



Life Lived Forward

**WILLOW
VALLEY**
COMMUNITIES

November 16, 2021

Dear Willow Valley Communities Residents:

Nearly 40 years ago, we welcomed Residents through the doors of our first community. Inspired by a legacy of hospitality, we made a promise to deliver the most exceptional retirement living experience available anywhere. We've maintained that commitment over all these years, and our communities are now home to more than 2,500 Residents originating from at least 40 states. Many say that we are the nation's best retirement living community, and we continue to grow with the recent addition of SouthPointe and our expansion into downtown Lancaster, with Southern Market and Mosaic.

Today, we are pleased to share news of an exciting new chapter in Willow Valley Communities' evolution — one we are confident will enhance our already strong position. As many of you know, Marlin Thomas has worked in the leadership of this organization since its inception, and John Swanson joined our executive team in 1991. A few years ago, we began to discuss the inevitability of leadership transition, and over the last year — under the direction of Willow Valley Communities' Board of Directors — we engaged in a very thoughtful and deliberate process of evaluating succession possibilities.

Our goal in this process was to devise a plan that would preserve the singularity of Willow Valley Communities — its vision, culture, and standard of excellence — while maintaining, or better yet elevating, operations standards and efficiencies. A plan that would enhance and preserve the organization's financial strength, while making Willow Valley Communities even more appealing as a place to live and work.

Earlier today, the Board of Directors of Willow Valley Communities signed a Definitive Agreement with the Board of Directors of Acts Retirement Services (Acts), creating a Strategic Alliance between our organizations. Established in 1972 and based in Fort Washington, Pennsylvania, Acts is the nation's third largest not-for-profit provider, with 26 communities in nine states, currently serving approximately 10,000 residents. Like Willow Valley Communities, Acts enjoys a strong reputation for service, financial strength, and commitment to mission and values within the senior living industry.

Even more, we have known the principals of the Acts organization for many years — going all the way back to Acts' involvement in the very creation of Willow Valley Communities. We are culturally aligned, and — like us — Acts is committed to high standards of quality and service excellence. In many ways, our alliance seems providential — a coming together of two, incredibly strong, historically connected, and strategically complementary organizations.

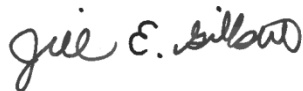
In this agreement, Willow Valley Communities remains a separate legal entity with its own Board of Directors, management team, brand identity, charitable foundation, budget, and operations practices. As of January 1, 2022, Acts will assume the current management company contract and its duties, continuing to operate under the name Willow Valley Living. On or near April 1, 2022, Acts will become the sole corporate member, overseeing management and joining in the governance for Willow Valley Communities. In this way, Willow Valley Communities will immediately benefit from Acts' significant operations depth, expertise, and scale. Meanwhile, Acts will benefit from Willow Valley Communities' expertise in strategic planning, operations, and real estate development. We feel confident that both organizations will become stronger because of this alliance, and more importantly, we are confident that this alliance will best serve and protect you, as Residents of Willow Valley Communities.

In the process of transition and beyond, we do not expect our Residents or Team Members to see any substantive change in service delivery, amenities, programming, or work environment. We are taking great care to ensure continuity, and before long, we expect that you will see the many benefits and assurances this alliance will bring.

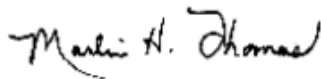
We know many of you will have questions. We've tried to anticipate common questions in advance, and we offer some answers on the pages that follow. We look forward to introducing you to Acts' leadership team at a series of Resident meetings on November 18. The schedule for these meetings is attached to this letter. Residents may attend the meeting of their choosing.

We would like to express our sincere gratitude for your consistent support of Willow Valley Communities and our Team. Exciting times are ahead, and we are thrilled to partner with Acts on our path forward!

Sincerely,



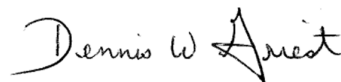
Jill E. Gilbert
President of the Board
Willow Valley Communities



Marlin H. Thomas
Chairman
Willow Valley Living



John G. Swanson
Chief Executive Officer
Willow Valley Living



Dennis W. Griest
President & CFO
Willow Valley Living

Resident Meeting Schedule

NOTE: Residents may choose to attend the Resident meeting that is most convenient for them, regardless of the community in which they live.

<u>Date</u>	<u>Time</u>	<u>Location</u>
Thursday, November 18, 2021	10:00 AM	Manor North (Johnson Auditorium)
Thursday, November 18, 2021	1:00 PM	Manor Auditorium (Orr Auditorium)
Thursday, November 18, 2021	3:00 PM	Cultural Center Theater

Willow Valley Communities & Acts – Strategic Alliance Questions & Answers

Does Acts now own Willow Valley Communities, or vice versa?

No. Not-for-profits, like Willow Valley Communities, are not owned, but rather controlled through a Board of Directors. Willow Valley Communities will continue with its own Board that will include Acts and Willow Valley Communities representatives as of the effective date of the Strategic Alliance (on or near April 1, 2022). Acts will become the sole corporate member of Willow Valley Communities.

Why is this beneficial for both organizations?

Willow Valley Communities and Acts are two of the most successful and highly regarded senior living operators in the nation. This strategic alliance creates a “sum-greater than-the-parts” scenario, leveraging greater scale, combined expertise and capabilities, and common values and missions. It also builds financial strength and sustainability, while enhancing the growth outlook for both organizations.

How will this impact Residents’ monthly fees?

The monthly fees for Willow Valley Communities Residents will not increase as a result of this alliance. In fact, the alliance will solidify and further strengthen Willow Valley Communities’ financial position, thus creating an even more positive outlook.

How does this affect the employees of Willow Valley Communities?

This alliance will greatly benefit employees. As this relationship moves forward, we can better support hiring, training, employee benefits, and retention for all Team Members across our organization. Further, the alliance will create new opportunities for Team Members seeking advancements within both organizations.

How will Willow Valley Communities’ Leadership Team change?

As Acts assumes leadership of Willow Valley Living, Marlin Thomas and John Swanson will step out of day-to-day management involvement, but they will remain engaged as advisors to Acts to ensure a seamless transition. Further, Marlin and John will continue to oversee Willow Valley Communities’ real estate development and renovation initiatives. Denny Griest will maintain his role as President, and Craig Thompson will become Chief Operating Officer. Marsha Kauffman will transition from Controller to Chief Financial Officer. Other members of our Leadership Team will continue forward in their current capacities.

What will change for Residents?

We do not expect Residents to perceive changes other than enhancements to operations over time. Residents will continue to enjoy the quality experiences and lifestyle they have grown accustomed to, and Team Members will continue to work under familiar policies and practices. Moving forward, we expect all to benefit from the combined economies of scale and strengths of Willow Valley Communities and Acts.

How will this impact plans for SouthPointe, Southern Market, Mosaic, and the Memory Care Center?

Our new developments will be stronger, too, because of this alliance. With access to new, expanded resources – we can better manage Willow Valley Communities’ development initiatives, while reducing procurement costs, accelerating staff onboarding and training, and improving operations efficiencies. For the foreseeable future, Marlin Thomas and John Swanson will continue to oversee real estate development and renovation efforts for Willow Valley Communities, and we do not anticipate any changes to our development plans or schedules.

Will the Willow Valley Communities Charitable Foundation continue to function as in the past?

Yes. The Willow Valley Communities Charitable Foundation was formed to raise funds in furtherance of Willow Valley Communities’ mission and goals and will not veer from that purpose. The Willow Valley Communities Charitable Foundation Board of Directors will continue as originally set forth, with a majority of the board members being WVC Resident volunteers.

Will my donation for the Memory Care Center remain for its intended purpose?

Yes. All monies raised by the Willow Valley Communities Charitable Foundation for Willow Valley Communities’ Memory Care Center will remain designated for Memory Care Center advancement, services, support, and staffing at Willow Valley Communities’ Lancaster campuses. Contributions to the Memory Care Center are donor restricted, meaning they can only be used for these purposes.

Will the Memory Care Center continue as planned?

Yes. The capital campaign for the Memory Care Center will continue as planned. Upon successful completion of the capital campaign, the Memory Care Center construction and subsequent operation will also continue as planned.