336,061</u>
Net Assets (Deficit)						
Without donor restrictions	3,302	7,347	(10,615)	17,818	(2,628)	15,224
With donor restrictions	7,348	2,834	94	1,169	1,580	13,025
Total net assets (deficit)	<u>10,650</u>	<u>10,181</u>	<u>(10,521)</u>	<u>18,987</u>	<u>(1,048)</u>	<u>28,249</u>
Total liabilities and net assets (deficit)	<u>\$ 95,981</u>	<u>\$ 80,330</u>	<u>\$ 83,834</u>	<u>\$ 76,305</u>	<u>\$ 27,860</u>	<u>\$ 364,310</u>

* Includes Corporate division of Acts Communities of Maryland, Inc.

** Continuing care retirement community operates as a division of Acts Communities of Maryland, Inc.

Acts Communities of Maryland, Inc.

Combining Statement of Operations and Changes in Net Assets (Deficit) Schedule

Year Ended December 31, 2024

(In Thousands)

	Fairhaven **	Buckingham's Choice **	Bayleigh Chase **	Heron Point **	Other *	Total
Operating Revenue						
Resident services revenues, net of amortization of entrance fees	\$ 18,554	\$ 17,489	\$ 13,523	\$ 14,394	\$ -	\$ 63,960
Resident services revenues from third-party payors	2,919	1,891	6,011	940	-	11,761
Investment income	204	228	264	189	-	885
Net assets released from restrictions to provide resident services	408	304	13	102	105	932
Other revenue	252	165	53	389	-	859
Total operating revenue before amortization of entrance fees	22,337	20,077	19,864	16,014	105	78,397
Amortization of entrance fees	4,987	3,787	2,848	3,921	-	15,543
Total operating revenue	27,324	23,864	22,712	19,935	105	93,940
Operating Expenses						
Salaries, wages and benefits	12,435	11,046	14,978	8,025	-	46,484
Contracted services	3,556	2,830	2,789	3,366	-	12,541
Utilities	2,040	1,221	860	1,039	-	5,160
Food	1,224	712	945	730	-	3,611
Supplies	984	890	1,230	776	-	3,880
Real estate taxes	351	426	162	436	-	1,375
Insurance	404	330	218	306	-	1,258
Other	759	592	859	722	-	2,932
Total operating expenses before depreciation, amortization and interest	21,753	18,047	22,041	15,400	-	77,241
Depreciation and amortization	3,647	1,943	1,553	2,643	-	9,786
Interest, net	1,139	726	1,843	723	-	4,431
Total operating expenses	26,539	20,716	25,437	18,766	-	91,458
Operating income (loss)	\$ 785	\$ 3,148	\$ (2,725)	\$ 1,169	\$ 105	\$ 2,482

* Includes Corporate division of Acts Communities of Maryland, Inc.

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Acts Communities of Maryland, Inc.

Combining Statement of Operations and Changes in Net Assets (Deficit) Schedule (Continued)

Year Ended December 31, 2024

(In Thousands)

	Fairhaven **	Buckingham's Choice **	Bayleigh Chase **	Heron Point **	Other *	Total
Changes in Net Assets (Deficit) Without Donor Restrictions						
Operating income (loss)	\$ 785	\$ 3,148	\$ (2,725)	\$ 1,169	\$ 105	\$ 2,482
Net unrealized gain on investments	232	191	160	199	-	782
Other valuation adjustment	(435)	(918)	(36)	-	-	(1,389)
Net operating income (loss)	582	2,421	(2,601)	1,368	105	1,875
Net assets released from restrictions to acquire property and equipment	329	283	36	73	129	850
Change in net assets (deficit) without donor restrictions	911	2,704	(2,565)	1,441	234	2,725
Changes in Net Assets With Donor Restrictions						
Contributions	101	324	56	118	4	603
Interest and dividend income	270	65	-	28	46	409
Net unrealized gain on investments	-	-	-	-	211	211
Change in split interest agreements	(2)	-	(10)	(6)	-	(18)
Net assets released from restrictions to:						
Provide resident services	(408)	(304)	(13)	(102)	(105)	(932)
Acquire property and equipment	(329)	(283)	(36)	(73)	(129)	(850)
Change in net assets with donor restrictions	(368)	(198)	(3)	(35)	27	(577)
Change in net assets (deficit)	543	2,506	(2,568)	1,406	261	2,148
Net Assets (Deficit), Beginning	10,107	7,675	(7,953)	17,581	(1,309)	26,101
Net Assets (Deficit), Ending	<u>\$ 10,650</u>	<u>\$ 10,181</u>	<u>\$ (10,521)</u>	<u>\$ 18,987</u>	<u>\$ (1,048)</u>	<u>\$ 28,249</u>

* Includes Corporate division of Acts Communities of Maryland, Inc.

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Acts Communities of Maryland, Inc.

Combining Statement of Cash Flows Schedule

Year Ended December 31, 2024

(In Thousands)

	Fairhaven **	Buckingham's Choice **	Bayleigh Chase **	Heron Point **	Other *	Total
Cash Flows From Operating Activities						
Change in net assets (deficit)	\$ 543	\$ 2,506	\$ (2,568)	\$ 1,406	\$ 261	\$ 2,148
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities:						
Depreciation and amortization	3,647	1,943	1,553	2,643	-	9,786
Amortization of entrance fees	(4,987)	(3,787)	(2,848)	(3,921)	-	(15,543)
Other valuation adjustment	435	918	36	-	-	1,389
Amortization of bond premium	-	-	-	-	(859)	(859)
Amortization of deferred financing costs	-	-	-	15	35	50
Entrance fees and deposits from nonrefundable resale contracts	12,421	10,486	5,782	7,962	-	36,651
Refunds of nonrefundable entrance fees and deposits from resale contracts	(1,042)	(401)	(364)	(175)	-	(1,982)
Administrative fee included in gross entrance fees	(607)	(517)	(283)	(417)	-	(1,824)
Increase in deferred costs	(131)	(67)	(64)	(83)	(52)	(397)
Net realized and unrealized gain on investments	(292)	(240)	(201)	(250)	(211)	(1,194)
Net change in due to affiliated organizations	-	-	-	-	(887)	(887)
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable and other receivables	(203)	56	(347)	507	(13)	-
Decrease (increase) in prepaid expenses, inventory and deposits	11	(23)	(5)	(3)	(68)	(88)
Decrease in resident monthly fees paid in advance	(333)	(264)	(78)	-	-	(675)
Increase (decrease) in accounts payable and accrued expenses	1,300	311	(5)	(150)	(2,667)	(1,211)
Net cash provided by (used in) operating activities	10,762	10,921	608	7,534	(4,461)	25,364
Cash Flows From Investing Activities						
(Purchase) sale of property and equipment	(6,555)	(3,077)	(4,285)	(2,473)	337	(16,053)
Decrease (increase) in investments	893	913	90	(174)	(3,128)	(1,406)
Net cash used in investing activities	(5,662)	(2,164)	(4,195)	(2,647)	(2,791)	(17,459)

* Includes Corporate division of Acts Communities of Maryland, Inc.

** Continuing care retirement community operates as a division of Acts Communities of Maryland, Inc.

Acts Communities of Maryland, Inc.

Combining Statement of Cash Flows Schedule (Continued)

Year Ended December 31, 2023

(In Thousands)

	Fairhaven **	Buckingham's Choice **	Bayleigh Chase **	Heron Point **	Other *	Total
Cash Flows From Financing Activities						
Refunds of refundable entrance fees	\$ (5,809)	\$ (5,423)	\$ (595)	\$ (294)	\$ -	\$ (12,121)
Payment of accounts payable, construction	(1,888)	(1,019)	(381)	(353)	-	(3,641)
Change in charitable gift annuity obligations	3	-	38	9	-	50
Payments on charitable gift annuity obligations	(9)	-	(2)	(12)	-	(23)
Payments on long-term indebtedness	-	-	-	(1,035)	(1,995)	(3,030)
Net change in corporate advances and transfers	2,603	(2,315)	4,527	(3,202)	(1,613)	-
Net cash (used in) provided by financing activities	(5,100)	(8,757)	3,587	(4,887)	(3,608)	(18,765)
Net change in cash, cash equivalents and restricted cash and cash equivalents	-	-	-	-	(10,860)	(10,860)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	2	2	2	2	17,223	17,231
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 6,363</u>	<u>\$ 6,371</u>
Supplemental Disclosure of Cash Flow Information						
Interest paid, net of amounts capitalized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766</u>	<u>\$ 4,484</u>	<u>\$ 5,250</u>
Supplemental Disclosure of Noncash Investing and Financing Activities						
Obligations incurred for the acquisition of property and equipment	<u>\$ 494</u>	<u>\$ 518</u>	<u>\$ 596</u>	<u>\$ 597</u>	<u>\$ -</u>	<u>\$ 2,205</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Combining Balance Sheet Schedule						
Cash and cash equivalents	\$ 2	\$ 2	\$ 2	\$ 2	\$ 5,561	\$ 5,569
Restricted cash and cash equivalents included in investments	-	-	-	-	802	802
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 6,363</u>	<u>\$ 6,371</u>

* Includes Corporate division of Acts Communities of Maryland, Inc.

** Continuing care retirement community operates as a division of Acts Communities of Maryland, Inc.

EXHIBIT D

CASH FLOW FORECAST

ACTS COMMUNITIES OF MARYLAND, INC.

Projected Statement of Cash Flows

For the Three Years Ending December 31, 2027

(In Thousands)

	<u>2025</u>	<u>2026</u>	<u>2027</u>
Cash Flows From Operating Activities			
Increase in net assets	\$ 1,520	\$ 2,094	\$ 4,825
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization	10,375	10,811	11,215
Amortization of entrance fees	(14,655)	(15,168)	(16,515)
Amortization of bond premium	(884)	(913)	(943)
Amortization of deferred financing costs	49	49	49
Other valuation adjustment	1,389	1,156	-
Entrance fees and deposits from nonrefundable resale contracts	33,234	34,227	34,482
Refunds of entrance fees and deposits from nonrefundable resale contracts	(1,978)	(2,036)	(2,101)
Administrative fee included in gross entrance fees	(1,660)	(1,710)	(1,724)
Increase in deferred costs	(362)	(373)	(376)
Net change in due to affiliated organization	(1,000)	(1,030)	(1,061)
Changes in assets and liabilities:			
Increase in accounts receivable	(178)	(189)	(185)
Increase in prepaid expenses, inventory, and deposits	(1)	(28)	(42)
Increase in accounts payable and accrued expenses	335	360	267
Net cash provided by operating activities	<u>26,184</u>	<u>27,250</u>	<u>27,891</u>
Cash Flows From Investing Activities			
Purchase of property and equipment	(10,620)	(9,751)	(11,419)
Increase in investments	<u>(617)</u>	<u>(1,930)</u>	<u>(402)</u>
Net cash used in investing activities	<u>(11,237)</u>	<u>(11,681)</u>	<u>(11,821)</u>
Cash Flows From Financing Activities			
Refunds of refundable entrance fees	(12,081)	(12,443)	(12,840)
Payments on long-term indebtedness	<u>(3,140)</u>	<u>(3,245)</u>	<u>(3,360)</u>
Net cash used in financing activities	<u>(15,221)</u>	<u>(15,688)</u>	<u>(16,200)</u>
Net change in cash, cash equivalents, and restricted cash and cash equivalents	(274)	(119)	(130)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	<u>6,371</u>	<u>6,097</u>	<u>5,978</u>
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	<u>\$ 6,097</u>	<u>\$ 5,978</u>	<u>\$ 5,848</u>
Reconciliation of Cash and Restricted Cash to Balance Sheet			
Cash and cash equivalents	\$ 5,295	\$ 5,176	\$ 5,046
Cash and cash equivalents included in investments	<u>802</u>	<u>802</u>	<u>802</u>
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 6,097</u>	<u>\$ 5,978</u>	<u>\$ 5,848</u>

