

May 2024

DISCLOSURE STATEMENT

HERON POINT OF CHESTERTOWN

A CONTINUING CARE COMMUNITY

AN AFFILIATE OF ACTS RETIREMENT-LIFE COMMUNITIES, INC.

**THE PROVIDER OF CONTINUING CARE AT HERON POINT OF CHESTERTOWN IS
INTEGRACE, INC. D/B/A ACTS RETIREMENT-LIFE COMMUNITIES OF MARYLAND**

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 Heron Point of Chestertown.

1. NAME AND ADDRESS OF THE FACILITY.

Integrace, Inc. d/b/a Acts Retirement-Life Communities of Maryland operates a continuing care retirement community known as Heron Point of Chestertown (hereinafter called "Heron Point"). Heron Point is located at 501 East Campus Avenue, Chestertown, MD 21620-1682.

2. NAME AND ADDRESS OF THE LICENSED PROVIDER.

The provider is Integrace, Inc. d/b/a Acts Retirement-Life Communities of Maryland (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 Heron Point, 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 d/b/a Willow Valley Living, and Mease Life, Inc. 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. 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 Retirement Services, Inc., the sole corporate member of Acts, became the sole corporate member of Willow Valley Communities, effective May 1, 2022. 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 Heron Point can be received by contacting a Life Care Consultant at (443) 214-3605.

5. DESCRIPTION OF THE PHYSICAL PROPERTY AND THE FACILITY.

The facility is situated on 66 acres of land owned by Acts MD and is located on the Chester River on the Eastern Shore of Maryland. It contains 101 apartment units ranging in approximate sizes of 625 square feet to 1,341 square feet and 91 cottages ranging in approximate sizes of 1,000 square feet to 1,300 square feet. There are 38 skilled nursing beds, 32 assisted living beds and 13 dementia care beds designed for Alzheimer’s and other special care patients. Features of the facility include, but are not limited to: an auditorium, a main dining room, café, gift shop, library, wellness center, aquatic center, recreational areas, a beauty parlor, and game room.

6. MINIMUM AGE FOR ADMISSION.

The minimum age for occupancy is 62 years.

7. STATEMENT OF RESIDENT POPULATION.

As of December 31, 2023, 239 of the apartment units, cottages, skilled nursing beds, and assisted living/dementia care units were occupied with a total current population at Heron Point of approximately 305 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

Dr. Alva Sayrs Baker	Fairhaven Resident, retired
Karen I. Christiansen, CMA	Acts President
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 Vice Chairman
Daniel W. Lawson, II	Acts Board Member, retired
Ellen Paquette	Buckingham’s Choice Resident, retired
Clinton Pettus	Bayleigh Chase Resident, retired

Officers

Position

Gerald T. Grant	Chairman
Karen I. Christiansen, CMA	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 Bayleigh Chase, Buckingham's Choice, Fairhaven, or Heron Point, the facilities 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 Bayleigh Chase, Buckingham's Choice, Fairhaven, and Heron Point 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 resident's 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.

10. NAMES AND ADDRESSES OF ANY DIRECTORS, OFFICERS, MANAGERS, ASSOCIATED CORPORATIONS OR PROFESSIONAL SERVICE FIRMS PROVIDING GOODS, LEASES OR SERVICES TO THE FACILITY 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 FACILITIES.**

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

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

Presently, approximately 10,688 residents live in the above listed facilities.

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 International 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. She serves on the Board of Deacons and is a member of Council for her church. In addition, Ms. Christiansen previously served on the board of directors for a community 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 35 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, as a board member and Treasurer of Berks Arts, a Pennsylvania nonprofit corporation whose mission is to inspire, engage and unite the community through arts educations, collaborations and presentations, located in Reading, Pennsylvania, previously served on the LeadingAge Legal Committee (two separate terms), 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 effective March 1, 2022. 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.

Jefferson D. Kaighn serves as Executive Vice President and Chief Administrative Officer. He has over 30 years of executive management experience in a retirement and healthcare environment. Mr. Kaighn has been with Acts since 1994, having previously served as Administrator of Health Services, Executive Director, Vice President of Operations, Northeast Region, and Senior Vice President, Legislative Affairs & Organizational Development. He is a member of LeadingAge, and the various state affiliates of LeadingAge in which Acts operates. Mr. Kaighn has been a frequent speaker at industry conferences. He is a past member of the LeadingAge PA Board of Directors and Budget & Finance Committee. He has served in the LeadingAge Public Policy Congress and as a member of the LeadingAge MD Public Policy Advisory Council, the LeadingAge NC Public Policy Committee, and the Abington Jefferson Health Systems Lansdale – Community Advisory Board. Mr. Kaighn holds a Bachelor of Arts degree from Bucknell University and a Master of Business Administration degree from Eastern University.

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 28 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 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. 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 is 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 at regional, national and international conferences. 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.

Jeremy O. Neely serves as Senior Vice President, Community Operations. Mr. Neely has 25 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 member of the LeadingAge PA board of directors, currently 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 also 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.

Holly S. Schade serves as Senior Vice President and Chief Clinical Officer. 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 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.

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 29 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.

Paul M. Reinbold, MD, CMD serves as Vice President and Chief Medical Director. Dr. Reinbold has provided services as a Medical Director to multiple skilled nursing facilities 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 Society for Post-Acute and Long-Term Care Medicine 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.

Brian 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. Previously, 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. Mr. Rounsavill received his Master of Business Administration degree from Lehigh University and his undergraduate degree in Business Management from Moravian College. 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.

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 21 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 White serves as Vice President of Operations, Mid-Atlantic 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 – Jessica Hall serves as Executive Director of Heron Point. She has been with Heron Point for 23 years which, coupled with her diverse background in various positions, has equipped her with a deep understanding of the needs and dynamics of the senior living population. Ms. Hall is a member of the Chestertown Rotary Club and Young Professionals of Kent County. She earned a Bachelor's degree in Organizational Management from Wilmington University and is a licensed Nursing Home Administrator in the State of Maryland.

12. **SERVICES PROVIDED OR PROPOSED TO BE PROVIDED UNDER CONTRACTS FOR CONTINUING CARE AT THE FACILITY 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 Contracts Effective May 1, 2011 and after:

Heron Point currently offers a life care contract, which involves an entrance fee and monthly fees. The entrance fee and monthly fees entitle the resident to a lifetime lease 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 two percent (2%) per month for a period of fifty (50) months. After the fifty (50) month period, there is no refund of the entrance fee. Generally, refunds are contingent upon the resale of the resident's independent living unit. Carefully read the Resident Contract for the conditions that must be satisfied before Acts MD is required to pay the entrance fee refund.

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 Heron Point. 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).

Resident Contracts Effective Prior to May 1, 2011:

Heron Point previously offered non-refundable and refundable life care contracts. Entrance fees for refundable contracts were higher than for non-refundable life care contracts, while monthly fees remained the same for both contracts. The entrance fee

and monthly fees entitled the resident to a lifetime lease of a living accommodation in a residential, assisted living or skilled/comprehensive care unit based on need. Upon permanent transfer to assisted living or skilled/comprehensive care unit, the monthly fee changes to the stated assisted living or skilled/comprehensive health care rate.

Under the non-refundable life care contract, the entrance fee less \$5,000 for community improvements is amortized two percent (2%) per month for a period of fifty (50) months. After the fifty (50) month period, there is no refund of the entrance fee. If termination is due to death, there is no refund of the entrance fee if death occurs more than twelve (12) months from the occupancy date. Refunds are contingent upon the resale of the resident's independent living unit.

Under the refundable life care contract, the entrance fee is refunded for death or withdrawal equal to ninety percent (90%) of the entrance fee paid less \$5,000 for community improvements, contingent upon the resale of the resident's independent living unit.

The portion of the entrance fee to be refunded after the date of occupancy, if any, is not held in trust or escrow for the benefit of Resident after the date of occupancy. Carefully read the Resident Contract for the conditions that must be satisfied before Acts MD is required to pay the entrance fee refund.

Upon request, Residents who signed Resident Contracts prior to May 1, 2011 were presented with limited time offers (which have now expired) to convert to the Resident Contract in effect post May 1, 2011.

Current monthly fees for the non-refundable and refundable contracts offered prior to May 1, 2011 are listed on the following page.

<u>LIVING ACCOMMODATION</u>	<u>SQ. FT. (approx.)</u>	<u>MONTHLY FEE Effective 1/1/2024</u>
Wicomico	625	\$3,223
Chester	716	\$3,837
Tred Avon	825	\$4,600
Corsica	980	\$5,465
Wye	1,250	\$6,187
Choptank	1,341	\$6,299
<u>Cottage Homes</u>		
Bohemia	1,000	\$5,167
Nanticoke	1,130	\$5,744
Sassafras	1,300	\$6,299
Second Person Fee		\$1,716

Assisted Living/Comprehensive Health Care

Upon permanent transfer to a higher level of care, current Monthly Fees are as follows:

<u>Type</u>	<u>Single</u>	<u>Couple</u>
Assisted Living Studio (Chesapeake)	\$5,897	N/A
Assisted Living One Bedroom (Tolchester)	\$7,334	\$ 9,694
Assisted Living Two Bedroom (Tolchester)	\$8,615	\$10,975
Comprehensive Health Center (Talbot)	\$5,897	N/A

Both Assisted Living and Comprehensive Health Care monthly fees include weekly housekeeping, three meals per day, and linen services. Personal laundry is available at \$90 per month.

Additional Option Fees

At Resident's option, Heron Point will provide additional services as listed below and on the following page:

Faxes	\$1 per fax
Copier Charges	\$0.25 (black/white) / \$0.50 (color)
Lost Key Replacement	\$15
Name Tag Replacement	\$7
Returned Check Fee	\$15
Guest Apartment Rental	\$125 per night + MD Sales Tax
Housekeeping	\$45 per hour (half hour minimum)
Personal Laundry	\$32 per load
Technology Services	\$50 per hour (half hour minimum)
Transportation Services	\$50 per hour + government rate of mileage (half hour minimum)
Maintenance Services	\$50 per hour (half hour minimum)
Access Card Replacement	\$15
Med-Alert Pendant	Market price
Pendant Band Replacement	\$18

Meals taken by residents over contracted meals (applicable to Residents whose resident contract is effective May, 2011 or after) are \$8.50 each. Residents residing in cottages who opt out of a meal plan pursuant to the Heron Point Meal Plan Addendum (only applicable to Residents whose resident contract is effective May, 2011 or after) shall receive a credit in the amount of \$190 on their monthly statement and may purchase meals at the prices published on the community menus.

Meal costs as listed below are available for Residents whose resident contract was effective prior to May, 2011:

<u>Meal</u>	<u>Costs</u>
Breakfast	\$8.50
Lunch	\$8.50
Dinner	\$8.50

Different fees may apply for meals taken on special events and holidays. Please see the Ancillary Fee Schedule (included as Exhibit B of the Resident Contract) for the most current pricing.

14. HISTORY OF FEES.

Over the past five years, fees have changed as follows:

	<u>1/1/24</u>	<u>1/1/23</u>	<u>1/1/22</u>	<u>1/1/21</u>	<u>1/1/20</u>
Monthly Fees	4.65%	7.50%	4.50%	3.75%	3.00%
Entry Fees	4.75%	5.10%	5.00%	4.00%	5.10%

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, 2023 was \$19,232,000 based on the following calculation using audited financial statements for the fiscal year ending December 31, 2023.

Operating Expenses	\$85,445,000
Less: Depreciation & Amortization	8,470,000
Less: Deferred financing costs amortized through interest expense	<u>49,000</u>
Total	\$76,926,000
25.0% of Total (requirement)	\$19,232,000

As of December 31, 2023, the operating reserve requirement is fully funded, with total combined cash and cash equivalents and investments without donor restrictions of \$19,825,000.

16. LONG-TERM FINANCING.

The Heron Point project was financed by a tax-exempt bond issue in 1989 totaling \$44,880,000. The 1989 bonds were refunded in July 1998 as part of a new issue of tax-exempt bonds totaling \$35,115,000, and were defeased. On December 1, 2010, \$7,940,000 of the 1998 bonds (purchased by Acts through a tender offer solicitation) were retired in exchange for a parity note in the amount of \$3,988,475. The 1998 bonds were refunded in September 2013 as part of a new issue of both taxable (Series 2013A) and tax-exempt (Series 2013B) bonds totaling \$29,295,000, and were defeased. In addition to refunding the 1998 bonds, the proceeds from the issuance of the 2013 bonds were used to repay the above mentioned parity note, pay the principal balance on a line of credit extended by Acts, and establish a project fund to provide for capital improvements. The 2013 bonds were refunded in September 2018 as part of a new issue of both taxable (Series 2018A) and tax-exempt (Series 2018B) bonds totaling \$25,440,000, and were defeased. The Series 2018A bonds were issued in the amount of \$3,050,000 with an interest rate of 3.44% which reset monthly, and principal matured in varying amounts through 2021. The Series 2018B bonds were issued in the amount of \$22,390,000 with an interest rate of 3.70% which resets in September 2030, and principal maturing in varying amounts from 2022 through 2038.

17. RENEWAL AND REPLACEMENT FUND.

Acts MD is committed to allocating resources to address building and equipment repair and replacement as well as new facility improvements at Heron Point. A percentage of annual entry fees have been allocated towards the capital budget. A \$5 million project fund was established (and has since been depleted) as part of the 2013 refinancing to address larger capital projects. 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.

Renovations of the independent living corridors is expected to start during the second half of 2024. Design of a multi-year phased boiler plant project was completed in 2023. The project is anticipated to start in 2025 and will conclude when the plant is replaced with new efficient equipment.

19. CERTIFIED FINANCIAL STATEMENTS OF THE PROVIDER.

Attached hereto as Exhibit C are certified financial statements for Acts MD as of December 31, 2023.

20. CASH FLOW FORECAST.

Attached hereto as Exhibit D are cash flow forecasts for the current and next two fiscal years for Acts MD.

21. ANNUAL MEETING.

Acts MD will satisfy the requirements of Human Services Article (“HSA”) §10-426 for the annual meeting with residents of Heron Point as required by HSA §10-425(a)(7).

22. ROLE OF RESIDENT ASSOCIATION.

The role of the Heron Point 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 Heron Point and c) to elect a resident council to act on behalf of the association.

23. DESCRIPTION OF INTERNAL GRIEVANCE PROCEDURE.

Heron Point 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, Heron Point, 501 E. Campus Avenue, Chestertown, MD 21620-1682. Heron Point will send a written acknowledgement to the Resident or group of residents within five (5) days after receipt of the written grievance. Heron Point 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 Heron Point within thirty (30) days after receipt of the written grievance, in order to present the grievance. Heron Point 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 Heron Point provides its response to the grievance, a Resident, group of residents, or Heron Point may seek mediation through one of the community mediation centers in the State or another mediation provider. If a Resident, group of residents, or Heron Point 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

Independent Living at Heron Point

Summary of Services Included and Not Included in Monthly Fee

Services Included:

1. Occupancy in the living accommodation assigned
2. Use of common areas
3. Utilities (excludes telephone and certain cable services)
4. Real estate taxes
5. Maintenance and repair service for property owned by Heron Point
6. Storage facility (excludes cottages)
7. Grounds keeping care including lawn service and snow removal
8. Limited scheduled transportation within Chestertown
9. One meal for each day in the month (applies only to Resident Contracts effective May, 2011 and after)
10. Limited tray service following a skilled care stay
11. Security
12. Parking
13. Assisted living unit and/or semi-private accommodation in skilled care center

Services Not Included in Monthly Fee but Available for Additional Charge:

1. Housekeeping and/or laundry services
2. Meal plan (applies only to Resident Contracts effective prior to May, 2011)
3. Additional meals over the amount provided in the resident contract (applies only to Resident Contracts effective May, 2011 and after)
4. Tray service
5. Dining room service for guests
6. Ambassador service

Assisted Living at Heron Point

Under the terms and conditions in the Resident Contract and the Maryland Department of Health and Mental Hygiene Assisted Living regulations, assisted living residents have the right to privacy, including the right to have a staff member knock on the resident's door before entering unless the staff member knows that the resident is asleep.

However, Heron Point requests that the resident recognize and accept its responsibility to enter a resident's living accommodation for the purpose of (a) performing scheduled housekeeping duties, (b) responding to the medical alert system, (c) responding to the automatic fire alert system, (d) entry by authorized personnel in the event that the resident is reported missing or does not respond to a call, and (e) maintenance procedures. Heron Point recognizes the resident's right to privacy and its responsibility to limit entry to the living unit for just cause.

Special Programming, Staffing, Training for Assisted Living

Heron Point has a quality assurance staff development nurse on staff who organizes and oversees continuous training for the health center staff, including the assisted living staff. Training is monthly and includes topics like working with sight and hearing-impaired residents, working with difficult residents, and understanding the needs of cognitively impaired residents. An extensive video library enables supplemental, individual instruction on many topics.

Assisted living residents can participate in any of the activities offered to the independent and skilled/comprehensive care residents, according to their abilities and interests. Staff is aware of individual needs and interests and encourages resident involvement. Additional activities are held in the assisted living wing common rooms, including musical, baking, and craft programs, group discussions, and gatherings like Victorian tea and ice cream socials. They have movies, morning stretch time, puzzles, and field trips.

Assisted living staff training and programming do not require major adaptations for residents with serious cognitive impairment because residents at that level of need are cared for in skilled/comprehensive care, rather than in assisted living.

Spiritual needs are met by holding weekly vesper and communion services, conducted by the community's chaplain.

Service plan meetings are held at which time the interdisciplinary team addresses residents' individual needs and conditions and appropriate plans are implemented if necessary. Continuum of care guidelines have been established and are followed to assist staff in determining when assisted living may no longer be the appropriate level of care.

Security

Residents and their property are kept secure through a variety of ways. Assisted living is staffed 24/7. There is always a security guard on the premises and video cameras are located at all entrances.

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. Locked storage spaces are available for large items. A safe is located in the Administration Office and residents may request money be kept in a resident fund account.

Health Status Monitoring

As the provider, Heron Point is responsible for monitoring the health status of the assisted living residents and 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 Assisted Living Monthly Service 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 Resident Contract to determine whether there are potential areas of duplication or areas where benefits can be coordinated.

Grievance/Complaint Procedure

Heron Point has in place a complaint and grievance procedure for Residents in Assisted Living. The procedure allows Residents to make suggestions, register complaints and present grievance about care or services being provided at Heron Point by presenting those suggestions, complaints and/or grievances to the Resident Social Worker, the Director of Health Services or the Executive Director. Grievances are to be resolved within four working days. Residents or their personal representatives may present complaints to the Long Term Care Ombudsman, to the Maryland Department of Aging or to the Maryland Department of Health and Mental Hygiene.

Services Included and Not Included

The following services are included in the applicable Monthly Rate (the Monthly Fee for Resident Contracts effective May, 2011 and after or the Assisted Living Monthly Service Fee for Resident Contracts effective prior to May, 2011):

1. Furnished private accommodations
2. Utilities (excluding telephone)
3. Housekeeping and laundry services including linen service (but not including personal laundry which may be obtained for an additional charge)
4. Three well-balanced meals a day, including special diets and additional snacks as may be required
5. Personal care services consistent with the resident's needs including:
 - a. assistance with and/or supervision of activities of daily living including eating, personal hygiene, transferring, toileting and dressing
 - b. assistance with access to health care and social services
 - c. access to recreational and social activities including access to spiritual and religious activities
6. Assessment and periodic reassessment of the resident's ability to self-administer medications
7. Assistance with and/or administration of medications based on the resident's needs

Services Not Included in the applicable Monthly Rate (the Monthly Fee for Resident Contracts effective May, 2011 and after or the Assisted Living Monthly Service Fee for Resident Contracts effective prior to May, 2011):

1. Services not included in Resident's Monthly Rate and which are not available in the Assisted Living Residence include: on-site pharmacy or laboratory, physical, occupational and speech therapy, massage therapy, podiatry, private duty nursing, inpatient and/or outpatient psychotherapy and/or treatment for mental illness, treatment for drug and alcohol abuse, chiropractic services, dentistry, physician services, hand/tube feeding, catheter care, colostomy care, pressure sore or other wound care, incontinent care, IV therapy, oxygen therapy, suctioning and tracheotomy care.
2. Some services and/or supplies that are available to Resident while Resident resides in the Assisted Living Residence are not included in the Monthly Rate. At the present time those services/supplies that are not included are: transportation to medical appointments, beauty and barber shop services, personal laundry services, radiology services, pharmacy services, some laboratory services, health equipment such as walkers, geriatric chairs, wheelchairs, pressure mattresses and trapezes, prescription and non-prescription medications, diet supplements, incontinent supplies, nursing supplies, hearing aids and dentures. Services provided directly by Company are included in the Ancillary Fee Schedule attached to the Resident Contract as Exhibit "B". The availability and cost of services/supplies is subject to change. Resident will be given at least SIXTY (60) DAYS notice of any change in the Ancillary Fee Schedule.

Skilled/Comprehensive Medical Care at Heron Point

Services Included and Not Included

The following services are included in the applicable Monthly Rate (the Monthly Fee for Resident Contracts effective May, 2011 and after or the Comprehensive Care Monthly Service Fee for Resident Contracts effective prior to May, 2011):

1. Furnished semi-private accommodations
2. Housekeeping and laundry services including linen service (but not including personal laundry which may be obtained for an additional charge)
3. Three well-balanced meals a day, including special diets and additional snacks as may be required
4. Comprehensive care services consistent with the resident's needs including:
 - a. assistance with and/or supervision of activities of daily living including eating, personal hygiene, transferring, toileting and dressing
 - b. assistance with access to health care and social services

- c. access to recreational and social activities including access to spiritual and religious activities
5. Assistance with and/or administration of medications based on the resident's needs

Services Not Included in the applicable Monthly Rate (the Monthly Fee for Resident Contracts effective May, 2011 and after or the Comprehensive Care Monthly Service Fee for Resident Contracts effective prior to May, 2011):

Medical, health and ancillary services not included in or covered by the Monthly Rate include, but are not limited to, the cost of hospitalization, ambulance service, therapist or rehabilitation services, psychotherapy and psychiatric consultations or services, physician services, diagnostic services, private duty nurses, nursing assistants or companions, including temporary nursing or assistive services in the residential unit, specialized treatment, refractions, eyeglasses, contact lenses, hearing aids, podiatry, dentistry, dentures, inlays, orthopedic devices and appliances such as walkers, braces, wheelchairs, special beds or chairs, incontinence supplies, personal care supplies such as disposable underpads, toiletries, digestive aids and pharmacy medications, drugs, including prescription and over-the-counter medications, medical equipment and supplies such as syringes, respirators, ventilators, oxygen tanks, intravenous items, catheterization materials, specialized treatment including ventilator dependent treatment, dialysis, and higher acuity nursing care services such as Subacute Care, Transitional Care or special rehabilitation services. Heron Point, in its discretion, may provide any or all of the services not covered by the Monthly Rate at an additional charge, or refer Resident to another provider capable of providing higher acuity care services. Ancillary and miscellaneous charges in a skilled/comprehensive care center are not included in the Monthly Rate.

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

The summary of services for Independent Living, Assisted Living and Skilled/Comprehensive Care are intended for the use of potential residents as a quick reference point for the understanding of the Resident Contract available at Heron Point. If any of the provisions set forth in this Summary are inconsistent with the provisions of the Resident Contract, the Resident Contract shall govern. All persons are urged to read the Resident Contract carefully before signing, understanding fully that the terms of that contract, and not of this Summary, govern the relationship between the resident and Heron Point.

EXHIBIT B

CURRENT FEES

The following pages comprise the entrance fees and monthly fees for the resident contracts currently offered at Heron Point as described in Section 13 of this disclosure statement.

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 Acts MD is required to pay an entrance fee refund.

EXHIBIT C

AUDITED FINANCIAL STATEMENTS

The following pages comprise the 2023 Audited Financial Statements for Integrace, Inc. d/b/a ACTS Retirement-Life Communities of Maryland.

EXHIBIT D

CASH FLOW FORECASTS

