

NORTH OAKS

***725 Mt. Wilson Lane
Pikesville, Maryland 21208***

Disclosure Statement

April 2025

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

Equal Housing Opportunity

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INTRODUCTION

We are pleased you have expressed an interest in North Oaks (the "Community"). We are very proud of our Community and appreciate the opportunity to tell you more about it. We are convinced that the more you learn about our Community, the more comfortable you will be in deciding to make it your Community, too.

The Community brings to residents who are age 60 and over a way of senior living known as life care. This concept provides services that offer residents the opportunity to pursue their personal interests. Life care communities, such as the Community, encompass these important components: a private apartment, a wide array of personal services, and the security of access to assisted living care and comprehensive care in the on-site health center.

Because nontechnical language has been used in this Disclosure Statement and because this Disclosure Statement includes only summaries of the provisions of the Residency Agreements and other documents, there may be differences between the text of this Disclosure Statement and the language of the Residency Agreements or other documents. Copies of the actual documents should be inspected to fully understand all of their terms and provisions, and those specific terms take precedence over the summaries in this Disclosure Statement.

We are pledged to the letter and the spirit of U.S. policy for achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, disability, national origin, ancestry, marital status, sexual orientation, or gender identity or expression.

I. THE PEOPLE

THE PROVIDER AND MANAGERS

The North Oaks Communities LLC (the "Provider/Operator"), a Maryland limited liability company formed in Maryland, is the provider of the senior living community known as North Oaks. Its business address is 4511 Robosson Road, Randallstown, MD 21133.

The Provider/Operator has overall responsibility for the operations of the Community, including approval of capital expenditures and operating budgets. The Provider/Operator annually reviews the insurance coverage on the Community's property and personnel, its operational policies, personnel policies, and the criteria for resident admissions. The Provider/Operator monitors compliance with the Community budget and the performance of the Community and its management. Michael Biderman is the Manager of North Oaks Communities LLC. Mr. Biderman owns and manages nursing and rehabilitation centers in Maryland, Massachusetts and Maine.

Wilson Lane Realty LLC is a New York limited liability company. Its business address is 725 Mt. Wilson Lane, Baltimore, MD 21208. Wilson Lane Realty LLC was organized for the purpose of owning the property underlying the Community. Wilson Lane Realty LLC is also named on the Certificate of Registration, along with the North Oaks Communities LLC as the Provider. Wilson Lane Realty LLC has entered into a Lease Agreement with the North Oaks Communities LLC, to provide it with full access to and use of the Community property for the benefit of the Community. Wilson Lane Realty LLC guarantees all of the obligations of North Oaks Communities LLC under the Residency Agreements. Ephram M. Lahasky is the Managing Member of Wilson Lane Realty LLC. Mr. Lahasky owns nursing home and rehabilitation centers in Maryland, Colorado, Delaware, Georgia, Iowa, Maine, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, Oklahoma, Ohio, Pennsylvania, Tennessee, Vermont and Wyoming. He has also been an owner of a continuing care retirement community.

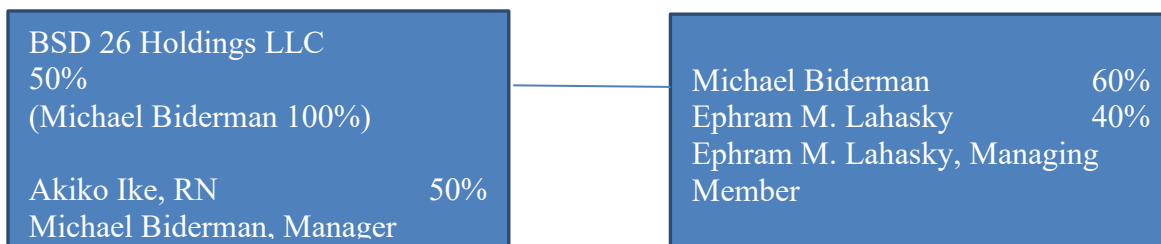
Neither North Oaks Communities LLC nor Wilson Lane Realty LLC is affiliated with any religious, charitable, or other nonprofit organization. North Oaks is a for-profit Provider and does not intend to qualify as a tax-exempt organization under the Internal Revenue Code.

The organizational chart for the Provider is as follows:

PROVIDER

North Oaks Communities LLC

Wilson Lane Realty LLC



Mr. Biderman, the Manager of North Oaks Communities LLC, Ms. Ike and Mr. Lahasky, the Managing Member of Wilson Lane Realty LLC own greater than 10% financial interest in the Provider. None of the Managers: (i) has been convicted of a felony or pleaded nolo contendere to a felony charge, involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) has been held liable, or enjoined by a final judgment, in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; (iii) has been subject to an effective injunctive or restrictive order of a court of record arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons; or (iv) had any state or federal license or permit suspended or revoked within the past 10 years, as a result of an action brought by a governmental agency arising out of or relating to business activity or health care, including actions affecting a license to operate a facility or service for aging, impaired, or dependent persons.

Mr. Lahasky and Mr. Biderman own greater than 10% in Wilson Lane Realty which provides the premises and personal property to the Community, and which has a value of greater than \$10,000 in a fiscal year. The annual cost of leasing personal property and real estate is \$204,000 per month which is equal to \$2,448,000 per annum. The base rent shall increase by two (2%) each year.

ADMINISTRATION

Mr. Reuben Rosenfeld is the Executive Director at North Oaks. He has over 15 years of experience in the senior living industry with over 10 years leading retirement communities. He has served as the Executive Director at North Oaks for 3 years. Mr. Rosenfeld has a Bachelor of Science Degree from New York University and holds an MBA from Baruch College of the City University of New York. He is a certified Maryland Assisted Living Director, and a past member of the Montgomery County Commission on Aging.

RESIDENTS' ASSOCIATION AND MEETINGS WITH THE PROVIDER

Membership of the Residents' Association is open to all residents of the Community. Meetings of the Residents' Association are held every month. The Residents' Association brings together the residents of the Community in a social, congenial atmosphere to discuss matters of mutual concern, and to promote goodwill among the residents. The Residents' Association strives to consolidate majority opinion and advise on general interest topics related to the quality of life at the Community which is presented to the Provider for consideration and action. The Provider in turn informs and communicates policy and administrative matters affecting the quality of life at the Community.

Provider/Operator's appointed Manager meets with the Executive Committee of the Residents' Association monthly to address any of the concerns of the residents and to insure opinions of residents are relayed to all owners of the Provider. The Provider/Operator retains full decision-making authority for the operation of the Community. During the 4th quarter an authorized officer of the provider presents a summary of the provider's operations, significant

changes from the previous year, and goals and objectives for the next year. The authorized officer receives and answers questions from subscribers at this meeting as well.

COMMUNICATION WITH THE ADMINISTRATION

The Community has established an internal grievance procedure to address a resident's grievance. A resident or a group of residents collectively may submit a grievance in writing to the Executive Director of the Community whose address is 725 Mt. Wilson Lane, Pikesville, Maryland 21208. The Community will send a written acknowledgment to the resident or group of residents within five days after receipt of a written grievance. The Community will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance is entitled to a meeting with the management of the Community within 30 days after receipt of the written grievance to afford the resident or group of residents the opportunity to present the resident's or group of residents' grievance. The Community will provide a written response within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after the Community provides its response to the grievance, a resident, group of residents, or the Community may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents, or the Community seeks mediation, the mediation shall be nonbinding.

II. THE COMMUNITY

THE LOCATION

The Community is located on Mt. Wilson Lane just north of the Baltimore Beltway off Reisterstown Road. The Community's address is 725 Mt. Wilson Lane, Pikesville, MD 21208. The site is the location of the former Mount Wilson Hospital. Shopping areas, professional offices, places of worship, and other amenities are located within minutes of the site.

NORTH OAKS

The Community is a life care senior living community designed to accommodate persons 60 years of age or older. The Community provides retirees with a life-style designed to meet their unique needs while allowing them the freedom to pursue their personal interests.

The Community consists of 175 apartments, common areas, and a health center. Of the 175 apartments, 12 apartments have been designated as strictly rental apartments, where residents receive full services excluding access to healthcare services. The common areas include a dining room, a café, an auditorium, a parlor, a lounge, a convenience shop, a library, a Club Room, an arts and crafts studio, a fitness center, a beauty/barber shop, administrative offices, and gardening areas. The types of apartments available are various one-bedroom and two-bedroom units in a multi-story building. Apartment buildings are connected by common corridors and elevators provide residents with indoor access throughout the Community. All apartments are equipped with safety features which include grab rails in the bathtub/shower, wireless emergency nurse call signals, full sprinkler systems, and smoke alarms. Every apartment has complete kitchen facilities with major appliances, central air, carpeting or alternate floor covering where appropriate, and other amenities.

The health center consists of 37 comprehensive care beds in private and semi-private rooms, 13 assisted living beds consisting of 11 private rooms and one semi-private room, a dedicated rehabilitation room, arts and crafts therapy area, dining room, and lounges. Health center services emphasize restorative care, so residents are able to return to their apartments.

The primary purpose of the Community is to provide life care for its residents in a home-like environment. The Community is designed to create an environment that enriches the lives of the people who live and work here. The design of the main common areas provides large areas for dining and meetings without detracting from the home-like environment of the Community.

CAPITAL IMPROVEMENTS

The Provider/Operator works diligently to plan, design, and maintain the Community's infrastructure, facilities, and amenities, and to improve and enhance many areas of the Community to benefit current residents and make North Oaks the senior living community of choice. In 2024, the Provider/Operator renovated the first-floor entrance and lobby area, which includes the library, parlor, café, and reception areas, by updating its furnishings, floor improvements, and providing fresh paint and new wall coverings.

THE PERSONNEL

The Provider/Operator employs an Executive Director, and a Health Center Administrator. The Provider also employs medical personnel, including Registered Nurses, Licensed Practical Nurses, nursing paraprofessionals, an Occupational Therapist, a Physical Therapist, a Social Services Coordinator, and a Speech Therapist. A Dietician and Hearing Specialist are available on a consulting basis. Other employees of the Community include a Director of Plant Operations, a Director of Environmental Services, a Human Resources Director, a Director of Administrative Services, a Community Life Services Director, an Activities Director for the health center, a financial/business office manager, maintenance workers and groundskeepers, receptionists, security personnel, housekeeping staff, dining room personnel, kitchen staff, bookkeeping and clerical staff, and transportation personnel.

THE SERVICES

The decision to move into a senior living community demands careful consideration of many factors, including the services to be provided. A detailed description of the services provided at the Community is attached as Exhibit A to this Disclosure Statement. Briefly, in accordance with the terms of the Residency Agreements and in addition to providing an apartment for use by the resident, the Provider/Operator provides the following services for the monthly Service Fee: (1) maintenance; (2) weekly flat laundry service; (3) weekly housekeeping service; (4) dining services to residents, including one meal for each day in the month; (5) the services of a social-recreational director; (6) security; (7) scheduled local transportation services; (8) basic cable television services; (9) air conditioning, heating, electricity, and water; (10) certain health center services; (11) planned social and recreational programs; (12) certain assistance-in-living services for a limited period of time; (13) special diet and room service; (14) ongoing marketing and sales support as necessary to maintain high resident occupancy; and (15) various administrative services. Additional services are also available to the residents for an extra charge as outlined in the Residency Agreements and Exhibit A to this Disclosure Statement.

Health center services are available to all residents of the Community, excluding those residents who chose the rental option. Under the direction of their attending physician, residents may be admitted directly to the health center from their apartments. Residents who are able to do so are encouraged to return to apartment living as soon as possible. Residents who are unable to return to apartment living, however, have the benefit of permanent care in the health center.

In certain limited circumstances, and in accordance with the regulations, a person who is not a resident of the Community may be directly admitted from the hospital to a health center bed and pay the entrance fee to become a resident.

A resident may also contract with the Provider/Operator directly to receive assisted living services in an assisted living bed and need not come from an apartment at the Community. Assisted living accommodations consist of 11 private rooms and one semiprivate room intended to create a home-like environment. The Community currently has 13 assisted living beds in the Community health center.

Residents who do not require care in the health center, but who need additional personal care services to continue apartment living, are eligible for the assistance-in-living program. Assistance-in-living services include, but are not limited to: bathing, dressing, escorting, and personal laundry. Extended assistance-in-living services up to one hour per day, are provided for an extra charge. These services are not provided by health center staff, but by other Community staff. If more than one hour of assistance-in-living services are needed each day, it is recommended that they be provided by Inspired Homecare™ or by another licensed home health agency of the resident's choice.

HEALTH CARE SERVICES

The Provider/Operator provides residents with on-site comprehensive care under a license issued by the State of Maryland. The Provider/Operator's goal is to provide the residents with the best quality health care available within the limits of its license and consistent with the approved budget. The Provider/Operator is not licensed to provide hospital-level care, and the charges associated with hospital care are the responsibility of the resident.

For those residents who have signed a Variable Refund Residency Agreement or a Return-of-Capital™ Residency Agreement, if it is determined that the resident requires health center services, such services are provided for up to 90 cumulative days at the same monthly Service Fee as if the resident were continuing to live in his or her apartment. If a resident requires more than 90 cumulative days of health center services, the resident can either release his or her apartment for occupancy by someone else or retain the apartment. If a resident chooses to release the apartment, the resident will pay the then-current monthly Service Fee for a one-bedroom Alleghany apartment as specified in the resident's Residency Agreement (unless the monthly Service Fee for his or her apartment is less, in which case, the lesser monthly Service Fee shall apply), plus the Owner's Supervision Fee. If the resident chooses to retain his or her apartment, the resident will continue to pay the monthly Service Fee and the Owner's Supervision Fee for the apartment, plus pay the then-current monthly Service Fee for the one-bedroom Alleghany apartment as specified in the resident's Residency Agreement (unless the monthly Service Fee for his or her apartment is less, in which case, the lesser monthly Service Fee shall apply), and an additional Owner's Supervision Fee. In all cases, the resident will be billed for any additional meal charges in excess of the monthly Service Fee and will be responsible for the charges of medical treatment, medicine, drugs, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment.

Residents who have signed a Type C Agreement and released their apartment shall pay the Comprehensive Care or Assisted Living Services monthly charges in an amount equal to the then-current monthly Service Fee for the type of accommodation being occupied. Type C residents will continue to pay the Owner's Supervision Fee and will pay for the cost of the two meals per day not covered by the monthly Service Fee at the then-current charge for extra meals and will be responsible for the charges of medical treatment, medicine, drugs, prescribed therapy, nursing supplies, and other medical and miscellaneous supplies and services associated with medical treatment. Residents who have signed a Type C Agreement and not released their apartment will pay for their Comprehensive Care or Assisted Living Services monthly charges plus their Owner's

Supervision Fee and the cost for any additional health services as described in the previous sentence. In addition, the Type C residents will continue to pay their monthly Service Fee for their Apartment and the monthly Owner's Supervision Fee. They will also pay the cost of the one meal per day not covered by the two monthly Service Fees (each Service Fee includes one meal per day) at the then-current charge for extra meals. The Community's 37 comprehensive care beds are all Medicare-certified. Due to the numerous insurance plans available to residents, some supplemental health insurance may not cover the Medicare co-insurance amount and deductibles. If a resident's health insurance does not cover the Medicare co-insurance and deductibles, then the resident will be financially responsible for deductibles, co-insurance amounts, and any other costs for each Medicare-qualified skilled nursing stay in the Community health center. If you have a long-term care insurance policy, request your advisors to review the policy and the continuing care agreement to determine whether there are potential areas of duplication or areas where benefits can be coordinated.

Health center services are provided in a private or semiprivate comprehensive care room. Subject to availability, assisted living may be provided in a private or semiprivate assisted living room in the health center. If a resident desires an available private comprehensive care room, the resident may obtain a private room upon agreement to pay the charges for private accommodations as well as the current monthly Service Fee. If the health center is fully occupied, the resident will be provided health center services in an alternate facility the Provider/Operator has contracted with to provide care. To the extent the Provider/Operator would be liable for the resident's care and accommodations in the health center under the Residency Agreement, the Provider/Operator will be responsible for charges associated with alternate health center accommodations so long as the resident continues to pay the monthly charges to the Provider/Operator as outlined in the Residency Agreement.

The Residency Agreements set forth in greater detail the extent health center services are provided and the terms for providing such services. Comprehensive Care and Assisted Living Agreements are subject to the approval of the Maryland Department of Health.

HEALTH CENTER ADMISSIONS STATEMENT

In accordance with Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, it is the policy of the Community that no person shall, on the grounds of race, color, national origin or any other protected class be denied admission to or treatment in the Community health center.

CONTRACTS AND FEES

The Provider/Operator is responsible for the overall management of the Community. The day-to-day oversight of the Community shall be by its Executive Director. At the current time, Mr. Reuben Rosenfeld is the Executive Director at North Oaks. The Provider/Operator is projecting \$400,000 in annual distributions to its members assuming that North Oaks Communities LLC is cash flow positive and holds adequate reserves for operations and resident commitments.

Inspire Homecare™ offers home health services to residents of the Community. Inspire Homecare is licensed as a home health agency by the Maryland Department of Health. The residents may, at their option, contract directly with Inspire Homecare or any other home health agency of their choice for home health services on a fee-for-service basis. The costs incurred by the residents for the services provided by Inspire Homecare depend on the nature and duration of the services purchased by the residents. The Provider/Operator does not pay Inspire Homecare any fees for its services, nor does the Provider/Operator receive any fees for referrals to Inspire Homecare.

III. THE PROPOSAL

THE LIFE CARE CONCEPT

The life care concept ensures an individual lifetime use of an apartment, support services, and unlimited comprehensive care or assisted living services in an on-site health center. This concept was developed as the result of the increasing number of men and women reaching retirement age and the concern for providing an alternative to traditional retirement living. Life care ensures a resident of lifetime access to a full continuum of quality long-term health care, while enjoying the comfort and security of a familiar environment, surrounded by friends, family, neighbors, and a highly-trained, supportive staff. The life care concept at the Community assures the resident has peace of mind, knowing that any long-term health care needs will be met with unparalleled quality and service. For those services and accommodations, a resident pays an Admission Fee, a one-time Capital Reserve Fee, and makes a Loan to the Provider/Operator, all in accordance with the terms of the Residency Agreements. The resident is also responsible for paying a monthly Service Fee and an Owner's Supervision Fee (if applicable). If assisted living or comprehensive care services are required, the resident may relocate from his or her apartment to the on-site Health Center as provided in the Residency Agreement.

The residents of the Community will have another way of paying for long-term care, although not underwritten by an insurance company.

If a resident has a Variable Refund Residency Agreement or a Return-of-Capital™ Residency Agreement, the Provider/Operator will provide comprehensive care in a semiprivate or an assisted living bed for as long as required for the then current monthly Service Fee for the one-bedroom Alleghany apartment (unless the Service Fee for the resident's Apartment is less in which case the lesser monthly Service Fee will apply). The resident's only extra charges will be for two meals per day beyond those covered by the monthly Service Fee and any ancillary services, medications and supplies. Comprehensive care and assisted living in the Health Center are available to the resident for significantly less cost than the cost to obtain these services in a well-rated, comparable facility. A long-term care insurance policy can often times be complimentary to the services provided under the life care concept. Therefore, if the resident has a long-term care insurance policy, the resident should request his/her advisors to review the policy and the terms of the Residency Agreement to determine whether there are potential areas of duplication or areas where benefits can be coordinated.

THE RETURN-OF-CAPITAL™ PLAN

Life care plans have evolved over the years in many ways. Probably the most dramatic change is the handling of the historical, one-time "entrance fee." Traditionally, the entrance fee paid by a resident became the property of the senior living community the day the resident assumed occupancy. This appeared to some to be inequitable for an individual who was a resident for only a short time, despite the fact that many residents would reside in the senior living community for a very long time. As a consequence, the practice evolved of providing partial refunds to residents based on an individual resident's term of residency. In other words, the senior living community would "earn" the entrance fee over a period of time.

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The Return-of-Capital™ Residency Agreement goes one step further. After occupancy, if the resident cancels the Residency Agreement, or in the event of the resident's death, the resident or resident's estate will be entitled to repayment of 90% of the Loan made as outlined in the Residency Agreement. (Please note that in 2024, the 80% option is no longer offered.) Prior to occupancy, if we do not accept you for residency or you terminate the Residency Agreement, your Admission Fee will be refunded within 30 days, and we will retain the Processing Fee. After occupancy, if you terminate the Residency Agreement, your refund will be paid in accordance with the provisions of Section 3 of the Residency Agreement. If we cancel the Residency Agreement, the resident will be entitled to repayment of the "Entrance Fee Costs" (i.e., the Admission Fee plus the Loan) as outlined in the Residency Agreement. The repayment will be made within 60 days from the date of cancellation or the date of vacancy, whichever is later, in accordance with the Residency Agreement. The resident may or may not be entitled to reimbursement of the Admission Fee as outlined in the Residency Agreement. **Carefully read the Residency Agreement for the conditions that must be satisfied before the Provider/Operator is required to pay the refund.**

THE VARIABLE REFUND PLAN

At the discretion of the Provider/Operator and as an alternative to the Return-of-Capital Residency Agreement, the Provider/Operator also offers a Variable Refund Residency Agreement for a limited number of apartments. The refund may be 75%, 50% or 0% of the Loan depending upon the choice made by the resident. Carefully read the Residency Agreement for the conditions that must be satisfied before the Provider/Operator is required to pay the refund. After occupancy, if you terminate the Residency Agreement, your refund will be paid in accordance with the provisions of Section 3 of the Residency Agreement. After occupancy, if the Provider/Operator cancels the Residency Agreement, the resident will be entitled to repayment of the Entrance Costs as outlined in the Residency Agreement. The repayment will be made within 60 days from the date of cancellation or the date of vacancy, whichever is later, in accordance with the Residency Agreement. Resident may or may not be entitled to reimbursement of the Admission Fee as outlined in the Residency Agreement. **Carefully read the Residency Agreement for the conditions that must be satisfied before the Provider/Operator is required to pay the refund.**

THE TYPE C PLAN

In addition to the above-mentioned plans, the Provider/Operator offers a Type C contract which is market rate and has lower entrance fees. The Type C contract is either a Traditional (0%) refund or a ninety percent (90%) refund of the Loan depending upon the choice made by the resident. **Carefully read the Residency Agreement for the conditions that must be satisfied before the Provider/Operator is required to pay the refund.**

When the Type C resident utilizes either Assisted Living or Comprehensive Care services at the Community, the Type C resident will pay market rate for such services. See Section II, "Health Care Services" for additional information on the costs associated with moving to Assisted Living or Comprehensive Care with a Type C contract.

RENTAL PLAN

The Provider/Operator has identified 12 apartments strictly for rent. Rental residents enter into a rental agreement for the apartment, and do not pay an entrance fee. Rental residents enjoy the benefits of the Life Care Residents except they do not have access to any of the Healthcare Services provided by North Oaks. Should they require rehab or other services provided by our health center, then they would need to enter into an alternative agreement – Type A or Type C agreement. Alternatively, they may also choose an outside facility for rehab services.

INDEMNITY DEED OF TRUST AND SECURITY AGREEMENT

Under the life care concept, no ownership interest in the real estate is transferred to the resident. Instead, the resident is provided with a contractual right to use of the apartment, pursuant to the terms of the Residency Agreement, in exchange for paying the Entrance Costs and all monthly charges.

Under the Return-of-Capital Residency Agreement, the Variable Refund Residency Agreement or the Type C Residency Agreement, a portion of the Entrance Costs required to enter into residency at the Community is structured as a Loan repayable to the resident or his or her estate upon death or cancellation of residency at the Community. The Loan portion of the Entrance Costs under the Return-of-Capital Residency Agreement is 90% (the 80% option ceased being offered in 2024); the Loan portion of the Entrance Costs under the Variable Refund Residency Agreement is 75%, 50% or 0% (which is also known as “Traditional”); and the Loan portion of the Entrance Fee under the Type C Residency Agreement is 0% (Traditional) or 90%. While the repayment of the Loan is not held in trust or escrow, as security for the obligation of the Provider/Operator to repay the principal of the Loan, the Wilson Lane Realty LLC assumed a subordinate Indemnity Deed of Trust and Security Agreement ("Deed of Trust") that was originally executed on December 31, 1990 with Norwest Bank Iowa, N.A., (now known as Wells Fargo Bank Iowa, N.A.) a national banking association, as trustee. The current Trustee is Wilmington Trust National Association (the “Trustee”). Under the terms of the Deed of Trust, the Wilson Lane Realty LLC has granted the Trustee a security interest in certain Community real and personal property owned by Wilson Lane Realty LLC for the benefit of the residents of the apartments in the Community who executed a Return-of-Capital Residency Agreement, a Variable Refund Residency Agreement or a Type C Residency Agreement.

Events of default by the Provider/Operator or Wilson Lane Realty LLC under the Deed of Trust include failure to repay the principal of the Loans within 90 days of the due dates, or performance obligations to the Trustee, or the filing of a voluntary or involuntary bankruptcy or similar proceeding. Upon the occurrence and continuance of an event of default, the Trustee has the ability to foreclose on the property and take possession for the benefit of the residents. Otherwise, the Trustee will not play an active role in the operation and management of the Community. Upon the occurrence and continuance of an event of default, the Community could

be sold by the Trustee if it determines that such action is in the best interest of the residents of the apartments in the Community.

The Deed of Trust allows certain "permitted encumbrances," including but not limited to: (1) liens, encumbrances, restrictions, and other matters of record at the time of the filing of the Deed of Trust; (2) long-term and short-term construction loans; and (3) other first mortgages which, in the aggregate, may not exceed 25 percent of the fair market value of the secured property. These permitted encumbrances are intended to allow alternative financing which would be more difficult and more expensive to obtain if the Deed of Trust had total priority. Except for the permitted encumbrances, the Loans of the apartment residents who executed a Return-of-Capital Residency Agreement, Variable Refund Residency Agreement or Type C Residency Agreement would take priority over most other claims with the exception of certain types of liens and taxes. The Loans of all residents of apartments who executed a Return-of-Capital Residency Agreement, Variable Refund Residency Agreement or Type C Residency Agreement are equally protected by the Deed of Trust, and there is no priority among or between such residents.

ESTATE PLANNING

The Return-of-Capital Residency Agreement, the Variable Refund Residency Agreement and the Type C Residency Agreement provide that the Entrance Costs consist of two parts: an initial deposit which is referred to as an Admission Fee, (including a second person Admission Fee, if applicable) and the Loan. Under the Return-of-Capital Residency Agreement, the Variable Refund Residency Agreement and the Type C Residency Agreement, the balance of the Entrance Costs are referred to as a Loan. The Loan portion of the Entrance Costs under the Return-of-Capital Residency Agreement is 90%. The Loan portion of the Entrance Costs under the Variable Refund Residency Agreement is 75%, 50% or 0% (which 0% option is also known as "Traditional"). The Loan portion of the Entrance Costs under the Type C Residency Agreement is 0% (Traditional) and 90%. While the repayment of the Loan is not held in trust or escrow, as security for the obligation of the Provider/Operator to repay the principal of the Loan, Wilson Lane Realty LLC assumed a subordinate Indemnity Deed of Trust and Security Agreement ("Deed of Trust") that was originally executed on December 31, 1990 with Norwest Bank Iowa, N.A., (now known as Wells Fargo Bank Iowa, N.A.) a national banking association, as trustee. The current Trustee is Wilmington Trust National Association (the "Trustee"). Under the terms of the Deed of Trust, the Wilson Lane Realty LLC has granted the Trustee a security interest in certain Community real and personal property owned by Wilson Lane Realty LLC for the benefit of the residents of the apartments in the Community who executed a Return-of-Capital Residency Agreement, Variable Refund Residency Agreement or Type C Residency Agreement.

In the absence of any agreement between the residents of a double-occupied apartment which has been provided to the Provider, the Loan repayment or Entrance Costs refund will be repayable to the estate of the surviving resident. Residents of double-occupied apartments who wish to make other provisions as to who the Loan repayment or Entrance Costs refund is to be paid should consult with their attorneys for an appropriate agreement. It is the responsibility of the resident to make the Provider aware of the existence of any such agreement and to provide a copy of the agreement to the Provider. No other rights under the Residency Agreement are

assignable. A form of Assignment of Rights to Repayment is available for review by you or by your financial or legal advisor upon request.

IV. FINANCIAL MATTERS

FINANCIAL STATEMENTS

A certified financial statement for the Community is prepared each fiscal year and is attached to this Disclosure Statement as Exhibit C. The Provider/Operator is required to provide a copy of the certified financial statement to each prospective resident at least two weeks before a prospective resident executes the Residency Agreement. A copy of the certified financial statement is also available for review by each resident or his or her financial or legal advisor upon request.

Cash flow projections for the current fiscal year and the next two fiscal years can be found under Section V, "Summary of Feasibility Study."

THE FINANCING

See Section V, "Summary of Feasibility Study," for information concerning the Term Note payable to the seller.

V. REGULATORY MATTERS

CONTINUING CARE COMMUNITIES ACT

The Maryland Continuing Care Communities Act (the "Act") governs life care retirement communities like North Oaks. Under this Act, a Provider cannot provide continuing care until it receives a certificate of registration from the Maryland Department of Aging. The Provider received a Certificate of Registration from the Maryland Department of Aging on January 1, 2022 after purchasing the Community and complying with the regulations regarding a change in ownership.

Also, in accordance with the Act, the Provider is required annually to renew its certificate of registration within 120 days after its fiscal year end. As part of the renewal process, the Provider is required to update its Disclosure Statement. The Provider is also required to amend its Disclosure Statement at any time if it is necessary to prevent the Disclosure Statement from containing any material misstatement of fact or omission of a material fact.

HEALTH CENTER LICENSURE

The health center is licensed by the Maryland Department of Health for 37 comprehensive care beds and 13 assisted living beds. The health center is surveyed periodically by the Department of Health to ensure compliance with applicable laws and regulations.

Each resident of the health center has certain rights and responsibilities pursuant to a statement adopted by the Provider. A copy of the statement is available upon request. The Provider is required by law to provide a copy of the statement to each resident upon admission to the health center.

CANCELLATION OF RESIDENCY AGREEMENT

Prospective residents who desire to cancel their Residency Agreements are required to send written notice of cancellation by registered or certified mail to:

North Oaks
725 Mt. Wilson Lane
Pikesville, Maryland 21208

TAX DEDUCTIONS

Each year, residents of the Community may be able to take a percentage of the monthly Service Fees as a medical expense deduction. In February of each year, the Provider will provide residents with the percentage of the prior year's monthly Service Fees that have been determined to be attributable to the operations of the health center. All medical deductions are, of course, subject to limitations imposed by the Internal Revenue Code of 1986, as amended. It is advisable that the resident seek the advice of tax counsel before taking any of these deductions.

OPERATING RESERVE

In accordance with the Act, the Provider is required to maintain an operating reserve in an amount equal to 25 percent of the Community's operating expenses, excluding depreciation and amortization for the most recent fiscal year for which a certified financial statement is available. Such reserves are to be maintained in reasonably liquid form in the judgment of the Provider. "Net operating expenses" means the total operating expenses related to furnishing continuing care at the Community, less depreciation, amortization, unusual and infrequent expenses, and changes in the obligation to provide future services; and

includes interest expense unless the Provider has funded a debt service reserve or other interest reserve under requirements imposed by a financial institution or under applicable financing documents, to the extent and in the amount the fund includes amounts to cover interest for the year in question. The Provider has satisfied the operating reserve requirements of the Act for 2024 which is \$2,347,595.. The operating reserve is funded by various liquid money market accounts and the reserve fund investment is monitored monthly by the Provider/Operator.

RENEWAL AND REPLACEMENT FUND

In accordance with the Residency Agreements, the Provider has established a One-Time Capital Reserve Fee to be placed in a working capital account and to be used for purposes related to the Community including improving or replacing capital items of the Community. This One-Time Capital Reserve Fee is equal to the then-current monthly Service Fee.

SUMMARY OF FEASIBILITY STUDY

Since the independent living apartments in the Community have not reached 85% occupancy, a summary of the most recent feasibility study approved by the Maryland Department of Aging must be included in the Disclosure Statement.

The cost of the real property was \$10,000,000. The cost of the personal property and intangible property was \$3,000,000. (Please note that this amount was revised after approval of the compilation report by the Maryland Department of Aging.) The seller was paid \$4,000,000 in cash at closing and entered into a term note payable to the seller with 5% interest rate of 18 months interest only and monthly amortization until its final payment due on June 15, 2027. See below for principal payments.

Table 10
The Organization
Principal Payments (In \$000s)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Term Loan Payable Principal	\$ -	\$ 303	\$ 629	\$ 662	\$ 695	\$ 731	\$ 380	\$ -	\$ -	\$ -

Source: Management

The financial information which follows lists in the heading that the “Hypothetical Assumptions: are noted on Page 5, which refers to the compilation report prepared for the Maryland Department of Aging. Since the compilation report is not included, please review the following hypothetical assumptions which were used in the compilation report. The report assumes that the buyer:

- Acquires the community for the acquisition price as projected;
- Obtains its financing and equity contribution from the owner as projected;
- Pays property taxes for amounts as projected;
- Obtains all regulatory approvals for operations of the Organization including change of ownership;
- Obtains the purchases price of the assets acquired and liabilities assumed as fair value projected;
- Effectively markets and sells units to achieve occupancies as projected;
- Obtains entrance fee receipts and refunds as projected; and
- Achieves operating expenses as projected.

Combined North Oaks Communities LLC and Wilson Lane Realty LLC
d/b/a North Oaks Retirement Community
Projected Combined Income Statement and Partners' Equity (Deficit)
Assuming the Hypothetical Assumptions Noted on Page 5
For the Years Ending December 31,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
REVENUES										
Amortization of Nonrefundable Entrance Payments	\$ 449	\$ 471	\$ 491	\$ 509	\$ 528	\$ 546	\$ 564	\$ 582	\$ 600	\$ 619
Apartment Revenues	6,671	7,089	7,415	7,656	7,886	8,123	8,367	8,618	8,877	9,143
Health Care Revenues	2,681	3,058	3,201	3,263	3,328	3,395	3,463	3,532	3,603	3,675
Other Revenues	383	397	431	442	455	469	483	497	512	527
Total Revenues	10,187	11,015	11,538	11,870	12,197	12,533	12,877	13,229	13,592	13,964
OPERATING EXPENSES										
General and Administrative	2,838	2,936	3,081	3,189	3,285	3,384	3,486	3,591	3,699	3,810
Plant	1,900	1,853	1,729	1,783	1,836	1,891	1,948	2,006	2,066	2,128
Environmental Services	535	552	555	576	593	611	629	648	667	687
Dietary	1,801	1,722	1,479	1,529	1,575	1,622	1,671	1,721	1,773	1,826
Medical and Resident Care	3,093	2,977	2,650	2,746	2,828	2,913	3,000	3,090	3,183	3,278
Depreciation and Amortization	2,290	2,307	2,321	2,347	2,379	2,417	2,464	2,518	2,535	2,514
Total Operating Expenses	12,457	12,347	11,815	12,170	12,496	12,838	13,198	13,574	13,923	14,243
LOSS FROM OPERATIONS	(2,270)	(1,332)	(277)	(300)	(299)	(305)	(321)	(345)	(331)	(279)
OTHER EXPENSE										
Interest Expense	(177)	(166)	(139)	(107)	(73)	(38)	(5)	-	-	-
Total Other Expenses	(177)	(166)	(139)	(107)	(73)	(38)	(5)	-	-	-
NET LOSS	<u>\$ (2,447)</u>	<u>\$ (1,498)</u>	<u>\$ (416)</u>	<u>\$ (407)</u>	<u>\$ (372)</u>	<u>\$ (343)</u>	<u>\$ (326)</u>	<u>\$ (345)</u>	<u>\$ (331)</u>	<u>\$ (279)</u>
PARTNERS' EQUITY (DEFICIT)										
Balance - Beginning of Year	3,650	1,203	(295)	(1,111)	(1,918)	(2,690)	(3,433)	(4,159)	(4,904)	(5,635)
Distributions to Partners	-	-	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Net Loss	(2,447)	(1,498)	(416)	(407)	(372)	(343)	(326)	(345)	(331)	(279)
Balance - End of Year	<u>\$ 1,203</u>	<u>\$ (295)</u>	<u>\$ (1,111)</u>	<u>\$ (1,918)</u>	<u>\$ (2,690)</u>	<u>\$ (3,433)</u>	<u>\$ (4,159)</u>	<u>\$ (4,904)</u>	<u>\$ (5,635)</u>	<u>\$ (6,314)</u>

Combined North Oaks Communities LLC and Wilson Lane Realty LLC
d/b/a North Oaks Retirement Community
Projected Combined Statements of Cash Flows
Assuming the Hypothetical Assumptions Noted on Page 5
For the Years Ending December 31,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
CASH FLOWS FROM OPERATING ACTIVITIES										
Net Loss	\$ (2,447)	\$ (1,498)	\$ (416)	\$ (407)	\$ (372)	\$ (343)	\$ (326)	\$ (345)	\$ (331)	\$ (279)
Adjustments Provided by Operating Activities:										
Depreciation and Amortization	2,290	2,307	2,321	2,317	2,379	2,417	2,464	2,518	2,535	2,511
Amortization of Nonrefundable Entrance Payment	(449)	(471)	(491)	(509)	(528)	(546)	(564)	(582)	(600)	(619)
Changes in Assets and Liabilities:										
Accounts Receivable, Net of Allowance	(371)	(146)	(25)	(15)	(15)	(16)	(16)	(17)	(17)	(17)
Prepaid Expenses and Other	(474)	(159)	35	(21)	(19)	(19)	(19)	(21)	(21)	(21)
Accounts Payable, Trade	305	79	(21)	13	11	12	12	12	13	13
Accrued Expenses	390	133	(29)	17	16	15	17	17	17	18
Deferred Revenue	499	524	540	556	573	590	608	626	645	664
Cash Provided By Operating Activities	(259)	759	1,914	1,981	2,045	2,110	2,176	2,208	2,241	2,273
CASH FLOWS FROM INVESTING ACTIVITIES										
(Increase) Decrease in Operating Reserve	(1,605)	(981)	34	144	(75)	(65)	(67)	(70)	(79)	(83)
Additions to Operating Property	(675)	(775)	(950)	(980)	(1,030)	(1,090)	(1,150)	(1,210)	(1,280)	(1,350)
Cash Used by Investing Activities	(2,280)	(1,756)	(916)	(836)	(1,105)	(1,155)	(1,217)	(1,280)	(1,359)	(1,433)
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds from Entrance Fees from Residents	4,738	5,688	5,492	5,657	5,827	6,002	6,594	6,792	6,995	7,656
Repayment of Entrance Fees from Residents	-	(3,800)	(3,708)	(3,607)	(3,715)	(3,827)	(3,947)	(4,299)	(4,478)	(4,560)
Repayment of Term Loan Payable	-	(303)	(629)	(662)	(695)	(731)	(380)	-	-	-
Distributions to Partners	-	-	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Cash Provided by Financing Activities	4,738	1,585	755	988	1,017	1,044	1,872	2,093	2,167	2,696
Change in Cash	2,199	598	1,753	2,133	1,957	1,999	2,831	3,021	3,049	3,536
Cash - Beginning of Period	2,000	4,199	4,797	6,550	8,683	10,640	12,639	15,470	18,491	21,540
Cash - End of Period	\$ 4,199	\$ 4,797	\$ 6,550	\$ 8,683	\$ 10,640	\$ 12,639	\$ 15,470	\$ 18,491	\$ 21,540	\$ 25,076

Combined North Oaks Communities LLC and Wilson Lane Realty LLC
d/b/a North Oaks Retirement Community
Projected Combined Balance Sheets
Assuming the Hypothetical Assumptions Noted on Page 5
December 31,
(In Thousands of Dollars)

	<u>Closing</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	\$ 2,000	\$ 4,199	\$ 4,797	\$ 6,550	\$ 8,683	\$ 10,640	\$ 12,639	\$ 15,170	\$ 18,491	\$ 21,540	\$ 25,076
Accounts Receivable, Net of Allowance	-	374	520	545	560	575	591	607	624	641	658
Prepaid Expenses and Other	-	474	633	598	619	638	657	676	697	718	739
Total Current Assets	2,000	5,047	5,950	7,693	9,862	11,853	13,887	16,753	19,812	22,899	26,473
Assets Limited as to Use:											
Maryland Operating Reserve	-	1,605	2,586	2,552	2,408	2,483	2,548	2,615	2,685	2,764	2,847
Operating Property, Net of Accum. Depreciation	19,083	17,458	15,936	14,565	13,198	11,849	10,522	9,208	7,900	6,645	5,481
Goodwill	13,865	13,865	13,865	13,865	13,865	13,865	13,865	13,865	13,865	13,865	13,865
Total Assets	\$ 34,948	\$ 37,985	\$ 38,337	\$ 38,675	\$ 39,333	\$ 40,050	\$ 40,822	\$ 42,441	\$ 44,262	\$ 46,173	\$ 48,666
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)											
CURRENT LIABILITIES											
Current Portion of Term Note Payable	\$ -	\$ 303	\$ 629	\$ 662	\$ 695	\$ 731	\$ 380	\$ -	\$ -	\$ -	\$ -
Accounts Payable, Trade	-	306	385	364	377	388	400	412	424	437	450
Accrued Expenses	-	340	523	494	511	527	542	559	576	593	611
Refundable Entrance Fees, Current Portion	1,000	3,800	3,708	3,607	3,715	3,827	3,942	4,299	4,428	4,560	4,697
Total Current Liabilities	1,000	4,799	5,245	5,127	5,298	5,473	5,264	5,270	5,428	5,590	5,758
Term Note Payable, Net	3,400	3,097	2,468	1,806	1,111	380					
Deferred Revenue from Entrance Fees	1,050	1,100	1,153	1,202	1,249	1,294	1,338	1,382	1,426	1,471	1,516
Refundable Entrance Fees, Less Current Portion	25,848	27,786	29,766	31,651	33,593	35,593	37,653	39,948	42,312	44,747	47,706
Total Liabilities	31,298	36,782	38,632	39,786	41,251	42,740	44,255	46,600	49,166	51,808	54,980
PARTNERS' EQUITY (DEFICIT)	3,650	1,203	(295)	(1,111)	(1,918)	(2,690)	(3,433)	(4,159)	(4,904)	(5,635)	(6,314)
Total Liabilities and Partners' Equity (Deficit)	\$ 34,948	\$ 37,985	\$ 38,337	\$ 38,675	\$ 39,333	\$ 40,050	\$ 40,822	\$ 42,441	\$ 44,262	\$ 46,173	\$ 48,666

Table 4
**Projected Utilization of the Independent Living Units, Assisted Living Units,
and Skilled Nursing Beds**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
AVERAGE DAILY CENSUS										
Independent Living Apartments	95.0	96.0	97.0	98.0	99.0	100.0	101.0	102.0	103.0	105.0
Assisted Living Units	12.5	12.3	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Nursing Beds	20.5	21.5	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2
Total Units / Beds	128.0	129.8	132.2	133.2	134.2	135.2	136.2	137.2	138.2	140.2
OCCUPANCY %										
Independent Living Apartments	54%	55%	55%	56%	57%	57%	58%	58%	59%	60%
Assisted Living Units	96%	95%	92%	92%	92%	92%	92%	92%	92%	92%
Nursing Beds	55%	58%	63%	63%	63%	63%	63%	63%	63%	63%
Total Units / Beds	57%	58%	59%	59%	60%	60%	61%	61%	61%	62%
NURSING PAYER MIX										
Private Pay	85%	86%	83%	83%	83%	83%	83%	83%	83%	83%
Medicare	15%	14%	17%	17%	17%	17%	17%	17%	17%	17%

The source for the above calculations was Management. Using conservative estimates, and assuming the use of the same type of contracts, the projections assume a 60% occupancy of the independent living apartments by 2031 with 92% occupancy of assisted living beds and 63% occupancy of skilled nursing beds in that same year. These assumptions were made upon Management's review of the history of the Community. However, the Provider/Operator anticipates that these numbers will be higher once the Provider/Operator has the opportunity to fully assess the operations of the Community and the outreach being conducted by the marketing department.

VI. EXHIBITS

EXHIBIT A

DESCRIPTION OF THE SERVICES

The services available to residents are listed in the Residency Agreement which governs all such obligations. To more fully explain the nature of these services, the following detailed description has been prepared. The procedures to be followed in furnishing these services may be modified by the Provider/Operator to allow the Provider/Operator to best meet the needs of the Community residents. Residents will be advised of any changes in these services through the Community's Residents' Association.

Acorn Café

The Acorn Café located just off the main lobby, is open Monday - Friday for residents, visitors and guests. The menu includes breakfast and lunch sandwiches, muffins, salads, soups, snacks and a variety of coffees, juices and other drinks. An adjoining Marketplace is also available for sundries, toiletries, and convenience items.

Additional Services

Additional services are available to residents for an extra charge which are added to the monthly billing statement. Such services include guest accommodations, guest meals in excess of the monthly meal allowance, beauty/barber shop services, additional resident meals, additional housekeeping, personal laundry service, and such other reasonable services as requested.

Alcoholic Beverages

The Provider/Operator holds a liquor license for the sale of liquor to residents and their guests to be consumed on site. Residents may purchase drinks in the Oak Room and/or Cafe during meal service and during social functions held within the Community. From time to time, complimentary drinks are served in conjunction with a special event, celebration, or regular Happy Hour programs.

Ancillary Health Center Services

Any health center services, whether or not ordered by a physician, which are not explicitly listed in the Residency Agreement as services and features provided to all apartment residents as part of the monthly Service Fee are regarded as ancillary health center services. Ancillary health center services provided to a resident will be billed to the resident as an extra charge (e.g., physical therapy, prescription drugs, physician care, rental of durable medical equipment, and personal laundry). A current schedule of charges for ancillary health center services is available during normal business hours at the Community's administrative office.

Assistance-in-Living

A program of extended personal services is available for an extra charge to serve the Independent Living residents who have life care contracts; the services are not available to our rental contract residents. The purpose of the assistance-in-living program is to provide

assistance to residents so that apartment living can continue for as long as possible. Assistance-in-living services include, but are not limited to bathing, dressing, escorting, and personal laundry. These services are not provided by health center nursing staff, but by other Community staff.

Assisted Living

As part of its continuum of care, the Community offers a program of assisted living. the Community is licensed as a LEVEL 3 assisted living program. Services provided in the Community assisted living program are provided in accordance with the terms of the Residency Agreement. Maryland law requires certain additional information to be set forth regarding a continuing care retirement community's assisted living program, as set forth below.

- *Name, address and description of each facility that the Community operates:*
 - The Community intends to operate only the facility known as the Community (i.e., North Oaks).
- *Relationship of the Community to other providers or services if the relationship affects the care of the resident:*
 - The Community does not anticipate having relationships with other providers or services affecting residents in assisted living except for contractual services such as ambulance transport services, pharmacy services, rehabilitation services and a transfer agreement with a near-by hospital.
- *Description of any special programming, staffing and training provided for residents such as those with cognitive impairment or with particular needs or conditions:*
 - While the Community intends to provide significant training to its staff in order to provide the highest quality of care, the Community does not anticipate, at this time, offering on-site special programming for assisted living residents with particular needs or conditions.
- *Notice of the availability of locks for storage:*
 - Residents have limited locked storage space, as available.
- *Notice of the availability of locks, if any, for the residents' assisted living accommodations:*
 - The residents' assisted living accommodations are not securable by lock.

- *Notice of security procedures which the Community will use to protect the assisted living residents and residents' property:*
 - The Community has security staff on duty 24 hours a day, seven days a week.
- *Notice of the Community's right, if any, to enter the residents' assisted living accommodations:*
 - As provided in the Residency Agreement, the Community has the right to enter residents' assisted living accommodations to carry out the intent of the Residency 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. The Community recognizes each resident's right to privacy and therefore limits its entry to residents' assisted living accommodations to legitimate emergencies and, on notice, for routine housekeeping and maintenance services.
- *The obligations of the Community, a resident or resident's agent as to:*
 - (1) Arranging for or overseeing medical care;
 - (2) Monitoring the health status of residents;
 - (3) Purchasing or renting essential or desired equipment and supplies; and
 - (4) Ascertaining the cost of and purchasing durable medical equipment.
 - The Community coordinates the access and the provision of medical care services as required under applicable Maryland assisted living regulations. These services include assuring physicians' orders upon admission, regular review of each resident's condition, and adjustment of services provided to meet identified needs or to recommend transfer to a higher level of care. The Community's health center, of which the assisted living accommodations are a part, is staffed 24 hours a day, seven days a week with licensed nursing personnel. Physician services are available to residents on-site at the Community. If resident care needs exceed the services provided by the assisted living program, the resident may be admitted to the comprehensive care portion of the health center on a temporary or permanent basis.
 - The Community coordinates securing equipment and supplies necessary for residents' care needs in the assisted living unit. It advises residents of the cost of purchasing and/or renting durable medical equipment necessary for resident's care needs. Residents are responsible for contracting and paying for such devices.
- *An explanation of the Community's assisted living program's complaint or grievance procedure:*

- The Community complaint/grievance procedures include the right to meet with administrative staff of the Community or to notify state regulatory agencies. Such procedures are personally reviewed with each resident and his/her family members upon admission and in regular communications.

Beauty and Barber Shop

Beauty and barber shop services provided by professional beauticians and barbers are available for an extra charge, which is added to the monthly billing statement.

Cable Television

Each apartment and each Health Center room has cable access. Basic cable service is provided as a part of the monthly Service Fee or Per Diem Charge. Premium channels and converter boxes are arranged by the resident directly with the cable provider; premium services are at the resident's expense.

Community Life Services Director

The community life services director is responsible for scheduling group events (i.e. classes, lectures, concerts, etc.) transportation, preparing the activity, calendar, conducting resident orientation, and overseeing the arts, crafts, and other programming for the Community.

Dining Service

The number of meals offered as part of the monthly Service Fee is based upon the resident contract and may be equal to the number of days in the monthly meal credit period or one more than the number of days in the monthly meal credit period. North Oaks maintains a meal credit calendar with varying cutoff dates, based on the first letter of the last name. The cutoff dates are the 6th, 16th and 26th of the month. A non-transferable meal credit, good until the end of the meal credit period in which the credit is issued, if a meal is missed. Additional meals are available to residents for an extra charge billable monthly. Residents may contract on a monthly basis for additional meals at a reduced cost. Monthly Service Fees will not be reduced for meals not taken unless the resident is absent for more than 30 consecutive days.

North Oaks provides three dining plan options, which are the Monthly Meal Credit Plan, Reduced Monthly Meal Credit Plan, and the Preferred Choice Dining Plan. Additional helpings are available when eaten in the dining room. Set service hours are offered for all three meals. Residents must be appropriately dressed and conduct themselves in a socially acceptable manner in the dining room. The form of food service in the dining room is waited table service and buffet. Residents may also have their meals delivered to their apartments as a part of the dining plan option. There is an additional delivery charge for this service.

Certain modified diets are provided by the dining services department. Whenever possible, items will be selected from the daily menu. The services of the dietitian are available to the residents on a regular basis for an extra charge.

Emergency Call System

All apartments have a wireless emergency call system. The purpose of this system is to summon help in an emergency. The emergency call system notifies nursing and security personnel and identifies the apartment of the resident initiating the alarm. Community personnel with emergency training will respond to calls from the emergency call system and will summon any appropriate emergency services required.

Facsimile Services

A resident wishing to send a fax should complete a fax cover sheet available at the reception desk. The completed cover sheet and attached information will be faxed by the receptionist. A resident may also receive a fax at the Community. The Community's fax number is (410) 484-1058. All faxes should be claimed at the reception desk. There is a nominal charge for facsimile services.

Financial Data

The Provider/Operator provides a condensed financial statement of the Community for the residents each year in the form of the annual audited financial report. Residents, through the Residents' Association, are informed of the budgeting process annually. Reports and other data required under various statutes are posted.

Fitness Center

For the residents' use and enjoyment, the Community has an exercise room with exercise equipment located on the eighth floor level. There are special hours of operation and supervised exercise.

Grab Rails

Most bathrooms have two grab rails in the bath area. If grab rails are desired at either or both sides of the commode, installation must be arranged and paid for by the resident.

Gratuities

Gratuities are not permitted, and employees who accept them are subject to discharge. An employee appreciation fund managed by the Residents' Association has been established for the benefit of employees on a basis determined by the Residents Association.

Health Center

A physician has been retained to serve as medical director for the health center. The medical director is responsible for medical supervision of health center operations, quality of care assurance, and resident care planning. The Provider has entered into an agreement with a physician who will accept emergency calls in the event a resident's personal physician is unavailable.

A resident may be admitted directly to the health center from his or her apartment and need not come from a hospital. The health center staff, along with the resident's personal physician, determines the appropriate level of nursing care required by the resident upon admission to the health center. As a part of the determination, the resident's long-term ability to return to apartment living is evaluated. The nursing staff will provide an appropriate plan of care, the ultimate goal of which shall be, if at all possible, to return the resident to apartment living as soon as possible. Residents are encouraged to visit their apartments with the assistance of volunteers as a part of the rehabilitation process. Health center staff will not be able to provide this service because of the need to remain in the health center area. Family, friends, and volunteers are encouraged to visit the resident. Family or friends may take meals with health center residents with advance notification at an extra charge.

If emergency medical care is required, the resident's attending physician and the resident's family or personal representative will be notified. The resident is responsible for the charges for the services of his or her personal physician and the services of the medical director. In the event the resident's personal physician or the Community's medical director orders medicine, drugs, prescribed therapy, nursing supplies, or other medical and miscellaneous supplies and services associated with medical treatment, the resident will be responsible for the extra charges for such services.

While in the health center, the resident will be provided nursing care in a semiprivate comprehensive care room. If a resident desires an available private comprehensive care room, the resident may obtain one upon agreement to pay the charges for private accommodations. A resident may be provided with assisted living in the health center if this is the level of care needed and assisted living accommodations are available.

Health Center Activities Director

The health center activities director is responsible for coordinating and directing the arts, crafts, social, spiritual, and recreational activities for the health center residents. The focus of these activities is on restorative care.

Housekeeping

The Community maintains all commons areas and provides weekly housekeeping services in the apartments. Housekeeping services are provided as a part of the monthly Service Fee and include cleaning, vacuuming, and dusting of the interior of the apartment on a weekly basis; washing of hard surface floors; and cleaning ovens and windows (as needed). Furniture is moved once a year for

cleaning hard-to-reach areas. Extra cleaning help is available for an extra charge. Carpets are cleaned approximately every 12 months and, at other times, spot cleaning is done. Apartments may be re-carpeted and painted every seven years, upon request.

Laundry

The Community provides weekly flat laundry service to the residents. Flat laundry is washed, dried, folded, and returned, and includes sheets, pillowcases, towels, face cloths, and dishcloths. Although the use of permanent-press linen is strongly recommended, the staff will launder nonpermanent-press items, but will not iron flat laundry. Personal laundry service is also available for an extra charge.

Monthly Billing Statement

A monthly billing statement outlining the monthly Service Fee and any extra charges will be placed in the resident's mailbox or other appropriate place and is to be paid upon receipt. Payment is to be made at the reception desk.

Parking

One parking space for each apartment is available and there is a parking area for occasional guests.

Pets

The Community allows pets in accordance with the Pet Policy established at the Community. The policy identifies where pets are allowed in the common areas and grounds, the maintenance and control of pets as required of their owners, the right to replacement of pets, and the right of the Community to approve or deny a pet to be kept in a resident's apartment. The policy establishes specific costs associated with keeping a pet at the Community.

Prescription Services

Delivery service from several pharmacies is available for the residents' convenience. The resident is responsible for arranging and paying for this service.

Private Dining Room/Lounge/Club Room

A private dining room/lounge/Club Room is available for use by residents and their guests. Special menus, if desired, are available for an extra charge. Advance reservations are required. If applicable, separate room and labor charges may be applied.

Receptionist

A receptionist is on duty seven days a week from 8:30 a.m. to 9:00 p.m. but may vary on legal holidays. Payment of monthly billing statements, maintenance requests, and transportation arrangements are a few of the services handled at the reception desk.

Residents' Association

Regularly scheduled resident meetings are held to enable the residents to ask questions and to permit administration and representatives of the Provider to communicate with the residents.

Security

The Provider provides security personnel. For the residents' added safety, all entrance and exit doors (except the main entrance during the day) are locked 24 hours a day, requiring residents to use a key to gain entrance.

Telephone Service

Each apartment has wired jacks in various locations. Telephone service is the resident's responsibility and expense.

Transportation

Scheduled transportation services are provided seven days a week. Special events transportation may be provided for an extra charge to the resident. Areas of regularly- scheduled transportation generally include medical appointments, financial institutions, shopping centers, places of worship, and other professional offices.

Valet Service

Valet service is available at the Community seven days a week and offers assistance with car parking and retrieval, package service to the first floor elevator, and greeting and escort service at the front entrance. The Community's valet service also provides guidance to visitors, assistance to residents, and security of the premises.

Volunteers

The Provider encourages volunteer participation from the residents, as well as from outside sources.

EXHIBIT B
DESCRIPTION OF FEES

Entrance Fees and Monthly Fees
Effective January 1, 2025

[FEES FOLLOW]



25 TYPE A ENTRANCE FEES

of Apt.	et	yle	e Range 90%	ange Traditional	1st Person	2nd Person
/1 BA		cial	\$218,635	\$109,319	737	,124
/1 BA		ertible	\$295,520	\$149,688	885	,124
/1 BA		cot	\$312,417	\$156,152	261	,124
/1 BA		edere	\$331,808	\$167,719	277	,124
/1 BA		vert	\$343,715	\$173,729	433	,124
/1 BA		aney	\$382,725	\$191,759	704	,124
/1 BA		rson	\$411,755	\$207,862	845	,124
/1 BA		hany	\$418,219	\$210,924	034	,124
1.5 BA		more	\$438,631	\$221,017	069	,124
1.5 BA		arton	\$470,610	\$235,532	168	,124
/2 BA		igton	\$474,239	\$239,047	827	,124
/2 BA		Mawr	\$521,073	\$262,634	085	,124
/2 BA		roll	\$517,444	\$259,006	163	,124
/2 BA		opolis	\$568,021	\$284,294	524	,124
/2 BA		croft	\$679,833	\$339,973	580	,124
/2 BA		ency	\$704,327	\$354,035	837	,124

% Entrance Fee returns 90% to the resident's estate when he/she no longer resides at North Oaks in any capacity. A Traditional Entrance Fee has a declining balance of 2% a month, so at 50 months, nothing is returned to the resident's estate when he/she no longer resides at North Oaks in any capacity.

Entrance Fees represent single occupancy

f Apt.	Feet	e	ange Variable Traditional	e Variable 75%	age Variable 50%	F 1st Person	SF 2nd Person
1 BA		ial	109,318	68,286	42,430	4,737	24
1 BA		tible	149,688	28,388	93,460	5,385	24
1 BA		ot	156,152	40,408	02,986	5,261	24
1 BA		lere	167,719	56,624	16,934	5,277	24
1 BA		ert	173,729	65,016	24,645	5,433	24
1 BA		hey	191,759	95,067	48,800	5,704	24
1 BA		son	207,862	17,974	68,645	5,845	24
1 BA		any	210,924	22,736	73,251	6,034	24
.5 BA		lore	221,017	38,839	86,675	6,069	24
.5 BA		rton	235,532	62,426	05,953	6,168	24
2 BA		ton	239,047	66,055	09,582	6,827	24
2 BA		lawr	262,634	02,116	40,087	6,985	24
2 BA		oll	259,006	98,488	36,458	7,163	24
2 BA		opolis	284,294	36,930	69,004	7,524	24
2 BA		roft	339,973	23,454	41,806	8,680	24
2 BA		ncy	354,035	43,186	59,043	8,837	24

\$18,745 Additional Admission Fee required for 2nd person; MSF 2nd Person - \$2,124 (includes Owner's Supervision Fee)

PLEASE CAREFULLY READ THE RESIDENCY AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE NORTH OAKS IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.

**Entrance Fees represent single occupancy
2nd person Admission Fee: \$18,745**

MSF 2nd Person: \$2,124 (includes Owner's Supervision Fee)

CAREFULLY READ THE RESIDENCY AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE NORTH OAKS IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.

2025 TYPE C ENTRANCE FEES

f Apt.	Feet	yle	Additional	ce Range 90%	F 1st Person	2nd Person
1 BA		pecial	\$73,710	\$147,420	,055	245
1 BA		ertible	\$85,050	\$170,100	,509	245
1 BA		scot	\$90,720	\$181,440	,620	245
1 BA		edere	102,060	\$204,120	,736	245
1 BA		vert	107,730	\$215,460	,962	245
1 BA		aney	113,400	\$226,800	,076	245
1 BA		erson	124,740	\$249,480	,303	245
1 BA		ghany	141,750	\$283,500	,359	245
.5 BA		imore	153,090	\$306,180	,416	245
.5 BA		arton	170,100	\$340,200	,983	245
2 BA		ngton	181,440	\$362,880	,210	245
2 BA		Mawr	198,450	\$396,900	,323	245
2 BA		rroll	209,790	\$419,580	,663	245

2 BA	apolis	226,800	\$453,600	,797	245
2 BA	croft	255,150	\$510,300	,911	245
2 BA	ency	\$73,710	\$147,420	,055	245

Entrance Fee returns 90% to the resident's estate when he/she no longer resides at North Oaks in any capacity. A Traditional Entrance Fee has a declining balance of 2% a month, so at 50 months, nothing is returned to the resident's estate when he/she no longer resides at North Oaks in any capacity.

**Entrance Fees represent single occupancy
person Admission Fee: \$11,350 ; MSF 2nd Person: \$1,245 (includes Owner's Supervision Fee)
**FULLY READ THE RESIDENCY AGREEMENT FOR THE CONDITIONS THAT MUST BE
SATISFIED BEFORE NORTH OAKS IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.
2025 TYPE A COMBINATION APARTMENT ENTRANCE FEES****

Size of Apt.	Area in Feet	Style	Entrance Fee 90%	Additional	Monthly Service Fee 2nd Person	2nd Person
1.5ba	88	Colonial/#618	\$3,195	\$4,278	\$777	24
1.5ba	88	Colonial/#520	\$3,195	\$4,278	\$777	24
2ba	68	Spring/#504	\$3,691	\$4,345	\$931	24
2ba	68	Spring/#804	\$3,115	\$6,558	\$138	24
2.5 ba	28	Trison/#623	\$9,317	\$4,839	\$1,024	24
2.5 ba	28	Trison/#600	\$9,317	\$4,839	\$1,182	24
2.5 ba	100	Kingston/#411	\$5,269	\$8,195	\$865	24

Entrance Fees represent single occupancy

2nd person Admission Fee: \$18,745

MSF 2nd Person: \$2,124 (includes Owner's Supervision Fee)

CAREFULLY READ THE RESIDENCY AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE NORTH OAKS IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.

2025 TYPE C COMBINATION APARTMENT ENTRANCE FEES

Size of Apt.	Area in Feet	Unit Style	Base Rent 90%	Additional Fees	Monthly Service Fee	2nd Person
1.5ba	88	Conson/#618	\$1,782	\$1,023	\$414	\$45
1.5ba	88	Conson/#520	\$1,782	\$1,023	\$414	\$45
2ba	168	Spring/#504	\$5,445	\$5,723	\$938	\$45
2ba	168	Spring/#804	\$5,974	\$5,987	\$304	\$45
2.5 ba	228	Trison/#623	\$4,401	\$2,333	\$967	\$45
2.5 ba	228	Trison/#600	\$4,401	\$2,333	\$139	\$45
2.5 ba	300	Kington/#411	\$3,477	\$1,782	\$884	\$45

Entrance Fees represent single occupancy

2nd Person Admission Fee: \$11,350

MSF 2nd Person:\$1,245 (includes Owner's Supervision Fee)

**PLEASE FULLY READ THE RESIDENCY AGREEMENT FOR THE CONDITIONS THAT
MUST BE SATISFIED BEFORE NORTH OAKS IS REQUIRED TO PAY THE
ENTRANCE FEE REFUND.**

HISTORICAL FEES

ENTRANCE FEES FOR CUSTOM COMBINATION UNITS

Apartment Type	20	21	22	23	24 Additional	24 90% Refund	1/24 Additional	24 90%
ng (Baltimore & Alleghany) #504	00	00	000	39	24	349	,450	00
ng (Baltimore & Alleghany) #804	00	00	000	46	93	386	,464	28
ngton (2 Arlington's) #411	00	00	000	67	00	385	,507	30
Regency & Alleghany) #600	00	00	500	64	42	540	,698	44
Regency & Alleghany) #623	00	00	500	64	42	540	,698	44
son (1 Bedroom w/Den)	00	00	500	34	22	000	,879	07
d Person Admission Fee	0	0	00	0	50	50	850	50

artment Type	1/01/25	01/01/25	01/01/25	/01/25
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	Traditional	A 90% Refund	C Traditional	e C 90%
ring (Baltimore & Alleghany) #504	44,345	\$883,691	\$325,723	46,445
ring (Baltimore & Alleghany) #804	56,558	\$903,115	\$335,987	61,974
on (2 Arlington) #411	68,195	\$936,269	\$341,782	83,477
Regency & Alleghany) #600	64,839	1,129,317	\$412,333	24,401
Regency & Alleghany) #623	64,839	1,129,317	\$412,333	24,401
(1 Bedroom w/Den)	34,278	\$468,195	\$171,023	41,782
rson Admission Fee	18,745	\$18,745	\$11,350	11,350

HISTORICAL FEES

MONTHLY SERVICE FEES* FOR CUSTOM COMBINATION UNITS

rtment Type	0	1	2	3	A	C	A	C
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					4	24	5	25
ng (Baltimore and Alleghany) #504	62	43	11	10	12	10	31	38
ng (Baltimore and Alleghany) #804	47	10	52	11	57	06	38	04
gton (2 Arlington) #411	11	01	57	52	49	59	55	34
on (Regency and Alleghany) #600	35	45	21	32	51	01	82	39
on (Regency and Alleghany) #623	58	19	00	03	47	38	24	57
(1 bedroom w/den	13	21	38	29	08	06	77	14
son Monthly Service Fee	50	58	75	79	29	38	24	45

***Monthly Service Fees include Owner's Supervision Fee of \$50 per resident per month.**

**HISTORICAL FEES
TYPE A VARIABLE ENTRANCE FEES
EFFECTIVE 1/1/2022**

	3	24	25	23	24	5	3	4	5
nt Type	riable (Traditio nal)	riable tional)	riable tional)	riable	riable	riable	riable	riable	riable
al	400	,112	,318	,600	648	430	400	272	286
tible	\$132,000	\$142,560	,688	\$170,600	\$184,248	460	\$201,400	\$217,512	388
ot	700	,716	,152	,000	320	986	000	960	408
ere	\$147,900	\$159,732	,719	\$191,300	\$206,604	934	\$226,300	\$244,404	624
ert	\$153,200	\$165,456	,729	\$198,100	\$213,948	645	\$233,700	\$252,396	016
ey	100	,628	,759	,400	952	800	200	016	067
son	\$183,300	\$197,964	,862	\$236,900	\$255,852	645	\$280,400	\$302,832	974
any	\$186,000	\$200,880	,924	\$241,200	\$260,496	251	\$284,600	\$307,368	736
ore	\$194,900	\$210,492	,017	\$252,800	\$273,024	675	\$298,800	\$322,704	839
rton	700	,316	,532	,800	384	953	600	168	426
ton	\$210,800	\$227,664	,047	\$273,000	\$294,840	582	\$322,800	\$348,624	055
lawr	\$231,600	\$250,128	,634	\$299,900	\$323,892	087	\$354,600	\$382,968	116
oll	400	,672	,006	,700	436	458	400	512	488
olis	700	,756	,294	400	432	004	300	124	930
oft	900	,784	,973	,600	768	806	600	528	454

ncy	\$312,200	\$337,176	,035	\$404,800	\$437,184	043	\$479,000	\$517,320	186
rson Admiss ion Fee	500	850	745	500	850	745	500	850	745

HISTORICAL FEES
90% RETURN OF CAPITAL ENTRANCE FEES

ment Type	1/2020	/2021	1/22	1/23	/24 A	24 C	25 A	25 C
pecial	2,500	,500	,000	,100	224	00	35	20
onvertible	) - \$192,500	,500	-\$206,000	-\$218,400	\$281,448	00	20	00
Ascot	)2,900	,900	,500	,500	540	00	17	40
lvedere	) - \$216,000	,500	-\$231,500	-\$245,400	\$316,008	00	08	20
alvert	) - \$223,900	,500	-\$239,500	-\$253,900	\$327,348	00	15	60
ulaney	)8,000	,900	,500	,500	500	00	25	00
nereson	) - \$268,000	,900	-\$286,900	-\$304,100	\$392,148	00	55	80
eghany	- \$272,500	,500	-\$291,500	-\$323,800	\$398,304	00	19	00
ltimore	) - \$285,500	,900	-\$305,500	-\$323,800	\$417,744	00	31	80
nbarton	)3,500	,900	,500	,200	200	00	10	00
lington	) - \$308,500	,900	-\$330,500	-\$350,300	\$451,656	00	39	80
n Mawr	) - \$338,900	,000	-\$362,900	-\$384,700	\$496,260	00	73	00
arroll	)5,900	,000	,900	,500	804	00	44	80
napolis	)8,900	,500	,000	,700	972	00	21	00
ancroft	)1,500	,900	,900	,300	460	00	33	00
egency	) - \$457,900	,500	-\$490,500	-\$519,900	\$670,788	00	27	20
rson Admission Fee	4,500	,500	,500	,500	00	00	45	50

HISTORICAL FEES

MONTHLY SERVICE FEES* ALL RESIDENCY AGREEMENTS (Except Combination Units)

Apartment Type	1	2	3	4	5	6	7	8
Bedroom Special	0	0	0	3	8	6	7	5
1 Bdrm. Convertible	5	0	3	5	5	5	5	9
1 Bdrm. Ascot	7	3	3	5	7	8	1	0
1 Bdrm. Belvedere	0	1	3	0	2	4	7	6
1 Bdrm. Calvert	1	5	5	7	1	4	3	2
1 Bdrm. Dulaney	1	3	3	5	9	0	4	6
1 Bdrm. Emerson	1	5	5	0	3	8	5	3
1 Bdrm. Alleghany	3	7	7	7	3	4	4	9
1 Bdrm. Baltimore	4	4	4	7	6	8	9	6
1 Bdrm. Dunbarton	0	3	3	5	1	2	8	3
1 Bedroom Arlington	3	1	1	5	8	2	7	0
1 Bdrm. Bryn Mawr	5	3	3	5	9	8	5	3
1 Bdrm. Carroll	3	0	0	2	8	6	3	3
1 Bdrm. Annapolis	5	0	0	1	2	0	4	7

3drm. Bancroft	2	3	3	0	3	0	0	1
3drm. Regency	4	0	0	0	3	8	7	5
son Monthly Service Fee	0	3	3	0	9	8	4	5

*** Monthly Service Fees include Owner's Supervision Fee of \$50 per resident per month.**

ASSISTED LIVING UNITS ENTRANCE COSTS

AR	ANCE COSTS
20	\$15,586*
21	\$16,053*
22	\$16,695*
23	\$95*/\$35,000
24	000/\$50,000
25	\$50,000

prospective resident who does not qualify for admission to an apartment may qualify for direct admission into assisted living. If the prospective resident meets the admission criteria for assisted living she/he may sign a 90% or 100% refundable Assisted Living Residency Agreement (Private Pay). The Entrance Costs for the 90% and 100% Assisted Living Residency Agreement (Private Pay) are outlined above.

2023, no Entrance Fee residents were admitted to Assisted Living, and the Assisted Living contracts for CCRC admissions moving directly into Assisted Living were discontinued. A new Type C contract was developed with a non-refundable Entrance Fee of \$35,000 for CCRC residents moving directly into Assisted Living when entering the Community.

2024, a new Assisted Living contract was developed for non-CCRC residents entering the Community through the Assisted Living facility. These residents do not have access to Comprehensive Care and pay a Community Fee of \$5,500.

**ASSISTED LIVING UNITS
MONTHLY SERVICE FEES**

AR	MONTHLY SERVICE FEE
20	Semi-Private - *\$3,929.85 **\$4,188.70 Private - *\$6,468 **\$6,772
21	Semi-Private - *4,181 **\$4,363 Private - *\$6,468 **\$6,974
22	Semi-Private - *\$4,348 **4,537 Private - *\$6,727 **\$7253
23	Semi-Private - *\$4,609 **4,809.22 Private - *\$7,130.62 **\$7,688.18
24	Type C Agreement - \$7,850-\$8,851 Type A Agreement - \$5,017-\$5,753 All Private Rooms
25	Type C Agreement - \$8,250-\$9,300 Type A Agreement - \$5,261-\$6,034 All Private Rooms

Monthly Service Fee for 90% refundable Assisted Living Residency Agreement (Private Pay) that includes Monthly Owner's Supervision Fee of \$50 per resident per month.

Monthly Service Fee for 100% refundable Assisted Living Residency Agreement (Private Pay) that includes Monthly Owner's Supervision Fee of \$50 per resident per month.

The Monthly Service Fee includes the Owner's Supervision Fee.

COMPREHENSIVE CARE

	MONTHLY FEE – SEMIPRIVATE ROOM ¹	MONTHLY FEE – SEMIPRIVATE ROOM ²	MONTHLY FEE – PRIVATE ROOM ³	MONTHLY FEE – PRIVATE ROOM ⁴	EXISTING CONDITION MONTHLY FEE- SEMIPRIVATE ⁵	EXISTING CONDITION MONTHLY FEE – PRIVATE ⁶
20	\$7,715	\$7,411	\$631	\$328	\$7,411	\$9,328
21	\$7,945	\$7,633.33	\$619	\$328	\$7,633.33	\$9,328
22	\$8,263	\$7,938	\$316	\$701	\$7,938	\$9,701
23	\$8,759	\$8,414	\$935	\$283	\$8,414	\$10,283
24	\$9,000*	\$9,000*	\$325*	\$325*	\$9,000*	\$11,325*
25	\$9,450*	\$9,450*	\$900*	\$900*	\$9,450*	\$11,900*

life care senior living community, the Community offers a private apartment, a wide array of personal services, and the security of an on-site professional health center. However, for a prospective resident who is unable to reside in an apartment upon initial residency there are some options.

The monthly fee a resident will pay who signed a 100% refundable Assisted Living Residency Agreement (Private Pay), resides in assisted living, and then transfers to a semiprivate comprehensive care room.

The monthly fee a resident will pay who signed a 90% refundable Assisted Living Residency Agreement (Private Pay), resides in assisted living, and then transfers to a semiprivate comprehensive care room.

If there are two prospective residents and one qualifies for admission into an apartment or assisted living the other may be directly admitted to comprehensive care. In this circumstance both must have executed a Residency Agreement for an apartment as well as an Agreement for the level of care offered. For the resident directly admitted to comprehensive care this is the monthly fee for a semiprivate room in comprehensive care.

There is only one prospective resident and she/he does not qualify for admission into an apartment she/he may be directly admitted to comprehensive care and sign a private pay agreement for comprehensive care if the following criteria are met:

- The resident has paid entrance costs that are at least equal to the lowest entrance costs charged for an apartment or assisted living;**
- The resident must have the potential for an eventual transfer to an apartment or assisted living as determined by the resident's personal physician;**

- **The total number of comprehensive care beds occupied by residents who have been directly admitted to comprehensive care may not exceed 20% of the total number of comprehensive care beds at the Community; and**
- **The direct admission of a resident directly into comprehensive care would not cause the occupancy of the comprehensive care beds to exceed 95% of full capacity.**

For the resident directly admitted to comprehensive care this is the monthly fee for a semiprivate room in comprehensive care.

The monthly fee a resident will pay who signed a 100% refundable Assisted Living Residency Agreement (Private Pay), resides in assisted living and then transfers to a private comprehensive care room.

The monthly fee a resident will pay who signed a 90% refundable Assisted Living Residency Agreement (Private Pay), resides in assisted living, and then transfers to a private comprehensive care room.

If there are two prospective residents and one qualifies for admission into an apartment or assisted living the other may be directly admitted to comprehensive care. In this circumstance both must have executed a Residency Agreement for an apartment as well as an Agreement for the level of care offered. For the resident directly admitted to comprehensive care this is the monthly fee for a private room in comprehensive care.

If there is only one prospective resident and she/he does not qualify for admission into an apartment she/he may be directly admitted to comprehensive care and sign a private pay agreement for comprehensive care if the following criteria are met:

- The resident has paid entrance costs that are at least equal to the lowest entrance costs charged for an apartment or assisted living;
- The resident must have the potential for an eventual transfer to an apartment or assisted living as determined by the resident's personal physician;
- The total number of comprehensive care beds occupied by residents who have been directly admitted to comprehensive care may not exceed 20% of the total number of comprehensive care beds at the Community; and
- The direct admission of a resident directly into comprehensive care would not cause the occupancy of the comprehensive care beds to exceed 95% of full capacity.

For the resident directly admitted to comprehensive care this is the monthly fee for a private room in comprehensive care.

A prospective resident qualifies for admission into an apartment but has a pre-existing health condition (i.e., Parkinson's, Chronic Obstructive Pulmonary Disease (COPD) including emphysema, Congestive Heart Failure, metastatic cancer, osteoporosis with a history of fractures and/or Dementia) she/he will sign a Residency Agreement for an apartment and sign an Amendment to Residency Agreement Regarding Use of Health Center Due to Pre-Existing Health Condition.

The monthly fee a resident will pay who signed an Amendment to Residency Agreement Regarding Use of Health Center Due to Pre-Existing Health Condition, resides in an apartment, and then transfers to a semiprivate comprehensive room.

The monthly fee a resident will pay who signed an Amendment to Residency Agreement Regarding Use of Health Center Due to Pre-Existing Health Condition, resides in an apartment, and then transfers to a private comprehensive care room.

The Monthly Service Fees paid by a resident who signed a non-refundable Assisted Living Residency Agreement.

TYPE A TRADITIONAL AGREEMENT

of Apt.	Style	ange Traditional efund 0%	Monthly Fee 1st Person
/1 BA	Special	\$109,318	\$4,737
/1 BA	onvertible	\$149,688	\$5,385

1/1 BA	Ascot	\$156,152	\$5,261
1/1 BA	Belvedere	\$167,719	\$5,277
1/1 BA	Calvert	\$173,729	\$5,433
1/1 BA	Dulaney	\$191,759	\$5,704
1/1 BA	Emerson	\$207,862	\$5,845
1/1 BA	Ellegany	\$210,924	\$6,034
1.5 BA	Baltimore	\$221,017	\$6,069
1.5 BA	Gunbarton	\$235,532	\$6,168
1/2 BA	Arlington	\$239,047	\$6,827
1/2 BA	Gwyn Mawr	\$262,634	\$6,985
1/2 BA	Carroll	\$259,006	\$7,163
1/2 BA	Annapolis	\$284,294	\$7,524
1/2 BA	Bancroft	\$339,973	\$8,680
1/2 BA	Regency	\$354,035	\$8,837

Entrance Fees represent single occupancy

\$18,745 Additional Admission Fee required for 2nd person

[F 2nd Person - \$2,124 (includes Owner's Supervision Fee)]

TYPE A 75% VARIABLE AGREEMENT

			Monthly Fee 1st Person
of Apt.	yle	Entrance Fees Refundable	

R/1B	pecial	\$168,286	\$4,737
R/1B	ertible	\$228,388	\$5,385
R/1B	cot	\$240,408	\$5,261
R/1B	edere	\$256,624	\$5,277
R/1B	vert	\$265,016	\$5,433
R/1B	aney	\$295,067	\$5,704
R/1B	erson	\$317,974	\$5,845
R/1B	ghany	\$322,736	\$6,034
/1.5 B	more	\$338,839	\$6,069
/1.5 B	arton	\$362,426	\$6,168
R/2B	ngton	\$366,055	\$6,827
R/2B	Mawr	\$402,116	\$6,985
R/2B	roll	\$398,488	\$7,163
R/2B	apolis	\$436,930	\$7,524
R/2B	croft	\$523,454	\$8,680
R/2B	ency	\$543,186	\$8,837

Entrance Fees represent single occupancy
\$18,745 Additional Admission Fee required for 2nd person
MF 2nd Person - \$2,124 (includes Owner's Supervision Fee)

TYPE A 50% VARIABLE AGREEMENT

of Apt.	yle	Entrance Fees Refundable	Monthly Fee 1st Person
R/1B	pecial	\$142,430	\$4,737
R/1B	ertible	\$193,460	\$5,385
R/1B	scot	\$202,986	\$5,261
R/1B	edere	\$216,934	\$5,277
R/1B	lvert	\$224,645	\$5,433
R/1B	aney	\$248,800	\$5,704
R/1B	erson	\$268,645	\$5,845
R/1B	ghany	\$273,251	\$6,034
/1.5 B	imore	\$286,675	\$6,069
/1.5 B	arton	\$305,953	\$6,168
R/2B	ngton	\$309,582	\$6,827
R/2B	Mawr	\$340,087	\$6,985
R/2B	croll	\$336,458	\$7,163
R/2B	apolis	\$369,004	\$7,524
R/2B	croft	\$441,806	\$8,680
R/2B	ency	\$459,043	\$8,837

Entrance Fees represent single occupancy

\$18,745 Additional Admission Fee required for 2nd person

MF 2nd Person - \$2,124 (includes Owner's Supervision Fee)

TYPE C 90% AGREEMENT

of Apt.	yle	Entrance Fees Refundable	Monthly Fee 1st Person
R/1B	pecial	\$147,420	\$3,055
R/1B	ertible		
R/1B	scot	\$170,100	\$3,509
R/1B	edere	\$181,440	\$3,620
R/1B	lvert	\$204,120	\$3,736
R/1B	aney	\$215,460	\$3,962
R/1B	erson	\$226,800	\$4,076
R/1B	ghany	\$249,480	\$4,303
/1.5 B	imore	\$283,500	\$4,359
/1.5 B	arton	\$306,180	\$4,416
R/2B	ngton	\$340,200	\$4,983
R/2B	Mawr	\$362,880	\$5,210
R/2B	croll	\$396,900	\$5,323
R/2B	apolis	\$419,580	\$5,663
R/2B	croft	\$453,600	\$6,797
R/2B	ency	\$510,300	\$6,911

Entrance Fees represent single occupancy
\$11,350 Additional Admission Fee required for 2nd person

MF 2nd Person - \$1,245 (includes Owner's Supervision Fee)

TYPE C TRADITIONAL AGREEMENT

of Apt.	yle	Entrance Fees Traditional Refundable	Monthly Fee 1st Person
R/1B	pecial	\$73,710	\$3,055
R/1B	ertible		
R/1B	ecot	\$85,050	\$3,509
R/1B	edere	\$90,720	\$3,620
R/1B	lvert	\$102,060	\$3,736
R/1B	aney	\$107,730	\$3,962
R/1B	erson	\$113,400	\$4,076
R/1B	ghany	\$124,740	\$4,303
/1.5 B	imore	\$141,750	\$4,359
/1.5 B	arton	\$153,090	\$4,416
R/2B	ngton	\$170,100	\$4,983
R/2B	Mawr	\$181,440	\$5,210
R/2B	croll	\$198,450	\$5,323
R/2B	apolis	\$209,790	\$5,663
R/2B	croft	\$226,800	\$6,797
R/2B	ency	\$255,150	\$6,911

Entrance Fees represent single occupancy
\$11,350 Additional Admission Fee required for 2nd person

MF 2nd Person - \$1,245 (includes Owner's Supervision Fee)

2025 AL FEES

Type C

- **Assisted Living Level 1 \$8,250.00 per month**
- **Assisted Living Level 2 - \$8,775 (Additional \$525.00 per month)**
- **Assisted Living Level 3 – \$9,300 (Additional \$1,050.00 per month)**

Type A

- **AL Level 1 Monthly fee base range: \$5,261 - \$6,034 (highest number is pulled from price of Allegheny)**
 - **AL Level 2 Additional +\$525 .00**
 - **AL Level 3 Additional +\$1,050.00**

+All AL rooms are private. Includes Monthly Owner's Supervision Fee of \$50 per resident per month.

Community Fee - \$5,775

Entrance Fee - \$50,000 (Entrance Fee used for first time in 2024)

2025 COMPREHENSIVE CARE FEES

Type C:

- **Comprehensive Care Semi-Private Room \$9,450.00**
- **Comprehensive Care Private Room \$11,900.00**

Type A

- **Comprehensive Care Semi-Private Room \$5,261 - \$6,034**
- **Comprehensive Care Private Room: Additional +\$2,400**

2025 NORTH OAKS ENTRANCE AND MONTHLY FEES
RENTAL
Effective 1/01/2025

of Apt.	Feet	yle	IF 1st Person	F 2nd Person
/1 BA		vert	\$4,342	1,500
/2 BA		gton	\$5,640	1,500
/2 BA		Mawr	\$5,866	1,500

Community Fee: \$6,000

EXHIBIT C

CERTIFIED FINANCIAL STATEMENT

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of
North Oaks Communities LLC
and **Wilson Lane Realty LLC**

d/b/a **North Oaks Retirement Community** Owings
Mill, Maryland

I have audited the accompanying consolidated financial statements of **North Oaks Communities LLC** and **Wilson Lane Realty LLC d/b/a North Oaks Retirement Community** (the Community), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations and members' capital (deficit) and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **North Oaks Communities LLC** and **Wilson Lane Realty LLC d/b/a North Oaks Retirement Community** (the Community) as of December 31, 2024, and the consolidated results of its

operations, changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The information contained in the supplementary schedules is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

A handwritten signature in blue ink, appearing to read "David Gold", is written over a light blue horizontal line.

Far Rockaway, New York
May 13, 2025

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY
LLC**

*Consolidated Balance Sheet
December 31, 2024*

ASSETS

Current assets:

Cash & Equivalents	\$ 78,760
Statutory Liquid Reserve	2,429,329
Resident accounts receivable, net	1,075,008
Prepaid expenses and other current assets	17,828
Total current assets	<u>3,600,925</u>

Noncurrent assets:

Property and equipment, net	8,252,704
Intangible assets, net	<u>17,731,566</u>
Total noncurrent assets	<u>25,984,270</u>

Total Assets	\$ 29,585,195
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LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)

Current liabilities:

Accounts payable and accrued expenses	\$ 2,801,298
Due to related parties	<u>1,000,000</u>
Total current liabilities	<u>3,801,298</u>

Noncurrent liabilities:

Deferred revenue from advance fees	28,166,556
Note payable	<u>136,547</u>
Total Noncurrent Liabilities	<u>28,303,103</u>

Total Liabilities	32,104,401
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Members' Capital (Deficit)	<u>(2,519,206)</u>
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Total Liabilities and Members' Capital (Deficit)	\$ 29,585,195
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**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY
LLC**
*Consolidated Statement of Operations and Members' Deficit
For the Period Ended December 31, 2024*

Revenue	
Net resident service revenue	\$ 10,024,205
Entrance fee amortization	<u>571,217</u>
Total Revenue	<u>10,595,422</u>
Operating Expenses	
General and Administrative	2,950,987
Plant	1,609,151
Environmental Services	659,768
Dietary	2,042,327
Medical and Resident Care	3,209,280
Rent expense	<u>2,887,787</u>
Depreciation and amortization	
Total Operating Expenses	<u>13,359,300</u>
Net Income (Loss) from Operations	<u>(2,763,878)</u>
Other Income (Expenses)	
Gain on Reduction of Note Payable	1,648,639
Interest expense	<u>(14,007)</u>
Other Income (Expenses), Net	<u>1,634,632</u>
Net Income (Loss)	(1,129,246)
Members' Capital (Deficit) - Beginning	(806,860)
Distributions	<u>(583,100)</u>
Members' Capital (Deficit) - Ending	<u>\$ (2,519,206)</u>

**Consolidated Statement of Cash
Flows For the Period Ended
December 31, 2024**

**Cash Flows from
Operating Activities**

\$ (1,129,246)

Net Income (Loss)

Adjustments to reconcile net income to net cash
provided by (used in) operating activities:

Depreciation and amortization

2,887,787

Changes in operating assets and liabilities:

Resident accounts receivable, net

(398,202)

Prepaid expenses and other current assets

(4,166)

Accounts payable and accrued expenses

1,367,306

Deferred revenue from advance fees - net

(922,401)

Net Cash Used in Operating Activities

1,801,07

8

Cash Flows from Investing Activities

Purchase of property and equipment

(1,303,353)

Amounts expended for intangible assets

-

Net Cash Used in Investing Activities

(1,303,353)

Cash Flows from Financing Activities

Distributions

(583,100)

Increase in due to related parties

1,000,000

Decrease in note payable

(1,911,723)

Net Cash Provided by Financing Activities

(1,494,823)

Net Change in Cash

(997,098)

Cash - Beginning

3,505,187

Cash - Ending

\$ 2,508,089

Supplemental disclosure of cash flow information:

See accompanying notes and independent auditor's

4 of

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY
LLC**

Cash Paid During the Year for Interest	\$	14,007
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**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting

Policies: Organization

North Oaks Communities LLC (NOC), a limited liability company, was formed in 2021 to acquire land and develop, operate and manage a continuing care retirement community. Wilson Lane Realty LLC (WLR), a limited liability company, was formed in 2021 to hold title to property developed for use as a continuing care retirement community by NOC.

On December 31, 2021, North Oaks Real Estate Partnership sold its assets, a continuing care retirement community called North Oaks Retirement Community in Owings Mills, Maryland, to WLR and North Oaks Partnership transferred certain assets related to the operation of the North Oaks Retirement Community to NOC in exchange for full and adequate consideration, including the assumption of certain debts and obligations.

NOC and WLR are in a long-term operating and use agreement. The agreement grants NOC use of the property until dissolution, liquidation or other termination of NOC, unless otherwise terminated by mutual agreement. The accompanying financial statements present the combined financial statements of NOC and WLR due to NOC and WLR being under common ownership. Combined NOC and WLR d/b/a North Oaks Retirement Community (the Community).

Going Concern

FASB issued ASU No. 2014-15, Presentation of Financial Statements – Going Concern, which requires management to assess an entity’s ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. ASU 2014-15 requires an evaluation every reporting period and certain disclosures when substantial doubt is alleviated or not alleviated. Substantial doubt about an entity’s ability to continue as a going concern is defined as when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that its financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). Based on management’s assessment, there is no indication that there is substantial doubt about the Company’s ability to continue as a going concern as of December 31, 2024.

Basis of Presentation

The accompanying financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis, revenue is recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

Principles of Consolidation

The consolidated financial statements include the financial statements of Operating Company and the Landlord. The Operating Company is the primary beneficiary of the Landlord, which qualifies as a variable interest entity (VIE). The determination was based on the fact that the Operating Company absorbs a majority of the VIE’s expected losses and receives a majority of its expected residual returns. Except for amounts contractually required under the lease agreement between the Operating Company and the Landlord, the Operating Company did not provide any further financial or other support to the Landlord. The Operating Company could be required to provide additional financial support to assist the Landlord in meeting its financial obligations if contractually required amounts were insufficient. Financing of the Landlord is

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

accomplished through a mortgage loan as described in Note 5 to the consolidated financial statements. The Operating Company's involvement with the Landlord is limited to leasing the real estate and guaranteeing the mortgage note payable.

The assets, liabilities, revenues and expenses of the Operating Company and the Landlord have been included in the accompanying consolidated financial statements. All intercompany activity has been eliminated in consolidation.

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant

Accounting Policies (cont.):

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectible accounts receivable for services to residents, and liabilities, including estimated net settlements with third-party reimbursement agencies and professional liabilities, and disclosure of contingent assets and contingent liabilities at the date of the financial statements. Estimates also affect the amounts of revenues and expenses reported during the period. There is at least a reasonable possibility that certain estimates could change by material amounts in the near term. Actual results could differ from those estimates.

Resident Funds

Resident funds are accounted for as trust funds and are maintained separate from the Company's operating funds. The Company maintains a liability on its consolidated balance sheet equal to the amount of resident funds.

Cash

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts or instruments. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Resident Accounts Receivable and Allowance for Doubtful Accounts

Resident accounts receivable result from the various health care services provided by the Company. Resident accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of resident accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts. For receivables associated with services provided to residents with third-party coverage, the Company analyzes contractually due amounts and provides an allowance, if necessary. For receivables associated with self-pay residents, including residents with insurance and a deductible or copayment, the Company records a provision for bad debts in the period of service on the basis of past experience of residents unable or unwilling to pay the service fee they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method over periods prescribed by the Internal Revenue Code, which approximate the estimated useful lives of the assets.

Impairment of Long-Lived Assets

If there is an event or a change in circumstances adversely impacting the recoverability of long-lived assets, the Company's policy is to assess any impairment in value by making a comparison of the current and

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

projected operating cash flows of the asset over its remaining useful life, on an undiscounted basis, to the carrying amount of the asset. Such carrying amounts would be adjusted, if necessary, to reflect an impairment in the value of the assets. If the operation is determined to be unable to recover the carrying amount of its assets, the long-lived assets are written down to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. There were no impairment losses in 2024.

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant

Accounting Policies (cont.): Net

Resident Service Revenue

Net resident service revenue is reported at estimated net realizable amounts from residents, most of whom are insured by third-party payors, and others for services rendered. The Company records resident service revenue on an accrual basis based on the Company's expected realizable rates in the period the related services are rendered.

The Company receives reimbursement under the federal Medicare and state Medicaid programs. Revenue from these programs is subject to audit by Medicare and Medicaid and to retroactive adjustment. Differences between the estimated amounts accrued and interim and final settlements are reported in the consolidated statement of operations in the year of settlement.

Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Company. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Company believes that it is in compliance with all applicable laws and regulations.

The Company evaluates the resident's ability to pay at the time services are rendered. Therefore, the Company presents the provision for bad debt as an operating expense rather than as a reduction of net resident service revenue.

Income Taxes

The Operating Company and the Landlord have elected to have their income taxed under the provisions of the Internal Revenue Code as limited liability companies, which provides that, in lieu of corporate Federal income taxes, the members are personally taxed on their proportionate share of the Company's taxable income. Accordingly, no provision for Federal or state income taxes is reflected in the accompanying financial statements.

Management has concluded that the Operating Company and the Landlord are pass-through entities for income tax purposes and there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income tax expense.

Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors.

Management has evaluated all significant tax positions as required by accounting principles generally accepted in the United States of America and believes the Company has not taken any material tax positions that would require the recording of any tax liability by the Company.

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Subsequent Events

The Company evaluates the impact of subsequent events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date or for disclosure in the notes to the financial statements. The Company evaluated events occurring subsequent to December 31, 2024 through May 13, 2025, the date on which the accompanying financial statements were available to be issued. During this period there were no subsequent events that required disclosure or recognition in the financial statements.

All references made to the period or year ended December 31, 2024, are for the period of January 1, 2024 to December 31, 2024.

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. Resident Accounts Receivable, Net:

Accounts receivable are stated net of allowance for doubtful accounts. Management determines the allowance for doubtful accounts by reviewing each account for its potential for collection. Accounts are routinely reviewed and written off when deemed uncollectible.

Accounts receivable are reported net of an allowance for credit losses to represent the NOC's estimate of expected losses at the combined balance sheet date. The adequacy of the NOC's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends and a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice submitted. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024, the allowance for estimate of expected credit losses was \$13,800.

3. Property and Equipment:

Property and equipment consisted of the following as of December 31, 2024:

Land	\$ 1,050,000
Buildings and Improvements	8,093,395
	9,143,395
Less Accumulated Depreciation	<u>(890,691)</u>
	<u><u>\$ 8,252,704</u></u>

4. Revolving Note:

On December 31, 2021, the WLR entered into a note payable agreement with Life Care Services LLC (Note Payable). The note payable matures June 30, 2028. Principal and interest are paid monthly, with the first 18-months' payments being interest only. Interest rate is 5.0%. The Note Payable is secured by a first lien security interest in all present and future receipts, real estate, and personal property of the Community. The proceeds of the Note Payable was used in the purchase of the Community.

On January 4, 2024, WLR restructured its Note Payable with Life Care Services, which resulted in a note payable reduction of \$1,648,639 (leaving a balance of \$399,631), no interest expense owed for the 12-months ended December 31, 2023, and remaining principal to be repaid by June 2025.

5. Maryland Department of Aging Reserve Requirements:

The Maryland Department of Aging requires continuing care retirement providers to maintain certain operating reserves that equal 25% of the facility's net operating expenses, as defined by the State, relating to continuing care contracts. The reserves must be kept in reasonably liquid form in the judgment of the provider. The reserves are computed as of the end of the fiscal year. The Company's required reserves under

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY LLC D/B/A
NORTH OAKS RETIREMENT COMMUNITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Senate Bill 543 for the years ended December 31, 2024, based upon operating expenses of the prior year, are as follows:

Reserve Required per Senate Bill 543:

Operating Expenses	\$ 12,586,879
Less: Depreciation and Amortization	(2,818,777)
Less: Interest Expense	<u>(50,786)</u>
Net Operating Expenses as Defined by Senate Bill 543	<u>\$ 9,717,316</u>
Required Reserve (25%)	<u>\$ 2,429,329</u>
Statutory Liquid Reserve	<u>\$ 2,429,329</u>

David M. Fistel, CPA 605
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**INDEPENDENT
ACCOUNTANTS' REPORT ON
SUPPLEMENTARY
INFORMATION**

To the Members of
**North Oaks
Communities LLC and
Wilson Lane Realty
LLC**

d/b/a **North Oaks Retirement Community** Owings
Mill, Maryland

My report on my audit of the basic consolidated financial statements of the operations and the underlying real estate of **North Oaks Communities LLC and Wilson Lane Realty LLC d/b/a North Oaks Retirement Community** (the Community) as of December 31, 2024 and for the period then ended, appears on page 1. The objective of the audit was to perform procedures to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement in accordance with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The information is the representation of management. I have not audited or reviewed such information and, accordingly, I do not express an opinion, a conclusion, or provide any assurance on it.



Far Rockaway, New York
May 13, 2025

Schedule I - Consolidating Balance Sheet
December 31, 2024

	Operating Company	Landlord	Eliminations	Consolidated
ASSETS				
Current assets:				
Cash & Equivalents	\$ 75,360	\$ 3,400	\$ -	\$ 78,760
Statutory Liquid Reserve	2,429,329	-	-	2,429,329
Resident accounts receivable, net	1,075,008	-	-	1,075,008
Prepaid expenses and other current assets	17,828	-	-	17,828
Total current assets	<u>3,597,525</u>	<u>3,400</u>	<u>-</u>	<u>3,600,925</u>
Noncurrent assets:				
Property and equipment, net	1,946,208	6,306,496	-	8,252,704
Intangible assets, net	-	17,731,566	-	17,731,566
Total noncurrent assets	<u>1,946,208</u>	<u>24,038,062</u>	<u>-</u>	<u>25,984,270</u>
Total Assets	<u>\$ 5,543,733</u>	<u>\$ 24,041,462</u>	<u>\$ -</u>	<u>\$ 29,585,195</u>

LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)

Current liabilities:

Accounts payable and accrued expenses	\$ 2,721,798	\$ 79,500	\$ -	\$ 2,801,298
Due to (from) related parties	(17,625,938)	18,625,938	-	1,000,000
Total current liabilities	<u>(14,904,140)</u>	<u>18,705,438</u>	<u>-</u>	<u>3,801,298</u>

Noncurrent liabilities:

Deferred revenue from advance fees	28,166,556	-	-	28,166,556
Note payable	-	136,547	-	136,547
Total Noncurrent Liabilities	<u>28,166,556</u>	<u>136,547</u>	<u>-</u>	<u>28,303,103</u>
Total Liabilities	<u>13,262,416</u>	<u>18,841,985</u>	<u>-</u>	<u>32,104,401</u>
Members' Capital (Deficit)	<u>(7,718,683)</u>	<u>5,199,477</u>	<u>-</u>	<u>(2,519,206)</u>
Total Liabilities and Members' Capital (Deficit)	<u>\$ 5,543,733</u>	<u>\$ 24,041,462</u>	<u>\$ -</u>	<u>\$ 29,585,195</u>

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY
LLC**

**Schedule II - Consolidating Statement of Operations and Members' Capital (Deficit)
For the Period Ended December 31, 2024**

	Operating Company	Landlord	Eliminations	Consolidated
Revenue				
Net resident service revenue	\$ 10,024,205	\$ -	\$ -	\$ 10,024,205
Entrance fee amortization	571,217	-	-	571,217
Rental income	-	2,400,000	(2,400,000)	-
Total Revenue	<u>10,595,422</u>	<u>2,400,000</u>	<u>(2,400,000)</u>	<u>10,595,422</u>
Operating Expenses				
General and Administrative	2,951,085	(98)	-	2,950,987
Plant	1,609,151	-	-	1,609,151
Environmental Services	659,768	-	-	659,768
Dietary	2,042,327	-	-	2,042,327
Medical and Resident Care	3,209,280	-	-	3,209,280
Rent expense	2,400,000	-	(2,400,000)	-
Depreciation and amortization	123,538	2,764,249	-	2,887,787
	-			
Total Operating Expenses	<u>12,995,149</u>	<u>2,764,151</u>	<u>(2,400,000)</u>	<u>13,359,300</u>
Net Income (Loss) from Operations	<u>(2,399,727)</u>	<u>(364,151)</u>	<u>-</u>	<u>(2,763,878)</u>
Other Income (Expenses)				
Gain on Reduction of Note Payable	-	1,648,639	-	1,648,639
Interest expense	-	(14,007)	-	(14,007)
Other Income (Expenses), Net	<u>-</u>	<u>1,634,632</u>	<u>-</u>	<u>1,634,632</u>
Net Income (Loss)	<u>(2,399,727)</u>	<u>1,270,481</u>	<u>-</u>	<u>(1,129,246)</u>

**COMBINED NORTH OAKS COMMUNITIES LLC
AND WILSON LANE REALTY
LLC**

Members' Capital (Deficit) - Beginning	(5,318,956)	4,512,096	-	(806,860)
Distributions	<u>-</u>	<u>(583,100)</u>	<u>-</u>	<u>(583,100)</u>
Members' Capital (Deficit) - Ending	<u>\$ (7,718,683)</u>	<u>\$ 5,199,477</u>	<u>\$ -</u>	<u>\$ (2,519,206)</u>