

***Maplewood Park Place
Disclosure Statement
June 2025***

The issuance of a certificate of registration does not constitute approval, recommendation, or endorsement of the facility by the Department of Aging, and is neither evidence of, nor does it attest to, the accuracy or completeness of the information set out in the disclosure statement.

Table of Contents

| | |
|----------------------------------------------------------------------------------|-----------|
| Section 1. Introduction and Description of Community | 1 |
| A. Introduction | 1 |
| B. Description of Facility | 1 |
| (1) Residential Unit | 2 |
| (a) The Cooperative and Equity Benefits | 2 |
| (b) The Apartments | 2 |
| (c) The Stock Purchase Agreement | 2 |
| (d) Description of the Stock | 2 |
| (e) The Occupancy Agreement..... | 3 |
| (2) The Community Services and Healthcare Unit | 3 |
| (a) The Community Services Facility | 3 |
| (b) The Garden Level/Health Center | 3 |
| (3) Services Provided Under the Services Agreement | 3 |
| (4) Health Care Services Provided | 4 |
| Section 2. Organizational Structure and Management of the Providers | 4 |
| A. Cooperative | 4 |
| B. Services Corporation | 4 |
| Section 3. Statement Regarding Affiliation | 5 |
| Section 4. Description of Fees | 5 |
| A. Entrance Fee | 5 |
| B. Fees to Cooperative | 5 |
| (1) Occupancy Fees | 5 |
| (2) Real Property Taxes | 5 |
| (3) Termination of Occupancy Fee Upon Sale of Stock | 5 |
| C. Fees to the Services Corporation | 5 |
| D. Termination of Resident Agreement | 6 |
| E. Fee Changes | 6 |
| Section 5. Operating Reserves | 10 |
| Section 6. Certified Financial Statements | 10 |
| Section 7. Long Term Financing for the Facility | 10 |
| Section 8. Financial Feasibility Study | 10 |
| Section 9. Cash Flow Forecast Statement | 10 |

| | |
|--------------------------------------------------------------------------------------------------------|-----------|
| Section 10. Officers and Directors of the Providers | 10 |
| A. Cooperative | 10 |
| B. Services Corporation | 11 |
| Section 11. Certain Affiliations with Officers and Directors of the Providers | 12 |
| Section 12. The Manager of the Community | 12 |
| Section 13. Certain Information Regarding Officers and Directors | 12 |
| Section 14. Form of Governance of the Providers | 12 |
| A. Cooperative | 12 |
| B. Services Corporation | 12 |
| C. Statement Regarding Meetings | 12 |
| D. Statement Regarding Governing Body Representation by Residents | 13 |
| E. Statement Regarding Nomination of Representation by Residents | 13 |
| F. Statement Regarding Availability of Documents | 13 |
| Section 15. Information Regarding Certificate of Registration | 13 |
| Section 16. Services Provided to Residents | 13 |
| Section 17. Amendments to Disclosure Statement | 13 |
| Section 18. Renovations and Expansions | 13 |
| Section 19. Surcharge | 14 |
| Section 20. Resident Association | 14 |
| Section 21. Internal Grievance Procedure | 14 |
| Section 22. Assisted Living Program Services | 15 |
| Section 23. Miscellaneous Information | 17 |
| (A) Applicability of Certain Laws | 17 |
| (1) Cooperative Housing Corporation Law | 17 |
| (2) Taxation | 17 |
| (3) Healthcare Regulation | 18 |
| (4) Condominium Laws | 18 |
| (B) Additional Information | 18 |

MAPLEWOOD PARK PLACE

DISCLOSURE STATEMENT

June 30, 2025

SECTION 1. INTRODUCTION AND DESCRIPTION OF THE COMMUNITY

A. Introduction.

This Disclosure Statement is intended to provide certain information about Maplewood Park Place, a senior living, lifecare community located at 9707 Old Georgetown Road, Bethesda, Maryland (the "*Community*"). This document is only a summary of certain aspects of the structure and operation of the Community, and is not intended to be a complete description. PLEASE READ ALL OF THE AGREEMENTS AND OTHER DOCUMENTS INCLUDED AS EXHIBITS TO THIS DISCLOSURE STATEMENT AND INCLUDED IN THE COMMUNITY DOCUMENTS BOOK OF WHICH THIS DISCLOSURE STATEMENT IS A PART VERY CAREFULLY BEFORE MAKING A PURCHASE DECISION.

Pursuant to §10-424 and 10-425 of the Human Services Article of the Annotated Code of Maryland ("*Maryland's Continuing Care law and regulations*"), a disclosure statement containing the information contained herein is required to be given (i) to all prospective subscribers of the Community before payment of any part of the entrance fee or execution of a continuing care agreement, and (ii) annually to all residents of the Community upon request. The section numbers used in this Disclosure Statement correspond to the paragraphs of §10-425 which set forth the information required in each such section, except that some of the requirements set forth in §10-425(21) are set forth in Section 23 below, and the description set forth in Section 22 below is required by §10-425 of the Maryland's Continuing Care law and regulations.

B. Description of the Facility.

The Community is a full service, lifecare community, which qualifies as a "continuing care" community under Maryland law. The Community is structured as a condominium with two **Provider units located at 9707 Old Georgetown Road, Bethesda, MD:** (1) an independent living unit, owned by Maplewood Park Place Cooperative Housing Corporation, a Maryland cooperative housing corporation (the "*Cooperative*"), offering its residents the benefits of equity home ownership in a cooperative housing corporation, and containing 207 one, two, and three bedroom apartments in two separate portions of the Community building (the "*Residential Unit*"); and (2) a community services and healthcare unit (the "*Community Services and Healthcare Unit*"), containing community services facilities (the "*Community Services Facility*") and a health center (the "*Garden Level/Health Center*"). The Garden Level/Health Center is currently licensed for 29-assisted living beds and 31 semi-private and private comprehensive care ("*nursing care*") beds, and has the authority to convert up to 13 of the assisted living beds to nursing care beds. Access to the Garden Level/Health Center is limited to residents of the Community. The Community Services and Healthcare Unit is owned by Maplewood Park Place Retirement Services, Inc., a Maryland non-stock corporation (the "*Services Corporation*"). (The Cooperative and the Services Corporation are sometimes referred to collectively herein as the "*Providers*".) The Community opened on

December 15, 1995.

The Community is located at 9707 Old Georgetown Road, Bethesda, Maryland, on an 8.28-acre parcel of land owned by the Cooperative and the Services Corporation. The location is just off Interstate Route 495, and is centrally located minutes from downtown Bethesda, Montgomery Mall, and Metro. Churches and synagogues are nearby, some within walking distance.

The Community is managed by Sunrise Senior Living Services, Inc. (the "**Manager**"), owned by Sunrise Senior Living, LLC, pursuant to long-term Management Agreements with the Cooperative and the Services Corporation. The current Executive Director is Barbara Harry.

(1) The Residential Unit.

(a) The Cooperative and Equity Benefits. The Residential Unit is owned by the Cooperative. The Cooperative qualifies as a cooperative housing corporation for federal income tax purposes. Therefore, a subscriber who purchases stock in the Cooperative is entitled to enter into an Occupancy Agreement (discussed below) for the lease of his or her apartment unit. Under federal income tax law, ownership of stock in a cooperative housing corporation entitles the resident, as a tenant/stockholder, to certain tax benefits normally found with home ownership, including the ability to obtain an exclusion of up to \$500,000 against the tax due on the sale of his or her principal residence and the ability to deduct his or her mortgage interest and his or her share of the cooperative's real estate taxes, provided that the requirements set forth in the Internal Revenue Code of 1986, as amended (the "**Tax Code**") are met. The Cooperative has received a letter from its legal counsel, DLA Piper (formerly DLA Piper Rudnick Gray Cary US LLP, and before that Piper Rudnick LLP, and before that, Piper & Marbury), setting forth its opinions regarding a resident's entitlement to these tax benefits.

(b) The Apartments. There are 19 different apartment types in the Residential Unit, each with an enclosed private balcony or bay window, individually controlled heating and air conditioning systems, smoke detectors, fire alarm system and sprinklers, an emergency call system, and basic cable television.

(c) The Stock Purchase Agreement. Initially, prospective subscribers purchased stock in the Cooperative from the Cooperative, the Developer, or the Services Corporation. Subsequent sales occur between the existing stockholder(s) and the prospective new subscriber, pursuant to a Stock Purchase Agreement (the "**Stock Purchase Agreement**"). If the existing stockholder has so elected, the Cooperative will enter into the Stock Purchase Agreement with the prospective subscriber, as agent for the existing owner. Pursuant to the Stock Purchase Agreement, the prospective subscriber will agree to purchase the stock in the Cooperative which relates to the apartment that he or she has selected, and will agree to certain other provisions. Please refer to the Stock Purchase Agreement for additional information.

(d) Description of the Stock. There is one class of stock in the Cooperative. Each share of stock represents one square foot of net leasable space in the apartment to which such share relates. Each share has one vote. The shareholders do not have any preemptive rights, and no cumulative voting is permitted. The Articles of Incorporation of the Cooperative provides that no shareholder is entitled (either conditionally or unconditionally) to receive any distribution from the Cooperative not out of earnings and profits except upon a dissolution or final liquidation of the Cooperative. All allocations related to the stock for such things as real estate taxes and distributions upon dissolution shall be made in accordance with the square footage of each

apartment unit. The stock may be sold or transferred only in connection with an assignment of the Occupancy Agreement. In order to assure the Cooperative of a sound financial structure and to maintain the cooperative nature of the Residential Unit, virtually all sales of stock and assignments of Occupancy Agreements require the Cooperative's approval.

(e) The Occupancy Agreement. The Occupancy Agreement is a proprietary lease between the Cooperative and the resident. It entitles the resident (who is also a stockholder in the Cooperative) to exclusive use of a particular apartment in the Residential Unit of the Community **and one garage space for the private passenger vehicle registered to and driven by the owner. Unit owner is required to have an unexpired driver's license, registration and comprehensive liability Insurance for the vehicle. Additional garage parking space is available for an extra charge based on availability.** Pursuant to the Occupancy Agreement, the Cooperative agrees to keep in good repair all of the Residential Unit (including the apartments), and all of its equipment and apparatus, except those portions which are the responsibility of the resident. The resident is responsible for decorating his or her apartment. In addition to repair and maintenance, the Cooperative agrees to provide an emergency response system, a system of security, and use of all common areas of the Residential Unit. The Cooperative is responsible for the payment of real estate taxes and mortgage indebtedness, if any, related to the Residential Unit. Please refer to the Occupancy Agreement for more information related to assignment, termination, fees, services, repairs, maintenance and other matters.

(2) The Community Services and Healthcare Unit. The Community Services and Healthcare Unit is owned by the Services Corporation and contains the Community Services Facility and the Garden Level/Health Center. The Services Corporation is a Maryland non-stock corporation, governed by a self-perpetuating Board of Directors. The Board of Directors is comprised of two designees of the Cooperative, one designee of the Manager, and four members of the public knowledgeable about the social and healthcare needs of senior citizens. (See Section 10 below.)

(a) The Community Services Facility. The Community Services Facility contains administrative offices, resident activities facilities and dining facilities. Its amenities include enclosed underground parking facilities; indoor swimming pool and whirlpool; arts and crafts area; billiards and game room; community dining room with adjoining lounge; private dining room for special functions; multi-purpose room; beauty and barber shop; resident library; lighted, landscaped walkways with outdoor sitting areas; bank; and country store. The grounds of the Community are extensively landscaped, and a system of security is provided.

(b) The Garden Level/Health Center. The Garden Level/Health Center is available to residents of the Community to provide licensed health care services. The Garden Level/Health Center currently has 29 assisted living bed and 31 private and semi-private nursing care beds. Semi-private accommodations consist of a semi-private room with half-bath. Under Maryland law, the Garden Level/Health Center can contain a total of 53 beds, 41 of which can be licensed for nursing care. It is intended that the number of beds licensed for nursing care will be increased as needed to meet the needs of the residents.

(3) Services Provided Under the Services Agreement. Residents enter into a Services Agreement with the Services Corporation, pursuant to which the Services Corporation provides certain community and healthcare services. The Services Corporation will provide Resident

the following services, the costs of which are included in the Independent Living Services Fee:

- (i) A meal plan chosen by the Resident of either fifteen (15) or twenty-seven (27) meals per person per month in the dining room, including special diets.
- (ii) Temporary tray service in the Apartment, in accordance with an order of the Resident's physician;
- (iii) Housekeeping services.
- (iv) Weekly flat linen service;
- (v) Scheduled transportation.
- (vi) Planned social, cultural, educational and recreational activities; and
- (vii) Twenty-four (24) hour emergency call and response service.

For additional fees, the Services Corporation will provide Resident, at Resident's request certain additional services, including, but not limited to, additional meals over those included in the Independent Living Services Fee; tray service in the Apartment not ordered by the Resident's personal physician; beauty parlor; barber shop; and certain other services upon special arrangements. Such additional services shall be provided for additional fees at the then-prevailing rate ("Additional Services Fees").

(4) Healthcare Services Provided. Assisted living and nursing care shall consist of room and board, routine assisted living or nursing care services, routine personal hygiene items and services, bedding, linen, telephone access, emergency call system and such other basic personal services as may be determined by Services Corporation to be legally and reasonably required for the health and safety of the Resident. All assisted living rooms are private rooms. Nursing care rooms are semi-private, although several private rooms are available. Assisted living and nursing care services do not include the costs of nursing supplies, personal laundry, prescription and non-prescription drugs and medicines, dental work, eyeglasses, hearing aids, orthopedic and other appliances, prescribed therapy, memory care services and other ancillary services. Services Corporation will provide Resident, at Resident's request or upon physician's orders and at the then-prevailing additional fees therefor, certain additional services and supplies while Resident is in the Garden Level/Health Center, such as therapy, pharmaceutical supplies, personal laundry and rental of equipment. Clinical physician services will not be provided by Services Corporation.

SECTION 2. ORGANIZATIONAL STRUCTURE AND MANAGEMENT OF THE PROVIDERS

A. **Cooperative.** Maplewood Park Place Cooperative Housing Corporation (the "**Cooperative**") located at 9707 Old Georgetown Road, Bethesda, MD, is a cooperative housing corporation organized under the laws of the State of Maryland. Its current chief executive officer is its President, **Dick Riegel**, who is also a resident. The Cooperative does not qualify, nor does it intend to qualify, as a tax-exempt organization under the Tax Code.

B. **Services Corporation.** Maplewood Park Place Retirement Services, Inc. (the "**Services Corporation**") located at 9707 Old Georgetown Road, Bethesda, MD, is a non-stock corporation organized under the laws of the State of Maryland. Its current chief executive officer is its President, Richard Hotvedt, who is a resident of the Community. The Services Corporation does not qualify, nor does it intend to qualify, as a tax-exempt organization under the Tax Code.

SECTION 3. STATEMENT REGARDING AFFILIATION

The Providers are not affiliated with any religious or charitable organizations and no such organizations shall be responsible for any financial or contractual obligations of the Providers.

SECTION 4. DESCRIPTION OF FEES

A. Entrance Fee. The resident is required to pay a non-interest-bearing entrance fee (the "**Entrance Fee**") to the Services Corporation when the resident is first eligible to move into the Community. The Entrance Fee will be in the amount set forth in the schedule attached to the Services Agreement. The Entrance Fee and any portion of the Entrance Fee to be refunded is not held in an escrow account for the resident. **PLEASE REFER TO THE SERVICES AGREEMENT FOR INFORMATION ON REFUNDING THE ENTRANCE FEE.**

B. Fees to Cooperative.

(1) Occupancy Fees. Residents who purchase stock in the Cooperative lease the apartment unit associated with such stock by entering into the Occupancy Agreement. Occupancy fees ("**Occupancy Fees**") are the lease payments payable to the Cooperative. The amount of the Occupancy Fees are determined by the Board of Directors of the Cooperative, and are based on the resident's proportionate share of the Cooperative's cash requirements for the year, or portion of the year. The resident's proportionate share is based on the ratio by which the occupancy factor assigned to the resident's apartment (as set forth in the Occupancy Agreement) bears to the sum of all occupancy factors assigned to all apartments. The Cooperative's cash requirements are all of the estimated amounts necessary for (a) operation, maintenance, care, alteration, and improvement of the Residential Unit, including its common areas; (b) reserves for contingencies; and (c) payment of any obligations, liabilities, or expenses incurred or to be incurred, over and above the Cooperative's income and cash on hand.

(2) Real Property Taxes: Real property taxes for the Community are paid by the Corporation. However, Resident shall be responsible for the real property taxes for his or her respective Apartment. A portion of Resident's real property taxes, determined by the Apartment type, are included in the Occupancy Fee (the "Base Amount"). Resident's actual property tax liability will be assessed based upon the value of the Apartment and Resident's residency status (the "Assessed Tax"). If Resident's Assessed Tax is greater than the Base Amount, the Corporation will bill Resident for the difference. If Resident's Assessed Tax is less than the Base Amount, the Corporation will credit Resident for the difference.

(3) Termination of Occupancy Fee Upon Sale of Stock. The Occupancy Fee shall terminate upon the sale of Resident's Stock. However, Resident's obligation to pay the Occupancy Fee shall not terminate or be suspended due to Resident's death, vacating the Apartment, or temporary or permanently relocating to the Garden Level/Health Center.

C. Fees to the Services Corporation. By entering into the Services Agreement, the resident agrees to pay monthly fees ("**Services Fees**") to the Services Corporation for the provision of the healthcare and community services. The amount of the Services Fees are

determined by the Board of Directors of the Services Corporation, and are determined based on the Services Corporation's cash requirements for the year, or portion of the year, which are the costs, expenses and outlays (including capital improvements) incurred by the Services Corporation in providing its services, and working capital needs, less anticipated revenues. The various Services Fees are the Independent Living Services Fee, the Second Person Services Fee and the Healthcare Services Fees. For information concerning the different types of Services Fees, please refer to the Services Agreement.

In the event the Services Corporation initiates a **dementia care program** in the future, the fees for any services provided to Resident under such program will not be included in the Independent Living Services Fee, the Second Person Services Fee or the Healthcare Services Fee, but instead Resident will be charged an additional or separate fee any such services.

D. Termination of Resident Agreement.

The resident has the right at any time after the date Resident occupies the apartment to terminate the Services Agreement by delivering to the Services Corporation (30) thirty days prior written notice of intent to do so: provided, however, that if the resident has not assigned his/her Occupancy Agreement and sold the corresponding Stock (as defined in the Occupancy Agreement), the termination will not be effective until the Occupancy Agreement is assigned and the Stock transferred. Upon Resident's termination of the agreement, or upon the Resident's death or the death of the last remaining Resident in the living accommodation, the Services Agreement shall remain in full force and effect until the Occupancy Agreement is assigned and the Stock transferred. Thereafter, the Services Fee shall cease. The Services Corporation shall refund 75% of the Entrance Fee as per the Services Agreement. See the Services Agreement for further information about the Entrance Fee and refunds.

E. Fee Changes. Fees were increased or decreased from the prior year for the Cooperative and the Services Corporation during the operation of the Community for the past nine years as follows:

| Date | Occupancy Fees | Independent Living Services Fees | Entrance Fee |
|-------------------|----------------------|----------------------------------|------------------|
| <u>01/01/2025</u> | <u>3.0% increase</u> | <u>5.5% increase</u> | <u>No Change</u> |
| 1/1/2024 | 1.0% increase | 6.5% increase | No Change |
| 1/1/2023 | 3.00% increase | 7.50% increase | No Change |
| 1/1/2022 | 4.75% increase | 3.0% increase | No Change |
| 1/1/2021 | 12.27% increase | 1.0% increase | No Change |
| 1/1/2020 | 7.87% increase | 2.0% increase | No Change |
| 1/1/2019 | 10.30% increase | 2.0% increase | No Change |
| 1/1/2018 | 11.10% increase | 2.0% increase | No Change |
| 1/1/2017 | 6.0% increase | 2.5% increase | No Change |

Note that the Healthcare Services Fee is based on the Occupancy and Independent Living Service Fees illustrated below

| <u>2025 Independent Living Services - Monthly Fees</u> | | | |
|---------------------------------------------------------------|-------------------------|--------------------------|--|
| Unit Type | Single Occupancy | With 2nd Resident | |
| Cabin John | <u>\$4,498</u> | <u>\$6,524</u> | |
| Fernwood | <u>\$4,495</u> | <u>\$6,522</u> | |
| Landon | <u>\$4,495</u> | <u>\$6,522</u> | |
| Huntington | <u>\$4,910</u> | <u>\$6,936</u> | |
| Bannockburn | <u>\$5,317</u> | <u>\$7,344</u> | |
| Arrowood | <u>\$5,624</u> | <u>\$7,651</u> | |
| Oakmont | <u>\$5,854</u> | <u>\$7,880</u> | |
| Kenwood | <u>\$6,764</u> | <u>\$8,791</u> | |
| Bethesda | <u>\$6,795</u> | <u>\$8,822</u> | |
| Alta Vista I | <u>\$6,831</u> | <u>\$8,858</u> | |
| Alta Vista II | <u>\$6,831</u> | <u>\$8,857</u> | |
| Woodmont | <u>\$6,831</u> | <u>\$8,857</u> | |
| Somerset | <u>\$7,008</u> | <u>\$9,035</u> | |
| Carderock | <u>\$7,187</u> | <u>\$9,213</u> | |
| Edgemore | <u>\$7,423</u> | <u>\$9,450</u> | |
| Westmoreland | <u>\$8,166</u> | <u>\$10,193</u> | |
| Wildwood | <u>\$8,166</u> | <u>\$10,193</u> | |
| Brookmont | <u>\$8,842</u> | <u>\$10,869</u> | |
| Bradley | <u>\$9,199</u> | <u>\$11,225</u> | |

| <u>2025 Healthcare Services - Daily Rates</u> | | | | |
|------------------------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------|----------------------------|
| | <u>Basic Lifecare Healthcare Services</u> | | <u>Market Rate Healthcare Services</u> | |
| | <u>Fees</u> | | <u>Fees</u> | |
| | <u>Semi-Private</u> | <u>Private</u> | <u>Semi-Private</u> | <u>Private</u> |
| - | - | - | - | - |
| <u>Assisted Living</u> | - | - | - | - |
| <u>Studio</u> | <u>N/A</u> | <u>\$244 - \$322</u> | <u>N/A</u> | <u>\$426</u> |
| <u>One Bedroom</u> | <u>N/A</u> | <u>Studio + \$30</u> | <u>N/A</u> | <u>Studio \$456</u> |
| <u>One Bedroom w/ Den</u> | <u>N/A</u> | <u>Studio + \$50</u> | <u>N/A</u> | <u>Studio \$497</u> |
| - | - | - | - | - |
| <u>Skilled Nursing</u> | <u>\$244 - \$322</u> | <u>\$469</u> | - | <u>\$546</u> |

| 2024 Healthcare Services - Daily Rates | | | | |
|----------------------------------------|-----------------------------------------|---------------------|--------------------------------------|---------------|
| | Basic Lifecare Healthcare Services Fees | | Market Rate Healthcare Services Fees | |
| | Semi-Private | Private | Semi-Private | Private |
| Assisted Living | | | | |
| Studio | N/A | \$243.48 - \$317.58 | N/A | \$474 |
| One Bedroom | N/A | Studio + \$30 | N/A | Studio + \$30 |
| One Bedroom w/ Den | N/A | Studio + \$50 | N/A | Studio + \$50 |
| | | | | |
| Skilled Nursing | \$243.48 - \$317.58 | \$445 | | \$518 |

| 2023 Healthcare Services - Daily Rates | | | | |
|----------------------------------------|-----------------------------------------|---------------------|--------------------------------------|---------------|
| | Basic Lifecare Healthcare Services Fees | | Market Rate Healthcare Services Fees | |
| | Semi-Private | Private | Semi-Private | Private |
| Assisted Living | | | | |
| Studio | N/A | \$197.27 - \$301.55 | N/A | \$452 |
| One Bedroom | N/A | Studio + \$30 | N/A | Studio + \$30 |
| One Bedroom w/ Den | N/A | Studio + \$50 | N/A | Studio + \$50 |
| | | | | |
| Skilled Nursing | \$197.27 - \$301.55 | \$437 | | \$452 |

| 2022 Healthcare Services - Daily Rates | | | | |
|----------------------------------------|-----------------------------------------|---------------------|--------------------------------------|---------------|
| | Basic Lifecare Healthcare Services Fees | | Market Rate Healthcare Services Fees | |
| | Semi-Private | Private | Semi-Private | Private |
| Assisted Living | | | | |
| Studio | N/A | \$197.27 - \$301.55 | N/A | \$452 |
| One Bedroom | N/A | Studio + \$30 | N/A | Studio + \$30 |
| One Bedroom w/ Den | N/A | Studio + \$50 | N/A | Studio + \$50 |
| | | | | |
| Skilled Nursing | \$197.27 - \$301.55 | \$437 | | \$452 |

| 2021 Healthcare Services - Daily Rates | | | | |
|----------------------------------------|-----------------------------------------|---------------------|--------------------------------------|---------------|
| | Basic Lifecare Healthcare Services Fees | | Market Rate Healthcare Services Fees | |
| | Semi-Private | Private | Semi-Private | Private |
| Assisted Living | | | | |
| Studio | N/A | \$194.73 - \$298.28 | N/A | \$438.68 |
| One Bedroom | N/A | Studio + \$30 | N/A | Studio + \$30 |
| One Bedroom w/ Den | N/A | Studio + \$50 | N/A | Studio + \$50 |
| | | | | |
| Skilled Nursing | \$185.09 - \$279.99 | \$376 | \$376 | \$438.68 |

| 2020 Healthcare Services - Daily Rates | | | | |
|----------------------------------------|-----------------------------------------|---------------------|--------------------------------------|---------------|
| | Basic Lifecare Healthcare Services Fees | | Market Rate Healthcare Services Fees | |
| | Semi-Private | Private | Semi-Private | Private |
| Assisted Living | | | | |
| Studio | N/A | \$185.09 - \$279.99 | N/A | \$438.68 |
| One Bedroom | N/A | Studio + \$30 | N/A | Studio + \$30 |
| One Bedroom w/ Den | N/A | Studio + \$50 | N/A | Studio + \$50 |
| | | | | |
| Skilled Nursing | \$185.09 - \$279.99 | \$376 | \$376 | \$438.68 |

SECTION 5. OPERATING RESERVES

The Cooperative and the Services Corporation maintain operating reserves for repairs, replacements, and capital improvements. Pursuant to Section 10-420 of the Maryland's Continuing Care law and regulations, the Providers had until the end of 2005 to have their operating reserve balances reach a level of 15% of their respective net operating expenses for the then most recent fiscal year for which certified financial expenses are available. Such balances can be achieved over a 10-year period from the date of the Providers' initial Certificate of Registration, at a rate of 10% per year (*i.e.* increasing at a rate of 1.5% of net operating expenses per year). Under §10-420(b) (1), beginning January 1, 2023, the operating reserves requirement will increase from 15% to 25% of net operating expenses. The Cooperative and the Services Corporation require the Manager to increase reserves 1% per year Starting 2013 to achieve 25% by January 1, 2023. The Providers currently are in compliance with the requirements of this section of the Maryland's Continuing Care law and regulations.

Reserves of the Providers are invested in Merrill Lynch Funds and are reviewed on an annual basis by Adeptus' independent public accountants, as part of their annual audits.

SECTION 6. CERTIFIED FINANCIAL STATEMENTS

A copy of the Cooperative's and the Services Corporation's certified financial statements obtainable under generally acceptable accounting principles for the 2018 fiscal year are appended hereto as Exhibits A and B, respectively.

SECTION 7. LONG-TERM FINANCING FOR THE FACILITY

Neither the Cooperative, nor the Services Corporation, has any long-term debt.

SECTION 8. FINANCIAL FEASIBILITY STUDY

The Community has reached 85% occupancy; therefore, a summary of the financial feasibility study is not required.

SECTION 9. CASH FLOW FORECAST STATEMENT

A cash flow forecast statement for the current and the next two fiscal years is appended hereto as *Exhibit C*.

SECTION 10. OFFICERS AND DIRECTORS OF THE PROVIDERS

A. Cooperative.

- (1) Equity Owners. The Cooperative is owned 100% by the residents, and no resident owns more than 10% of the equity interests in the Cooperative.
- (2) Current Directors of the Cooperative and Their Occupations:

| Name | Occupation |
|---------------------------|------------------------------------|
| <u>Lois Segal</u> | Retired, resident of the Community |
| Calvin Goldscheider | Retired, resident of the Community |
| Bob Cavaluchi | Retired, resident of the Community |
| <u>Dick Riegel</u> | Retired, resident of the Community |
| Lenore Sack | Retired, resident of the Community |

(3) Current Officers of the Cooperative and Their Occupations:

| Title | Name | Occupation |
|----------------|---------------------------|------------------------------------|
| President | <u>Dick Riegel</u> | Retired, resident of the Community |
| Vice President | Lenore Sacks | Retired, resident of the Community |
| Secretary | <u>Lois Segal</u> | Retired, resident of the Community |
| Treasurer | Bob Cavaluchi | Retired, resident of the Community |

B. Services Corporation.

(1) Equity Owners. The Services Corporation is a non- stock membership corporation. The sole member of the Services Corporation is its Board of Directors.

(2) Current Directors of the Services Corporation and Their Occupations:

| Name | Occupation |
|----------------------------|---------------------------------------|
| Richard Hotvetd | Retired, resident of the community |
| Anna Moretti | Health Coach of Transitions in Health |
| Catherine May, MD | Psychiatrist |
| <u>Neal Kursban</u> | <u>CEO</u> |
| Sharon Parver | Education Manager, Leading Age |
| Elizabeth Gallagher | Retired, resident of the community |
| Michael Dorazio | Director of Operations |

(3) Current Officers of the Services Corporation and Their Occupations:

| Title | Name | Occupation |
|------------------------|----------------------------|---------------------------------------|
| President and Chairman | Richard Hotvedt | Retired, resident of the Community |
| Secretary | <u>Neal Kursban</u> | <u>CEO</u> |
| Vice President | Anna Moretti | Health Coach of Transitions in Health |
| Treasurer | Michael Dorazio | Director of Operations |

SECTION 11. CERTAIN AFFILIATIONS WITH OFFICERS AND DIRECTORS OF THE PROVIDERS

There are no entities in which a person identified in Section 10, above, has a 10% or greater equity or beneficial interest, and which is anticipated to provide goods, premises, or services to the Community or the Providers of a value of \$10,000 or more within any fiscal year.

SECTION 12. THE MANAGER OF THE COMMUNITY

The Provider has contracted with Sunrise Senior Living Services, Inc. (SSLSI) to provide day-to-day management of the Community. SSLSI is a wholly owned subsidiary of Sunrise Senior Living, LLC. Sunrise Senior Living, LLC and its subsidiaries are herein referred to as "Sunrise". As of March 1, 2023, Sunrise also operated or managed approximately 273 other senior living communities in about 30 states, including Maryland, Florida, Georgia, Illinois, North Carolina, New Jersey, Connecticut, Ohio, Kansas, Michigan, Pennsylvania, and Virginia.

Sunrise, through its operating subsidiaries, has extensive experience in the senior living business. Sunrise offers assisted living, Alzheimer's care, skilled nursing and independent living units at senior living communities throughout the United States and internationally. As of March 1, 2023, Sunrise employed approximately 22,701 team members to service 273 communities in the United States and Canada.

SECTION 13. CERTAIN INFORMATION REGARDING OFFICERS AND DIRECTORS

None of the Cooperative's or the Services Corporation's officers or directors has been: (i) convicted of a felony or pleaded nolo contendere to a felony charge, if the felony involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) held liable or enjoined in a civil action by final judgment if the civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; or (iii) subject to an effective injunctive or restrictive order of a court of record or, within the past 10 years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency, arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

SECTION 14. FORM OF GOVERNANCE OF THE PROVIDERS

A. Cooperative. The Cooperative is governed by its Board of Directors, whose members are listed in Section 10, above.

B. Services Corporation. The Services Corporation is governed by its Board of Directors, whose members are listed in Section 10, above.

C. Statement Regarding Meetings. The meetings of the Cooperative are open to the members of the Cooperative or their agents, unless Md. Ann. Code, Corp. and Assn's, § 5- 6B-19(e) (l) provides a statutory basis for closing the meeting. The Services Corporation undertakes

to hold quarterly meetings, that shall be open to all residents, at which an authorized officer of the respective company shall present a summary of that company's operations, significant changes, goals and objectives, and shall receive and answer questions from residents at the meeting.

D. Statement Regarding Governing Body Representation by Residents. The Cooperative is owned 100% by residents, and each member of the Board of Directors of the Cooperative is a resident of the Community. The Services Corporation has two members of its Board of Directors who are residents of the Community.

E. Statement Regarding Nomination of Representation by Residents. The Cooperative Board appoints a nomination committee to solicit nominations and resumes. A majority of the votes cast, where a quorum of the stockholders is present at an annual meeting, selects the Board of Directors to the Cooperative Board or the Services Board.

F. Statement Regarding Availability of Documents. Copies of all materials that a Provider submits to the Department of Aging that are required to be disclosed under the Public Information Act are made readily available by the Provider for residents to review at the Community.

SECTION 15. INFORMATION REGARDING CERTIFICATE OF REGISTRATION

The Providers have already received their Certificate of Registration; therefore, this section is not applicable.

SECTION 16. SERVICES PROVIDED TO RESIDENTS

The basic services provided at the Community by the Cooperative and the Services Corporation are described above in Section I.B.

SECTION 17. AMENDMENTS TO DISCLOSURE STATEMENT

The Providers shall amend this Disclosure Statement if, at any time, in the opinion of the Providers or the Maryland Department of Aging, an amendment is necessary to prevent this Disclosure Statement from containing any material misstatement of fact, or omission of a material fact, required by Section 10-424 of the Maryland's Continuing Care law and regulations, promulgated thereunder to be stated herein.

SECTION 18. RENOVATIONS AND EXPANSIONS

The Manager has established renewal and replacement funds for both the Cooperative and the Services Corporation. These funds are intended to-be used for replacements and renewals of furniture, fixtures, and equipment, and for repairs, maintenance and replacements to buildings and their structural and system elements. Maplewood is currently engaged in the construction of the wellness Center which is projected to be completed in July 2026. The plans for the Wellness Center include the renovation of the existing pool and the Gym and a limited expansion of space to include a clinic to accommodate on site visiting physicians and specialists, and a rehabilitation center for physical, occupational, and speech therapies to support the needs of Apartment residents. The cost of the project will be covered by funds set aside in the unrestricted reserves. Each year, a portion of the Occupancy Fees and the Services Fees paid by residents are allocated to these funds.

Occupancy Fees and the Services Fees paid by residents are allocated to these funds. Periodically, but not more frequently than annually, the portion of the Occupancy Fees and Services Fees to be allocated to these funds is reassessed based on estimates and analysis provided by the Manager and approved by the Cooperative and Services Corporation. As of December 31, 2024, the aggregate of these funds totaled **\$12,519,901**.

SECTION 19. SURCHARGES

It is not the policy of either the Cooperative or the Services Corporation to impose a surcharge on some, but not all, subscribers because of some condition or circumstance, which surcharge is not considered part of the Entrance Fee in the statutory refund under Section 10-449 of the **Maryland's Continuing Care law and regulations**.

SECTION 20. RESIDENT ASSOCIATION

The Community does not maintain a formal resident's association, as the Cooperative is owned and governed by the residents, and two residents serve on the Board of Directors of the Services Corporation. The Community does maintain a number of special interest committees, including but not limited to Building and Facilities, Health Issues, IT, Landscaping, Hospitality, Activity Advisory, Budget and Finance, Food and Quality Committees. These special interest committees report their findings and recommendations to the Manager.

SECTION 21. INTERNAL GRIEVANCE PROCEDURE

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 Maplewood Board of Directors. The Board of Directors and/or the Executive Director will send a written acknowledgement to the resident or group of residents within five days after receipt of the written grievance. The Board of Directors will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance are entitled to a meeting with management of Maplewood Park Place within 30 days after receipt of the written grievance, in order to present the grievance. The Board of Directors and/or the Executive Director will provide a response in writing within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after Maplewood Park Place Board of Directors provides its response to the grievance, a resident, group of residents, or Maplewood Park Place may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents, or Maplewood Park Place seeks mediation under the preceding sentence, the mediation shall be nonbinding.

The residents of the assisted living component of the Community have additional internal grievance procedures, as further described under Section 22(6) of this Disclosure Statement.

The residents of the nursing care component of the Community have the following additional internal grievance procedures:

A resident of the nursing care component of the Community may present complaints or grievances to: (1) the Nursing Facility's staff; (2) the administrator of the Nursing Facility; (3) the Maryland Department of Aging ("Department"); (4) the Maryland Department of Health ("DOH"); and (5) other persons or groups which the resident may feel appropriate.

If a complaint is presented to the administrator of the Nursing Facility or his designee, the administrator or designee shall attempt to resolve the complaint within five (5) working days.

Residents' complaints or grievances may be received by the Nursing Facility orally, by telephone, mail, office visit, or direct outreach by staff. The signature of the resident is not required to be on a complaint or grievance.

A copy of all unresolved complaints or grievances submitted to the administrator and the response to these will be forwarded to the Department and DOH by the Nursing Facility. The Nursing Facility shall maintain a permanent record for inspection by the Department or DOH of all complaints submitted to the administrator or his designee which are considered by the Nursing Facility as resolved.

Residents shall not be subjected to retaliation by the administrator or staff of the Nursing Facility as the result of the filing of a complaint or grievance.

SECTION 22. ASSISTED LIVING PROGRAM SERVICES

The following information relates to the assisted living services available in the Garden Level/Health Center:

(1) The name and address and a description of each facility operated by the Providers. See Sections I. A and B, above.

(2) The relationship of the Providers to other providers or services if the relationship affects the care of the resident. The Providers have no direct relationships with any providers of services to residents in assisted living, other than the Management Agreements with the Manager for, among other things, the provision of services. The Services Corporation contracts with services providers from time to time for individual residents (e.g. physical therapy).

(3) Special programming, staffing, and training provided for individuals with particular needs or conditions such as cognitive impairments. The Services Corporation does not anticipate, at this time, offering on-site special programming for assisted living residents with particular needs or conditions; however, the Garden Level/Health Center is equipped, and staff are trained to provide, all assisted living services as are required by law or regulation.

(4) Security.

(a) Locks for storage. No storage space is available outside of an assisted living unit.

(b) The availability of locks, if any, for the resident's room. Each assisted living unit is equipped with a key lock.

(c) Security procedures which the Providers shall implement to protect

the resident and the resident's property. The Providers provide 24-hour security for the Community; however, residents are responsible for providing all personal property and liability insurance for resident, resident's property and resident's guests. Except to the extent of the Services Corporation's fault, the Services Corporation shall not be responsible for, and the Services Corporation's insurance will not protect residents against, personal liability for injury to guests or other persons in the resident's unit or any loss or damage to resident's personal property from theft, fire or other cause.

(d) Providers' right if any, to enter a resident's room. The Services Corporation, its agents and employees, shall be permitted to visit and enter the resident's unit as may be required for the Services Corporation to perform its obligations; provided, however that, the resident is entitled to a certain level of privacy, including the right to have a staff member knock on the resident's door before entering unless the staff member knows the resident is asleep.

(5) Obligations of the Providers, the resident, or the resident's agent as to:

(a) Arranging for or overseeing medical care. It is the responsibility of the resident or the residents' personal representative to arrange for and oversee the resident's medical care. The resident has the right to make his/her own health care decisions, including the right to refuse treatment, if competent to do so. The resident accepts responsibility for any consequences resulting from his/her refusal to accept nursing or medical treatment or service considered by resident's physicians to be necessary for resident's care.

The Service Corporation can assist in arranging for the following medical services to be provided by a licensed or qualified practitioner: pharmaceutical; laboratory; ophthalmology; dental; podiatry; psychiatric; psychological; rehabilitative; hospice; skilled nursing; dietary consultation; and radiology.

(b) Monitoring the health status of the resident including the determination of whether the resident requires assisted living or skilled nursing services. It is the responsibility of the resident, or the resident's representative, in consultation with the resident's physician, to monitor the health status of the resident. In providing assisted living services, the Service Corporation is responsible for the services described in Section I. B above, as well as the services offered through its comprehensive care management program ("Care Management Program"). The Care Management Program incorporates a "Level of Care" system used to determine the level of personal care needs of the resident. Each resident's Level of Care is reassessed on a 6-month bi-annual basis, unless a sudden change of condition requires a more immediate response. The Services Corporation shall consult with the resident, the resident's attending physician, the Medical Director, and the resident's family, if appropriate, concerning the initial assessment, bi-annual assessments and determinations of a change of condition; however, subject to Section 22.(5)(a) above, all revisions of the resident's service plan and changes in the assessment of the resident's level of care is made by the Services Corporation in its sole discretion.

(c) Purchasing or renting essential or desired equipment and supplies. Except for the services described in Section I. B above, it is the responsibility of the resident or the resident's representative to purchase or rent essential or desired equipment and supplies. The Service Corporation can assist by providing some common items for an additional charge. A full list of supplemental supplies and equipment and their associated charges is available to the resident upon request.

(d) Ascertaining the cost of and purchasing durable medical equipment. Except for the services described in Section I. B above, it is the responsibility of the resident or the resident's representative to ascertain the cost of and to purchase durable medical equipment. The Service Corporation can assist by providing some common items for an additional charge. A full list of supplemental supplies and equipment and their associated charges is available to the resident upon request.

(6) The complaint or grievance procedure for residents in assisted living. A resident may present complaints or grievances to: (1) the Garden Level/Health Center's staff; (2) the administrator of the Garden Level/Health Center; (3) the Maryland Department of Aging ("Department"); (4) the Maryland Department of Health ("DOH "); and other persons or groups which the resident may feel appropriate.

If a complaint is presented to the administrator of the Garden Level/Health Center or his designee, the administrator or designee shall attempt to resolve the complaint within five (5) working days.

Residents' complaints or grievances may be received by the Garden Level/Health Center orally, by telephone, mail, office visit, or direct outreach by staff. The signature of the resident is not required to be on a complaint or grievance.

A copy of all unresolved complaints or grievances submitted to the administrator and the response to these will be forwarded to the Department and DOH record for inspection by the Department or DOH of all complaints submitted to the administrator or his designee which are considered by the Garden Level/Health Center as resolved.

Residents shall not be subject to retaliation by the administrator or staff Of the Garden Level/Health Center as the result of the filing of a complaint or grievance.

These rights are in addition to the rights described under Section 21 of this Disclosure Agreement.

(7) Notice of any material changes in the assisted living services provided.
None.

SECTION 23. MISCELLANEOUS INFORMATION

A. **Applicability of Certain Laws.** Several bodies of law, in addition to the **Maryland's Continuing Care law and regulations**, apply to various aspects of the ownership structure of the Community.

The Community has been designed to provide certain benefits and protections under these laws, including the following.

(1) Cooperative Housing Corporation Law. The offering of a proprietary lease of an apartment in the Residential Unit is subject to the provisions of Md. Ann. Code, Corp. and Assn's, §§ 5-6B-01 through 33, which require certain disclosures related to the offering for sale of interests in a cooperative housing corporation.

(2) Taxation. Certain provisions of the Tax Code, and the regulations

thereunder, have substantial impact on the Community and the residents. The organizational structure of the Cooperative is designed to allow a resident to (i) receive an exclusion from income of up to \$250,000 (\$500,000 for certain married taxpayers filing a joint return) of the gain realized on the sale of Cooperative stock under §121 of the Tax Code, (ii) deduct certain amounts attributable to the resident's proportionate share of real estate taxes and interest allowed as a deduction to the Cooperative, pursuant to §216 of the Tax Code, and (iii) deduct certain medical expenses which exceed a certain percentage of the resident's adjusted gross income. The Cooperative has received a letter from DLA Piper (formerly DLA Piper Rudnick Gray Cary US LLP, and also formerly known as Piper Rudnick LLP and before that, Piper & Marbury) setting forth its opinions regarding a resident's entitlement to these tax benefits, other than those under §121 of the Tax Code, as those provisions were enacted after the date of the letter. There can be no assurance that these tax benefits will be received.

(3) Healthcare Regulation. The healthcare services provided at the Community are subject to the provisions of Md. Ann. Code Health Gen'l, §§ 19-342 through 353, which include a "Patients' Bill of Rights" applicable to each resident of the Garden Level/Health Center.

(4) Condominium Laws. The Community has been established as a condominium of which the Cooperative and the Services Corporation are unit owners. As such, the Community is subject to the provisions of Md. Ann. Code Real Estate, §§ 11-101 through 143.

The foregoing is not intended as a complete list of all laws applicable to the Community. For further information concerning applicable laws, prospective residents are urged to contact their own legal advisors.

B. Additional Information. The Community's structure has several aspects which should carefully be considered in deciding whether to become a resident of the Community.

Chief among these are the following:

(1) As in the case of all forms of real estate ownership, if real estate values (or the values of stock in cooperative corporations) decline, the resale price of stock in the Cooperative could be lower than the resident's purchase price. Market conditions could also result in an inability to resell the stock.

(2) The Board of Directors of the Cooperative is controlled by residents. This provides the residents of the Cooperative with control of the Residential Unit. Therefore, while the Residential Unit is operated on a day-to-day basis by the Manager, the Board of Directors of the Cooperative has control over all policy decisions. There can be no assurance that the persons elected by the residents to the Board of Directors of the Cooperative will have expertise or experience in governing the residential component of a continuing care community.

(3) The Occupancy Agreement provides that certain terms and agreements of the Occupancy Agreements can be modified by a vote of at least two-thirds (2/3) of the shareholders. This could result in the rights of a minority of the residents being adversely affected by the majority.

(4) Once a resident has permanently transferred to the Garden Level/Health Center and sold, or irrevocably authorized the Cooperative to sell, the resident's stock, that resident will no longer

have voting rights in the Cooperative.

(5) The Services Corporation is obligated by the Services Agreements to operate the Garden Level/Health Center in accordance with standards established therein. The Services Corporation is governed by a seven-member board of directors: two members of which are appointed by the Cooperative, one member of which is appointed by the Manager, and four members of which are members of the Montgomery County community at large (replacement for these latter four members will be made by the remaining members of the board of directors). Although the Cooperative has, under the terms of an Association Agreement, the right to enforce the provisions of the Services Agreement, the day-to-day operation of the Garden Level/Health Center is the responsibility of the Services Corporation and not of the Cooperative.

(6) This Disclosure Statement contains a summary of certain provisions of the various agreements entered into by the resident in an effort to set forth fairly the principal terms of those documents. However, copies of the actual documents should be inspected by anyone wishing to know all the terms and provisions contained therein. To the extent that the summary set forth in this Disclosure Statement differs from the specific terms set forth in any of the various agreements referred to, those specific terms take precedence over the summary in this Disclosure Statement.

(7) Representatives of the Manager, the Cooperative, and the Services Corporation have been authorized only to provide information or to make representations as set forth in the agreements. Any information or representations not referred to or contained in the agreements should not be relied upon.

(8) The agreements are not intended to advise or make any representation with respect to the tax consequences of participation in the Community described herein. Prospective residents are advised to consult their own tax advisors with specific reference to their own tax situations prior to becoming residents of the Cooperative.

(9) Various fees to be charged by the Cooperative and the Services Corporation are described herein. Please note that it is not the intention of either the Cooperative or the Services Corporation to earn a profit on such fees. Any excess revenues generated will be used to maintain reserves and working capital as each corporation deems necessary and appropriate.

| | |
|-------------------------------------------------------|-----------|
| Exhibit A. Certified Financial Statement | 20 |
| Exhibit B. Certified Financial Statement..... | 21 |
| Exhibit C. Operating Reserve Calculation..... | 22 |
| Exhibit D. Ancillary Service Charge List..... | 23 |

EXHIBIT A

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION

CERTIFIED FINANCIAL STATEMENT

**MAPLEWOOD PARK PLACE COOPERATIVE
HOUSING CORPORATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | |
|----------------------------------------------------------|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| BALANCE SHEETS | 4 |
| STATEMENTS OF OPERATIONS | 6 |
| STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY | 7 |
| STATEMENTS OF CASH FLOWS | 8 |
| NOTES TO FINANCIAL STATEMENTS | 9 |
| SUPPLEMENTARY INFORMATION | |
| FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED) | 19 |



INDEPENDENT AUDITORS' REPORT

Board of Directors
Maplewood Park Place Cooperative Housing Corporation
Bethesda, Maryland

Opinion

We have audited the financial statements of Maplewood Park Place Cooperative Housing Corporation, which comprise the balance sheet as of December 31, 2024, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Maplewood Park Place Cooperative Housing Corporation as of December 31, 2024, and the results of its activities and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Statements section of our report. We are required to be independent of the Maplewood Park Place Cooperative Housing Corporation 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.

Prior Period Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 were audited by other auditors whose report dated April 30, 2024 expressed an unmodified opinion

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 19 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any

Board of Directors
Maplewood Park Place Cooperative Housing Corporation

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Timonium, Maryland
May 28, 2025

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|----------------------------------------------|-----------------------------|-----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 954,664 | \$ 779,472 |
| Accounts Receivable | 12,622 | 90,107 |
| Inventory | 35,400 | 22,122 |
| Prepaid Real Estate Taxes and Other Expenses | 509,733 | 570,928 |
| Total Current Assets | <u>1,512,419</u> | <u>1,462,629</u> |
| PROPERTY AND EQUIPMENT | | |
| Land | 3,479,645 | 3,479,645 |
| Building and Improvements | 59,215,460 | 58,574,613 |
| Furniture and Equipment | 685,690 | 696,720 |
| Subtotal | <u>63,380,795</u> | <u>62,750,978</u> |
| Less: Accumulated Depreciation | <u>(42,180,054)</u> | <u>(40,542,145)</u> |
| Subtotal | 21,200,741 | 22,208,833 |
| Construction in Progress | 23,110 | 23,110 |
| Property and Equipment, Net | <u>21,223,851</u> | <u>22,231,943</u> |
| OTHER ASSETS | | |
| Investments - Undesignated | 3,767,234 | 3,462,546 |
| RESTRICTED INVESTMENTS | | |
| Deposits - Waiting List | 316,828 | 315,228 |
| Replacement Reserves - Investments | 310,720 | 298,147 |
| Statutory Operating Reserves - Investments | 865,620 | 779,870 |
| Total Restricted Investments | <u>1,493,168</u> | <u>1,393,245</u> |
| Total Assets | <u><u>\$ 27,996,672</u></u> | <u><u>\$ 28,550,363</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| CURRENT LIABILITIES | | |
| Due to Manager | \$ 313,580 | \$ 547,817 |
| Accounts Payable and Accrued Expenses | <u>296,795</u> | <u>151,812</u> |
| Total Current Liabilities | 610,375 | 699,629 |
| LONG-TERM LIABILITIES | | |
| Waiting List Deposits | <u>316,828</u> | <u>315,228</u> |
| Total Liabilities | 927,203 | 1,014,857 |
| STOCKHOLDER'S EQUITY | | |
| Common Stock - \$0.01 Par Value; 231,950 Shares Authorized, Issued, and Outstanding | 2,320 | 2,320 |
| Additional Paid-In Capital | 57,736,981 | 57,736,981 |
| Accumulated Deficit | <u>(30,669,832)</u> | <u>(30,203,795)</u> |
| Total Stockholder's Equity | <u>27,069,469</u> | <u>27,535,506</u> |
| Total Liabilities and Stockholder's Equity | <u><u>\$ 27,996,672</u></u> | <u><u>\$ 28,550,363</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------------------------------------------|----------------------------|----------------------------|
| REVENUES | | |
| Residents' Occupancy Fees | \$ 3,977,607 | \$ 3,896,910 |
| Resale Fees | 766,303 | 708,107 |
| Resident Maintenance and Renovation Revenue | 825,279 | 426,282 |
| Rental Income | 122,252 | 142,668 |
| Investment Income - Dividends and Interest | 153,776 | 584,726 |
| Total Revenues | <u>5,845,217</u> | <u>5,758,693</u> |
| OPERATING EXPENSES EXCLUDING DEPRECIATION AND OTHER EXPENSES | | |
| Plant Operations | 858,524 | 873,513 |
| General and Administrative | 1,976,904 | 1,908,017 |
| Management Fee | 326,543 | 294,858 |
| Total Operating Expenses Excluding Depreciation and Other Expenses | <u>3,161,971</u> | <u>3,076,388</u> |
| OPERATING INCOME BEFORE DEPRECIATION AND OTHER EXPENSES | 2,683,246 | 2,682,305 |
| DEPRECIATION AND OTHER EXPENSES | | |
| Depreciation | 1,637,909 | 1,634,125 |
| Resident Maintenance and Renovation Expenses | 843,085 | 254,397 |
| Real Estate and Sales Taxes | 937,042 | 956,578 |
| Total Depreciation and Other Expenses | <u>3,418,036</u> | <u>2,845,100</u> |
| OTHER COMPREHENSIVE INCOME | | |
| Investment Income - Unrealized Gain on Investments | <u>268,753</u> | <u>(256,084)</u> |
| NET LOSS | <u><u>\$ (466,037)</u></u> | <u><u>\$ (418,879)</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | Common Stock | Additional Paid-In Capital | Accumulated Deficit | Total |
|------------------------------------|-----------------|----------------------------------|------------------------|----------------------|
| BALANCE - DECEMBER 31, 2022 | \$ 2,320 | \$ 57,736,981 | \$ (29,784,916) | \$ 27,954,385 |
| Net Loss | - | - | (418,879) | (418,879) |
| BALANCE - DECEMBER 31, 2023 | 2,320 | 57,736,981 | (30,203,795) | 27,535,506 |
| Net Loss | - | - | (466,037) | (466,037) |
| BALANCE - DECEMBER 31, 2024 | <u>\$ 2,320</u> | <u>\$ 57,736,981</u> | <u>\$ (30,669,832)</u> | <u>\$ 27,069,469</u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------------------------------------|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Loss | \$ (466,037) | \$ (418,879) |
| Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities: | | |
| Depreciation Expense | 1,637,909 | 1,634,125 |
| Unrealized Gain on Investments | (268,753) | (256,084) |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | 77,485 | (1,308) |
| Inventory | (13,278) | 5,063 |
| Prepaid Real Estate Taxes and Other Expenses | 61,195 | (106,157) |
| Increase (Decrease) in Liabilities: | | |
| Due to Manager | (234,237) | 68,158 |
| Accounts Payable and Accrued Expenses | 144,983 | (115,805) |
| Net Cash Provided by Operating Activities | <u>939,267</u> | <u>809,113</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Investments Available for Sale | 1,296,065 | 834,450 |
| Purchases of Investments Available for Sale | (1,332,000) | (1,446,665) |
| Purchases of Property and Equipment | (629,817) | (93,600) |
| Increase in Replacement Reserve - Investments | (12,573) | (12,469) |
| Increase in Statutory Operating Reserves - Investments | (85,750) | (347,868) |
| Net Cash Used by Investing Activities | <u>(764,075)</u> | <u>(1,066,152)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 175,192 | (257,039) |
| Cash and Cash Equivalents - Beginning of Year | <u>779,472</u> | <u>1,036,511</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 954,664</u> | <u>\$ 779,472</u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 NATURE OF OPERATIONS

Maplewood Park Place Cooperative Housing Corporation (the Company) was established to own a residential condominium unit, consisting of 206 independent living units for Maplewood Park Place, a senior-living, life care community in Bethesda (Montgomery County), Maryland (the Community). The Community was constructed by Maplewood Park Place Limited Partnership (MPPLP). MPPLP divided the Community into a residential condominium unit (the Residential Unit) which it sold to the Company, and a services condominium unit consisting of the remainder of the Community property, including a healthcare center, which it sold to Maplewood Park Place Retirement Services, Inc. (Services). Residents of the Community enter into (i) stock purchase agreements with either the Company (for initial residents of the independent living units) or the previous residents of the independent living units to which the stock being purchased relates, (ii) occupancy agreements with the Company, and (iii) services agreements with Services. The Company and Services began operations in December 1995, with the purchase of their condominium units from MPPLP. The Maryland Department of Aging has certified the Company and Services to provide continuing care to members.

Sunrise Senior Living Services, Inc. (the Manager), a subsidiary of Sunrise Senior Living, Inc., serves as manager of the Company and Services pursuant to separate long-term Management Agreements. The agreements contain five five-year conditional renewal intervals. The Manager is required to notify the Company about intent to renew at least 12 months before the expiration date of each five-year renewal interval. Upon the Manager's notification, the agreements renew automatically for an additional five-year term. If the Manager fails to notify before the due date, the agreements will expire. The agreement's final expiration date is December 31, 2030.

The Company remits to the Manager a management fee which approximates 6% of revenues, as defined in the Management Agreement. For the years ended December 31, 2024 and 2023, the management fee was \$326,543 and \$294,858, respectively.

The Company qualifies as a cooperative housing corporation for federal income tax purposes. Each resident purchases stock in the Company to the extent of one share for each square foot of net leasable space in his or her independent living unit. Such purchase entitles the resident to enter into an occupancy agreement for the lease of his or her independent living unit. Under federal income tax law, ownership of stock in the Company entitles the resident, as a tenant-stockholder, to certain tax benefits normally associated with home ownership, including the ability to deduct, where permissible, mortgage interest and a pro rata portion of the Company's real estate taxes.

Under the terms of the occupancy agreement, each resident pays monthly occupancy fees to the Company, equal to the resident's proportionate share of the Company's cash requirements, which is determined by the board of directors. Cash requirements are for operations, maintenance, care, alteration and improvement of the Residential Unit, reserves for contingencies, and payment of any debts over and above the Company's income and cash on hand. The occupancy agreement remains in effect as long as the Company owns the Residential Unit and the resident owns his or her stock. The Company has the right to terminate the occupancy agreement for just cause.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

The Company is governed by a board of directors composed of five residents elected by the stockholders.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operating Indicator

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of care services are reported as revenue and expenses. Peripheral or incidental transactions are reported as other expenses and gains.

Cash Equivalents

The Company considers cash equivalents to include money market accounts and any highly liquid debt instruments purchased with maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 expenses during the reporting periods. Actual results could differ from those estimates.

Financial Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk related to cash.

The Company invests in a professionally managed portfolio that contains corporate and U.S. government bonds. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Accounts Receivable and Allowance for Credit Losses

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

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

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024 and 2023, the allowance for estimate of expected credit losses was -\$0- and -\$0-, respectively.

The opening and closing balances in accounts receivable, net was as follows:

| | |
|-----------------------------|-----------|
| Balance - January 1, 2023 | \$ 88,799 |
| Balance - December 31, 2023 | 90,107 |
| Balance - December 31, 2024 | 12,622 |

Valuation of Long-Lived Assets

The Company reviews its long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2024 and 2023, management does not consider the value of any property or equipment to be impaired.

Investments and Investment Income

The Company has various holdings in marketable securities accounted for under the fair value methods as required by U.S. GAAP (see Note 3).

Investment income represents earnings on available cash placed in money market and investment accounts.

Inventory

Inventory is stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from 4 to 40 years. The Company capitalizes expenditures on property improvements, furniture, fixtures and equipment in excess of \$500.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Investments

A description of the restricted investments at December 31, 2024 and 2023 is following:

Deposits – Waiting List - funds being held in a master account as waiting list deposits for those individuals interested in moving into the community. The waiting list deposits are held in money market funds.

Replacement Reserves - in accordance with the management agreement and its amendments between the Company and the Manager, the Company maintains and funds the replacement reserves upon recommendation of the Manager to meet prudently anticipated contingencies for real and personal property, plant, equipment and fixtures. The Manager's recommendation is approved by the Company during its annual operating budget and itemized capital expenditure budget accepted and approved by the Company board of directors. Residents do not fund the replacement reserves as part of their monthly fees. For years 2024 and 2023, the replacement reserves increased by investment return. The reserves are held in a money market and corporate bonds account.

Statutory Operating Reserves - held in accordance with the Maryland Department of Aging regulations overseeing communities offering life care contracts. See Note 8 for its calculation. The reserves are held in a money market and corporate bonds account.

Revenue Recognition

Residents' occupancy fees for independent living units are recognized monthly based on the terms of the occupancy agreements. Residents pay occupancy fees by the 15th of the month.

Resale and other fees are paid to the Company by residents for selling the stock relating to their units. During the years ended December 31, 2024 and 2023, resale fees of \$1,591,582 and \$1,134,389, respectively, were recorded as revenue.

Income Taxes

The Company qualifies as a cooperative housing corporation under Section 216 of the Internal Revenue Code, as amended.

Management evaluates tax positions taken by the Company and recognizes a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Company's management has analyzed its tax positions and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Company is subject to taxation on net income derived from non-stockholders, such as interest and dividend income. No income tax expense for the years ended December 31, 2024 and 2023, has been recorded because deductions allocable to non-stockholder income reduce income tax expense to a nominal amount. At December 31, 2023, the Company has available a net operating loss carryforward of \$27,092,023, which began to expire in 2017. Due to the uncertainty of the future realization of deferred tax assets, related primarily to net operating loss carry forwards, the Company has recorded a valuation allowance equal to the value of its deferred tax assets.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense amounted to approximately \$423,000 and \$420,000 for the years ended December 31, 2024 and 2023, respectively.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through May 28, 2025, the date the financial statements were available to be issued.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS

U.S. GAAP provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Money Funds – The carrying amounts of money funds approximate their fair value.

Corporate Bonds and U.S. Government Securities – Valued at the closing price reported on the active market on which the individual bonds are traded.

Certificates of Deposit – Valued at cost plus accrued interest, which approximates market value.

Common Stock – Valued at the closing price reported on the active market on which the individual stocks are traded.

Mutual Funds – Valued at the closing price reported on the active market on which the individual funds are traded.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are comprised of investments in money funds, corporate bonds, government bonds, and common stock which are recorded at fair value. Realized gains and losses are determined using the specific identification method.

The following table sets forth by level, within the fair value hierarchy, the Company's investments at fair value as of December 31:

| | 2024 | | | |
|----------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Treasury Money Market Funds | \$ 771,393 | \$ - | \$ - | \$ 771,393 |
| Corporate Bonds | 107,869 | - | - | 107,869 |
| U.S. Government Securities | 1,791,797 | - | - | 1,791,797 |
| Common Stock | 63,728 | - | - | 63,728 |
| Mutual Funds | 2,208,787 | - | - | 2,208,787 |
| Total Assets at Fair Value | <u>\$ 4,943,574</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,943,574</u> |

| | 2023 | | | |
|----------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Treasury Money Market Funds | \$ 972,605 | \$ - | \$ - | \$ 972,605 |
| Corporate Bonds | 1,175,103 | - | - | 1,175,103 |
| U.S. Government Securities | 725,686 | - | - | 725,686 |
| Common Stock | 47,037 | - | - | 47,037 |
| Mutual Funds | 1,620,132 | - | - | 1,620,132 |
| Total Assets at Fair Value | <u>\$ 4,540,563</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,540,563</u> |

The following table sets forth by balance sheet category the Company's investments at fair value as of December 31:

| | 2024 | 2023 |
|--------------------------------------------|---------------------|---------------------|
| Investments - Undesignated | \$ 3,767,234 | \$ 3,462,546 |
| Replacement Reserves | 310,720 | 298,147 |
| Statutory Operating Reserves - Investments | 865,620 | 779,870 |
| Total | <u>\$ 4,943,574</u> | <u>\$ 4,540,563</u> |

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The maturities of debt securities and certificates of deposit are as follows as of December 31:

| | 2024 | 2023 |
|--------------------------|---------------------|---------------------|
| Due in One Year or Less | \$ 1,158,342 | \$ 1,203,351 |
| Due in One to Five Years | 358,456 | 461,929 |
| Due After Five Years | 382,868 | 235,509 |
| Total | <u>\$ 1,899,666</u> | <u>\$ 1,900,789</u> |

Investment income is as follows:

| | 2024 | 2023 |
|-----------------------------------|-------------------|-------------------|
| Investment Income: | | |
| Dividends and Interest Income | \$ 153,776 | \$ 584,726 |
| Net Unrealized Gain on Investment | 268,753 | (256,084) |
| Total | <u>\$ 422,529</u> | <u>\$ 328,642</u> |

NOTE 4 DUE TO OR FROM MANAGER

The manager has funded certain operating expenses of the Company. These advances, including accounts payable and payroll, are reimbursed to the Manager by the Company on a current basis out of the Company's cash flow. At December 31, 2024 and 2023, the Company owed the Manager \$313,580 and \$547,817, respectively.

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Company is obligated to pay certain fees for off-site central administrative services rendered by the Manager. In accordance with the management agreement, the Company and the Manager, as part of the annual budget review, are to exert their respective good faith efforts to determine what services are fairly and equitably allocable to the Company and to agree on a mutually acceptable budget for such services.

From time to time, the Company may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Company's insurance policies subject to normal deductibles and accordingly would not have a material effect on its financial position or results of operations.

NOTE 6 RENTAL INCOME

The Company leases roof space to communication companies under operating leases. The annual rent payment is \$101,153.

Future minimum cash lease receipts under lease agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2025 | <u>\$ 101,153</u> |
| Total Future Minimum Lease Payments | <u>\$ 101,153</u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 CASH IN BANKS

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. Deposits held in a noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least \$250,000. At December 31, 2024 and 2023, the Company had approximately \$704,057 and \$610,834 of cash balances in excess of FDIC insured limits.

NOTE 8 MARYLAND DEPARTMENT OF AGING RESERVE REQUIREMENTS

The state of Maryland requires the Company to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. The total amount reserved for the Company is as follows as of December 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------------------|------------------|--------------------|--------------------|
| Operating Expenses | | 5,921,488 | 5,741,327 |
| Less: Depreciation and Amortization Expense | | <u>(1,634,125)</u> | <u>(1,586,303)</u> |
| Net Operating Expenses | | <u>4,287,363</u> | <u>4,155,024</u> |
| Total Operating Reserve: | | | |
| 25% of Net Operating Expenses | <u>1,071,841</u> | <u>1,038,756</u> | |
| Reserves Available: | | | |
| Cash and Cash Equivalents | 954,664 | 779,472 | |
| Statutory Operating Reserves | <u>865,620</u> | <u>779,870</u> | |
| | <u>1,820,284</u> | <u>1,559,342</u> | |

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

As discussed in Note 2, the Company has established reserve accounts for replacement of property and equipment. The reserves are included in restricted cash and investments in the accompanying balance sheets.

With respect to major capital items consisting of real property and major components (subject to Section 8.03 of the Management Agreement with the Manager), the Manager conducted an updating review in June 2023 and prepared a 20-year estimate of the remaining useful lives and replacement costs of major common facilities through Year 2042. The estimates were based on industry and manufacturers' manuals and the Manager's recommendations.

With respect to items referred to as "furniture, fixtures, and equipment" (Section 8.02 of the Management Agreement), the Manager did a walk-through on site in June 2023, established a 20-year estimate of the remaining useful lives and replacement costs by categories through Year 2042. The estimates were based on industry and manufacturers' manual and the Manager's recommendations.

Because actual expenditures may vary from estimated future expenditures, and the variation may be material, amounts accumulated in the replacement reserve fund may not be adequate to fund needs for major repairs and replacements. If additional funds are needed, the Company has the right to (a) increase resident fees as necessary, (b) subject to membership approval, adopt special assessments, or (c) delay major repairs and replacements.

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

The table below represents a study performed in 2023 by an independent specialist. The analysis calculates the minimum annual contributions necessary to fund reserve components under a set of stated parameters.

The following information is based on the updating review and presents significant information about the common property as of December 31, 2024:

| Components | Estimated Remaining Useful Lives | Estimated Current Replacement Costs |
|------------------------------------|----------------------------------------|-------------------------------------------|
| Building Components | 2 to 5 Years | \$ 243,500 |
| Furniture, Fixtures, and Equipment | 2 Years | 550,000 |
| Exterior | 4 to 15 Years | 225,000 |
| Total | | <u>\$ 1,018,500</u> |

The Company had \$310,720 accumulated for future major repairs and replacements at December 31, 2024.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

EXHIBIT B

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC

CERTIFIED FINANCIAL STATEMENT

**MAPLEWOOD PARK PLACE RETIREMENT
SERVICES, INC.**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | |
|-----------------------------------------------------------------------|----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| BALANCE SHEETS | 3 |
| STATEMENTS OF OPERATIONS | 5 |
| STATEMENTS OF CHANGES IN CAPITAL ACCOUNT AND RETAINED EARNINGS | 6 |
| STATEMENTS OF CASH FLOWS | 7 |
| NOTES TO FINANCIAL STATEMENTS | 8 |



INDEPENDENT AUDITORS' REPORT

Board of Directors
Maplewood Park Place Retirement Services, Inc.
Bethesda, Maryland

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Maplewood Park Place Retirement Services, Inc., which comprise the balance sheet as of December 31, 2024, and the related statement of operations, changes in capital account and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Maplewood Park Place Retirement Services, Inc. as of December 31, 2024, and the results of its activities and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Statements section of our report. We are required to be independent of the Maplewood Park Place Retirement Services, Inc. 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.

Prior Period Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 were audited by other auditors whose report dated April 30, 2024 expressed an unmodified opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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



CliftonLarsonAllen LLP

Timonium, Maryland
May 13, 2025

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

| ASSETS | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 3,838,694 | \$ 1,146,190 |
| Accounts Receivable | 485,607 | 713,953 |
| Prepaid Expenses | 177,048 | 175,358 |
| Inventory | 39,374 | 49,038 |
| Operating Supplies | 57,708 | 62,475 |
| Total Current Assets | <u>4,598,431</u> | <u>2,147,014</u> |
| PROPERTY AND EQUIPMENT | | |
| Land | 1,713,855 | 1,713,855 |
| Building and Improvements | 18,443,622 | 18,143,826 |
| Furniture and Equipment | 3,978,706 | 3,649,033 |
| Subtotal | <u>24,136,183</u> | <u>23,506,714</u> |
| Less: Accumulated Depreciation | (12,542,694) | (11,253,081) |
| Subtotal | <u>11,593,489</u> | <u>12,253,633</u> |
| Construction in Progress | 322,914 | 115,943 |
| Property and Equipment, Net | <u>11,916,403</u> | <u>12,369,576</u> |
| OTHER ASSETS | | |
| Deposits | 2,300 | 2,300 |
| Operating Lease Right-of-Use Asset, Net of Accumulated Amortization of \$138,935 in 2024 and \$91,648 in 2023 | 51,687 | 98,974 |
| Investments - Undesignated | 6,233,610 | 5,714,317 |
| Total Other Assets | <u>6,287,597</u> | <u>5,815,591</u> |
| RESTRICTED INVESTMENTS | | |
| Healthcare Admission Deposits and Loans | - | 362,400 |
| Replacement Reserves - Investments | 1,050,998 | 927,622 |
| Statutory Operating Reserves - Investments | 1,612,461 | 1,761,743 |
| Statutory Operating Reserves - Cash and Cash Equivalents | 1,455,824 | 1,032,527 |
| Total Restricted Investments | <u>4,119,283</u> | <u>4,084,292</u> |
| Total Assets | <u><u>\$ 26,921,714</u></u> | <u><u>\$ 24,416,473</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023

| LIABILITIES, CAPITAL ACCOUNT, AND RETAINED EARNINGS | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| CURRENT LIABILITIES | | |
| Due to Manager | \$ 1,117,916 | \$ 815,712 |
| Accounts Payable and Accrued Expenses | 940,581 | 726,272 |
| Current Operating Lease Liabilities | 45,211 | 47,007 |
| Income Tax Liability | 419,621 | - |
| Total Current Liabilities | <u>2,523,329</u> | <u>1,588,991</u> |
| LONG-TERM AND OTHER LIABILITIES | | |
| Healthcare Admission Deposits and Loans | - | 362,400 |
| Deferred Endowment | 985,047 | 895,341 |
| Deferred Income Tax Liability | 47,819 | 85,400 |
| Agency Fund Liability | 47,681 | 42,192 |
| Noncurrent Operating Lease Liabilities | 7,535 | 53,027 |
| Initial Healthcare Loans and Entrance Fees | 7,131,844 | 7,152,045 |
| Total Long-Term and Other Liabilities | <u>8,219,926</u> | <u>8,590,405</u> |
| Total Liabilities | 10,743,255 | 10,179,396 |
| CAPITAL ACCOUNT AND RETAINED EARNINGS | | |
| Paid-In Capital | 100,000 | 100,000 |
| Retained Earnings | 16,078,459 | 14,137,077 |
| Total Capital Account and Retained Earnings | <u>16,178,459</u> | <u>14,237,077</u> |
| Total Liabilities, Capital Account, and Retained Earnings | <u><u>\$ 26,921,714</u></u> | <u><u>\$ 24,416,473</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------------------------------|----------------------------|--------------------------|
| REVENUES | | |
| Service Revenue - Independent Living | \$ 10,419,509 | \$ 9,578,164 |
| Service Revenue - Health Center | 5,576,256 | 5,237,590 |
| Investment Income | 1,004,072 | 801,251 |
| Other | <u>685,565</u> | <u>668,451</u> |
| Total Revenues | 17,685,402 | 16,285,456 |
| OPERATING EXPENSES EXCLUDING DEPRECIATION | | |
| General and Administrative | 9,732,876 | 9,782,730 |
| Management Fees | 995,709 | 923,033 |
| Dietary and Food Service | 1,087,527 | 984,573 |
| Nursing Costs and Medical Services | 685,865 | 571,940 |
| Plant Operations and Grounds Maintenance | 756,563 | 840,718 |
| Social Services and Transportation | 199,965 | 199,599 |
| Interest on Refundable Resident Deposits | 11,734 | 16,373 |
| Real Estate Taxes | 173,501 | 158,205 |
| Housekeeping and Laundry | <u>198,614</u> | <u>199,824</u> |
| Total Operating Expenses Excluding Depreciation | 13,842,354 | 13,676,995 |
| OPERATING INCOME BEFORE DEPRECIATION AND INCOME TAXES | 3,843,048 | 2,608,461 |
| DEPRECIATION AND AMORTIZATION EXPENSE | <u>1,289,614</u> | <u>1,313,404</u> |
| OPERATING INCOME BEFORE INCOME TAXES | 2,553,434 | 1,295,057 |
| PROVISION FOR INCOME TAXES | <u>612,052</u> | <u>513,620</u> |
| NET INCOME | <u><u>\$ 1,941,382</u></u> | <u><u>\$ 781,437</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
STATEMENTS OF CHANGES IN CAPITAL ACCOUNT AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>Paid-In Capital</u> | <u>Retained Earnings</u> | <u>Total</u> |
|------------------------------------|----------------------------|------------------------------|----------------------|
| BALANCE - DECEMBER 31, 2022 | \$ 100,000 | \$ 13,355,640 | \$ 13,455,640 |
| Net Income | <u>-</u> | <u>781,437</u> | <u>781,437</u> |
| BALANCE - DECEMBER 31, 2023 | 100,000 | 14,137,077 | 14,237,077 |
| Net Income | <u>-</u> | <u>1,941,382</u> | <u>1,941,382</u> |
| BALANCE - DECEMBER 31, 2024 | <u>\$ 100,000</u> | <u>\$ 16,078,459</u> | <u>\$ 16,178,459</u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | 2024 | 2023 |
|-------------------------------------------------------------|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income | \$ 1,941,382 | \$ 781,437 |
| Adjustments to Reconcile Net Income to Net Cash | | |
| Provided by Operating Activities: | | |
| Depreciation and Amortization Expense | 1,289,614 | 1,268,718 |
| Operating Lease Right-of-Use Asset Amortization | 47,287 | 44,686 |
| Realized and Unrealized (Gain) Loss on Investments | 790,007 | (788,884) |
| Deferred Income Taxes | 382,040 | 313,900 |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | 228,346 | (53,668) |
| Prepaid Expenses | (1,690) | 138,661 |
| Inventory | 9,664 | (13,341) |
| Operating Supplies | 4,767 | (4,309) |
| Operating Lease Right-of-Use Assets | - | (6) |
| Increase (Decrease) in Liabilities: | | |
| Due to Manager | 302,204 | (213,669) |
| Accounts Payable and Accrued Expenses | 214,309 | 61,184 |
| Deferred Revenue | - | (3,708) |
| Operating Lease Liabilities | (47,288) | (44,422) |
| Agency Fund Liability | 5,489 | 5,184 |
| Net Cash Provided by Operating Activities | <u>5,166,131</u> | <u>1,491,763</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Property and Equipment | (836,441) | (582,418) |
| Purchases of Investments, Net | (1,309,300) | (2,000,000) |
| Decrease in Deferred Endowment | 89,706 | 81,590 |
| Purchases of Replacement reserves - Investments | (123,376) | - |
| Proceeds from Sale/ Maturity Statutory | | |
| Operating Reserves - Investments | 149,282 | 24,571 |
| Increase in Statutory Reserves - Cash and | | |
| Cash Equivalents | <u>(423,297)</u> | <u>(24,571)</u> |
| Net Cash Used by Investing Activities | <u>(2,453,426)</u> | <u>(2,500,828)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Refunds of Health Care Loans | <u>(20,201)</u> | <u>(70,583)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,692,504 | (1,079,648) |
| Cash and Cash Equivalent s- Beginning of Year | <u>1,146,190</u> | <u>2,225,838</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 3,838,694</u></u> | <u><u>\$ 1,146,190</u></u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for: | | |
| Interest | <u><u>\$ 11,734</u></u> | <u><u>\$ 16,373</u></u> |
| Income Taxes | <u><u>\$ 179,871</u></u> | <u><u>\$ 29,019</u></u> |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 NATURE OF OPERATIONS

Maplewood Park Place Retirement Services, Inc (the Company), a nonstock corporation, was established to provide certain health care and other services to residents of Maplewood Park Place (the Community), a senior-living, lifecare community in Bethesda, Maryland. The Community was constructed by Maplewood Park Place Limited Partnership (MPPLP). MPPLP divided the Community into a residential condominium unit consisting of 207 independent living units, which it sold to Maplewood Park Place Cooperative Housing Corporation (the Cooperative), and a services condominium unit consisting of the remainder of the Community property, including a healthcare center, which it sold to the Company. Residents of the Community enter into (i) stock purchase agreements with either the Cooperative (for initial residents of the independent living units) or the previous residents of the independent living units to which the stock being purchased relates, (ii) occupancy agreements with the Cooperative, and (iii) services agreements with the Company. The Cooperative and Company began operations in December 1995, with the purchase of their condominium units from MPPLP. The Maryland Department of Aging has certified the Company and Cooperative to provide continuing care to members.

Sunrise Senior Living Services, Inc. (the Manager), a subsidiary of Sunrise Senior Living, Inc., serves as manager of the Company and the Cooperative pursuant to separate long-term Management Agreements. The agreements contain five five-year conditional renewal intervals. The Manager is required to notify the Company about intent to renew at least 12 months before the expiration date of each five-year renewal interval. Upon the Manager's notification, the agreements renew automatically for an additional five-year term. If the Manager fails to notify before the due date, the agreements will expire. The agreements' final expiration date is December 31, 2030.

The Company remits to the Manager a management fee which approximates 6% of revenues, as defined in the Management Agreement. For the years ended December 31, 2024 and 2023, the management fees were \$995,709 and \$923,033, respectively.

The Company is governed by a board of directors (the Board). The Board consists of two members elected by shareholders, one member appointed by the Manager, and four members elected from the Montgomery County community at-large. According to the Fifth Amendment to the by-laws, the Board may consider exceptions and elect nonresident individuals with especially relevant qualifications and expertise that in the opinion of the Board cannot be duplicated by confining the choice to candidates who are Montgomery County residents. The Company has administrative offices, activity facilities, dining facilities, underground parking, and beauty and barber shops, as well as a health center containing 21 assisted living units and 31 skilled nursing care beds.

Pursuant to the occupancy agreement with the Cooperative, a resident pays a monthly occupancy fee applicable to the resident's type of apartment in an amount determined by annual budget approved by the board.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operating Indicator

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of care services are reported as revenue and expenses. Peripheral or incidental transactions are reported as other expenses and gains.

Cash Equivalents

The Company considers cash equivalents to include money market accounts and any highly liquid debt instruments purchased with maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 expenses during the reporting periods. Actual results could differ from those estimates.

Financial Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk related to cash.

The Company invests in a professionally managed portfolio that contains corporate and U.S. government bonds. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Inventory

Inventory, consisting entirely of food, is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Management establishes a reserve for any inventory deemed to be unsaleable. There is no allowance for obsolescence, based on management's evaluation of the saleability of inventory at December 31, 2024 and 2023.

Accounts Receivable and Allowance for Credit Losses

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

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

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

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024 and 2023, the allowance for estimate of expected credit losses was -\$0- and -\$0-, respectively.

The opening and closing balances in accounts receivable, net was as follows:

| | |
|-----------------------------|------------|
| Balance - January 1, 2023 | \$ 660,285 |
| Balance - December 31, 2023 | 713,953 |
| Balance - December 31, 2024 | 485,607 |

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight line method over the estimated useful lives of the assets, ranging from 3 to 40 years.

The December 31, 2024 and 2023 construction in progress includes a common area renovation that the Company expects to complete in fiscal year 2025.

Valuation of Long-Lived Assets

The Company reviews its long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2024 and 2023, management does not consider the value of any property or equipment to be impaired.

Investments

The Company has various holdings in marketable securities accounted for under the fair value methods as required by U.S. GAAP (see Note 3).

Restricted Investments

Includes (1) funds for replacement of property and equipment, provided by 8% of resident revenues, (2) funds for operating reserve based on a percentage of annual operating expenses, as required by the Maryland Department of Aging and (3) healthcare admission deposits (see Note 5). The replacement reserves are held in money market accounts, corporate and government bonds, and waiting list deposits are held in money market funds.

Agency Fund Liability

The Company maintains a bank account used for funds contributed by the community residents for the benefit and welfare of the Company's employees who are in need of financial assistance. The Company records agency fund liability when a resident makes a contribution and reduces this liability when a payment to an employee in need is made. As of December 31, 2024 and 2023, agency fund liability was \$47,681 and \$42,192, respectively.

Investment Income

Investment income represents earnings on available cash placed in money market and investment accounts. For the years ended December 31, 2024 and 2023, investment income (loss) was \$1,004,072 and \$801,251, respectively.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Endowment

The Company collects 75% (before July 2018 – 90%) of refundable entrance fees from new residents. The Company records the nonrefundable portion of the entrance fee as deferred endowment. At the time of settlement with a new buyer, the Company refunds 75% (before July 2018 – 90%) of a seller's entrance fee and collects entrance fee from a buyer. The Company recognizes 25% (before July 2018 – 10%) of the entrance fee as revenue ratably over a 10-year period.

The opening and closing balances in deferred endowment was as follows:

| | |
|-----------------------------|------------|
| Balance - January 1, 2023 | \$ 813,751 |
| Balance - December 31, 2023 | 895,341 |
| Balance - December 31, 2024 | 985,047 |

Revenue Recognition

Service revenue is generated from monthly service fees from residents in independent living units and in the health center based on the terms of the resident agreements. Ancillary revenue for supplementary services and other items requested by residents is recognized as the services are provided. Residents pay services fees by the 15th of the month. Services fee revenue from residents in independent living was \$10,419,509 and \$9,578,164 for the years ended December 31, 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, \$5,576,256 and \$5,237,590, respectively, of service fee revenue was recognized from the residents of the health center.

Operating revenue includes amounts estimated by the Manager to be reimbursed by Medicare. Cost-based reimbursements are subject to examination by agencies administering the Medicare program, and provisions are made for potential retroactive adjustments. To the extent that these provisions vary from settlements, operations are charged or credited as the adjustments become known.

Income Taxes

The Company is subject to federal and state income taxes and is required to recognize deferred taxes for cumulative temporary differences between financial reporting and tax reporting. Management evaluates tax positions taken by the Company and recognizes a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Company's management has analyzed its tax positions, previously taken, and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

See Note 8 for additional disclosures related to the Company's tax positions as of December 31, 2024 and 2023.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company is a lessee of noncancellable operating leases for office space and office equipment. Leases for other equipment are evaluated using the criteria outlined in Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 842 to determine whether they will be classified as operating leases or finance leases. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Company determines if an arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Company recognizes a lease liability and right-of-use asset at the commencement date of the lease.

Beginning January 1, 2022, operating lease right-of-use assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheet.

Lease Liabilities

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Company uses its incremental borrowing rate. The implicit rates of the Company's leases are not readily determinable; accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Company determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

Right-of-Use Assets

A right-of-use asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the right-of-use asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease right-of-use assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Accounting Policy Election for Short-Term Leases

The Company has elected for all underlying classes of assets, to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than one month at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through May 13, 2025, the date the financial statements were available to be issued.

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS

U.S. GAAP provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Money Funds – The carrying amounts of money funds approximate their fair value.
Corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual bonds are traded.

Certificates of Deposit – Valued at cost plus accrued interest, which approximates market value.

Common Stock – Valued at the closing price reported on the active market on which the individual stocks are traded.

Mutual Funds – Valued at the closing price reported on the active market on which the individual funds are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are comprised of investments in money funds, corporate bonds, government bonds, common stock, mutual funds and certificates of deposit at December 31, 2024 and 2023. Realized gains and losses are determined using the specific identification method.

The following tables set forth by level, within the fair value hierarchy, the Company's investments at fair value as of December 31:

| | 2024 | | | |
|----------------------------------|----------------------|-------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Treasury Money Market Funds | \$ 278,290 | \$ - | \$ - | \$ 278,290 |
| Certificates of Deposit | - | - | - | - |
| Corporate Bonds | 1,926,035 | - | - | 1,926,035 |
| Common Stock | 209,937 | - | - | 209,937 |
| U.S. Government Securities | 2,711,162 | - | - | 2,711,162 |
| Mutual Funds | 5,227,469 | - | - | 5,227,469 |
| Total Assets at Fair Value | <u>\$ 10,352,893</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,352,893</u> |

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

| | 2023 | | | |
|----------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Treasury Money Market Funds | \$ 541,560 | \$ - | \$ - | \$ 541,560 |
| Certificates of Deposit | 1,530,231 | - | - | 1,530,231 |
| Corporate Bonds | 929,376 | - | - | 929,376 |
| Common Stock | 155,233 | - | - | 155,233 |
| U.S. Government Securities | 2,043,613 | - | - | 2,043,613 |
| Mutual Funds | 4,236,196 | - | - | 4,236,196 |
| Total Assets at Fair Value | <u>\$ 9,436,209</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,436,209</u> |

The following table sets forth by balance sheet category the Company's investments at fair value as of December 31:

| | 2024 | 2023 |
|----------------------------------------------------------|----------------------|---------------------|
| Investments - Undesignated | \$ 6,233,610 | \$ 5,714,317 |
| Replacement Reserves - Investments | 1,050,998 | 927,622 |
| Statutory Operating Reserves - Investments | 1,612,461 | 1,761,743 |
| Statutory Operating Reserves - Cash and Cash Equivalents | 1,455,824 | 1,032,527 |
| Total | <u>\$ 10,352,893</u> | <u>\$ 9,436,209</u> |

The maturities of debt securities and certificates of deposits are as follows as of December 31:

| | 2024 | 2023 |
|--------------------------|---------------------|---------------------|
| Due in One Year or Less | \$ 2,133,245 | \$ 1,871,031 |
| Due in One to Five Years | 818,456 | 655,399 |
| Due After Five Years | 1,685,496 | 1,976,790 |
| Total | <u>\$ 4,637,197</u> | <u>\$ 4,503,220</u> |

Investment income is as follows:

| | 2024 | 2023 |
|------------------------------------------|---------------------|-------------------|
| Investment Income: | | |
| Dividends and Interest Income | \$ 233,337 | \$ 1,590,135 |
| Net Realized Gain (Loss) on Investments | (19,272) | - |
| Net Unrealized Gain (Loss) on Investment | 790,007 | (788,884) |
| Total | <u>\$ 1,004,072</u> | <u>\$ 801,251</u> |

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 INITIAL HEALTHCARE LOANS

Residents moving into the Community before April 6, 2006, were required to make an initial health care loan to the Company. This loan has a term of 15 years with automatic annual renewal periods. The loan bears interest at the federal rate applicable when made, and upon termination of the Services Agreement is refunded 100%. Residents entering the Community on or after April 6, 2006, pay a 75% {before July 2018 – 90%}) refundable entrance fee rather than an initial health care loan. At December 31, 2024 and 2023, initial healthcare loans and entrance fees combined were \$7,131,844 and \$7,152,045, respectively. Each entrance fee is replaced by another entrance fee. Each initial healthcare loan replaced before April 6, 2006, was refunded by another initial healthcare loan, and each initial healthcare loan replaced on or after April 6, 2006, is replaced by an entrance fee. These entrance fees and initial healthcare loans combined constitute a revolving capital fund without maturity.

NOTE 5 HEALTHCARE ADMISSION DEPOSITS AND LOANS

Residents who entered the community before April 6, 2006 and moved permanently to the health center have the option of making a refundable loan to the Company or of paying a higher daily rate. If the loan is made, interest income accrues to the benefit of the Company, and the principal is repaid upon termination of the services agreement with the resident. These residents are required to make a refundable deposit to the Company. The loans and deposits are referred to as the "healthcare admission deposits and loans." At December 31, 2024 and 2023, healthcare admission deposits and loans were \$-0- and \$362,400, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Company is obligated to pay certain fees for off-site central administrative services rendered by the Manager. In accordance with the management agreement, the Company and the Manager, as part of the annual budget review, are to exert their respective good faith efforts to determine what services are fairly and equitably allocable to the Company and to agree on a mutually acceptable budget for such services. The Manager agrees not to charge a fee for a central administrative service unless the Company agrees, after exerting reasonable good faith effort as part of the annual budgeting process, to the services to be covered by such a fee.

From time to time, the Company may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Company's insurance policies subject to normal deductibles, and accordingly would not have a material effect on its financial position or results of operations.

Litigation

There are various legal actions that can occur in the ordinary course of business, and management is not aware of any such matters that would have a material effect on the financial condition or results of operations of the Company.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 DUE TO MANAGER

The Manager has funded certain operating expenses of the Company. These advances, including accounts payable and payroll, are reimbursed to the Manager by the Company on a current basis out of the Company's cash flow. At December 31, 2024 and 2023, the Company owed the Manager \$1,117,916 and \$815,712, respectively.

NOTE 8 INCOME TAXES

The provision for income taxes for the years ended December 31 is as follows:

| | 2024 | 2023 |
|----------------------------------|-------------------|-------------------|
| Current | \$ 419,621 | \$ 199,720 |
| Deferred | 217,579 | 313,900 |
| Total Provision for Income Taxes | <u>\$ 637,200</u> | <u>\$ 513,620</u> |

Temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws at December 31, 2024 and 2023 primarily result from:

| | 2024 | 2023 |
|---------------------------------------|--------------------|--------------------|
| Long-Term Tax Assets and Liabilities: | | |
| Depreciation | \$ 170,142 | \$ 115,100 |
| Unrealized Gain (Loss) on Investments | <u>(217,961)</u> | <u>(200,500)</u> |
| Net Long-Term Deferred Income | | |
| Tax Liability | <u>\$ (47,819)</u> | <u>\$ (85,400)</u> |

NOTE 9 RENTAL INCOME

The Company leases roof space to communication companies under an operating lease. Annual rent payment is \$101,153.

Future minimum cash lease receipts under lease agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2025 | \$ 101,153 |
| Total Future Minimum Lease Payments | <u>\$ 101,153</u> |

NOTE 10 CASH IN BANKS

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. Deposits held in a noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least \$250,000. At December 31, 2024 and 2023, the Company had approximately \$3,588,691 and \$940,279, respectively, in excess of FDIC insured limits.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 LEASE COMMITMENTS

In years 2024 and 2023, the Company leased under equipment under three and five, respectively, noncancellable agreements. Payments due under lease contracts include fixed payments and variable payments. The variable lease payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

The components of lease cost for the years ended December 31, 2024 and 2023 are as follows:

| | <u>Expense</u> | <u>2024</u> | <u>2023</u> |
|----------------------|----------------|------------------|------------------|
| Operating Lease Cost | Rent | \$ 2,138 | \$ 1,857 |
| Variable Lease Cost | Rent | 46,949 | 46,033 |
| Total Lease Costs | | <u>\$ 49,087</u> | <u>\$ 47,890</u> |

Maturities of lease liabilities as of December 31, 2024 were as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|------------------------------------|------------------|
| 2025 | \$ 45,733 |
| 2026 | 7,622 |
| Total Lease Payments | 53,355 |
| Less: Imputed Interest | (609) |
| Present Value of Lease Liabilities | <u>\$ 52,746</u> |

The following information was used in the calculation of the lease liabilities, right-of-use assets and the related impact on the financial statements:

| | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------------------------|-------------|-------------|
| Weighted-Average Remaining Lease Term | 1.16 Years | 2.13 Years |
| Weighted-Average Discount Rate | 1.14% | 1.20% |
| Cash Paid for Amount Included in the Measurement of Lease Liabilities: | | |
| Operating Cash Flows Paid for Operating Leases | \$ 2,138 | \$ 1,900 |
| Operating Cash Flows Paid for Interest Portion of Financing Leases | 558 | 1,347 |
| Financing Cash Flows Paid for Principal Portion of Financing Leases | 45,174 | 44,385 |
| Right-of-Use Assets Obtained on Operating Lease Commitments | - | 1,831 |

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12 MARYLAND DEPARTMENT OF AGING RESERVE REQUIREMENTS

The state of Maryland requires the Company to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. The total amount reserved for the Company is as follows as of December 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------------------|---------------------|----------------------|----------------------|
| Operating Expenses | | \$ 14,990,399 | \$ 13,849,944 |
| Less: Depreciation and Amortization Expense | | <u>(1,313,404)</u> | <u>(1,296,781)</u> |
| Net Operating Expenses | | <u>\$ 13,676,995</u> | <u>\$ 12,553,163</u> |
| Total Operating Reserve: | | | |
| 25% of Net Operating Expenses | <u>\$ 3,419,249</u> | <u>\$ 3,138,291</u> | |
| Reserves Available: | | | |
| Cash and Cash Equivalents | 3,838,694 | 1,146,190 | |
| Statutory Operating Reserves | <u>3,068,285</u> | <u>2,794,270</u> | |
| | <u>\$ 6,906,979</u> | <u>\$ 3,940,460</u> | |



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

EXHIBIT C

**CASH FLOW FORECAST STATEMENT &
OPERATING RESERVE CALCULATIONS**

Maplewood Park Place

Statement of Cash Flows

2024 Audit, Current Fiscal Budget & The Following Two Fiscal Year Projection

Exhibit G-3 Cash Flow Forecast Statement

| | 2024 Audit | | | Consolidated Projection | | |
|----------------------------------------------|--------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|
| | Cooperative | Services | Consolidated | 2025 | 2026 | 2027 |
| Cash Flows from Operating Activities: | | | | | | |
| Net Income | \$ (418,879) | \$ 781,437 | \$ 362,558 | \$ 1,575,757 | \$ 1,654,545 | \$ 1,737,272 |
| Depreciat | 1,634,125 | 1,268,718 | 2,902,843 | 1,882,650 | 1,976,783 | 2,123,783 |
| From Oper | (149,749) | 312,082 | 162,333 | 170,450 | 178,972 | 187,921 |
| Net Cash P | 1,065,497 | 2,362,237 | 3,427,734 | 3,628,857 | 3,810,300 | 4,048,976 |
| Cash Flows From Investing Activities: | | | | | | |
| Nets Sales/ | (1,228,936) | (2,788,884) | (4,017,820) | (3,050,000) | (3,202,500) | (3,362,625) |
| Acquisition | (93,600) | (582,418) | (676,018) | (346,000) | (550,000) | (750,000) |
| Net Cash P | (1,322,536) | (3,371,302) | (4,693,838) | (3,396,000) | (3,752,500) | (4,112,625) |
| Cash Flows from Financing Activities: | | | | | | |
| Net Payme | - | - | - | - | - | - |
| Change in | - | (70,583) | (70,583) | (193,630) | (193,630) | (193,630) |
| Net Cash P | - | (70,583) | (70,583) | (193,630) | (193,630) | (193,630) |
| Increase (I | (257,039) | (1,079,648) | (1,336,687) | 39,227 | 41,188 | 43,248 |
| Cash and C | 1,036,511 | 2,225,838 | 3,262,349 | 1,925,662 | 1,964,889 | 2,006,077 |
| Cash and C \$ | \$ 779,472 | \$ 1,146,190 | \$ 1,925,662 | \$ 1,964,889 | \$ 2,006,077 | \$ 2,049,325 |
| | | | | | | |
| * Investement Balance Activity: | | | | | | |
| U | 1,424,708 | 2,518,395 | 3,943,103 | 6,743,103 | 9,720,603 | 12,883,228 |
| R | 1,224,868 | 2,094,693 | 3,319,561 | 3,319,561 | 3,319,561 | 3,319,561 |
| R | 533,518 | 1,907,552 | 2,441,070 | 2,691,070 | 2,916,070 | 3,116,070 |
| Total Unrestricted/Restricted Cash | 3,183,094 | 6,520,640 | 9,703,734 | 12,753,734 | 15,956,234 | 19,318,859 |

MAPLEWOOD PARK PLACE COOPERATIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 CASH IN BANKS

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. Deposits held in a noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least \$250,000. At December 31, 2024 and 2023, the Company had approximately \$704,057 and \$610,834 of cash balances in excess of FDIC insured limits.

NOTE 8 MARYLAND DEPARTMENT OF AGING RESERVE REQUIREMENTS

The state of Maryland requires the Company to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. The total amount reserved for the Company is as follows as of December 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------------------|------------------|--------------------|--------------------|
| Operating Expenses | | 5,921,488 | 5,741,327 |
| Less: Depreciation and Amortization Expense | | <u>(1,634,125)</u> | <u>(1,586,303)</u> |
| Net Operating Expenses | | <u>4,287,363</u> | <u>4,155,024</u> |
| Total Operating Reserve: | | | |
| 25% of Net Operating Expenses | <u>1,071,841</u> | <u>1,038,756</u> | |
| Reserves Available: | | | |
| Cash and Cash Equivalents | 954,664 | 779,472 | |
| Statutory Operating Reserves | <u>865,620</u> | <u>779,870</u> | |
| | <u>1,820,284</u> | <u>1,559,342</u> | |

See accompanying Notes to Financial Statements.

MAPLEWOOD PARK PLACE RETIREMENT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12 MARYLAND DEPARTMENT OF AGING RESERVE REQUIREMENTS

The state of Maryland requires the Company to set aside reserves equal to 25% of its net operating expenses (as defined) for the most recent fiscal year. The total amount reserved for the Company is as follows as of December 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------------------|---------------------|----------------------|----------------------|
| Operating Expenses | | \$ 14,990,399 | \$ 13,849,944 |
| Less: Depreciation and Amortization Expense | | <u>(1,313,404)</u> | <u>(1,296,781)</u> |
| Net Operating Expenses | | <u>\$ 13,676,995</u> | <u>\$ 12,553,163</u> |
| Total Operating Reserve: | | | |
| 25% of Net Operating Expenses | <u>\$ 3,419,249</u> | <u>\$ 3,138,291</u> | |
| Reserves Available: | | | |
| Cash and Cash Equivalents | 3,838,694 | 1,146,190 | |
| Statutory Operating Reserves | <u>3,068,285</u> | <u>2,794,270</u> | |
| | <u>\$ 6,906,979</u> | <u>\$ 3,940,460</u> | |

EXHIBIT D

ANCILLARY SERVICE CHARGE LIST

2025 Maplewood Park Place Itemized Charge List

| Clinic | | |
|--------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------|
| ITEMS | CHARGES | COMMENTS |
| Refill Pill Box and Order Medication | \$25 | Per week |
| Nurse Visit | First 30 Minutes Free \$25 per visit with a \$200 cap per month | Assessment, paperwork. Fee \$25 applies after 30 minutes |
| Wound Care | \$20 per treatment | |
| Vital Sign Check | No Charge | |
| Ear Wax Cleaning | \$20.00 | Both Ears |
| Injections | \$15.00 | |
| Eye Drop Installations | \$25.00 | Pre & Post Surgery |
| Wounds | \$15.00 – Basic \$20.00 – Multiple \$25.00 - Extensive | Includes Supplies |

| Transportation | | |
|--------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|
| ITEMS | CHARGES | COMMENTS |
| Doctor's Appointments | \$3.50 per mile | Outside of 10-mile radius and outside of posted hours |
| Recreation Department Travel | Variable | Listed on flyer |
| Personal Travel- requests accommodated based on availability | \$10 per outing and \$5 per mile outside of 10-mile radius | Cancellations at least 24 hours in advance |

| Security | | |
|---------------------------------------------------------|----------------|----------------------------------------------------|
| ITEMS | CHARGES | COMMENTS |
| Replacement/additional mailbox or apartment key | \$5 | |
| SARA Pendant | \$205 | Free for new resident |
| SARA Pendant Waterproof | \$300 | |
| SARA Wristband | \$25 | |
| SARA Push Button | \$180 | Free for new resident |
| Replacement/additional security access card | \$15 | Free for new resident |
| Changing Apartment Door Lock | \$80 | By request lock change (free for move-in/move-out) |
| Non-emergency wheelchair transport one-way in community | \$4 | |

| Housekeeping | | |
|---------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|
| ITEMS | CHARGES | COMMENTS |
| Annual Carpet Cleaning | Free | Schedule in advance w/manager |
| Annual Sheers Cleaning | Free | Schedule in advance w/manager |
| Launder bed spread | \$20.00 flat fee | Any size |
| Launder comforter | \$30.00 flat fee | Any size |
| Cleaning oven/microwave | \$50.00 per hour | |
| Cleaning complete refrigerator | \$50.00 per hour | By appointment only |
| Polishing silver/brass | \$40.00 per hour | By appointment only |
| Turn Mattress | \$25.00 flat fee | Schedule in advance w/manager |
| Extra cleaning of apartment | \$50.00 per hour | Cost based on 1 housekeeper |
| Shampoo 1 Bedroom, LR, & Den | \$100.00 flat fee | |
| Shampoo 2 Bedroom, LR & Den | \$125.00 flat fee | |
| Spot Clean carpet | \$40.00 - \$50.00 \$75.00 + | Based on type of spot & size \$75 for blood, urine, etc. |
| Cleaning chandelier | \$50.00 per hour | Please consult with manager |
| Roll away rental | \$25.00 per night | Fresh bed linens will be provided |
| Upholstery furniture cleaning | \$40.00 - \$50.00 | Contact manager for price quote |
| Personal laundry (AL, SNF and IL residents) | \$15.00 per load | No silk, wool, and other shrinkable |
| Moving furniture within apartment | \$50.00 per hour | Fee based one person |
| Moving/transferring furniture out | \$50.00-\$300.00 | Contact manager for price quote, additional charge for use of dumpster |
| Bathroom Grout Cleaning | \$50.00 per hour | |
| Wheelchair cleaning (IL residents) | \$25.00 per chair | |
| Pet apartment cleaning surcharge | \$50-\$150 per cleaning | Contact manager for a quote |
| Pest Control Visit | \$300 per visit | |
| Infestation Cleaning | \$700 | Bed Bugs, roaches, mice, ants |
| Covid Cleaning | \$250 | |
| Toilet tissue and garbage bags | Available for purchase in the Maplewood Market Place | |

Food and Beverage

Guest Meal Prices:

| | |
|-----------------------------------|-----------------------------------------------------------------------------|
| Breakfast | \$19.00 |
| Lunch/Dinner | \$35.00 |
| Grab & Go Meal (Lunch only) | Meal sub. Sold in General Store (sm. Soup, salad, and pre-made Sandwich) |
| Sunday Champagne Brunch | \$30.00 Residents / \$37.00 Guests |
| Sunday Brunch (Children) | \$24.00 Sunday Brunch |
| Holiday Meals | \$41.00 |
| Guest Meals Cards (5 guest meals) | \$165.00 |
| Children 3 years and younger | Free |
| Children 4 – 12 years | \$20.00 Lunch & Dinner |

Additional Resident Meal Prices:

| | |
|-----------------------------------------|---------|
| Breakfast | \$18.00 |
| Soup & Sandwich | \$20.00 |
| Soup & Salad | \$20.00 |
| Soup (Cup) | \$7.00 |
| Soup (Bowl) | \$10.00 |
| Additional Meal Lunch & Dinner | \$18.00 |
| Sunday Champagne Brunch | \$28.00 |
| Resident Additional Meal Card (5 meals) | \$78.00 |

A la carte

| | |
|------------------------------------------------------------------------|---------|
| Daily Sandwich (Lunch only) (BLT, Hot Dog, Club Sandwich, Jr. Club) | \$15.00 |
| Chicken/Tuna Salad Sandwich or Platter | \$18.00 |
| Daily Salad (Lunch only) | \$15.00 |
| (Salmon Caesar) | \$18.00 |
| Dessert of the Day | \$7.00 |
| Fresh Fruit Cup | \$7.00 |
| Room Service | \$4.00 |

Alcohol

| | Per Bottle | Per Glass |
|------------------------|------------|-----------|
| Red Wine | \$25.00 | \$7.00 |
| White Wine | \$25.00 | \$7.00 |
| Top Shelf | \$28.00 | \$9.00 |
| | | |
| | Per Bottle | Six-Pack |
| Domestic Beer | \$5.00 | \$20.00 |
| Imported Beer | \$7.00 | \$25.00 |
| Non-alcoholic Beverage | \$7.00 | \$25.00 |
| | | |
| | Per Glass | |
| Spirits | \$8.00 | |

Catering Services

See Food & Beverage Director for menu, pricing, and availability.

| Booking/Planning/Programming Services for F&B Events | |
|------------------------------------------------------|------------------------|
| \$40 per first 30 min. | \$35 per every ½ hour. |

Business Office Services

Service Price List

| | Price | Quantity |
|------------------------|-----------|----------|
| BW copy | .10 cents | 1 Page |
| Color copy | .25 cents | 1 Page |
| Fax | \$1.00 | 1 Page |
| Email | \$1.00 | 1 Page |
| Regular envelope | .25 cents | Each |
| Medium envelope | .50 cents | Each |
| Large envelope | \$1.00 | Each |
| Small, padded envelope | \$1.00 | Each |
| Medium padded envelope | \$1.50 | Each |
| Large, padded envelope | \$2.00 | Each |

Additional Storage Bin

| | |
|-------------------|-----------------|
| Small Storage Bin | \$ 30 per month |
| Large Storage Bin | \$50 per month |

Salon Services

Maplewood Glam Studio

UNISEX SALON PRICE LIST

Wax Services

| | |
|----------------|------|
| Eyebrow Waxing | \$25 |
| Lip Waxing | \$20 |
| Eyebrow color | \$30 |

Nail Services

| | |
|-----------|---------------|
| Manicure | \$25 |
| Pedicure | \$50 |
| Silk Wrap | \$10/per nail |



Hair Services

| | |
|-------------------------|-----------|
| Men's Haircut | \$40 |
| Women's Haircut Only | \$65 |
| Shampoo, Cut & Set | \$85 |
| Shampoo & Blow Dry | \$55-\$60 |
| Shampoo, Cut & Blow Dry | \$90 |
| Shampoo & Set | \$55 |
| Shampoo Only | \$15 |
| Conditioner | \$30 |

Hair Color

| | |
|----------------------------------|-------|
| Color Full | \$85 |
| Partial Highlight Color | \$80 |
| Hi-Lite Foil | \$140 |
| Permanent Wave (All Included) | \$220 |

Call for appointments

☎ 301-530-5230