BLAKEHURST

1055 West Joppa Road
Towson, Maryland 21204

Disclosure Statement

April 2026

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 Blakehurst (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, memory care and comprehensive care in the on-site health center, all combined within a sound financial plan.

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

The Chestnut Partnership and Chestnut Real Estate LLC are identified collectively on the Maryland Department of Aging certificate of registration as the "Provider." The Chestnut Partnership is a Maryland for-profit general partnership and Chestnut Real Estate LLC is a Maryland for-profit limited liability company. The Provider is not qualified nor does it intend to qualify as a tax exempt organization under the Internal Revenue Code. These two entities provide their respective services or property to the *Life*Care senior living community known as Blakehurst. The Chestnut Partnership operates the Community and Chestnut Real Estate LLC owns the land and building in which the Community operates. The business addresses of each of these two partnerships is 400 Locust Street, Suite 820; Des Moines, Iowa 50309-2334.

Under the Provider's partnership agrement, the partnership is governed by its partners (identified below) and has no governing body. The names and addresses of The Chestnut Partnership general partners are:

1. Chestnut Village LLC (an Iowa limited liability company) with a 1 percent interest.
   CEO: Chris Bird
   Address: 400 Locust Street, Suite 820
   Des Moines, Iowa 50309-2334

2. West Joppa Road Limited Partnership, LLLP (a Maryland limited partnership) with a 1 percent interest.

   Address: The Foxleigh Building, Suite 210
   2330 W. Joppa Road
   Lutherville, Maryland 21093

3. Chestnut Real Estate LLC (a Maryland limited liability company) with a 98 percent interest.
   Address: 400 Locust Street, Suite 820
   Des Moines, Iowa 50309-2334

The sole member of Chestnut Real Estate LLC is Chestnut Holdings LLC. Its members are:

1. West Joppa Road Limited Partnership, LLLP (50%) (a Maryland limited partnership)

   The Foxleigh Building, Suite 210
   2330 West Joppa Road
   Lutherville, MD 21093

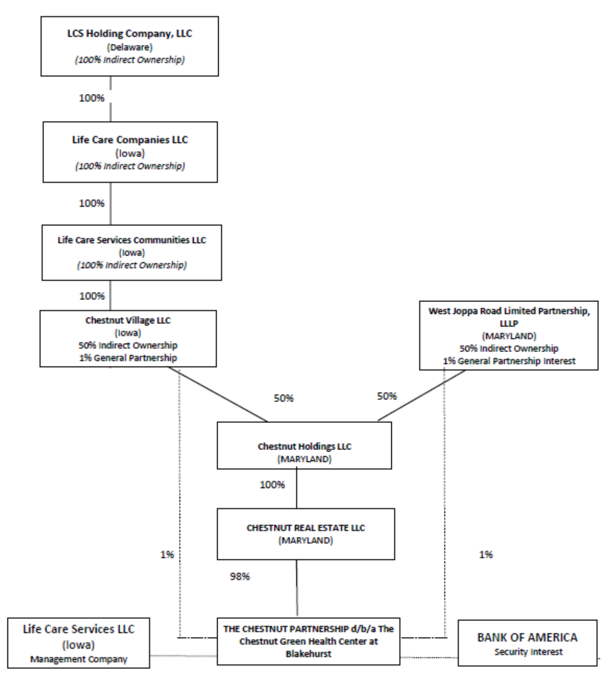
2. Chestnut Village LLC (50%) (an Iowa limited liability company)
   Chris Bird, CEO
   400 Locust Street, Suite 820
   Des Moines, IA 50309-2334

The Chestnut Partnership has the overall responsibility for the operation of the Community, including the approval of design, capital expenditures, and operating budgets. The Chestnut Partnership determines the appropriate insurance coverages on the Community's property and personnel, its operational policies, and the criteria for resident admissions. The Chestnut Partnership also adopts and approves personnel policies for Community employees, and monitors compliance with the Community's budget and the performance of the Community and its management. It enters into the Residency Agreements with residents of the Community.

None of the persons described herein have been: convicted of a felony or pled nolo contedere to a felony charge, including such charges as fraud, embezzlement, fraudulent conversion, or misappropriation of property; held liable or enjoined in a civil action by final judgment, including actions involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; subject to a currently effective injunction or restrictive order of a court of record, including action that arose out of or related to business activity or health care, including an action that affected a license to operate a facility of service for senior, impaired, or dependent persons; nor within the past ten years, had any state or federal license or permit suspended or revoked as a result of an action that arose out of business activity or health care, including, including an action that affected a license to operate a facility or service for senior, impaired, or dependent persons.

The Provider is not affiliated with any religious, charitable, or other nonprofit organization. Below is an organizational chart of the Provider:

Blakehurst Ownership Structure



THE ENTITIES

Chestnut Real Estate LLC

The property comprising the Community is owned by Chestnut Real EstateLLC, a Maryland limited liability company (the “Real Estate LLC”). Real Estate LLC owns the Community property as the nominee agent of The Chestnut Partnership, but also was named on the Certificate of Registration, along with The Chestnut Partnership, as the Provider. Real Estate LLC has entered into an Operating and Use Agreement with The Chestnut Partnership to provide it with full access to and use of the Community property for the benefit of the Community. Real Estate LLC will guarantee certain of The Chestnut Partnership’s obligations under the Residency Agreements. The sole member of Real Estate LLC is Chestnut Holdings LLC.

Chestnut Village LLC and West Joppa Road Limited Partnership, LLLP

The concept of developing a *Life*Care senior living community on the site originated with input from knowledgeable, local principals and from principals affiliated with an experienced, nationally recognized *Life*Care senior living community developer. The Community has been developed under a partnership arrangement between these two active and synergistic participants. The active participants are Chestnut Village LLC and West Joppa Road Limited Partnership, LLLP (“West Joppa”).

Chestnut Village LLC is an Iowa limited liability company. There are no principals of Chestnut Village LLC who have a 10 percent or greater equity or beneficial interest in the Provider.

The general partners of West Joppa are listed below. These two general partners have a 3 percent interest in West Joppa:

Rosedale Care, Inc.(1% interest)
A Maryland Corporation
The Foxleigh Building, Suite 210
2330 W. Joppa Road
Lutherville, Maryland 21093

Continental Care, Inc. (2% interest)
A Maryland Corporation
1427 Clarkview Road, Suite 500
Baltimore, Maryland 21209

The limited partners of West Joppa who have a 10 percent or greater equity or beneficial interest in the Provider are:

<u>Thomas F. Mullan, III</u> (Chairman of Mullan Enterprises, Inc., which is actively engaged in real estate development, construction, and management).

<u>Luetkemeyer Investments, LLC</u> (affiliated with John A. Luetkemeyer, Jr., Co-Chairman of Continental Realty Corporation, which is actively engaged in real estate development and management).

<u>H. B. Blakehurst Limited Partnership,</u> an investment partnership formed to invest in Blakehurst.

THE MANAGER

The Chestnut Partnership has retained Life Care Services LLC ("Life Care Services"), an affiliate of Chestnut Village LLC, to manage the Community. As the nation's third largest operator of senior living communities, Life Care Services serves more than 40,000 seniors in 140+ communities (see Exhibit A). With over 50 years of service, Life Care Services has developed expertise in nearly every facet of senior living management, including #1 in customer satisfaction with independent senior living communities four years in a row. For more information, visit Life Care Services' website: https://www.lcsliving.com/lcs/senior-living-operations/ . Its business address is 400 Locust Street, Suite 820; Des Moines, Iowa 50309-2334.

Principal officers of Life Care Services include Chris Bird, Daniel Lahey, GeLynna Shaw, Bridgette Uhlemann, and Jason Victor.

Chris Bird As chief executive officer of LCS, Chris Bird is responsible for executing the business strategy across all business lines in the LCS Family of Companies. Chris provides leadership and direction for business growth, service excellence, and enhancing the company's stability and value among financial partners, property owners, and other stakeholders in the senior living field.

Chris joined LCS in 2018 and brings over 25 years of experience in operations and marketing, new business development, fostering capital partner relationships, and leadership of both Life Plan and Rental Communities across the country. Today, he is responsible for the oversight of serving nearly 40,000+ seniors and 27,000 employees.

Chris serves as a member of the Board of Directors of LCS Holding Company, LLC and is a member of the Argentum Advisory Council. He holds a bachelor's degree in history from the University of Memphis, Tennessee.

Daniel Lahey As executive vice president/chief financial and investment officer, Dan Lahey is responsible for directing all financial and real estate operations for the organization. In this capacity, Dan provides leadership for corporate accounting and treasury, community finance, investments, capital markets, and asset and portfolio management for LCS.

Dan has established himself as an industry leader in various roles in the finance and real estate teams since joining LCS in 2008. He joined LCS as an Accounting and Tax Manager on the finance team, and later joined LCS Real Estate at its inception. Dan's expertise has helped build the LCS brand and accelerated our growth with key capital relationships and growing our ownership interests in both Life Plan and Rental communities. Under his leadership, the LCS Real Estate team has executed transactions valued at more than $2.6 billion since 2018. In addition, LCS Real Estate has been successful in investing more than $170 million of LCS equity capital.

Dan earned his Bachelor of Arts in accounting and finance from Wartburg College and worked in public accounting for nine years prior to joining LCS. Dan serves on the Board of

Directors of LCS Holding Company, LLC, as well as its related audit committee, compensation committee, and retirement fiduciary committee, and is chair of the LCS Investment Committee.

GeLynna Shaw As a professional in the senior living industry, GeLynna Shaw brings her expertise in finance, mergers and acquisitions, and operational effectiveness to her role as Executive Vice President of Operations at Life Care Services. GeLynna oversees all aspects of community operations including sales, health and wellness, dining, resident engagement, and plant operations.

Her 28-year career in senior living includes experience with Continuing Care Retirement Communities and rental communities has been focused on systems, processes, and people that are effective to ensure the best outcomes for the residents. GeLynna joined LCS in 2018 and has been instrumental in improving the performance of existing communities, successfully opening new communities, and onboarding new acquisitions. Her passion for those she serves and her record of improving performance through operational efficiencies has been essential to the success of the LCS Family of Companies.

GeLynna is a board member of Hexagon and serves on the LCS Public Policy Committee. She has served on pricing, compliance, and risk committees, and brings that knowledge to the LCS Family of Companies. GeLynna holds a bachelor's degree in business with a major in accounting from Tennessee Technological University. She is a certified public accountant.

Bridgette Uhlemann In her role as senior vice president and general counsel of LCS, Bridgette Uhlemann ensures the legal rights of LCS are protected by providing legal advice and recommendations to all levels of the organization. She oversees legal affairs, including corporate governance, contract law, public policy, and corporate and regulatory compliance for LCS. Bridgette directs the overall delivery of legal and compliance services to the organization, including in-house attorneys, compliance analysts and outside legal counsel. She collaborates with leadership and ensures key legal issues and opportunities are understood by stakeholders to mitigate risk and protect company assets.

At LCS, Bridgette is a member of the LCS Foundation Board of Directors, and she chaired the Walk to End Alzheimer’s Committee in 2019. Outside the organization, she serves as the board chair for the Alzheimer's Association, Iowa Chapter and the secretary for the Mid-Iowa Association of Local Governments. Bridgette graduated from Drake University with a B.A. in English and Law, Politics and Society. She earned her J.D. from Drake University Law School.

Jason Victor Jason Victor is senior vice president, treasurer and corporate finance for LCS. In this role, he provides oversight and direction for the organization’s financial matters, ensuring its consistent and efficient fiscal performance. Jason has responsibility for the organization’s corporate accounting, corporate payroll, community payroll, treasury and tax departments. He oversees all aspects of general accounting, cash management, billing and receivables, accounts payable, payroll, consolidations and financial reporting. In addition, he serves as a member of the LCS Audit Committee and provides leadership for LCS Risk Management, including the LCS Advantage insurance program and Hexagon, a captive insurance company.

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Life Care Services supervises the management and operation of the Community on behalf of The Chestnut Partnership. In general, operations management services include recruiting and training administrative personnel; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community, including comparative analyses with other projects; supervising health care services; supervising dining services; supervising the services related to the apartments; and providing the highest possible level of services to residents consistent with the approved budget. The Chestnut Partnership retains the ultimate responsibility for hiring managers and monitoring operating costs, wages, salaries, expenses, and the overall fiscal viability of the Community. Life Care Services does not guarantee the obligations of The Chestnut Partnership under the Residency Agreements.

VICE PRESIDENT/SENIOR DIRECTOR OF OPERATIONS MANAGEMENT

Roberta S. McMenamin is Vice President/Senior Director of Operations Management for Life Care Services. She graduated from Florida Atlantic University in Boca Raton, Florida with a Bachelor of Health Services degree from Wesley College in Cambridge, Massachusetts with a concentration in health services administration, and from Lesley College with a Master of Science degree in long term care with a concentration in health services administration. Ms. McMenamin joined Life Care Services in 1986 and has 15 years' experience as a community executive director. In 2004, she was promoted to regional operations manager, and in 2008 she was promoted to director of operations management. Thereafter, Ms. McMenamin was promoted to Vice President/Senior Director of Operations Management.

ADMINISTRATION

Lonny Blessing is retiring as the Executive Director of Blakehurst on June 30, 2026. Lonny has worked in the Retirement Community field for more than 30 years. He previously served as Vice President of Operations and Executive Director of several large retirement communities, each with more than 1,800 residents and 700 employees, led new campus and expansion development projects, and consulted in the field to more than 45 communities across the country. Lonny holds a Bachelor of Science degree in Business Administration from Shippensburg University and a Master of Science degree in Marketing from the University of Maryland Global Campus. He joined Blakehurst in January 2023. Lonny has led the Blakehurst staff in providing exceptional hospitality services while meeting the day-to-day needs of residents. He believes success comes from collaborative management and a high level of communication between staff and residents.

Renee Garvin will join Blakehurst in May 2026 and take the position of Executive Director in July 2026. She has more than 30 years of leadership experience in the senior housing field serving as the Executive Director for both for-profit and not-for-profit organizations. Renee began serving seniors at Wyndemere, in Wheaton, Illinois, in various operations roles as well as Administrator and Executive Director. Her career history also includes serving as the Executive

Director at Monarch Landing in Chicago and Vi Senior Living in Aventura, Florida, before joining Carroll Lutheran Village, in Westminster, Maryland, as the Executive Director. Renee holds a B.B.A. in Healthcare Administration and an M.B.A. with an emphasis in Organizational Leadership from Benedictine University in Lisle, Illinois.

Phyllis Eiring has worked in the senior living industry for over 30 years. She has worked in skilled nursing facilitaies as Human Resources Director and Vice President of Human Resources. In addition, she has worked as both an Assistant Administrator and an Administrator. She has worked as an Administraytor for nearly ten years. She joind Blakehurst in 2023. Her experience includes large and medium sized skilled nursing facilities.

RESIDENTS' ASSOCIATION AND MEETINGS WITH THE PROVIDER

Membership in the Residents' Association is open to all residents of the Community. Meetings of the Residents' Association are held every other 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 good will 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.

Each quarter the Provider holds a meeting with the entire resident body. An authorized officer of the Provider presents a summary of the Provider's operations, significant changes from the previous quarter and the goals and objectives for the next quarter. The residents are provided the opportunity to ask questions and receive answers to their questions at the meeting. At the last quarterly meeting of the year, an authorized officer of the Provider will provide an aggregated, deidentifed summary of internal grievances submitted during the year.

In addition, appointed representatives of the Provider meet each quarter with the Executive Committee of the Residents' Association to address the concerns of the residents. These concerns are relayed by the authorized representative to the Provider. However, The Chestnut Partnership retains full decision-making authority for the operation of the Community.

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 1055 West Joppa Road, Towson, Maryland 21204. The Community will send a written acknowledgement to the resident or group of residents within five days after receipt of the written grievance. The Community will assign personnel to investigate the grievance. A resident or group of residents who files a written grievance is entitled to a meeting with 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' grievances. 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 in Towson, Maryland on 40 acres of land on the south side of West Joppa Road between Greenwood Avenue to the west and Chestnut Avenue to the east.

THE COMMUNITY

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

The Community currently consists of 275 apartments, a clubhouse, and a 79-bed health center, which includes 37 assisted living accommodations and 44 comprehensive care beds. The common areas include two dining rooms, a bar, coffee café bar, an auditorium, a convenience store, a library, a billiards area, an arts and crafts studio aka The Carriage House, a woodworking shop, a sunroom, a card room, a state of the art fitness gym, an enclosed pool, a physical therapy room, and a spa and massage room.

In 2012, the Community underwent a 1,300 square foot expansion. This expansion enlarged the Terrace Dining Room and the physical therapy area. These two areas are adjacent, and the expansion changed the footprint of the Community in a single area. The expansion also provided an outdoor dining area for the Chesapeake Dining Room. The Chestnut Real Estate Partnership paid for the expansion.

In 2024, a refurbishment project began to include refreshes, repairs and improvements to various common areas throughout the residential community with interior enhancements to levels 100, 200 and 300 residential corridors, pool and locker room areas, and updating the Clubhouse lobby, reception desk, administration and marketing space, auditorium, dining spaces, library, and associated resident common areas. Repairs to select back of the house areas were also undertaken. The refurbishment project is expected to be completed in the second quarter of 2026 and will be paid for by Chestnut Real Estate LLC.

The Community is designed to create an environment that enriches the lives of the people who live and work there. The main clubhouse provides two areas for dining – the Chesapeake, dining room which provides dinner, and the Terrace Room, which provides breakfast, lunch and dinner. There are two outside dining options off of the Terrace Room and Chesapeake Dining room.

The types of apartments that are available include various one-bedroom and two-bedroom plans. All apartments are equipped with safety features which include grab rails in the bathtub, emergency nurse call signals in the bedrooms and baths, full sprinkler systems, and smoke alarms. Every apartment has complete kitchen facilities with major appliances, central air, appropriate floor covering, and other amenities. The apartment buildings are connected by common corridors and elevators providing residents indoor access throughout the Community.

The health center completed a renovation and expansion in late 2017. The health center currently consists of 44 comprehensive care beds in private rooms, 37 assisted living accommodations in private rooms (of which, 15 beds have a memory care focus), two areas for activities, two dining rooms, and several lounges. Emphasis in the health center is on restorative care in order for residents to return to their apartments.

THE PERSONNEL

Subject to the approval of The Chestnut Partnership, LCS employs an executive director and administrator. The Chestnut Partnership employs the medical personnel including registered nurses, licensed practical nurses, and nursing paraprofessionals. A medical director, an occupational therapist, a physical therapist, a dietician, a speech therapist, a psychiatrist, a nurse practitioner, a social worker, an audiologist, and a podiatrist are available on a consulting basis. Other employees include sales staff, receptionists, a recreation director for the health center, maintenance staff and groundskeepers, security personnel, housekeeping personnel, kitchen staff, dining room personnel, accounting and clerical staff, and transportation personnel.

THE SERVICES

The decision to move into a *Life*Care 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 B to this Disclosure Statement. Briefly, in accordance with the terms of the Residency Agreements and in addition to use of an apartment and other Community facilities by the resident, the following services are available for the Service Fee: (1) maintenance and cleaning of the commons spaces, (2) maintenance and weekly housekeeping of the apartments, (3) weekly flat laundry service, (4) dining services to residents, including one meal for each day in the month in either the main dining room or the Terrace Room, (5) certain planned activities, (6) security, (7) scheduled local transportation, (8) certain health center services, (9) limited residential health services, (10) water, sewer, air conditioning, heating, and electricity, (11) tray service for up to 30 days when ordered by the appropriate personnel, (12) dietitian services for a limited period of time, and (13) various administrative services. Additional services are also available to the residents for an extra charge as outlined in the Residency Agreements.

Health center services in comprehensive care beds and assisted living accommodations are available to all residents of the Community. Residents who are able to do so are encouraged to return to their apartments as soon as possible. Residents who are unable to return to their apartments, however, have the benefit of permanent care in the health center. In addition to making assisted living accommodations available to residents of the Community, the Community may admit individuals directly to assisted living accommodations who are not residents of the community.

A resident may also contract with The Chestnut Partnership directly to receive assisted living services in an assisted living accommodation and need not come from an apartment at the Community. Individuals who are directly admitted to an assisted living accommodation as a resident of the community enter into a Return of Capital Assisted Living Direct Admission Residency Agreement which is a Type B agreement. Entrance fees, monthly fees, and other fees as described in the agreement will apply. Under that agreement, and unlike the Community's other continuing care agreements, there is no capital reserve fee, and the monthly fee is set by the Chestnut Partnership without regard to the limitations of the Fair Share Allocation Formula. The expenses related to providing services to residents under the Return of Capital Assisted Living Direct Admission Residency Agreement and the revenue resulting from the monthly and the other fees paid by those residences are included in the annual Fair Share Allocation calculations otherwise applicable to Residency Agreements for independent living units. The revenues under the Return of Capital Assisted Living Direct Admission Residency Agreement will also be considered in terms of the overall operations of the community and the calculation of the fees due under the Management Agreement. Assisted living accommodations consist of private apartments and are designed to create a home-like environment.

Residents who do not require care in the health center, but who need additional personal care services to continue apartment living, may be eligible for the residential health services program. Certain residential health services are provided for the Service Fee as determined by The Chestnut Partnership, and extended residential health services are also available for an extra charge. Residential health services include, but are not limited to, bathing, dressing, additional housekeeping, escorting, and laundry. The Chestnut Partnership reserves the right to adjust the level of residential health services and charges for such services. These services are not provided by the health center nursing staff, but by other Community staff.

THE HEALTH CENTER

The Community has an on-site health center, called Chestnut Green, licensed to provide comprehensive care services and assisted living services under the licensure requirements of the State of Maryland. The Chestnut Partnership's goal is to provide its residents with quality health center services within the limits of its license. The Chestnut Partnership is not licensed to provide hospital-level care, and the charges associated with hospital care are the responsibility of the resident.

If it is determined that the resident requires health center services, such services are provided for up to 90 cumulative days at the same 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 Service Fee for a one-bedroom deluxe apartment as specified in the resident's Residency Agreement (unless the Service Fee for his or her apartment is less, in which case, the lesser Service Fee shall apply). If the resident chooses to retain his or her apartment, the resident will continue to pay the Service Fee for the apartment, plus pay the then-current Service Fee for the one-bedroom deluxe apartment as specified in the resident's Residency Agreement (unless the Service Fee for his or her apartment is less, in which case, the lesser Service Fee shall apply). In all cases, the resident will be billed for any additional meal charges in excess of the Service Fee and will be responsible for the cost of medical treatment, medicine, drugs, prescribed therapy, and similar additional supplies and services associated with medical treatment.

The Community currently offers only private accommodations in the assisted living section and the health care center. Not all residents will pay the Type A rate for comprehensive care since the Community also offers a Return of Capital Assisted Living Direct Admission Residency Agreement, which is a Type B agreement and provides access to comprehensive care as described in that agreement. If the health center is fully occupied, the resident will be provided health center services in an alternate facility The Chestnut Partnership has contracted with to provide care. To the extent The Chestnut Partnership would be liable for the resident's care and accommodations in the health center under the Residency Agreement, The Chestnut Partnership will be responsible for charges associated with alternate health center accommodations so long as the resident continues to pay the monthly charges to The Chestnut Partnership as outlined in the Residency Agreement.

The Residency Agreements set forth in greater detail the extent to which health center services are provided and the terms for providing such services.

The Blakehurst Health Center was renovated in 2012. This renovation did not change the maximum occupancy or the footprint of the Community. The purpose of the renovation was to reposition the health center as more residential and less institutional, as well as prepare for electronic medical records. The highlights of the renovation included a completely revamped care giver station, updated common areas, and resident accommodations. The Chestnut Real Estate Partnership paid for the expansion.

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, or national origin, be denied admission to or treatment in the Community health center, nor shall any qualified disabled person be denied admission or treatment solely on the basis of his or her disability.

CONTRACTS AND FEES

Life Care Services is the day-to-day manager of the Community pursuant to a management agreement between Life Care Services and The Chestnut Partnership dated September 28, 1990. Management fees totaling $1,389,863 and $1,302,190 were incurred for the years ending December 31, 2025 and 2024, respectively, and were paid to Life Care Services during those years. The total annual management fee is based on a percentage (5 percent) of total annual operating revenues. Life Care Services is also entitled to reimbursement of certain costs incurred by it in connection with providing management services, including reimbursement of on-site Life Care Services staff salaries.

The residents may, at their option, contract directly with any home health agency of their choice for home health services on a fee-for-service basis. The cost incurred by the residents for the services provided depends on the nature and duration of the services purchased by the residents. The Chestnut Partnership does not pay any agency any fees for its services nor does the Provider receive any incentive fees for referrals.

Care Purchasing Services LLC ("CPS") is an Iowa limited liability company and is a group purchasing organization that negotiates with vendors on behalf of The Chestnut Partnership. CPS allows both chain organizations and independents to volume price their quality services. Currently, there are over 2,000 senior living communities, churches, schools, and other organizations participating in the group purchasing organization. CPS allows The Chestnut Partnership to receive favorable pricing and service from vendors such as therapy, pharmacy, dietary, and medical supplies. The Chestnut Partnership does not pay CPS any fees for its services. CPS is an affiliate of Life Care Services.

The Mullan Contracting Company, 2330 W. Joppa Road, Lutherville, MD 21093 is the general contractor on the Provider's current refurbishment project, providing construction services. One of the owners of The Mullan Contracting Company is Thomas F. Mullan, III, Chair of Mullan Enterprises, Inc. Mr. Mullan's trust is a limited partner of West Joppa Road Limited Partnership, LLLP one of the partners in The Chestnut Partnership and an indirect parent entity of Chestnut Real Estate LLC. The Mullan Contracting Company received fees in the amount of $3,995,014 in 2025.

LCS Development LLC, an Iowa limited liability company, 400 Locust Street Suite 820 Des Moines Iowa 50309, was the developer of the Provider's refurbishment project. This company is an affiliate of Life Care Services. In 2025, it was paid $67,646 by the Community.

The fees payable to The Mullan Contracting Company and LCS Development LLC were funded from the Debt Service Subsidy and excluded from the Fair Share Allocation (described below in Part III).

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. With the *Life*Care Program at the Community, 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 (other than individuals entering into a Return of Capital Assisted Living Direct Admission Residency Agreement), and makes a Loan to The Chestnut Partnership, all in accordance with the terms of the Residency Agreements. The resident is also responsible for paying a Service Fee. 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, through their *Life*Care Program, another way of paying for long-term care, although not underwritten by an insurance company. The Chestnut Partnership will provide comprehensive care or assisted living in a private bed for as long as required for the then current monthly Service Fee for the one-bedroom deluxe apartment (unless your 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 meals beyond those covered by the monthly Service Fee and any ancillary services and supplies. The *Life*Care Program will make comprehensive care and assisted living in the Health Center 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 Program. 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 has evolved over the years in many ways. Probably the most dramatic change is the handling of the historical one-time "entrance fee." Originally this entrance fee 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 resided 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 refunds declined over a period of months until the refund became zero.

The Blakehurst 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 the full amount of the Loan (80% or 90% of the Entrance Fee) made as outlined in the Residency Agreement executed. Carefully read the Residency Agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the repayable portion of the Loan. The repayment will be made upon the earlier of (i) 14 days from the date the Entrance Fee is collected from a new resident for the apartment, but in no event shall such date be more than 18 months from the date of death or cancellation, or (ii) 30 years from the date of the Loan Agreement. After occupancy, if The Chestnut Partnership cancels the Residency Agreement, the resident will be entitled to repayment of the refundable portion of the Entrance Fee within 60 days from the date of cancellation of the Residency Agreement. The resident may or may not be entitled to reimbursement of the Admission Fee as outlined in the Residency Agreement.

The Return of Capital Residency Agreement was revised in February 2016 (the "2016 Version") and will be used instead of the previously approved form of the Return of Capital Residency Agreement (the "Pre-2016 Version"). Section 5 of both versions describes, among other things, the compensation payable to The Chestnut Partnership (the "Compensation Provision"). The 2016 Version reflects various changes that were made to the Compensation Provision contained in the Pre-2016 Version. However, the changes to the Compensation Provision as reflected in the 2016 Version are only intended for clarification and are not intended to be substantively different from the Compensation Provision in the Pre-2016 Version or broaden the compensation payable to The Chestnut Partnership.

In 2020, the Community began offering a Return of Capital Assisted Living Direct Admission Residency Agreement that entitles an individual to direct admission into assisted living, the ability to relocate to comprehensive care if necessary and other benefits, but does not include a capital reserve fee. In addition, the rates under this assisted living agreement may be adjusted as determined by the Chestnut Partnership without regard to any limitations of the Fair Share Allocation formula described below. The Fair Share Allocation formula is only relevant to residents under the Return of Capital Assisted Living Direct Admission Residency Agreement as described under "The Services" section above. For purposes of this Disclosure Statement, the Return of Capital Assisted Living Direct Admission Residency Agreement is otherwise considered a form of Return of Capital Residency Agreement.

THE VARIABLE REFUND PLAN

At the discretion of The Chestnut Partnership and as an alternative to the Return-of-Capital Residency Agreement, The Chestnut Partnership also offers a Variable Refund Residency Agreement where 80% of the Entrance Fee is a Loan to The Chestnut Partnership that can be 0% refundable, 50% refundable or 75% refundable depending on the amount of the original Loan. Carefully read the Residency Agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the repayable portion of the Loan. After occupancy, if the resident cancels the Residency Agreement, or in the event of the resident's death, the resident or the resident's estate will be entitled to a refund equal to the greater of (i) 0% of the Loan, 50% of the Loan or 75% of the Loan depending on the amount of the original Loan to The Chestnut Partnership or (ii) the Loan less 2 percent of the Loan for each full or partial month of occupancy. The repayment will be made upon the earlier of (i) 14 days from the date the Entrance Fee is collected from a new resident for the apartment, but in no event shall such date be more than 18 months from the date of death or cancellation, or (ii) 30 years from the date of the Loan Agreement. After occupancy, if The Chestnut Partnership cancels the Residency Agreement, the resident will be entitled to repayment of the refundable portion of the Entrance Fee within 60 days following The Chestnut Partnership's cancellation of the Residency Agreement. The resident may or may not be entitled to reimbursement of the Admission Fee as outlined in the Residency Agreement.

The Variable Refund Residency Agreement was revised in February 2016 (the "2016 Version") and will be used instead of the previously approved form of the Variable Refund Residency Agreement (the "Pre-2016 Version"). Section 5 of both versions describes, among other things, the compensation payable to The Chestnut Partnership (the "Compensation Provision"). The 2016 Version reflects various changes that were made to the Compensation Provision contained in the Pre-2016 Version. However, the changes to the Compensation Provision as reflected in the 2016 Version are only intended for clarification and are not intended to be substantively different from the Compensation Provision in the Pre-2016 Version or broaden the compensation payable to The Chestnut Partnership.

FAIR SHARE ALLOCATION

The Fair Share Allocation was implemented by the Provider on January 1, 1998. The purpose of the Fair Share Allocation is to ensure that the Service Fees (who entered the Community under residency agreements for independent living apartments) charged to residents in future years will be equal to the cash requirements of the Community, and also to provide a methodology for allocating the Community cash requirements to all residents of the Community (who entered the Community under residency agreements for independent living apartments). This allocation is affected by apartment size and type, and by second persons. The process of equating those residents' Service Fees to the Community cash requirements also ensures those residents that increases in Service Fees are not for the Provider's benefit, but are limited to the services and facilities provided solely for the residents' benefit as reported in the operations division audit report of the Provider. The process will be utilized each fiscal year to adjust Service Fees, upon at least 45 days' written notice to the qualifying residents, to the extent necessary to address changes in the Community's cash requirements. The Service Fees are paid to compensate the Provider for providing all services and facilities (including life-time use of an apartment and common areas) as such are described in the Residency Agreement.

The Chestnut Partnership or its affiliates may receive payments from the Service Fees to the extent services are provided by The Chestnut Partnership or its affiliates. For example, Life Care Services will receive management fees under the management agreement with The Chestnut Partnership, and such management fees are considered the Community's cash requirements for purposes of determining the Service Fees under the Fair Share Allocation.

Note that, unlike the Community's other continuing care agreements, the monthly fee under the Return of Capital Assisted Living Direct Admission Residecny Agreement is not limited by the Fair Share Allocation formula. The Fair Share Allocation formula is only relevant to such direct admit assisted living residents as described under "The Services" section above.

Further description of the Fair Share Allocation is provided in Exhibit D attached to this Disclosure Statement.

INDEMNITY DEED OF TRUST AND GUARANTY

Under the *Life*Care concept, no ownership interest in the real estate is transferred to the resident. Instead, the resident is provided, subject to and under the terms of the Residency Agreement and Maryland statutes, a contractual use of the apartment in exchange for paying the Entrance Fee and all monthly charges.

Under the Return-of-Capital Residency Agreement or Variable Refund Residency Agreement, a portion of the Entrance Fee required to enter into residency at the Community is structured as a Loan repayable to the resident or the resident's estate upon cancellation of residency at the Community. The Return of Capital Assisted Living Direct Admission Residency Agreement is considered by the Community to be a form of Return of Capital Residency Agreement. The Loan portion of the Entrance Fee under the Return-of-Capital Residency Agreement is 80% or 90%, provided that any reference that applies to a Return of Capital Assisted Living Direct Admission Residency Agreement refers to a 90% Loan. The Loan portion of the Entrance Fee under the Variable Refund Residency Agreement is 80% of the Entrance Fee, and the balance of such Loan is reduced by 2% per month until it reaches a minimum amount repayable of either 0%, 50% or 75%. While the repayment of the Loan is not held in trust or escrow, as security for The Chestnut Partnership's obligation to repay the refundable portion of the Loan, the Real Estate Partnership provided a Guaranty Agreement ("Guaranty") and entered into a subordinate Indemnity Deed of Trust and Security Agreement ("Deed of Trust") to secure the Guaranty on August 2, 1993. Under the terms of the Deed of Trust, the Real Estate Partnership has granted the trustee a security interest in certain Community real and personal property owned by the Real Estate Partnership for the benefit of the residents of the apartments in the Community who executed a Return-of-Capital Residency Agreement or Variable Refund Residency Agreement. The Deed of Trust was filed upon initial occupancy of the Community. Both the Guaranty and the Deed of Trust were Amended and Restated on September 11, 2006. In 2026, the Real Estate Partnership converted into the Real Estate LLC. The liabilities of the Real Estate Partnership were automatically assumed by the Real Estate LLC.

The subordinate Deed of Trust allows certain "permitted encumbrances," including, but not limited to liens, encumbrances, restrictions, and other matters of record at the time of the filing of the Deed of Trust; and first mortgages now or later granted to secure guarantees of long-term or short-term loans, the proceeds of which are used solely for purposes related to the Community. These permitted encumbrances are intended to allow alternative financing which would be more difficult and more expensive 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 or Variable Refund 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 or Variable Refund Residency Agreement in the Community are equally protected by the Deed of Trust and there is no priority among or between such residents. As of the end of the period ending December 31, 2025, the total balance of all loans and obligations having priority over the subordinate Indemnity Deed of Trust that secures the residents' loans was $754,510.

ESTATE PLANNING

The Return-of-Capital Residency Agreement and Variable Refund Residency Agreement provide that the Entrance Fee consists of two parts: an initial payment which is referred to as an Admission Fee (including a second person Admission Fee, if applicable) and the Loan. The balance of the Entrance Fee is referred to as a Loan. The Loan is 80% or 90% of the Entrance Fee under the Return-of-Capital Residency Agreement and the Loan is 80% of the Entrance Fee under the Variable Refund Residency Agreement. The applicable portion of the Loan is repayable to a resident's estate upon the death of the resident, or in the case of a double-occupied apartment, upon the death of the surviving resident, in accordance with the terms of the Loan Agreement.

In the absence of any agreement between the residents of a double-occupied apartment which has been provided to The Chestnut Partnership, the applicable Loan repayment or Entrance Fee 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 Fee refund is to be paid should consult with their attorneys for an appropriate agreement. It is the responsibility of the resident to make The Chestnut Partnership aware of the existence of any such agreement and to provide a copy of the agreement to The Chestnut Partnership. 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 E. The Provider 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.

In addition to distributions to its partners, the Provider makes loans to its partners. The loans are included as assets on the balance sheet of the financial statement for the Provider, but are unsecured obligations of the partners and are not collateralized. As of December 31, 2025, the total principal balance of these unsecured loans included as assets on the balance sheet was $13,656,240. In addition, there was $86,296 in outstanding interest owed by the partners to the Provider on those loans. The Provider maintains that the principal and interest received by the Provider from repayment of loans made by the Provider to its partners may be distributed to its partners as funds are available.

As of December 31, 2025, the total outstanding amounts that the partners of the Provider maintain they were entitled to receive from the Provider derived from compensation from the operation of the Community equaled $21,827,326.

Starting with the certified financial statement for 2015 and continuing forward, the certified financial statements are to specifically disclose, as of the end of the calendar year in question, (i) the balance of the Self Reserve Account for Resident Loans (as defined in the Residency Agreements) and (ii) all outstanding amounts to which the partners of Provider maintain they are entitled from the Provider that are derived from compensation. The Residency Agreement forms most recently approved by the Department of Aging set forth requirements for the Provider to create certain reserves in certain circumstances. See the most recently approved Residency Agreement for the exact terms of those reserve requirements. The calculations and amounts described above are available to residents of the Community upon request.

It is important for residents, their families, and their advisors to understand the financial basis on which the Community was developed and is being operated. The past experience of Life Care Services in successfully developing and managing life-care senior living communities has been the basis for financial planning for the Community. This history of sound management and strong economic health of existing communities provides the economic history from which to build projections for this Community. It is this record of success and stability that ensures you that this Community is a sound investment now and in the future.

CASH FLOW PROJECTIONS

Cash flow projections for 2026 and the next two fiscal years can be found below. They were prepared in accordance with generally accepted accounting principles and are consistent with the cash flow statement presented in the certified financial statement.

	2025 Current Year	2026 Succeeding Year	2027 Succeeding Year
Cash Flows from Operating Activities:			
Net Income	679,123	1,222,337	1,462,856
Depreciation and Amortization	4,681,206	5,153,527	5,309,393
Amortization of Financing Costs	42,000	42,000	42,000
Amortization of Nonrefundable Entrance Payments	(3,405,762)	(3,507,935)	(3,613,173)
Unrealized Gain on Investments			
Unrealized Loss on Derivative Instrument	206,487	212,682	219,062
Loss on Disposal of Assets			
Change in Operating Assets and Liabilities:			
Accounts Receivable	(34,776)	(35,819)	(36,894)
Accrued Interest Receivable from Partners	84,096	37,843	35,951
Construction Costs Payable			
Refundable Deposits			
Prepaid Expenses and Other	(35,130)	(36,184)	(37,270)
Accounts Payable	20,131	20,735	21,357
Accrued Expenses	35,832	36,907	38,014
Refundable Deposits Received from Prospective Residents, Net	18,917	19,485	20,069
Deferred Revenue, Net	3,692,845	3,682,961	3,555,985
Net Cash Provided by Operating Activities	5,984,970	6,848,538	7,017,350
Cash Flows from Investing Activities:			
Additions to Cost of Acquiring Contracts	(153,797)	(115,348)	(144,185)
Additions to Operating Property	(13,911,581)	(3,176,677)	(3,123,123)

Proceeds from Sale of Operating Property	0	0	0
Proceeds from Notes Receivable from Partners	681,792	681,792	681,792
Net Cash Used by Investing Activities	(13,383,586)	(2,610,233)	(2,585,516)
Cash Flows from Financing Activities:			
Proceeds from Loans from Residents	14,771,380	14,731,843	14,223,938
Repayment of Loans from Residents	(13,360,581)	(13,212,625)	(13,399,969)
Payment of Financing Costs			
Repayment of Term Loan Payable	(714,221)	(714,221)	(754,510)
Distributions to Partners	(5,103,644)	(5,202,179)	(4,379,954)
Net Cash Used by Financing Activities	(4,407,066)	(4,397,182)	(4,310,495)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	(11,805,682)	(158,876)	121,340
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	40,253,063	28,447,381	28,288,505
Cash, Cash Equivalents, and Restricted Cash - End of Year	28,447,381	28,288,505	28,409,845

Detail of beginning cash balances; including assets whose use is limited or restricted			
Operating Cash	19,403,502	17,657,671	16,937,959
Partner Distribution Fund	6,598,648	8,036,688	8,719,757
Cash and Cash Equivalents	26,002,150	25,694,360	25,657,716
Under Bond Indenture, Held by Trustee			
Capital Replacement Reserves	2,445,230	2,594,145	2,752,128
Debt Service Reserve	0	0	0
Assets Limited as to Use or Restricted	2,445,230	2,594,145	2,752,128
Total Cash	28,447,381	28,288,505	28,409,845
	0	0	0

THE FINANCING

Financing for the Community has been provided through a first mortgage loan in the amount of $30,329,623. The loan is secured by substantially all assets including Admission Fees and Entrance Fees, without limitation. As of December 31, 2025, the balance of the term loan was $26,480,108. The maturity date of the loan is March 1, 2027, Loan interest is calculated at Term SOFR +1.66%, with an interest rate hedge purchased to ensure a maximum interest rate of 5.01% for the life of the loan. The estimated maturities of the combined term debt are below:

2025 - $714,510
2026 - $754,510
2027 - $26,505,969.75

LOANS FROM BLAKEHURST TO ITS PARTNERS

The chart below indicates the loans that have been made by Blakehurst to its partners and the interest and principal payments made through December 31, 2025.

Fiscal Year	Loans to Partners	Interest Paid	Principal Repaid	
Prior to FY17	$ 21,679,452	$ 3 ,516,592	$ (1,125,193)	-
FY 18	-	516,777	(518,067)	
FY 19	-	499,965	(2,598,896)	
FY 20	-	438,113	(539,319)	
FY 21		422,564	(615,583)	
FY 22	-	406,606	(631,541)	
FY 23	-	390,229	(648,118)	
FY 24	-	373,423	(664,740)	
FY 25		356,387	(681,755)	
Total to Date	$ 21,679,452	$ (6,920,656)	$ (8,023,212)	

V. REGULATORY MATTERS

CONTINUING CARE COMMUNITIES ACT

The Maryland Continuing Care Communities Act (the "Act") governs life care retirement communities like Blakehurst. Under this Act, a provider cannot provide continuing care until it receives a final certificate of registration from the Maryland Department of Aging. A final certificate of registration is issued when the following conditions are met:

(1) the provider received a preliminary certificate of registration,
(2) the provider filed all required documents with the Maryland Department of Aging,
(3) the provider submitted documentation which demonstrated that Residency Agreements have been executed for 65 percent of the apartments and a minimum of 10 percent of the total Entrance Fee had been paid for each contracted apartment, and
(4) the provider submitted documentation for long-term financing and construction financing.

The Provider met all of the above requirements, and received its final certificate of registration for Phase I of the Community from the Maryland Department of Aging on June 11, 1992, for Phase II on July 16, 1997, and for Phase III on February 28, 2000. Upon receipt of the final certificate of registration for each Phase, monies held in escrow pursuant to the Act were released to the Provider.

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 will promptly amend its disclosure statement if, at any time, in the opinion of the Provider or the Maryland Department of Aging, an amendment is necessary to prevent the disclosure statement from containing any material misstatement of fact required by the Maryland Department of Aging's regulation to be stated in the disclosure statement or omission of a material fact required by the Maryland Department of Aging's regulation to be stated in the disclosure statement.

HEALTH CENTER LICENSURE

The health center is licensed by the Maryland Department of Health and Mental Hygiene for 79 beds (35 assisted living accommodations and 44 comprehensive care 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.

ADMISSION FEE ESCROW

During the apartment selection process, the first -person Admission Fee, which prospective residents pay upon executing the Residency Agreement, is deposited into an Admission Fee Escrow account with M&T Bank. These funds are held in escrow until the prospective resident closes on his or her apartment. After release from escrow, the funds are disbursed to the Provider.

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

Blakehurst
1055 West Joppa Road
Towson, Maryland 21204

TAX DEDUCTIONS

Each year, residents of the Community may be able to take a percentage of the Service Fees as a medical expense deduction. In January of each year, The Chestnut Partnership will provide residents with the percentage of the prior years' 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. The Provider has met this requirement as outlined in Note 2 on page 8 of the certified financial statements attached as Exhibit E to this Disclosure Statement.

In compliance with Section 10-425(a)(16)(ii) of the Act, steps have been taken to comply with the operating reserve requirement of Section 10-420 of the Act by designating the required amount in a separate account. The Provider's investment policy related to the required reserves is to invest that account in cash or cash equivalents. The operating reserve fund is reviewed annually by the LCS Community Finance unit. This is presently done by Aaron B. Bradshaw, Senior Director of Financial Planning & Analysis – Life Plan.

RENEWAL AND REPLACEMENT FUND

In accordance with the Act, the Provider is required to disclose reserves specifically dedicated to renewal and replacement. In accordance with the Residency Agreements, The Chestnut Partnership has established a Capital Replacement Reserve Fund to be used only for improving or replacing capital items of the Community which cost over $50,000. This reserve is funded from Service Fees. The net decrease in the Capital Replacement Reserve Fund in calendar year 2025 totaled $1,490,203.00. The amount in the Capital Replacement Reserve Fund as of December 31, 2025 totaled $883.807.00.

VI. EXHIBITS

EXHIBIT A
SENIOR LIVING COMMUNITIES MANAGED BY LIFE CARE SERVICES
AS OF 4/10/2026

Alabama, Birmingham – Gallaria Woods
Alabama, Hoover – Danberry at Inverness
Arizona, Chandler – Clarendale of Chandler
Arizona, Fountain Hills – Fountain View Village
Arizona, Phoenix – Clarendale of Arcadia
Arizona, Phoenix – Sagewood
Arizona, Tempe (Phoenix) – Friendship Village of Tempe
California, Cupertino – The Forum at Rancho San Antonio
California, Palo Alto – Moldaw Residences
California, San Diego – Casa de las Campanas
California, San Rafael – Aldersly
California, Santa Rosa – Oakmont Gardens
Connecticut, Essex – Essex Meadows
Connecticut, Mystic – StoneRidge
Connecticut, Southbury – Pomperaug Woods
Florida, Bradenton – Freedom Village of Bradenton
Florida, Celebration – Windsor at Celebration
Florida, Clearwater – Regency Oaks
Florida, Hollywood – Presidential Place
Florida, Jacksonville – Cypress Village
Florida, Leesburg – Lake Port Square
Florida, Naples – The Glenview at Pelican Bay
Florida, Naples – The Arlington of Naples
Florida, Palm City – Sandhill Cove
Florida, Port Charlotte – South Port Square
Florida, Seminole – Freedom Square of Seminole
Florida, Seminole – Lake Seminole Square
Florida, Sun City Center – Freedom Plaza
Florida, Villages, The – Freedom Pointe at The Villages
Georgia, Evans – Brandon Wilde
Georgia, Savannah – The Marshes of Skidaway Island
Illinois, Addison – Clarendale of Addison
Illinois, Algonquin – Clarendale at Algonquin
Illinois, Bartlett – The Oaks at Bartlett
Illinois, Chicago – The Clare
Illinois, Chicage – Clarendale at Six Corners
Illinois, Godfrey – Asbury Village
Illinois, Lincolnshire – Sedgebrook
Illinois, Mokena – Clarendale of Mokena
Illinois, Naperville – Monarch Landing
Illinois, Wheaton – Wyndemere
Indiana, Carmel – Rose Senior Living – Carmel
Indiana, Greenwood (Indianapolis) – Greenwood Village South
Indiana, Indianapolis – Marquette
Indiana, West Lafayette – Westminster Village West Lafayette

Iowa, Ames – Green Hills Community
Iowa, Cedar Rapids – Cottage Grove Place
Kentucky, Lexington – Richmond Place Senior Living
Maryland, Columbia – Residences at Vantage Point
Maryland, Timonium – Mercy Ridge
Maryland, Towson (Baltimore) – Blakehurst
Massachusetts, Woburn – The Delaney at the Vale
Michigan, Ann Arbor – Clarendale Ann Arbor
Michigan, Battle Creek – NorthPointe Woods
Michigan, Bloomfield – The Avalon of Bloomfield Township
Michigan, Clinton Township – Rose Senior Living – Clinton Township
Michigan, East Lansing – Burcham Hills
Michigan, Holland – Freedom Village
Michigan, Kalamazoo – Friendship Village
Michigan, Novi – Rose Senior Living at Providence Park
Minnesota, Buffalo – Havenwood of Buffalo
Minnesota, Burnsville – Havenwood of Burnsville
Minnesota, Maple Grove – Havenwood of Maple Grove
Minnesota, Plymouth – Trillium Woods
Minnesota, Richfield – Havenwood of Richfield
Minnesota, Vadnais Heights – Gable Pines
Missouri, St. Peters – Clarendale of St. Peters
New Jersey, Bridgewater – The Delaney at Bridgewater
New Jersey, Florham Park – The Delaney at The Green
New York, Rye Brook – Broadview – Senior Living at Purchase College
New York, Staten Island – Brielle at Seaview, The
North Carolina, Chapel Hill – The Cedars of Chapel Hill
North Carolina, Charlotte – The Cypress of Charlotte
North Carolina, Durham – Croasdaile Village
North Carolina, Greensboro – WhiteStone
North Carolina, Greenville – Cypress Glen
North Carolina, Lumberton – Wesley Pines
North Carolina, Raleigh – The Cypress of Raleigh
North Carolina, Wilmington – Porter’s Neck Village
Ohio, Avon – Rose Senior Living – Avon
Ohio, Beachwood, Rose Senior Living – Beachwood
Ohio, Lewis Center – The Avalon of Lewis Center
Ohio, New Albany – The Avalon of New Albany
Oklahoma, Bartlesville – Green Country Village
Oregon, Dallas – Dallas Retirement Village
Oregon, Salem – Capital Manor
Pennsylvania, Coatesville – Freedom Village of Brandywine
South Carolina, Greenville – Rolling Green Village
South Carolina, Hilton Head Island – Bayshore of Hilton Head Island
South Carolina, Hilton Head Island – The Cypress of Hilton Head
Tennessee, Brentwood – The Heritage at Brentwood
Tennessee , Hendersonville – Clarendale at Indian Lake
Tennessee, Memphis – Heritage at Irene Woods
Tennessee, Nashville – Clarendate at Bellevue Place
Texas, Austin – Westminster

Texas, Georgetown – The Delaney at Georgetown Village
Texas, League City – The Delaney at South Shore Harbour
Texas, Lubbock – Carillon
Texas, Richmond – The Delaney at Parkway Lakes
Texas, Spring – The Village at Gleannlock Farms
Texas, The Woodlands – The Village at the Woodlands Waterway
Texas, Waco – The Delaney at Lake Waco
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care
Washington, Issaquah – Timber Ridge at Talus
Wisconsin, Greendale – Harbour Village
Wisconsin, Milwaukee – Eastcastle Place

Carefully read the residency agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the entrance fee refund.

EXHIBIT B

DESCRIPTION OF THE SERVICES

The services available to residents are listed in the Residency Agreement which governs all such obligations. The procedures to be followed in furnishing these services may be modified by The Chestnut Partnership to allow The Chestnut Partnership 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.

RESIDENTIAL LIVING

The following facilities and services are included under the Monthly Fee under the terms of the Blakehurst Residency Agreement:

- Standard basic cable television;
- 30 or 31 meals per month (depending on the number of days in the month) ;
- Room service up to 30 days if requested by the Residential Health Services, the Director of Nursing or the attending physician;
- Emergency call system in each apartment;
- Copy of the certified financial statement for the Community provided annually;
- Grab rails in the bathtub or shower area in each apartment;
- Weekly light housekeeping services including cleaning, vacuuming and light dusting;
- Oven and window cleaning as needed or requested;
- Carpet cleaning as needed or requested;
- Grounds keeping and landscaping;
- Maintenance of building and appliances;
- Painting of the apartment every seven years if requested;
- Property taxes, utilities (including gas and electric) and garbage collection;
- Weekly flat laundry service (including sheets, pillowcases, towels, face cloths and dishcloths);
- Surface parking (designated parking areas and stickers are assigned at the time of closing);
- Front Desk Receptionist services 7 days a week (including FAX service and copying)
- Residential Health Services provided for up to 60 minutes a month (the first 6 time units in time units of up to 10 minutes);
- 24 Hour Security personnel and security camera system;
- Scheduled transportation to shopping and other locations in the surrounding areas and doctor’s appointments;
- Valet service 7 days a week (including parking cars, deliveries and wheelchair transportation);
- Wireless internet service.

**Telephone service is not available and must be contracted directly with an outside vendor.

Carefully read the residency agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the entrance fee refund.

There are additional charges for services, not included under the Monthly Fee including, but not limited to:

- Activities, Trips and Entertainment as determined by the Provider;
- Residential Health Services charges beyond the first 6 units of up to 10 minutes per month;
- Beauty Salon / Barber charges;
- Convenience Store charges;
- Room service in the absence of physician authorization;
- Guest meals;
- Extra meals in the dining facility;
- Garage spaces (underground or individual outside units) including monthly maintenance fee);
- Guest room charges;
- Extra housekeeping (personal laundry or extra cleaning);
- Maintenance services (outside of routine maintenance);
- Transportation outside scheduled shopping, around town or doctor's appointments.

ASSISTED LIVING AND COMPREHENSIVE CARE

In addition to providing the Residents with independent living apartments, the Provider will furnish the Residents with licensed Assisted Living care and licensed Comprehensive Care services.

The following services are included under the Monthly Fee under the terms of the Blakehurst Residency Agreement:

- One meal per day;
- Standard basic cable television;
- Daily light housekeeping services including cleaning, vacuuming and light dusting;
- Copy of the certified financial statement for the Community provided annually;
- Grab rails in the bathtub or shower area in each apartment;
- Weekly light housekeeping services including cleaning, vacuuming and light dusting;
- Window cleaning annually and as needed or requested;
- Grounds keeping and landscaping;
- Maintenance of building and appliances;
- Property taxes, utilities (including gas and electric) and garbage collection;
- Front Desk Receptionist services 7 days a week (including FAX service and copying)
- 24 Hour Security personnel and security camera system
- Scheduled transportation to shopping and other locations in the surrounding areas and doctor's appointments;
- Valet service 7 days a week (including parking cars, deliveries and wheelchair transportation);
- Telephone service;
- Wireless internet.

Carefully read the residency agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the entrance fee refund.

There are additional charges for services, not included under the Monthly Fee including, but not limited to:

- Activities, Trips and Entertainment as determined by the Provider;
- Beauty Salon / Barber charges;
- Convenience Store charges;
- Guest meals;
- Extra meals in the dining facility;
- Guest room charges;
- Extra housekeeping (personal laundry or extra cleaning)
- Maintenance services (outside of routine maintenance);
- Transportation outside scheduled shopping, around town or doctor’s appointments.

Carefully read the residency agreement for the conditions that must be satisfied before The Chestnut Partnership is required to pay the entrance fee refund.

EXHIBIT C

DESCRIPTION OF FEES FOR ALL RESIDENCY AGREEMENT TYPES

Apartment Type	2021	2022	2023	2024	2025	2025*	2026
One-Bedroom (Joppa)	$4,185	$4,415	$4,790	$5,025	$5,271	$5,798	$6,372
One-Bedroom Deluxe (Ruxton I)	$4,427	$4,670	$5,067	$5,315	$5,575	$6,133	$6,740
One-Bedroom Classic (Ruxton II)	$4,427	$4,670	$5,067	$5,315	$5,575	$6,133	$6,740
One-Bedroom Traditional (Ruxton III)	$4,427	$4,670	$5,067	$5,315	$5,575	$6,133	$6,740
One-Bedroom Custom (Chestnut I)	$4,656	$4,912	$5,330	$5,591	$5,865	$6,452	$7,091
One-Bedroom Special (Chestnut II)	$4.656	$4,912	$5,330	$5,591	$5,865	$6,452	$7,091
One-Bedroom Den (Charles I)	$4,731	$4,991	$5,415	$5,681	$5,959	$6,555	$7,204
One-Bedroom Limited (Charles II)	$4,731	$4,991	$5,415	$5,681	$5,959	$6,555	$7,204
Two-Bedroom (Loyola I)	$4,892	$5,161	$5,600	$5,874	$6,162	$6,778	$7,759
Two-Bedroom Classic (Loyola II)	$5,095	$5,375	$5,832	$6,118	$6,418	$7,060	$7,759
Two-Bedroom Traditional (Loyola III)	$5,095	$5,375	$5,830	$6,118	$6,418	$7,060	$7,759
Two-Bedroom Custom (Picadilly II)	$5,202	$5,488	$5,954	$6,246	$6,552	$7,207	$7,920
Two-Bedroom Special (Picadilly I)	$5,202	$5,488	$5,954	$6,246	$6,552	$7,207	$7,920
Two-Bedroom Master (Greenwood)	$5,296	$5,587	$6,062	$6,359	$6,671	$7,338	$8,064
Two-Bedroom Deluxe (Greenwood II)	$5,677	$5,989	$6,498	$6,819	$6,671	$7,865	$8,741
Two-Bedroom Deluxe (Bosley)	$5,740	$6,059	$6,571	$6,893	$7,150	$7,954	$8,644
Two-Bedroom Grand (Calvert)	$6,452	$6,807	$7,386	$7,747	$8,127	$8,940	$9,825
Two-Bedroom Grand Classic (Hopkins)	$7,025	$7,411	$8,041	$8,435	$8,848	$9,733	$10,967
Second Person Fee	$1,799	$1,898	$2,059	$2,160	$2,266	$2,376	$2,737

*On June 1, 2025 an additional market rate adjustment was applied only for new residents

Availability of Residence Type by Floor

Apartment Type	Floor Availability						
	1st	2nd	3rd	4th	5th	6th *	7th *
One Bedroom (Joppa)			X	X	X	X	X
One Bedroom Deluxe (Ruxton I)		X	X	X	X	X	X
One Bedroom Classic (Ruxton II)		X			X	X	
One Bedroom Traditional (Ruxton III)		X	X	X	X	X	X
One Bedroom Custom (Chestnut I)		X	X	X	X	X	X
One Bedroom Special (Chestnut II)		X	X	X	X	X	X
One Bedroom w/ Den (Charles I)	X	X	X	X	X	X	
One Bedroom Limited (Charles II)		X	X	X	X	X	X
Two Bedroom (Loyola I)		X	X	X	X	X	X
Two Bedroom Classic (Loyola II)			X	X	X	X	X
Two Bedroom Traditional (Loyola III)		X	X	X	X	X	X
Two Bedroom Special (Picadily I)		X	X	X	X	X	X
Two Bedroom Custom (Picadily II)			X	X	X	X	X
Two Bedroom Master (Greenwood)	X	X	X	X	X	X	
Two Bedroom Grand Master (Bosley)		X	X	X	X	X	X
Two Bedroom Deluxe (Greenwood II)		X	X	X	X	X	X
Two Bedroom Grand (Calvert)		X	X	X	X	X	X
Two Bedroom Grand Classic (Hopkins)	X		X	X			
* Entrance Payments for Residences on 6th & 7th Floor include high-floor premium charge							

SECOND PERSON ENTRANCE FEES
UNDER ALL RESIDENCY AGEEMENT TYPES

YEAR	ENTRANCE FEES
2021	$24,200
2022	$25,000
2023	$26,175
2024	$27,222
2025	$28,311
2026	$30,000

Return-of-Capital Refund Agreements

Under the Return-of-Capital Refund Agreements effective as of the date of this Disclosure Statement, upon the death of, or cancellation by, a resident, the resident or his or her beneficiary would receive the designated percentage of the Loan. The Admission Fee is nonrefundable, unless The Chestnut Partnership terminates the Residency Agreement.

Variable Refund Agreements

Under the Variable Refund Agreements effective as of the date of this Disclosure Statement, upon the death of, or cancellation by, a resident, the resident or his or her beneficiary would receive the greater of (a) a designated percentage of the Loan or (b) the Loan less 2% per month of occupancy. The Admission Fee is nonrefundable, unless The Chestnut Partnership terminates the Residency Agreement.

2026 Entrance Fees By Contract and Refundable Type

Apartment Type	90% Return-of-Capital	80% Return-of-Capital	75% Variable	50% Variable	0% Variable
One Bedroom (Joppa)	$457,000 - $462,200	$346,000 – $351,000	$331,000 - $336,200	$300,000 – $305,000	$239,000 – $244,000
One Bedroom Deluxe (Ruxton I)	$613,000 - $618,200	$463,000 – $468,000	$445,000 - $450,200	$401,000 – $406,000	$323,000 – $328,000
One Bedroom Classic (Ruxton II)	$613,000 - $618,200	$463,000– $468,000	$466,000 - $471,200	$401,000 – $406,000	$323,000 – $328,000
One Bedroom Traditional (Ruxton III)	$613,000 - $618,200	$463,000 – $468,000	$445,000 - $450,200	$401,000 – $406,000	$323,000 – $328,000
One Bedroom Custom (Chestnut I)	$618,000 - $623,200	$584,000 – $589,000	$$448,000 - $453,20043 1,121 - $436,193	$508,000 – $513,000	$409,000 – $414,000
One Bedroom Special (Chestnut II)	$618,000 - $623,200	$584,000 – $589,000	$448,000 - $453,200	$508,000 – $513,000	$409,000 – $414,000
One Bedroom w/ Den (Charles I)	$654,000 - $659,200	$682,000 – $687,000	$475,000 - $480,200	$562,000 – $567,000	$442,000 – $447,000
One Bedroom Limited (Charles II)	$654,000 - $659,200	$682,000 – $687,000	$475,000 - $480,200	$562,000 – $567,000	$442,000 – $447,000
Two Bedroom (Loyola I)	$834,000 - $839,200	$858,000 – $863,000	$606,000 - $611,200	$721,000 – $726,000	$602,000 – $607,000
Two Bedroom Classic (Loyola II)	$834,000 - $839,200	$858,0000 – $8636,000	$606,000 - $611,200	$721,000 – $659726,000	$602,000 – $607,000
Two Bedroom Traditional (Loyola III)	$834,000 - $839,200	$858,000 – $863,000	$617,000 - $622,200	$721,000 – $726,000	$602,000 – $607,000
Two Bedroom Special (Picadily I)	$850,000 - $855,200	$884,000 – $889,000	$617,000 - $622,200	$743,000 – $748,000	$5621,000– $626,000
Two Bedroom Custom (Picadily II)	$850,000 - $855,200	$884,000 – $889,000	$617,000 - $622,200	$743,000- $748,000	$621,000 – $626,000
Two Bedroom Master (Greenwood)	$1,127,000 - $1,132,200	$1,300,000 – $1,08305,000	$818,000 - $823,200	$1,013,000 – $1,018,000	$914,000 – $919,000
Two Bedroom Grand Master (Bosley)	$1,229,000 - $1,234,200	$1,295,000 – $1,300,000	$891,000 - $896,200	$1,045,000 $1,050,000	$910,000 – $915,000
Two Bedroom Deluxe (Greenwood II)	$1,127,000 - $1,132,200	$1,352,000 – $1,357,000	$897,000 - $902,200	$1,092,000 – $1,097,000	$952,000 – $957,000
Two Bedroom Grand (Calvert)	$1,350,000 - $1,355,200	$1,560,000 – $1,565,000	$979,000 - $984,200	$1260,000 – $1,265,000	$1,096,000 – $1,101,000
Two Bedroom Grand Classic (Hopkins)	$1,350,000 - $1,355,200	$1,560,000	$979,000 - $984,200	$1,260,000	$1,096,000

75% Variable Entrance Fee Explanation

Apartment Type	Entrance Fee	Admission Fee (20% of Entrance Fee)	Initial Loan (80% of Entrance Fee)	Amortization to 75% (Minimum Loan Refund)
One-Bedroom	$331,000	$66,200	$264,800	$198,600
	$336,200	$67,240	$268,960	$201,720
One-Bedroom Deluxe	$445,000	$89,000	$356,000	$267,000
	$450,200	$90,040	$360,160	$270,120
One-Bedroom Classic	$466,000	$93,200	$372,800	$279,600
	$471,200	$94,240	$376,960	$282,720
One-Bedroom Traditional	$445,000	$89,000	$356,000	$267,000
	$450,200	$90,040	$360,160	$270,120
One-Bedroom Custom	$448,000	$89,600	$358,400	$268,800
	$453,200	$90,640	$362,560	$271,920
One-Bedroom Special	$448,000	$89,600	$358,400	$268,800
	$453,200	$90,640	$362,560	$271,920
One-Bedroom Den	$475,000	$95,000	$380,000	$285,000
	$480,200	$96,040	$384,160	$288,120
One-Bedroom Limited	$475,000	$95,000	$380,000	$285,000
	$480,200	$96,040	$384,160	$288,120
Two-Bedroom	$606,000	$121,200	$484,800	$363,600
	$611,200	$122,240	$488,960	$366,720
Two-Bedroom Classic	$606,000	$121,200	$484,800	$363,600
	$611,200	$122,240	$488,960	$366,720
Two-Bedroom Traditional	$617,000	$123,400	$493,600	$370,200
	$622,200	$124,440	$497,760	$373,320
Two-Bedroom Custom	$617,000	$123,400	$493,600	$370,200
	$622,200	$124,440	$497,760	$373,320
Two-Bedroom Special	$617,000	$123,400	$493,600	$370,200
	$622,200	$124,440	$497,760	$373,320
Two-Bedroom Master	$818,000	$163,600	$654,400	$490,800
	$823,200	$164,640	$658,560	$493,920
Two-Bedroom Deluxe	$897,000	$179,400	$717,600	$538,200
	$902,200	$180,440	$721,760	$541,320
Two-Bedroom Grand Master	$891,000	$178,200	$712,800	$534,600
	$896,200	$179,240	$716,960	$537,720
Two-Bedroom Grand	$979,000	$195,800	$783,200	$587,400
	$984,200	$196,840	$787,360	$590,520

Two-Bedroom Grand Classic	$979,000	$195,800	$783,200	$587,400
	$984,200	$196,840	$787,360	$590,520

50% Variable Entrance Fee Explanation

Apartment Type	Entrance Fee	Admission Fee (20% of Entrance Fee)	Initial Loan (80% of Entrance Fee)	Amortization to 50% (Minimum Loan Refund)
One-Bedroom (Joppa)	$300,000	$60,000	$240,000	$150,000
	$305,000	$61,000	$244,000	$152,500
One-Bedroom Deluxe (Ruxton I)	$401,000	$80,200	$320,800	$200,500
	$406,000	$81,200	$324,800	$203,000
One-Bedroom Classic (Ruxton II)	$401,000	$80,200	$320,800	$200,500
	$406,000	$81,200	$324,800	$203,000
One-Bedroom Traditional (Ruxton III)	$401,000	$80,200	$320,800	$200,500
	$406,000	$81,200	$324,800	$203,000
One-Bedroom Custom (Chestnut I)	$508,000	$101,600	$406,400	$254,000
	$513,000	$102,600	$410,400	$256,500
One-Bedroom Special (Chetnut II)	$508,000	$101,600	$406,400	$254,000
	$513,000	$102,600	$410,400	$256,500
One-Bedroom Den (Charles I)	$562,000	$112,400	$449,600	$281,000
	$567,000	$113,400	$453,600	$283,500
One-Bedroom Limited (Charles II)	$562,000	$112,400	$449,600	$281,000
	$567,000	$113,400	$453,600	$283,500
Two-Bedroom (Loyola I)	$721,000	$144,200	$576,800	$360,500
	$726,000	$145,200	$580,800	$363,000
Two-Bedroom Classic (Loyola II)	$721,000	$144,200	$576,800	$360,500
	$726,000	$145,200	$580,800	$363,000
Two-Bedroom Traditional (Loyola III)	$721,000	$144,200	$576,800	$360,500
	$726,000	$13145,200	$580,800	$329363,000
Two-Bedroom Custom (Picadily I)	$743,000	$148,600	$594,400	$371,500
	$748.000	$149,600	$598,400	$374,000
Two-Bedroom Special Picadily II)	$743,000	$148,600	$594,400	$371,500
	$748,000	$149,600	$598,400	$374,000
Two-Bedroom Master (Greenwood)	$1,013,000	$202,600	$810,000	$506,500
	$1,018,000	$203,600	$814.400	$506,500
Two-Bedroom Deluxe (Greenwood II)	$1,092000	$218,400	$873,600	$546,000
	$1,097,000	$219,400	$877,600	$548,500
Two-Bedroom Grand Master (Bosley)	$1,045,000	$209,000	$836,000	$522,500
	$1,050,000	$210,000	$840,000	$525,000
Two Bedroom Grand (Calvert)	$1,260,000	$252,000	$1,008,000	$630,000
	$1,265,000	$253,000	$1,012,000	$632,500
Two-Bedroom Grand Classic	$1,260,000	$252,000	$1,008,000	$630,000

(Hopkins)				

0% Variable Entrance Fee Explanation

Apartment Type	Entrance Fee	Admission Fee (20% of Entrance Fee)	Initial Loan (80% of Entrance Fee)	Amortization to 0%
One-Bedroom (Joppa)	$239,000	$47,800	$191,200	--
	$244,000	$48,800	$195,200	--
One-Bedroom Deluxe (Ruxton I)	$323,000	$64,600	$258,400	--
	$3328,000	$65,600	$262,400	--
One-Bedroom Classic (Ruxton II)	$323,000	$64,600	$258,400	--
	$31328,000	$65,600	$262,400	--
One-Bedroom Traditional (Ruxton III)	$323,000	$64,600	$258,400	--
	$328,000	$65,600	$262,400	--
One-Bedroom Custom (Chestnut I)	$409,000	$81,800	$327,200	--
	$414,000	$82,800	$331,200	--
One-Bedroom Special (Chetnut II)	$409,000	$81,800	$327,200	--
	$414,000	$82,800	$331,200	--
One-Bedroom Den (Charles I)	$442,000	$88,400	$353,600	--
	$447,000	$89,400	$357,600	--
One-Bedroom Limited (Charles II)	$442,000	$88,400	$353,600	--
	$4447,000	$89,400	$357,600	--
Two-Bedroom (Loyola I)	$602,000	$120,400	$481,600	--
	$607,000	$121,400	$485,600	--
Two-Bedroom Classic (Loyola II)	$546,602,000	$120,400	$481,600	--
	$551,607,000	$121,400	$485,600	--
Two-Bedroom Traditional (Loyola III)	$54602,000	$120,400	$481,600	--
	$55607,000	$121,400	$485,600	--
Two-Bedroom Custom (Picadily I)	$621,000	$124,200	$496,800	--
	$626,000	$125,200	$500,800	--
Two-Bedroom Special Picadily II)	$5621,000	$124,200	$496,800	--
	$561,626,000	$125,200	$500,800	--
Two-Bedroom Master (Greenwood)	$914,000	$182,800	$731,200	--
	$919,000	$183,900	$735,200	--
Two-Bedroom Deluxe (Greenwood II)	$952,000	$190,400	$761,600	--
	$957,000	$191,400	$765,000	--
Two-Bedroom Grand Master (Bosley)	$910,000	$182,000	$728,000	--
	$915,000	$183,000	$732,000	--
Two Bedroom Grand (Calvert)	$1,096,000	$219,200	$876,800	--
	$1,101,000	$220,200	$880,800	--

Two-Bedroom Grand Classic (Hopkins)	$1,096,000	$219,200	$876,800	--

Historical 90% Return-of-Capital Entrance Fees

Apartment Type	2020*	2022	2023	2024
One Bedroom (Joppa)	$372,025-$377,025	$385,046 – $390,221	$403,143 – $408,561	$354,600-$360,200
One Bedroom Deluxe (Ruxton I)	$499,675 – $504,675	$517,164 – $522,339	$541,471 – $546,889	$475,300-$480,900
One Bedroom Classic (Ruxton II)	$499,675 – $504,675	$517,164 – $522,339	$541,471 – $546,889	$475,300-$480,900
One Bedroom Traditional (Ruxton III)	$499,675 – $504,675	$517,164 – $522,339	$541,471 – $546,889	$475,300-$480,900
One Bedroom Custom (Chestnut I)	$503,700 – $508,700	$521,330 – $526,505	$545,833 – $551,251	$599,600-$605,200
One Bedroom Special (Chestnut II)	$503,700 – $508,700	$521,330 – $526,505	$545,833 – $551,251	$599,600-$605,200
One Bedroom w/ Den (Charles I)	$533,025 – $538,025	$551,681 – $556,856	$577,610 – $583,028	$672,700-$678,300
One Bedroom Limited (Charles II)	$533,025 – $538,025	$551,681 – $556,856	$577,610 – $583,028	$672,700-$678,300
Two Bedroom (Loyola I)	$649,650 – $686,650	$703,438 – $710,683	$736,501 – $744,085	$836,200-$841,800
Two Bedroom Classic (Loyola II)	$649,650 – $686,650	$703,438 – $710,683	$736,501 – $744,085	$836,200-$841,800
Two Bedroom Traditional (Loyola III)	$679,650 – $686,650	$703,438 – $710,683	$736,501 – $744,085	$836,200-$841,800
Two Bedroom Special (Picadily I)	$692,300 – $699,300	$716,531 – $723,776	$750,208 – $757,793	$851,900-$857,500
Two Bedroom Custom (Picadily II)	$692,300 – $699,300	$716,531 – $723,776	$750,208 – $757,793	$852,400-$858,000
Two Bedroom Master (Greenwood)	$917,700 – $924,700	$949,820 – $957,065	$994,462 – $1,002,047	$1,163,300-$1,168,900
Two Bedroom Grand Master (Bosley)	$1,006,825 – $1,013,825	$1,042,064 – $1,049,309	$1,091,041 – $1,098,627	$1,230,400-$1,236,000
Two Bedroom Deluxe (Greenwood II)	$1,001,075 – $1,008,075	$1,036,113 – $1,043,358	$1,084,810 – $1,092,396	$1,237,700-$1,243,300
One Bedroom (Joppa)	$1,099,400 – $1,106,400	$1,137,879 – $1,145,124	$1,191,359 – $1,198,945	$1,455,300-$1,460,900
One Bedroom Deluxe (Ruxton I)	$1,099,400	$1,137,879	$1,191,359	$1,455,300

*Residence Entrance Fees not increased in 2021 from 1/1/2020 published fees

Historical 80% Return-of-Capital Entrance Fees

Apartment Type	2020*	2022	2023	2024	2025
One Bedroom (Joppa)	$323,500 – $328,500	$344,900 – $350,000	$316,600 – $321,600	$316,600 – $321,600	$346,000 – $351,000
One Bedroom Deluxe (Ruxton I)	$434,500 – $539,500	$463,200 – $468,400	$424,400 – $429,400	$424,400 – $429,400	$463,000 – $468,000
One Bedroom Classic (Ruxton II)	$434,500 - $439,500	$436,200 – $468,400	$424,400 – $429,400	$424,400 – $429,400	$463,000 – $468,000
One Bedroom Traditional (Ruxton III)	$434,500 – $439,500	$463,200 – $468,400	$424,400 – $429,400	$424,400 – $429,400	$463,000 – $468,000
One Bedroom Custom (Chestnut I)	$438,000 – $443,000	$466,900 – $472,100	$535,400 – $540,400	$535,400 – $540,400	$584,000 – $589,000
One Bedroom Special (Chestnut II)	$438,000 – $443,000	$466,900 – $472,100	$535,400 – $540,400	$535,400 – $540,400	$584,000 – $589,000
One Bedroom w/ Den (Charles I)	$463,500 – $468,500	$494,100 – $499,300	$600,600 – $605,600	$600,600 – $605,600	$682,000 - $687,000
One Bedroom Limited (Charles II)	$463,500 – $468,500	$494,100 – $499,300	$600,600 – $605,600	$600,600 – $605,600	$682,000 - $687,000
Two Bedroom (Loyola I)	$591,000 – $597,000	$630,000 – $636,200	$746,600 – $751,600	$746,600 – $751,600	$858,000 – $863,000
Two Bedroom Classic (Loyola II)	$591,000 – $597,000	$630,000 – $636,200	$747,100 – $752,100	$747,100 – $752,100	$858,000 – $863,000
Two Bedroom Traditional (Loyola III)	$591,000 – $597,000	$630,000 – $636,200	$746,600 – $751,600	$746,600 – $751,600	$858,000 – $863,000
Two Bedroom Special (Picadily I)	$602,000 – $608,000	$641,800 – $648,000	$761,100 – $766,100	$760,600 – $765,600	$884,000 – $889,000
Two Bedroom Custom (Picadily II)	$602,000 – $608,000	$641,800 – $648,000	$760,600 – $765,600	$761,100 – $766,100	$884,000 – $889,000
Two Bedroom Master (Greenwood)	$798,000 – $804,000	$850,700 – $856,900	$1,038,700 – $1,043,700	$1,038,700 – $1,043,700	$1,300,000 – $1,305,000
Two Bedroom Grand Master (Bosley)	$875,500 – $881,500	$933,300 – $939,500	$1,105,100 – $1,110,100	$1,098,600 – $1,103,600	$1,295,000 – $1,300,000
Two Bedroom Deluxe (Greenwood II)	$870,500 – $876,500	$928,000 – $934,200	$1,098,600 – $1,103,600	$1,105,100 – $1,110,100	$1,352,000 – $1,357,000
Two Bedroom (Calvert)	$956,000 – $862,000	$1,019,100 – $1,025,400	$1,299,400 – $1,304,400	$1,299,400 – $1,304,400	1,560,000 – $1,565,000
One Bedroom Deluxe (Ruxton I)	$956,000	$1,019,100	$1,299,400	$1,299,400	$1,560,000

*Residence Entrance Fees not increased in 2021 from 1/1/2020 published fees

Historical 75% Variable Entrance Fees

Apartment Type	2020*	2022	2023	2024
One Bedroom (Joppa)	$269,814 – $274,111	$279,268 – $286,705	$292,394 – $297,039	$303,900- $308,700
One Bedroom Deluxe (Ruxton I)	$362,616 – $366,913	$375,308 – $379,755	$392,947 – $397,603	$407,400- $412,200
One Bedroom Classic (Ruxton II)	$362,616	$375,308	$392,947	$407,400- $412,200
One Bedroom Traditional (Ruxton III)	$362,616 – $366,913	$375,308 – $379,755	$392,947 – $397,603	$407,400- $412,200
One Bedroom Custom (Chestnut I)	$365,194 – $369,491	$377,976 – $382,423	$395,741 – $400,397	$514,000- $518,800
One Bedroom Special (Chestnut II)	$365,194 – $369,491	$377,976 – $382,423	$395,740 – $400,397	$514,000- $518,800
One Bedroom w/ Den (Charles I)	$386,676 – $390,973	$400,210 – $404,657	$419,020 – $423,676	$576,600- $581,400
One Bedroom Limited (Charles II)	$386,676 – $390,973	$400,210 – $404,657	$419,020 – $423,676	$576,600- $581,400
Two Bedroom (Loyola I)	$493,227 – $498,383	$510,490 – $515,826	$534,483 – $540,070	$716,700- $721,500
Two Bedroom Classic (Loyola II)	$493,227 – $498,383	$510,490 – $515,826	$534,483 – $540,070	$717,200- $722,000
Two Bedroom Traditional (Loyola III)	$493,227 – $498,383	$519,740 – $525,075	$544,168 – $549,754	$716,700- $721,500
Two Bedroom Special (Picadily I)	$502,164 – $517,319	$519,740 – $525,075	$544,168 – $549,754	$730,700- $735,500
Two Bedroom Custom (Picadily II)	$502,164 – $517,319	$519,740 – $525,075	$544,168 – $549,754	$730,200- $735,000
Two Bedroom Master (Greenwood)	$665,942 – $671,098	$689,250 – $694,586	$721,645 – $727,232	$997,200- $1,002,000
Two Bedroom Grand Master (Bosley)	$730,389 – $735,544	$755,953 – $761,288	$791,483 – $797,069	$1,060,900- $1,065,700
Two Bedroom Deluxe (Greenwood II)	$726,092 – $731,248	$751,505 – $756,842	$786,826 – $792,414	$1,054,700- $1,059,500
One Bedroom (Joppa)	$797,412 – $802,568	$825,321 – $830,658	$864,111 – $869,699	$1,247,400- $1,252,200
One Bedroom Deluxe (Ruxton I)	$797,412	$825,321	$864,111	$1,247,400

*Residence Entrance Fees not increased in 2021 from 1/1/2020 published fees

Historical 50% Variable Entrance Fees

Apartment Type	2020*	2022	2023	2024	2025
One Bedroom (Joppa)	$275,000 – $280,000	$293,200 – $298,300	$260,600 – $265,600	$273,600 – $278,600	$300,000 – $305,000
One Bedroom Deluxe (Ruxton I)	$369,000 – $374,000	$393,400 – $398,500	$350,800 – $355,800	$368,300 – $373,300	$401,000 - $406,000
One Bedroom Classic (Ruxton II)	$369,000 – $374,000	$393,400 – $398,500	$350,800 – $355,800	$368,300 – $373,300	$401,000 - $406,000
One Bedroom Traditional (Ruxton III)	$369,000 – $374,000	$393,400 – $398,500	$350,800 – $355,800	$368,300 – $373,300	$401,000 - $406,000
One Bedroom Custom (Chestnut I)	$376,000 – $381,000	$400,800 – $406,000	$442,500 – $447,500	$464,600 – $469,600	$508,000 - $513,000
One Bedroom Special (Chestnut II)	$376,000 – $381,000	$400,800 – $406,000	$442,500 – $447,500	$464,600 – $469,600	$508,000 - $513,000
One Bedroom w/ Den (Charles I)	$396,500 – $401,500	$422,700 – $427,900	$494,500 – $499,500	$519,200 – $524,200	$562,000 – $567,000
One Bedroom Limited (Charles II)	$396,500 – $401,500	$422,700 – $427,900	$494,500 – $499,500	$519,200 – $524,200	$562,000 – $567,000
Two Bedroom (Loyola I)	$502,500 – $508,500	$535,700 – $541,500	$598,600 – $603,600	$628,600 – $633,600	$721,000 – $726,000
Two Bedroom Classic (Loyola II)	$502,500 – $508,500	$535,700 – $541,500	$599,000 – $604,000	$629,000 – $634,000	$721,000 – $726,000
Two Bedroom Traditional (Loyola III)	$502,500 – $508,500	$535,700 – $541,500	$598,600 – $603,600	$628,600 – $633,600	$721,000 – $726,000
Two Bedroom Special (Picadily I)	$512,000 – $518,000	$545,800 – $552,000	$610,200 – $615,200	$640,300 – $645,300	$743,000 – $748,000
Two Bedroom Custom (Picadily II)	$512,000 – $518,000	$545,800 – $552,000	$609,800 – $614,800	$640,700 - $645,700	$743,000 – $748,000
Two Bedroom Master (Greenwood)	$669,500 – $675,500	$713,700 – $719,000	$771,000 – $776,000	$809,600 – $814,600	$1,013,000 – $1,018,000
Two Bedroom Grand Master (Bosley)	$747,000 – $753,000	$796,300 – $802,500	$851,000 – $856,000	$888,300 – $893,300	$1,045,000 – $1,050,000
Two Bedroom Deluxe (Greenwood II)	$798,500 – $804,500	$851,200 – $857,200	$846,000 – $851,000	$893,500 – $598,500	$1,092,000 – $1,097,000
Two Bedroom (Calvert)	$875,500 – $881,500	$933,300 – $939,500	$1,000,600 – $1,005,600	$1,050,600 – $1,055,600	$1,260,000 – $1,265,000
One Bedroom Deluxe (Ruxton I)	$875,500	$933,300	$1,000,600	$1,050,600	$1,260,000

*Residence Entrance Fees not increased in 2021 from 1/1/2020 published fees

Historical 0% Variable Entrance Fees

Apartment Type	2020*	2022	2023	2024	2025
One Bedroom (Joppa)	$226,500 – $231,500	$241,500 – $246,600	$204,600 – $209,600	$218,900 – $223,900	$239,000 – $244,000
One Bedroom Deluxe (Ruxton I)	$305,000 – $310,000	$325,100 – $330,300	$277,100 – $281,100	$296,500 – $301,500	$323,000 – $328,000
One Bedroom Classic (Ruxton II)	$305,000 – $310,000	$325,100 – $330,300	$277,100 – $282,100	$296,500 – $301,500	$323,000 – $328,000
One Bedroom Traditional (Ruxton III)	$305,000 – $310,000	$325,100 – $330,300	$277,100 – $282,100	$296,500 – $301,500	$323,000 – $328,000
One Bedroom Custom (Chestnut I)	$309,000 – $314,000	$329,400 – $334,600	$349,500 – $354,500	$374,000 – $379,000	$409.000 – $414,000
One Bedroom Special (Chestnut II)	$309,000 – $314,000	$329,400 – $334,600	$349,500 – $354,500	$374,000 – $379,000	$409.000 – $414,000
One Bedroom w/ Den (Charles I)	$335,000 – $340,000	$357,100 – $362,300	$388,400 – $393,400	$415,600 – $420,600	$442,000 – $447,000
One Bedroom Limited (Charles II)	$335,000 – $340,000	$357,100 – $362,300	$388,400 – $393,400	$415,600 – $420,600	$442,000 – $447,000
Two Bedroom (Loyola I)	$414,000 – $420,000	$441,300 – $447,600	$450,600 – $455,600	$525,000 – $530,000	$602.000 – $607,000
Two Bedroom Classic (Loyola II)	$414,000 – $420,000	$441,300 – $447,600	$450,600 – $455,600	$525,300 – $530,300	$602.000 – $607,000
Two Bedroom Traditional (Loyola III)	$414,000 – $420,000	$441,300 – $447,600	$450,600 – $455,600	$525,000 – $530,000	$602.000 – $607,000
Two Bedroom Special (Picadily I)	$421,500 – $427,500	$449,300 – $455,600	$459,300 - $464,300	$534,800 – $539,800	$621,000 - $627,000
Two Bedroom Custom (Picadily II)	$421,500 – $427,500	$449,300 – $455,600	$459,000 – $464,000	$535,100 – $540,100	$621,000 - $627,000
Two Bedroom Master (Greenwood)	$614,000 – $620,000	$654,600 – $660,800	$626,900 – $631,900	$730,400 – $735,400	$914,000 – $919,000
Two Bedroom Grand Master (Bosley)	$675,500 – $681,500	$720,100 – $726,300	$667,000 – $672,000	$772,500 – $777,500	$910,000 – $915,000
Two Bedroom Deluxe (Greenwood II)	$731,500 – $737,500	$779,800 – $786,000	$663,100 – $668,100	$777,000 – $782,000	$952,000 – $957,000
Two Bedroom (Calvert)	$811,500 – $817,500	$865,100 – $871,300	$784,200 – $789,200	$913,600 – $918,600	$1,096,000 – $1,101,000
One Bedroom Deluxe (Ruxton I)	$811,500	$865,100	$784,200	$913,600	$1,096,000

*Residence Entrance Fees not increased in 2021 from 1/1/2020 published fees

ASSISTED LIVING & MEMORY CARE ACCOMMODATIONS* AT CHESTNUT GREEN

ENTRANCE FEES

YEAR	ENTRANCE FEES
2020	$18,000
2021	$18,000
2022	$18,000
2023	$18,850
2024	$19.773
2025	$20,564
2026	$21,541

* A 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 will sign a Return of Capital Assisted Living Direct Admission Residency Agreement . The Entrance Fees for the Return of Capital Assisted Living Direct Admission Residency Agreement are outlined above and the Monthly Service Fees per resident are outlined in this Exhibit C.

ASSISTED LIVING AT CHESTNUT GREEN SERVICE FEES*

Year	Monthly Fee Private Room Kitchenette and Full Bath
2020	$10,745
2021	$10,920
2022	$11,148
2023	$12,096
2024	$12,689
2025	$14,439
2026	$17,227

* Monthly Service Fee for Return of Capital Assisted Living Direct Admission Residency Agreement.

MEMORY CARE AT CHESTNUT GREEN
SERVICE FEES*

Year	Monthly Fee Private Room
2020	$12,326
2021	$12,540
2022	$12,788
2023	$13,875
2024	$14,555
2025	$14,976
2026	$17,843

* Monthly Service Fee for Return of Capital Assisted Living Direct Admission Residency Agreement.

COMPREHENSIVE CARE MONTHLY FEES (PRIVATE ROOM)

2020	2021	2022	2023	2024	2025	2026
$13,431	$13,650	$13,935	$15,119	$15,860	$16,637	$20,136

As a 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 or has signed an Amendment to Residency Agreement Regarding Use of Health Center Due to Pre-Existing Health Condition, that resident can occupy a comprehensive care room at the charges above **(see FOOTNOTE #1 below.)** All comprehensivie care beds are private rooms.

FOOTNOTE #1

The above chart shows the monthly fee a resident will pay if the resident signed a Return of Capital Assisted Living Direct Admission Residency Agreement, resides in assisted living and then transfers to a comprehensive care room.

If there is only one prospective resident and that resident does not qualify for admission into an apartment, that resident may be directly admitted to comprehensive care and sign a private pay agreement, such agreement subject to Department approval, for a room in comprehensive care if the following criteria are met:

- The resident has paid an entrance fee that is at least equal to the lowest entrance fee 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.

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 (shown on the above chart) for a room in comprehensive care.

If 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) that resident 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 above chart shows 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 comprehensive care room during the first two years of that resident's residency.

ROC= Return of Capital
Monthly Fees are based on 365 days
Rates subject to change with forty-five days' notice
Revised 1/16

2026 Additional Fees Schedule

BLAKEHURST

2026 ADDITIONAL FEES SCHEDULE

(All prices include sales tax unless otherwise noted)

I. Activities, Trips & Entertainment **(410) 494-6146**

Please contact the Life Enrichment Team to determine if there would be a charge related to a particular activity, event or trip.

II. Administrative **(410) 296-2900**

Guest Room per night	$	145.00	

III. Residential Health Services **(410) 494-6145**

Services are proved in time units of up to 10 minutes		No charge	
Each time unit used (after the first 6, in full or part)	$	5.00	

Please also refer to the "Residential Health Services at Blakehurst" guide for a greater explanation of services provided.

The RHS Nurse can be reached at (410) 494-6145

IV. Beauty Salon **(410) 494-6151**

HAIR SERVICES			
Color Only (single process)	$	74.00	and up
Color with Style	$	116.00	and up
Comb Out with Iron	$	32.00	
Men's haircut	$	30.00	and up
Women's haircut	$	48.00	and up
Men's Haircut with Shampoo	$	30.00	and up
Women's cut with shampoo & and style	$	85.00	and up
Highlights or Lowlights with Style	$	145.00	and up
Permanent wave (includes cut/style)	$	135.00	and up
Shampoo only	$	15.00	and up
Shampoo set/blow dry	$	42.00	and up
Shampoo set/blow dry long hair	$	45.00	and up
ADD-ON SERVICES			
Conditioner	$	3.00	and up
Rinse	$	3.00	and up
Nioxin Treatment	$	18.00	
NAIL SERVICES			
Manicure	$	35.00	and up
Pedicure	$	62.00	and up
Polish change	$	16.00	and up
Fingernail Trim	$	15.00	and up
Toenail cut with soak	$	38.00	and up

Prices are effective March 1, 2026

BLAKEHURST

2026 ADDITIONAL FEES SCHEDULE

(All prices include sales tax unless otherwise noted)

V. The Corner Shop (410) 494-6150

Purchases in convenience store can be on a cash or charge basis for residents. Charged items will be included on your monthly billing.

Please contact the Corner Shop Coordinator at (410) 494-6147 with questions.

VI. Dining Services (410) 494-1108

Reservations are required for all guests prior to bringing them to the dining venues. Failure to make a reservation will result in a full meal charge of $20

RESIDENT MEALS (assumes all meal credits used)		
Breakfast	$	7.50
Lunch	$	15.00
Dinner	$	15.00
GUEST MEALS (no meal credit)		
Breakfast	$	9.00
Lunch	$	20.00
Dinner	$	20.00
Children (6-12 yrs)	$	9.00
Children (0-5 years)		No charge

**** Sunday Brunches and Holiday Buffets - Guest Meals are $20; no meal credit swapping available*

GUEST MEALS (meal credit is available and used)		
Breakfast	$	5.00
Lunch	$	5.00
Dinner	$	5.00
Children (6-12 yrs)	$	5.00
Children (0-5 years)		No charge

RIDGE PUB

A la carte pricing is printed on the menu, or meal credits may be used.

ROOM / TRAY SERVICE

Room Service Dining (where not previously approved by Residential Health Services)	$	6.00

TERRACE Á LA CARTE DINING (no meal credit used)

Please see the Terrace Room menu

MEAL ABSENCE DISCOUNT

Meal discount applied to monthly statements when resident reaches an absence of 30 days, and does not use meal credits during that time	$	6.25	per day

VII. Dry Cleaning (provided by Glyndon Cleaners) (410) 296-2900

Services are provided by Glyndon Cleaners

Please contact the Concierge for information concerning Dry Cleaning Service.
Billing to apartment residents will be handled directly by the dry cleaner.

BLAKEHURST

2026 ADDITIONAL FEES SCHEDULE

(All prices include sales tax unless otherwise noted)

VIII Housekeeping Services (410) 494-6152

Extra Housekeeping & Other Labor Charges	Per Person/Per Hour	$	18.00
Silverware Polishing	Per Person/Per Hour	$	18.00
Personal Laundry	Per Load	$	8.00
Ironing	10 Minutes	$	3.00

Please contact the Environmental Services Director for an estimate of charges to perform non-routine housekeeping services

IX. Garages (410) 938-8381

Underground and outside garages may be available for an additional entrance and monthly fee. Please contact the Administrative Services Director for availability.

Garage Monthly Fee	$	25.00
Garage Entrance Fee - Indoor	$	15,000.00
Garage Entrance Fee - Outdoor	$	12,000.00

Garage entrance fees are 50% refundable upon termination of agreement

X. Chestnut Green Bundled Charges

Nebulizer/CPAP Bundle	MONTHLY	$	80.00
Incontinence Bundle	MONTHLY	$	200.00
Oxygen Bundle	MONTHLY	$	120.00
Nutritional Bundle 1x Day	MONTHLY	$	80.00
Nutritional Bundle 2x Day	MONTHLY	$	150.00
Nutritional Bundle 3x Day	MONTHLY	$	200.00
Diabetic Bundle	MONTHLY	$	75.00
Wound Care Bundle - Simple	MONTHLY	$	100.00
Wound Care Bundle - Basic	MONTHLY	$	200.00
Wound Care Bundle - Complex	MONTHLY	$	300.00
Wound Supplements Bundle	MONTHLY	$	125.00
Catheter / Urinary Bunder	MONTHLY	$	60.00
Admission Kit	MONTHLY	$	40.00
Specialty Mattress	DAILY	$	8.00

Please call Chestnut Green for questions on pricing: (410) 494-6144

XI. Maintenance Services (410) 494-8221

Please contact the Facilities Director for an estimate of charges to perform non-routine maintenance

BLAKEHURST

BLAKEHURST

2026 ADDITIONAL FEES SCHEDULE

(All prices include sales tax unless otherwise noted)

XII. Therapeutic Services (443) 773-2264

Pricing is for each 15 minute unit.

PHYSICAL THERAPY (PT)

PT Evaluation	$	105.00	
PT Re-Evaluation	$	50.00	
PT Treatment	$	20.00	and up

OCCUPATIONAL THERAPY (OT)

OT Evaluation	$	105.00	
OT Re-Evaluation	$	70.00	
OT Treatment	$	20.00	and up

SPEECH / HEARING / SWALLOWING THERAPY (ST)

Speech and Hearing Evaluation	$	250.00	
Swallowing Evaluation	$	90.00	
ST Treatment	$	20.00	and up

Please contact the Therapeutic Services office for a complete listing of charges

XIII. Transportation Services (410) 938-8385

Please contact the Transportation Coordinator to make arrangements for transportation.

BLAKEHURST SPONSORED TRIPS

Per person roundtrip fee for Series Transportation & Baltimore City	$	5.00
Per person roundtrip fee for Annapolis & the Washington D.C. area	$	10.00
Per person roundtrip fee for Philadelphia area	$	15.00

Other trips will be based on destination-please ask the Transportation Coordinator

PRIVATE TRANSPORT TO TRAVEL DESTINATIONS	Each way cost		
Penn Train Station (Baltimore)	Weekday	$	10.00
	Evening/Weekend	$	15.00
Baltimore cruise terminal	Weekday	$	35.00
	Evening/Weekend	$	45.00
BWI Airport	Weekday	$	50.00
	Evening/Weekend	$	60.00

PRIVATE TRANSORT TO DESTINATIONS OF CHOICE	Distances		
Towson, Lutherville, Timonium, Stoneleigh	0 to 5.9 miles	$	10.00
Cockeysville, Hunt Valley, Perry Hall, Baltimore City	6 to 10.9 miles	$	15.00
Harbor Hospital, Bayview Hospital	11 to 15.9 miles	$	20.00
Longer Weekday trips	16-50 miles (hourly)	$	35.00
Longer Evening/Weekend trips (3 hour minimum)	16-50 miles (hourly)	$	35.00

NOTE: There is a second person charge of $5 for all private trips

EXHIBIT D
FAIR SHARE ALLOCATION FORMULA

FAIR SHARE ALLOCATION. The Fair Share Allocation was implemented on January 1, 1998. The amount of your monthly Service Fee is determined by application of the Fair Share Allocation Formula. The Formula has been developed to apportion the cash requirements for operating the Community (as described in Section 4.1.2 of the Residency Agreement) among its residents. It does not apply to individuals entering into a Return of Capital Assisted Living Direct Admission Residency Agreement.

General. All projected cash requirements (including changes to reserves) necessary to provide accommodations and services to the residents of the Community (including residents of the Community Health Center) are charged to the Community residents through the application of the Fair Share Allocation Formula. Generally, the projected cash requirements are based upon the costs incurred in connection with the operation of the Community for the preceding year as reported in the report of the Operations Division Audit of the Provider with adjustments for inflation or deflation, occupancy rates, changes to reserves, and nonrecurring expenses, and reduced by certain projected operational income (such as fees for services, investment income, etc.) for the upcoming year. Once determined, the projected cash requirements are then allocated among the Community residents based upon the apartment which each resident occupies and the number of residents in the Community.

Fair Share Allocation Formula. Allocation of the total projected annual cash requirements described in Section 4.1.2 of the Residency Agreement to each individual resident's apartment and to all second persons shall be accomplished by:

(1) Multiplying the number of apartments in the Community of each type, and the number of second person residents therein by the following factors, and then summing such products:

Number of One-Bedroom Apartments x 81.9 percent factor
Number of One-Bedroom Deluxe Apartments x 86.3 percent factor
Number of One-Bedroom Classic Apartments x 85.8 percent factor
Number of One-Bedroom Custom Apartments x 90.7 percent factor
Number of One-Bedroom with Den Apartments x 93.1 percent factor
Number of One-Bedroom Limited Apartments x 91.6 percent factor
Number of One-Bedroom Special x 90.2 percent factor
Number of One-Bedroom Traditional x 85.8 percent factor
Number of Two-Bedroom Apartments x 95.4 percent factor
Number of Two-Bedroom Classic Apartments x 98.7 percent factor
Number of Two-Bedroom Custom Apartments x 101.8 percent factor
Number of Two-Bedroom Master Apartments x 103.4 percent factor
Number of Two-Bedroom Deluxe Apartments x 110.5 percent factor

Number of Two-Bedroom Grand Apartments x 125.5 percent factor
Number of Two-Bedroom Traditional x 99.1 percent factor
Number of Two-Bedroom Special x 100.8 percent factor
Number of Two-Bedroom Grand Master x 112.1 percent factor
Number of Two-Bedroom Grand Classic x 136.1 percent factor
Number of Second Persons x 35.8 percent factor

To take into account the combination or addition of different apartments to the Community, or similar events which require the addition of new factors, factors may be added to or deleted from the above formula from time to time.

(2) Multiplying the sum determined above by a factor representing the projected apartment occupancy rate.

Weighted Factor at 100%	297.83
Occupancy Rate (slight variance to budget due to fewer units)	94.91%
Weighted factors adjusted for occupancy	282.67

(3) Dividing the total projected cash requirement determined above by the weighted number of apartments determined under paragraph (1) to arrive at the cash requirement per apartment type.

Cash Requirement (Per Residency Agreement)

Operating Expenses	25.235.475
Less health center income	-6.149.147
Other Apartment related revenue	-0
Other Operating Revenue	-2.198
	19.084.131
Debt Service (Principal, Interest, and Fees)	2.106.961
Capital Replacement Reserve Contrib.	663.649
Capital Costs	1.811.581
Cash Requirement	23.666.321
Budgeted Cash Requirement from Apartment Fees	21.856.089

Cash Requirement

					21.856.089
	/ weighted factors		b		
			a	21.856.089	
Cash Requirement by Unit - annual figure	a/b		77.321	282.67	
Monthly weighted average fee		/12	6.443		

(4) The Fair Share Allocation for each apartment type, and for the second person, is determined by multiplying the cash requirement per apartment type (as described in paragraph (3) above) by the Allocation factor for apartment type (as described in paragraph (1) above) to get the new annual monthly Service Fee for each apartment type.

2nd Person

2nd person Fee	2.322
x 2nd Person Occupancy %	22.33%
Total Number of Apartments	275
Total 2nd Person Monthly Fees	

Assisted Living Rooms

Avg. Assisted Living Monthly Fee		# of beds		
($466 x 365 days / 12 months)	14.17 4	35	496.096	
Total Assisted Living Monthly Fees		35		
Total Monthly Service Fees				
divided by the total number of units				
Average Monthly Service Fee				
Minimum CCRC multiplication factor				
3 Months of Average Monthly Service Fee				

Apartment Type	Requirement Per Unit	Allocation Factor	New Annual Fee	New Fee	Old Fee	Increase %	Market Rate 10% 6/1/2025
One Bdrm	77,321	0.81880936	$63,311	$5,271	$5,025	4.90%	$5,798
One Bdrm Delx	77,321	0.86324343	$66,747	$5,575	$5,315	4.89%	$6,133
One Bdrm Classic	77,321	0.85752659	$66,305	$5,575	$5,315	4.89%	$6,133
One Bedroom Custom	77,321	0.9072694	$70,151	$5,865	$5,591	4.91%	$6,452
One Bedroom Den	77,321	0.93174457	$72,043	$5,959	$5,681	4.90%	$6,555
One Bedroom Limited	77,321	0.91647007	$70,862	$5,959	$5,681	4.90%	$6,555
One Bedroom Special	77,321	0.90196373	$69,741	$5,865	$5,591	4.91%	$6,452
One Bedroom Traditional	77,321	0.85752659	$66,305	$5,575	$5,315	4.89%	$6,133
Two Bedroom	77,321	0.95360928	$73,734	$6,162	$5,874	4.90%	$6,778
Two Bedroom Classic	77,321	0.98698189	$76,314	$6,418	$6,118	4.91%	$7,060
Two Bedroom Custom	77,321	1.01780878	$78,698	$6,552	$6,246	4.89%	$7,207
Two Bedroom Master	77,321	1.03445954	$79,985	$6,671	$6,359	4.91%	$7,338
Two Bedroom Deluxe	77,321	1.10536698	$85,468	$7,150	$6,816	4.89%	$7,865
Two Bedroom Grand	77,321	1.25536671	$97,066	$8,127	$7,747	4.90%	$8,940
Two Bedroom Traditional	77,321	0.99109431	$76,632	$6,418	$6,118	4.91%	$7,060
Two Bedroom Special	77,321	1.00773146	$77,919	$6,552	$6,246	4.89%	$7,207
Two Bedroom Grand Master	77,321	1.12129712	$86,700	$7,231	$6,893	4.91%	$7,954
Two Bedroom Grand Classic	77,321	1.36084145	$105,221	$8,848	$8,435	4.90%	$9,733
Second Persons	77,321	0.35756161	27,647	2,160	2,059	4.91%	$2,376

<u>EXHIBIT E</u>
CERTIFIED FINANCIAL STATEMENT

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Financial Statements

December 31, 2025 and 2024

Table of Contents

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Partners
The Chestnut Real Estate Partnership:

Opinion

We have audited the consolidated financial statements of The Chestnut Real Estate Partnership (the Partnership), which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations, changes in partners' deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Other Matter

The accompanying consolidated financial statements of the Partnership as of December 31, 2024 and for the year then ended were audited by other auditors whose report thereon dated March 5, 2025, expressed an unmodified opinion on those consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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

KPMG

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplemental information

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

KPMG LLP

Chicago, Illinois
April 3, 2026

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Balance Sheets

December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 22,363,996	$ 26,497,025
Resident accounts receivable, net	883,802	1,159,200
Accrued interest receivable from partners	86,296	90,541
Prepaid expenses and other	1,366,071	1,171,011
Assets limited as to use or restricted	6,168,689	13,756,038
Notes receivable from partners, current portion	699,673	681,972
Total current assets	31,568,527	43,355,787
Notes receivable from partners, less current portion	12,956,567	13,656,240
Operating property, net	61,849,679	57,304,267
Costs of acquiring initial continuing care contracts, net	365,109	307,594
Derivative instrument	74,592	529,383
Total assets	$ 106,814,474	$ 115,153,271
Liabilities and Partners' Deficit		
Current liabilities:		
Term loan payable, current portion	$ 754,510	$ 714,221
Construction costs payable	39,183	2,205,299
Accounts payable and accrued expenses	2,676,386	1,865,409
Refundable deposits from prospective residents	1,796,700	630,580
Loans from residents, current portion	637,500	1,082,274
Total current liabilities	5,904,279	6,497,783
Deferred revenue	42,073,970	37,070,285
Term loan payable, net	26,480,108	27,212,452
Loans from residents	127,212,371	127,855,227
Total liabilities	201,670,728	198,635,747
Partners' deficit	(94,856,254)	(83,482,476)
Total liabilities and partners' deficit	$ 106,814,474	$ 115,153,271

See accompanying notes to consolidated financial statements.

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Statements of Operations

Years Ended December 31, 2025 and 2024

	2025	2024
Revenues:		
Independent living revenues	$ 22,502,287	$ 20,390,829
Assisted living and memory care revenues	2,324,517	2,268,066
Healthcare revenues	3,268,867	3,614,665
Amortization of nonrefundable entrance payments	4,811,809	4,429,467
Other revenues	26,141	8,709
Total revenues	32,933,621	30,711,736
Operating expenses:		
General and administrative	6,369,121	6,324,632
Plant	4,157,377	3,380,744
Environmental services	1,971,731	1,975,447
Dietary	5,083,649	4,476,498
Medical and resident care	7,828,076	8,044,063
Depreciation and amortization	4,382,323	3,723,030
Total operating expenses	29,792,277	27,924,414
Income from operations	3,141,344	2,787,322
Other expense:		
Interest expense, net, including interest accretion	(336,393)	(541,684)
Unrealized loss on derivative instrument	(454,791)	(286,193)
Loss on disposal of assets	(323,938)	(32,388)
Total other expense	(1,115,122)	(860,265)
Net income	$ 2,026,222	$ 1,927,057

See accompanying notes to consolidated financial statements.

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Statement of Partners' Deficit

Years Ended December 31, 2025 and 2024

Partners' deficit at December 31, 2023	$ (79,797,033)
Distributions to partners	(5,612,500)
Net income	1,927,057
Partners' deficit at December 31, 2024	(83,482,476)
Distributions to partners	(13,400,000)
Net income	2,026,222
Partners' deficit at December 31, 2025	$ (94,856,254)

See accompanying notes to consolidated financial statements.

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Net income	$ 2,026,222	$ 1,927,057
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,382,323	3,723,030
Amortization of debt issuance costs	22,167	33,755
Amortization of nonrefundable entrance payments	(4,811,809)	(4,429,467)
Additions to cost of acquiring initial continuing care contracts	(105,375)	-
Unrealized loss on derivative instrument	454,791	286,193
Loss on disposal of assets	323,938	32,388
Change in operating assets and liabilities:		
Accounts receivable	(108,973)	(458,753)
Prepaid expenses and other	(195,060)	496,999
Accrued interest receivable from partners	4,245	4,407
Refundable deposits	-	40,000
Accounts payable and accrued expenses	430,466	145,502
Refundable deposits from prospective residents	1,166,120	(330,925)
Deferred revenue	9,909,965	9,913,134
Net cash provided by operating activities	13,499,020	11,383,320
Cash flows from investing activities:		
Additions to operating property	(10,883,794)	(7,763,598)
Proceeds from notes receivable from partners	681,972	664,724
Other	-	(122,124)
Net cash used in investing activities	(10,201,822)	(7,220,998)
Cash flows from financing activities:		
Distributions to partners	(13,400,000)	(5,612,500)
Payment of term loan payable	(714,222)	(676,084)
Proceeds from loans from residents	11,734,907	11,294,776
Repayment of loans from residents	(12,638,261)	(7,923,879)
Net cash used in financing activities	(15,017,576)	(2,917,687)
Net (decrease) increase in cash, cash equivalents and restricted cash	(11,720,378)	1,244,635
Cash, cash equivalents and restricted cash:		
Beginning	40,253,063	39,008,428
Ending	$ 28,532,685	$ 40,253,063

(Continued)

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidated Statements of Cash Flows

Years Ended December 31, 2025 and 2024

		2025		2024
Reconciliation of cash, cash equivalents and restricted cash:				
Cash and cash equivalents	$	22,363,996	$	26,497,025
Assets limited as to use or restricted		6,168,689		13,756,038
Total cash, cash equivalents and restricted cash	$	28,532,685	$	40,253,063
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest	$	1,726,393	$	2,018,357
Supplemental disclosure of noncash operating, investing and financing activities:				
Purchase of operating property on accounts payable and accrued expenses	$	610,367	$	223,214
Purchase of operating property on construction costs payable	$	39,183	$	2,205,299

See accompanying notes to consolidated financial statements.

(1) Organization

(a) Organization

The consolidated financial statements include The Chestnut Real Estate Partnership (the Real Estate Partnership) and its 98% owned subsidiary The Chestnut Partnership (the Partnership). The Real Estate Partnership is owned 50% by Chestnut Village LLC (Chestnut Village) and 50% by West Joppa Road Limited Partnership (West Joppa). Chestnut Village and West Joppa each own 1% of the remaining 2% of the Partnership.

The Real Estate Partnership and the Partnership (the Partnerships), both Maryland general partnerships, were formed in 1990 to hold title to and operate a senior living community located in Towson, Maryland (the Community).

The Partnerships entered into a long-term operating and use agreement in 1992. This grants the Partnership use of the property until the earlier of (a) December 31, 2050 and (b) dissolution, liquidation, or other termination by mutual agreement. The agreement requires the Partnership to pay all costs associated with the construction, equipping, and furnishing of the Community. The agreement also provides for an annual fee to be paid by the Partnership to the Real Estate Partnership, if necessary, for federal income tax purposes.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Real Estate Partnership and its subsidiary, the Partnership (collectively, the Partnerships). The existence of the Partnerships is perpetual. Intercompany transactions and balances between the consolidated entities have been eliminated in the preparation of the accompanying consolidated financial statements.

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). Because the Real Estate Partnership is majority owner of the Partnership and the remaining 2% is under common ownership by West Joppa and Chestnut Village, the consolidated financial statements are presented without noncontrolling interest.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

(c) Cash and Cash Equivalents

The Partnerships consider investments with maturities of three months or less when purchased to be cash equivalents.

As of December 31, 2025 and 2024, the state of Maryland requires that an operating reserve be established in the amount of 25% of operating expenses plus interest expense (excluding interest on debt service or interest reserve accounts), excluding depreciation and amortization. The operating reserve is calculated based on the most recent fiscal year for which a certified consolidated financial statement is available. Therefore, the required reserve for the year ended December 31, 2025 is calculated using operating expenses reported in the certified consolidated financial statements for the year ended December 31, 2024. The Partnerships have the required amount of $6,050,346 and $5,622,571 in cash and cash equivalents at December 31, 2025 and 2024, respectively.

(d) Concentrations of Credit Risk

The Partnerships maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Partnerships have not experienced any losses in such accounts. The Partnerships believe they are not exposed to any significant credit risk on cash and cash equivalents.

The Partnerships extend credit to their private pay residents, as well as those that are insured under third-party payor agreements. The mix of receivables from residents and third-party payors as of December 31, 2025 and 2024 is as follows:

	2025	2024
Private Pay	51%	59%
Medicare	13%	10%
Commercial insurance and health maintenance organizations	36%	31%
	100%	100%

(e) Assets Limited as to Use or Restricted

Assets limited as to use or restricted include cash and cash equivalents.

Entrance payments, prior to occupancy, remain the property of the prospective residents until released to the Partnerships under the terms of the residency agreement. The balance of the deposits held at December 31, 2025 and 2024, was $1,796,700 and $630,580, respectively.

The capital replacement reserve was established pursuant to the residency agreements for improving or replacing capital items which cost over $50,000 and is funded through monthly fees. The amount held in reserve at December 31, 2025 and 2024, was $883,807 and $2,374,010, respectively.

The debt service reserve was established pursuant to the term loan payable, which required annual funding through 2021. The Partnerships are able to use these funds as needed to pay their debt service obligation. The account was closed in May 2025. The amount held in reserve for debt service at December 31, 2024 was $1,970.

The construction reserve is maintained by the Partnerships at the election of management to fund the major interior renovations completed at the Community during 2024 and 2025 and future renovation work. The amount held in reserve at December 31, 2025 and 2024, was $3,488,182 and $10,749,478, respectively.

During the year ended December 31, 2015, the Partnerships voluntarily agreed to include new terms in future residency agreements that would require the Partnerships to establish a reserve account equal to certain percentages of the loans from residents if the occupancy level of independent living units were to fall below 90% during the calendar year. The average independent living occupancy percentage was 96.2% and 92.8% for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the independent living occupancy level was above these required thresholds; therefore, no reserve was required.

(f) Accounts Receivable

Accounts receivable are reported net of an allowance for credit losses to represent the Partnerships' estimate of expected losses at the balance sheet date. The adequacy of the Partnerships' allowance for credit losses is reviewed on an ongoing basis using analyses of receivable portfolios by payor source and receivable aging, a review of specific accounts, as well as expected future economic conditions and market trends. Adjustments are made to the allowance as necessary.

A rollforward of the allowance for credit losses is as follows:

		Allowance for credit losses
Balance at January 1, 2024	$	(52,490)
Write-offs		533
Recoveries		-
Provision for credit losses		18,702
Balance at December 31, 2024	$	(33,255)
Write-offs		12,325
Recoveries		-
Provision for credit losses		(17,332)
Balance at December 31, 2025	$	(38,262)

(g) Operating Property

Operating property is carried at cost. Subsequent costs of betterments and improvements are capitalized as a component of the cost basis. Repairs and maintenance charges that do not increase the useful lives of the assets are charged as expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

The Partnerships evaluate the recoverability of the carrying value of the operating property whenever events or circumstances indicate the carrying amount may not be recoverable. If circumstances require operating property be tested for possible impairment, the Partnerships first compare the carrying amount of the operating property to the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the operating property. If the carrying amount of the operating property is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. No impairment was recognized during the years ended December 31, 2025 and 2024.

(h) Costs of Acquiring Initial Continuing Care Contracts

Costs of acquiring contracts (Contract Costs) are incremental costs incurred in obtaining a residency agreement that would not have been incurred had the residency agreement not been obtained. Contract Costs are associated with individual agreements and amortized based on the remaining life expectancy of those residents. The Contract Costs were $454,625 and $369,500 with accumulated amortization of $89,516 and $61,906 as of December 31, 2025 and 2024, respectively, and are presented as costs of acquiring initial continuing care contracts on the balance sheets. For the years ended December 31, 2025 and 2024, amortization expense was $45,923 and $46,105, respectively.

(i) Income Taxes

The Partnerships are treated as pass-through entities for income tax purposes. As a result, any income or loss will be reported on the income tax returns of the partners based upon their share. Accordingly, no provision for income taxes has been included in these consolidated financial statements. In certain instances, the Partnerships may be subject to state and local income taxes which are not material to the financial statements.

The Partnerships had no uncertain tax positions which would require the Partnerships to record a tax exposure liability as of and for the years ended December 31, 2025 and 2024. The Partnerships expect no significant increases or decreases in unrecognized tax benefits due to changes in tax position within one year of December 31, 2025. The Partnerships had no significant interest or penalties relating to income taxes recognized in the accompanying financial statements as of and for the years ended December 31, 2025 and 2024. The Partnerships' income tax filings are subject to examination by various taxing authorities; open examination periods are generally 2022 and forward. Management believes that the Partnerships have adequately addressed all relevant tax positions and that there are no unrecorded liabilities.

(j) Derivative Instrument

The Partnerships hold an interest rate cap agreement to manage the interest rate risk exposure on their term loan payable. The interest rate cap agreement is considered a derivative instrument. The interest rate cap agreement does not qualify as a hedging instrument. The interest rate cap agreement is reported at fair value and is considered level 2 in the fair value hierarchy. Changes in fair value are recorded as a component of interest expense on the statement of operations.

(k) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The carrying amounts of cash and cash equivalents approximate fair value due to the short-term nature of these instruments.

(l) Debt Issuance Costs

The Partnerships present debt issuance costs as a direct deduction from the face amount of the related loan and amortizes them over the term of the related loan using the straight-line method, which approximates the effective interest method. Amortization is presented as a component of interest expense.

(m) Revenue Recognition

The Partnerships only have revenue from residents. The Partnerships recognize revenue when they satisfy performance obligations under the terms of their residency agreements, and control of their services is transferred to their residents in an amount that reflects the consideration the Partnerships expect to receive from their residents in exchange for those services. This process involves identifying the residency agreement, determining the performance obligations in the agreement, determining the transaction price, allocating the transaction price to the distinct performance obligations in the agreement, if applicable, and recognizing revenue when the performance obligations have been satisfied.

Resident revenue is reported at the amount that reflects the consideration to which the Partnerships expect to be entitled to for providing resident services.

The Community operates as a fair share community. Residents pay a monthly fee, determined annually. The residency agreements provide that residents pay the funds required to operate the Community, which includes all operating expenses, debt service for nonresident debt, repairs and replacements, capital improvements, and working capital.

Resident fees for independent living, assisted living, and memory care units consist of monthly charges for housing, care, and support services. Revenue from resident fees and services is predominantly service-based and generally is recognized monthly as services are provided. Residents are also charged a one-time, nonrefundable working capital fee, which is payable upon move-in and recognized as revenue at that time. Agreements with residents generally have varying terms and are cancellable by the resident with 30 days' notice. We have elected the lessor practical expedient within ASC 842, *Leases*, and recognize and disclose the revenues for resident agreements based on the predominant component, generally the non-lease service component, under ASC 606, *Revenue from Contracts with Customers*.

Healthcare revenues consist of charges for skilled nursing services. The Partnerships have agreements with third-party payors that provide payments to the entities for healthcare services at amounts different from established rates. Payment arrangements include prospectively determined per diem payments. Resident fees for healthcare revenues are reported at the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors and implicit price concessions provided to residents.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Partnerships estimate the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. Subsequent changes that are determined to be the result of an adverse change in the residents' ability to pay are recorded as bad debt expense.

The Community is an entrance fee community, and therefore, prior to admission, a resident makes an entrance payment consisting of a nonrefundable portion and may also include a refundable portion. The resident agreements offer different contract terms, which vary in terms of how much of the entrance fee is refundable upon move-out, temporarily refundable until a period of time has passed, or nonrefundable. Amortization of nonrefundable entrance payments is recognized over the estimated stay of the resident on the statements of operations. Refundable portions of the entrance payments are included in resident contract liabilities on the accompanying balance sheet and are generally repaid upon move out and re-occupancy of the residence. The Partnerships use third-party actuarial data to determine the estimated remaining stay of each resident based on demographic data.

There may be ancillary services provided that are not included in the monthly fees that are considered separate performance obligations for which revenue is recognized as the services are provided.

See Note 7 for additional information on healthcare revenues.

(n) Reclassifications

The Partnerships have reclassified certain amounts relating to their prior period results to conform to their current period presentation. These reclassifications have not changed the results of operations of prior periods.

(3) Related-Party Transactions

The Partnerships have made loans to the partners in lieu of capital distributions. Accrued interest receivable on these loans at December 31, 2025 and 2024 is $86,296 and $90,541, respectively. Interest income on the loans totaled $413,239 and $369,016 during the years ended December 31, 2025 and 2024, respectively, and are presented within interest expense, net, including interest accretion on the statements of operations.

A summary of the principal balance of the loans to partners as of December 31, 2025 and 2024, is as follows:

Description	2025	2024
Notes receivable due in quarterly installments of principal and interest of $179,770, bearing interest at 2.71% per annum with all remaining unpaid principal and interest due January 1, 2030	$ 8,397,952	$ 8,881,234
Notes receivable due in quarterly installments of principal and interest of $41,338, bearing interest at 2.58% per annum with all remaining unpaid principal and interest due April 1, 2031	2,601,715	2,698,383
Notes receivable due in quarterly installments of principal and interest of $38,428, bearing interest at 1.90% per annum with all remaining unpaid principal and interest due October 2, 2031	2,656,573	2,758,595
Subtotal	$ 13,656,240	$ 14,338,212
Less: Current maturities	(699,673)	(681,972)
Total	$ 12,956,567	$ 13,656,240

The Partnerships have a management agreement with Life Care Services LLC (LCS) (affiliated through common ownership of Chestnut Village), for management of the Community. Under the terms of the agreement, LCS supervises the operations of the Community and provides employment services for the Community through LCS Community Employment LLC (LCE) (affiliated through common ownership of Chestnut Village). Management fees of $1,389,863 and $1,302,190 were incurred for the year ended December 31, 2025 and 2024, respectively, and are presented as general and administrative expenses on the statements of operations. Additionally, LCS periodically funds Community costs incurred and is subsequently reimbursed by the Community. As of December 31, 2025 and 2024, the Partnerships had a payable to LCS of $106,962 and $92,391, respectively, which is presented as a component of accounts payable and accrued expenses on the balance sheets.

The Partnerships have a development agreement with LCS Development LLC (LCSD) (affiliated through common ownership of Chestnut Village) to coordinate the planning and development, financing, initial occupancy development, and design and construction of projects at the Community. As of December 31, 2025 and 2024, the Partnerships had a payable to LCSD of $716 and $14,118, respectively, which is presented as a component of accounts payable and accrued expenses on the balance sheets.

(4) Residency Agreements

The Partnerships have entered into Agreements with residents and prospective residents of the Community. The Agreements provide for the lifetime use of an apartment with payment of an entrance payment which is either nonrefundable, or has a nonrefundable portion and a refundable portion. At the time of occupancy, the refundable portion is presented as loans from residents on the balance sheets. If all contracts terminated on December 31, 2025, the refundable portion of the entrance payments due to all residents would be approximately $127,212,000.

The nonrefundable portion is presented as deferred revenue on the balance sheets and is amortized to revenue as described in Note 2(m). A rollforward of deferred revenue is as follows:

		Deferred Revenue
Balance at January 1, 2024	$	31,870,766
Amortization of nonrefundable entrance payments		(4,429,467)
Proceeds from nonrefundable entrance payments		9,628,986
Nonrefundable entrance payments repaid		-
Balance at December 31, 2024	$	37,070,285
Amortization of nonrefundable entrance payments		(4,845,146)
Proceeds from nonrefundable entrance payments		9,842,061
Nonrefundable entrance payments repaid		-
Reclasses		6,770
Balance at December 31, 2025	$	42,073,970

The increase in deferred revenue in 2025 can be attributed to increased move-in activity during the year.

Entrance payments are held as property of prospective residents and released to the Partnerships after various contractual and regulatory requirements have been met. Prior to occupancy, entrance payments are refundable, subject to limitations in the Agreements. The balance of deposits that were held and refundable at December 31, 2025 and 2024, was $1,504,200 and $375,880, respectively, and are presented as refundable deposits from prospective residents on the balance sheets.

The Community has a wait list program where a prospective resident can pay a deposit and be on a wait list for a certain unit. The balance of deposits that were held and refundable at December 31, 2025 and 2024, was $292,500 and $254,700, respectively, and are presented as refundable deposits from prospective residents on the balance sheets.

(5) Operating Property

Operating property consists of the following at December 31, 2025 and 2024:

	Estimated Useful Lives	2025	2024
Land		$ 6,178,644	$ 6,178,644
Land improvements	20 years	5,419,459	5,315,320
Buildings and fixed equipment	5-40 years	99,601,706	89,489,205
Equipment and furnishings	3-10 years	14,722,066	10,919,731
		125,921,875	111,902,900
Less accumulated depreciation		(64,369,657)	(62,515,369)
		61,552,218	49,387,531
Remodel projects in progress		297,461	7,916,736
		$ 61,849,679	$ 57,304,267

(6) Term Loan Payable

On March 1, 2023, the Partnerships entered into a Term Loan Payable for $30,319,623 with a maturity date of March 1, 2027. The Term Loan Payable requires monthly principal and interest payments. Borrowings under the loan bear interest at a variable rate equal to the sum of Term Secured Overnight Financing Rate (SOFR) and an applicable margin of 1.56% (5.43% at December 31, 2025).

As of December 31, 2025, aggregate maturities of the Term Loan Payable are as follows:

Years ending December 31:	
2026	$ 754,510
2027	26,505,970
	27,260,480
Less unamortized deferred debt issuance costs	(25,862)
Total	$ 27,234,618

The derivative instrument caps SOFR at 3.35%. The estimated fair value of the derivative instrument was $74,592 and $529,383 at December 31, 2025 and 2024, respectively.

The Term Loan Payable is secured by substantially all of the Partnerships' assets, including entrance fees, and is subject to restrictive covenants that require compliance with specified terms. As of December 31, 2025, the Partnerships were in compliance with all restrictive covenants under the Term Loan Payable.

Debt issuance costs of $758,401 are being amortized over the life of the loan. Accumulated amortization related to the debt issuance costs was $732,539 and $710,372 at December 31, 2025 and 2024, respectively. Interest expense related to the debt issuance costs was $22,167 and $33,755 for the years ended December 31, 2025 and 2024, respectively.

(7) Healthcare Revenues

The Partnerships have agreements with third-party payors that provide for payments to the Partnerships at amounts different from their established rates. A summary of the payment arrangements with the major third-party payors follows:

Medicare

The Partnerships participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The Partnerships are paid under the Patient Driven Payment Model (PDPM) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing services. Under PDPM, the basis for reimbursement is determined by the underlying complexity and clinical needs of a patient. In addition, PDPM utilizes variable adjustment factors that change reimbursement rates during the resident's length of stay.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. As a result of investigations by government agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs.

Healthcare revenues from the Medicare program accounted for approximately 27.6% and 23.8% of total healthcare revenues during the years ended December 31, 2025 and 2024, respectively. Revenues from the Medicare program accounted for approximately 2.7% and 2.8% of total revenues during the years ended December 31, 2025 and 2024, respectively.

(8) Employee Benefit Retirement Plan

Available to all eligible employees of LCE is a defined contribution employee retirement benefit plan (the Plan). The Partnerships incurred matching contributions of $191,095 and $176,167 that are recorded in operating expenses during the years ended December 31, 2025 and 2024, respectively. The Plan matches 100% of the first 3% of the participant's eligible contributions plus 50% of the next 2% of eligible contributions.

(9) Partners' Deficit

The Partnerships are managed by the Partners. Under the terms of the operating agreement the Partners may but are not required to make any additional capital contributions to the Partnerships, and distributions are made to the Partners at such times and in the amounts as determined by the Partners.

(10) Commitments and Contingencies

The Community in the normal course of operations is exposed to risk and involvement in legal actions and proceedings. To the extent available at costs believed reasonable by the Community, it maintains insurance coverage for various types of risk. Based on the Community's past experience, management believes that any legal actions or proceedings will not have a material effect on the financial position of the Community.

Because of the various regulations surrounding government-reimbursed medical costs, there can be no assurance that the reimbursements will be equal to or exceed costs to provide such services.

(11) Subsequent Events

Subsequent events have been evaluated through April 3, 2026, the date financial statements were available to be issued. Through that date, there were no subsequent events requiring recognition or disclosure.

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidating Balance Sheet

December 31, 2025

	The Chestnut Partnership	The Chestnut Real Estate Partnership	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 22,363,996	$ -	$ -	$ 22,363,996
Resident accounts receivable, net	883,802	-	-	883,802
Accrued interest receivable from partners	86,296	-	-	86,296
Prepaid expenses and other	1,366,071	-	-	1,366,071
Assets limited as to use or restricted, current portion	6,168,689	-	-	6,168,689
Notes receivable from partners, current portion	699,673	-	-	699,673
Total current assets	31,568,527	-	-	31,568,527
Notes receivable from partners, less current portion	12,956,567	-	-	12,956,567
Operating property, net	682,931	61,166,748	-	61,849,679
Costs of acquiring initial continuing care contracts, net	365,109	-	-	365,109
Derivative instrument	74,592	-	-	74,592
Total assets	$ 45,647,726	$ 61,166,748	$ -	$ 106,814,474
Liabilities and Partners' Deficit				
Current liabilities:				
Term loan payable, current portion	$ 754,510	$ -	$ -	$ 754,510
Construction costs payable	39,183	-	-	39,183
Accounts payable and accrued expenses	2,676,386	-	-	2,676,386
Refundable deposits from prospective residents	1,796,700	-	-	1,796,700
Loans from residents, current portion	637,500	-	-	637,500
Total current liabilities	5,904,279	-	-	5,904,279
Deferred revenue	42,073,970	-	-	42,073,970
Term loan payable, less current portion, net	26,480,108	-	-	26,480,108
Loans from residents	127,212,371	-	-	127,212,371
Deficit of The Chestnut Partnership	-	156,023,002	(156,023,002)	-
Total liabilities	201,670,728	156,023,002	(156,023,002)	201,670,728
Partners' deficit	(156,023,002)	(94,856,254)	156,023,002	(94,856,254)
Total liabilities and partners' deficit	$ 45,647,726	$ 61,166,748	$ -	$ 106,814,474

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidating Statement of Operations

Year Ended December 31, 2025

	The Chestnut Partnership	The Chestnut Real Estate Partnership	Eliminations	Total
Revenues:				
Independent living revenues	$ 22,502,287	$ -	$ -	$22,502,287
Assisted living and memory care revenues	2,324,517	-	-	2,324,517
Healthcare revenues	3,268,867	-	-	3,268,867
Amortization of nonrefundable entrance payments	4,811,809	-	-	4,811,809
Other revenues	26,141	-	-	26,141
Income from The Chestnut Partnership	-	6,512,120	(6,512,120)	-
Total revenues	32,933,621	6,512,120	(6,512,120)	32,933,621
Operating expenses:				
General and administrative	6,369,121	-	-	6,369,121
Plant	4,157,377	-	-	4,157,377
Environmental services	1,971,731	-	-	1,971,731
Dietary	5,083,649	-	-	5,083,649
Medical and resident care	7,828,076	-	-	7,828,076
Depreciation and amortization	225,013	4,157,310	-	4,382,323
Total operating expenses	25,634,967	4,157,310	-	29,792,277
Income from operations	7,298,654	2,354,810	(6,512,120)	3,141,344
Other expense:				
Interest expense, net, including interest accretion	(336,393)	-	-	(336,393)
Unrealized loss on derivative instrument	(454,791)	-	-	(454,791)
Gain (loss) on disposal of assets	4,650	(328,588)	-	(323,938)
Total other expense	(786,534)	(328,588)	-	(1,115,122)
Net income	$ 6,512,120	$ 2,026,222	$(6,512,120)	$ 2,026,222

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidating Statement of Partners' Deficit

Year Ended December 31, 2025

	The Chestnut Partnership	The Chestnut Real Estate Partnership	Eliminations	Total
Partners' deficit at December 31, 2024	$ (132,729,062)	$ (83,482,476)	$ 132,729,062	$ (83,482,476)
Distributions to partners	(13,400,000)	(13,400,000)	13,400,000	(13,400,000)
Transfer of operating property to the Chestnut Real Estate Partnership	(16,406,060)	-	16,406,060	-
Net income	6,512,120	2,026,222	(6,512,120)	2,026,222
Partners' deficit at December 31, 2025	(156,023,002)	(94,856,254)	156,023,002	(94,856,254)

THE CHESTNUT REAL ESTATE PARTNERSHIP

Consolidating Statement of Cash Flows
Year Ended December 31, 2025

	The Chestnut Partnership	The Chestnut Real Estate Partnership	Eliminations	Total
Cash flows from operating activities:				
Net income	$ 6,512,120	$ 2,026,222	$ (6,512,120)	$ 2,026,222
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	225,013	4,157,310	-	4,382,323
Amortization of debt issuance costs	22,167	-	-	22,167
Amortization of nonrefundable entrance payments	(4,811,809)	-	-	(4,811,809)
Additions to cost of acquiring initial continuing care contracts	(105,375)	-	-	(105,375)
Partnership income	-	(6,512,120)	6,512,120	-
Unrealized loss on derivative instrument	454,791	-	-	454,791
(Gain) loss on disposal of assets	(4,650)	328,588	-	323,938
Change in operating assets and liabilities:				
Accounts receivable	(108,973)	-	-	(108,973)
Prepaid expenses and other	(195,060)	-	-	(195,060)
Accrued interest receivable from partners	4,245	-	-	4,245
Accounts payable and accrued expenses	430,466	-	-	430,466
Refundable deposits from prospective residents	1,166,120	-	-	1,166,120
Deferred revenue	9,909,965	-	-	9,909,965
Net cash provided by operating activities	13,499,020	-	-	13,499,020
Cash flows from investing activities:				
Additions to operating property	(10,883,794)	-	-	(10,883,794)
Proceeds from notes receivable from partners	681,972	-	-	681,972
Distributions from subsidiary	-	13,400,000	(13,400,000)	-
Net cash used in investing activities	(10,201,822)	13,400,000	(13,400,000)	(10,201,822)
Cash flows from financing activities:				
Distributions to partners	(13,400,000)	(13,400,000)	13,400,000	(13,400,000)
Payment of term loan payable	(714,222)	-	-	(714,222)
Proceeds from loans from residents	11,734,907	-	-	11,734,907
Repayment of loans from residents	(12,638,261)	-	-	(12,638,261)
Net cash used in financing activities	(15,017,576)	(13,400,000)	13,400,000	(15,017,576)
Net increase in cash, cash equivalents and restricted cash	(11,720,378)	-	-	(11,720,378)
Cash, cash equivalents and restricted cash:				
Beginning	40,253,063	-	-	40,253,063
Ending	$ 28,532,685	$ -	$ -	$ 28,532,685