2026 Disclosure Statement

of

Resorts at Augsburg Corp.
doing business as
Heritage at Augsburg
an independent living community

<u>and</u>

Resorts of Augsburg Corp.
doing business as
Resorts of Augsburg ALF
an assisted living community

<u>and</u>

Resorts of Augsburg Corp.
doing business as
Resorts of Augsburg
a skilled nursing and comprehensive care facility

THE ISSUANCE OF A CERTIFICATE OF REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT OF THE FACILITY BY THE MARYLAND DEPARTMENT OF AGING, NOR IS IT EVIDENCE OF, OR DOES IT ATTEST TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET OUT IN THE DISCLOSURE STATEMENT.

The Provider will promptly amend its Disclosure Statement if, at any time, in the opinion of the Provider or the Department, an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement of fact required by the regulation to be stated in the Disclosure Statement or omission of a material fact required by this regulation to be stated in the Disclosure Statement.

EQUAL HOUSING OPPORTUNITY

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1. NAME, ADDRESS, AND DESCRIPTION OF THE PROVIDER

Resorts *at* Augsburg Corp. and Resorts *of* Augsburg Corp. (together, the “Provider”) operate this continuing care retirement community that consists of 131 nursing care beds, 52 assisted living beds, 98 continuing care independent living units, and 33 independent living rental units, all of which make up our “Community.” Resorts *at* Augsburg Corp., which trades as HERITAGE AT AUGSBURG operates the independent living units at 6825 Campfield Road, Baltimore, MD 21207, and Resorts *of* Augsburg Corp. operates the assisted living units under the trading name, RESORTS OF AUGSBURG ALF, and the skilled nursing, subacute care, and rehabilitation facility under the trading name, RESORTS OF AUGSBURG, both of which are located at 6811 Campfield Road, Baltimore, MD 21207.

Situated on 52 wooded acres on the West side of the Baltimore metro area with easy access to Baltimore City, as well as points North, South, and West, the Community is perfectly situated for residents who desire the ability to age in place with the convenience of city life and the tranquility of more rural surroundings.

The Community traces its roots to 1892, when Baltimore resident Caroline Lang became aware of two orphaned children without a place to live, and raised $3 with friends to create an orphanage fund, which is remembered today as the “Augsburg Acorn.”[1] By 1921, demand had grown so significantly that the current 52-acre property on Campfield Road was purchased and the campus developed. The campus was thereafter continuously operated in affiliation with the Evangelic Lutheran Church in America and The Lutheran Church—Missouri Synod until 2024, when the Provider proudly took over operations of the Community. While the Provider is no longer affiliated with the Church, we continue the long and proud tradition of providing excellence in care for seniors and look forward to doing so long into the future.

Today, the Provider is proud to offer a full continuum of care and amenities to its residents all at one convenient site and at affordable prices. Indeed, the Provider’s amenities truly make the Community a resort in both name and practice, with residents enjoying access to an onsite movie theater, computer room, gaming room, library, beauty salon, fitness center, wellness suite with spa and sauna, business center, garden, barbecue area, gazebo, patio, walking paths, picnic spots, arts and crafts area, a charming chapel, and restaurant-style dining.

[1] https://perma.cc/YWH2-MYE4

2. ORGANIZATIONAL STRUCTURE AND MANAGEMENT

Resorts of Augsburg Corp. and Resorts at Augsburg Corp. are each for-profit corporations incorporated in the State of Maryland organized for the purpose of owning and operating the Community.

- The President and sole stockholder of Resorts of Augsburg Corp. is Mindy Rosenberg, whose address is 6811 Campfield Road, Baltimore, MD 21207, and telephone number is (732) 335-6949.
- The Manager and Chief Executive Officer of Resorts of Augsburg Corp. is Peter Pappas, whose address is 6811 Campfield Road, Baltimore, MD 21207, and telephone number is (410) 486-4573.
- The President and sole stockholder of Resorts at Augsburg Corp. is Mindy Rosenberg, whose address is 6811 Campfield Road, Baltimore, MD 21207, and telephone number is (732) 335-6949.
- The Manager and Chief Executive Officer of Resorts at Augsburg Corp. is Peter Pappas, whose address is 6811 Campfield Road, Baltimore, MD 21207, and telephone number is (410) 486-4573.

No officers, directors, or stockholders of the Provider have: (a) been convicted of, or pleaded *nolo contendere* to, a felony charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property; (b) been held liable, or enjoined by a final judgment, in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary; (c) been subject to an effective injunctive or restrictive order of a court arising out of or related to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons; or (d) had any state or federal license or permit suspended or revoked within the past 10 years, as a result of an action brought by a governmental agency arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

3. TAX EXEMPT STATUS

The Provider consists of two for-profit corporations, neither of which is tax-exempt.

4. AFFILIATION WITH RELIGIOUS ORGANIZATIONS

The Provider proudly serves individuals of every faith, culture, and walk of life, and has no affiliation with any specific religious organization.

5. AFFILITATIONS WITH CHARITABLE ORGANIZATIONS

The Provider has no affiliation with any charitable, non-profit, or other tax-exempt organization. No other entity is responsible for the financial and contractual obligations of the Provider.

6. DESCRIPTION OF FEES

There are different types of fees that resident may pay to the Provider, which are detailed in the Residency Agreements/Admission Agreements for each of the respective levels of care provided in the Community, and the types of Residency/Admission Agreement signed.

INDEPENDENT LIVING:

For independent living, the Provider offers a "continuing care" Residency Agreement or a "rental only" Residency Agreement. The "rental only" Residency Agreement is for the lease of an apartment in the Independent Living facility only and does not confer any "continuing care" rights on the rental resident, and is not subject to the supervision of the Department of Aging.

In general, residents in independent living may be expected to pay the following fees:

A. **One-Time Entrance Fee**. If the resident executes a "continuing care" Residency Agreement, the resident may be required to pay an entrance fee. The amount of the entrance fee required will be detailed in the Residency Agreement offered to the resident. The resident may receive a refund of a portion of the entrance fee if the Residency Agreement is terminated after occupancy and the conditions stated in the Residency Agreement for a partial refund of the entrance fee are fully satisfied. The amount of the entrance fee refund, if any, will vary depending on when termination of the Residency Agreement occurs, as detailed in the Residency Agreement. **Please read your continuing care Residency Agreement carefully to ensure that it reflects your understanding of the terms of your agreement.** Please note that no part of the entrance fee, including that portion to be refunded after termination, is held in trust or escrow for the benefit of the resident. The entrance fee is not a security deposit. If the resident executes a "rental only" Residency Agreement, there will be no entrance fee.

Entrance Fee[2] Options For Independent Living
For All Apartment Types in Continuing Care

The community is proud to offer four entrance fee options to its prospective residents. Each continuing care apartment in the Community has been assigned an entrance fee type based upon factors that include, but are not limited to: (a) facility need; (b) apartment size; (c) apartment quality; (d) apartment age; and (e) apartment upgrades.

Entrance Fee Amount	Refund Policy	Monthly Fee Discount
$0.00	Not Applicable	None
$25,000.00	Non-Refundable	None
$50,000.00	Diminishes 10% Annually*	$500.00 per month
$100,000.00	Diminishes 10% Annually*	$1,000.00 per month

*Refund of entrance fee diminishes by 10% each year of residency after adjustment period (*i.e.*, full refund if leaving within the first year after adjustment period, 90% after 1 year, 80% after 2 years, and so on).

B. **Non-Refundable Community Fee**. At the time the resident signs a Residency Agreement, they will pay a one-time non-refundable community fee in the amount detailed in the Residency Agreement. The community fee is intended to cover upfront staff administrative costs, the resident's initial service coordination plan, move-in assistance, and establish a replacement reserve for Community improvements. The community fee is non-refundable, unless the Provider terminates the Residency Agreement prior to the resident moving into the apartment. The community fee is not a security deposit.

C. **Monthly Fee**. All residents are expected to pay a monthly occupancy fee for use and occupancy of their apartment and the common areas of the Community. The amount of the monthly occupancy fee will be based on various factors including, but not limited to, the size and location of the resident's selected apartment. The monthly fee is detailed initially in the Residency Agreement. Any changes to the monthly fee will be communicated to the resident in writing prior to the effective date of such changes.

D. **Ancillary Fees**. Ancillary fees are for additional products and services that may be requested by residents from time to time that are not covered by the monthly fee. These may include special events, additional services provided by the Provider, guest meals, or other non-regularly provided services and products. The prices for these additional goods and services will be provided to the residents up front and prior to the resident incurring a charge for them.

E. **Healthcare Service Fees**. At the request of a resident, the Provider will render all reasonable assistance to the resident in arranging for health care on a fee for service basis, emergency medical and nursing assistance, and administration of prescribed medications. These fees are **not** included in the monthly

[2] The Entrance Fee, where charged, guarantees a resident continuing care for the life of the resident or a period exceeding 1 year, subject to the terms and conditions of the resident's Residency Agreement and applicable law. *See* HSA §10–401(k).

fee or entrance fee. The resident will be financially responsible for all health care services received to the extent that such services are not fully covered by the resident's insurance.

F. **Other Monthly Fees**. Depending on a resident's choices, there may be additional monthly ongoing fees assessed to a resident, such as pet fees or parking fees. These fees will be communicated either in the resident's Residency Agreement or a separate agreement with the resident prior to being charged to the resident.

G. **Late Fees**. If a resident does not pay their fees by the due date, the Provider will assess a late fee as stated in the Residency Agreement.

ASSISTED LIVING:

For assisted living, the Provider offers only an "Assisted Living Agreement," which details the services provided, the services not provided, and the fees associated with this type of facility. The Assisted Living Agreement also details costs for the various levels of care offered and medication management services.

In general, residents in assisted living may be expected to pay the following fees:

A. **Non-Refundable Community Fee**. At the time the resident signs an Assisted Living Agreement, they will pay a one-time non-refundable community fee in the amount detailed in the Assisted Living Agreement. The community fee is intended to cover upfront staff administrative costs, the resident's initial service coordination plan, move-in assistance, and establish a replacement reserve for Community improvements. The community fee is non-refundable, unless the Provider terminates the Residency Agreement prior to the resident moving into the apartment. The community fee is not a security deposit. If the resident has previously paid a community fee in independent living, they will not be charged an additional community fee.

B. **Monthly Fee**. All residents are expected to pay a monthly fee for use and occupancy of their apartment and the common areas of the Community, as well as the additional covered services provided as detailed in the Assisted Living Agreement. The amount of the monthly fee will be based on various factors including, but not limited to, the size and location of the resident's selected apartment, and services to be included therewith. The monthly fee is detailed initially in the Assisted Living Agreement. Any changes to the monthly fee will be communicated to the resident in writing prior to the effective date of such changes.

C. **Ancillary Fees**. Ancillary fees are for additional products and services that may be requested by residents from time to time that are not covered by the monthly fee. These may include special events, additional services provided by the Provider, guest meals, or other non-regularly provided services and products. The prices for these additional goods and services will be provided to the residents up front and prior to the resident incurring a charge for them.

D. **Level of Care Fee**. At the time of admission, and again each quarter during residency, each resident undergoes a level of care assessment by the Provider's interdisciplinary medical team to determine which level of care is most appropriate to the resident based on their medical conditions, needs, and history. The Provider offers five (5) levels of care, which are each associated with a different monthly fee, and which will be explained to the resident at the time of admission. The fee associated with each level of care is also detailed in the Assisted Living Agreement.

E. **Medication Management Fee**. The Provider offers two (2) medication management programs to assist residents with administration and management of their prescribed medication regime. The appropriate program will be determined by the amount of assistance that a resident needs with administering and managing their medication regime. The fees for each of these programs and the details surrounding them are explained to the resident at the time of admission. The fee associated with each program is also detailed in the Assisted Living Agreement.

F. **Healthcare Service Fees**. At the request of a resident, the Provider will render all reasonable assistance to the resident in arranging for more extensive health care on a fee for service basis, and emergency medical and nursing assistance. This includes more comprehensive nursing care and monitoring of more chronic medical conditions as would be suited in the skilled nursing facility. These fees are **not** included in the monthly fee or entrance fee. The resident will be financially responsible for all such health care services received to the extent that such services are not fully covered by the resident's insurance or expressly covered by the monthly fee.

G. **Other Monthly Fees**. Depending on a resident's choices, there may be additional monthly ongoing fees assessed to a resident, such as pet fees or parking fees. These fees will be communicated either in the resident's Assisted Living Agreement or a separate agreement with the resident prior to being charged to the resident.

H. **Late Fees**. If a resident does not pay their fees by the due date, the Provider will assess a late fee as stated in the Assisted Living Agreement.

SKILLED NURSING:

For skilled nursing, the Provider offers only an "Admission Agreement," which details the services provided, the services not provided, and the fees associated with this type of facility.

A. **Daily Fee**. All residents are expected to pay a daily fee for use and occupancy of their assigned room and the common areas of the Community, as well as the skilled nursing care to be provided. The daily fee includes the services of a licensed physician to serve as the resident's attending physician, lodgings, linens and bedding, and such skilled nursing care and basic personal services required to maintain the health, safety, and well-being of the resident. The amount of the daily fee is dictated by the type of room occupied by the resident. The daily fee is detailed initially in the Admission Agreement. Any changes to the daily fee will be communicated to the resident in writing prior to the effective date of such changes.

B. **Ancillary Fees**. Ancillary fees are for additional products and services that may be requested by residents from time to time that are not covered by the monthly fee. These may include special events, additional services provided by the Provider, guest meals, or other non-regularly provided services and products. The prices for these additional goods and services will be provided to the residents up front and prior to the resident incurring a charge for them.

C. **Healthcare Service Fees**. At the request of a resident, or as dictated by the resident's medical needs as ordered by the resident's attending physician, the Provider will arrange for additional physicians, medications, rehabilitation services, diagnostic services, equipment, treatments, and transportation deemed medically necessary. The Provider will first look to any applicable third-party payor source for payment of such services, such as private insurance, Medicare, or Medicaid, before seeking compensation from the resident for same. If the resident is transferred to hospital, the resident is responsible for the fees incurred for services rendered by the hospital. No fee paid by the resident to the Provider will address any health care services received by the resident outside of the Community. The resident will be financially responsible for all such health care services received to the extent that such services are not fully covered by the resident's insurance or expressly covered by the monthly fee.

D. **Late Fees**. If a resident does not pay their fees by the due date, the Provider will assess a late fee as stated in the Residency Agreement.

REVIEW OF FEES & NOTIFICATION OF CHANGES:

The Provider reviews the fees charged for all goods and services on an annual basis. Those fees are outlined below.

Heritage at Augsburg reserves the right to change its monthly occupancy fees on thirty (30) days' written notice to all affected residents. Resorts of Augsburg ALF reserves the right to change the rates assessed on forty-five (45) days' written notice to all affected residents, except if necessitated by a change in Resident's level of care, in which case the new rate will take place at the time of change. Resorts of Augsburg reserves the right to change its fees at any time.

<u>HISTORICAL CHANGES MADE TO FEES</u>:

The following grid provides information about changes in the entrance fees and monthly fees charged since the Provider began operations:

HERITAGE AT AUGSBURG INDEPENDENT LIVING

One-Time Community Fee					
Year	**Studio**	**1 Bedroom**	**2 Bedroom**	**2 Bedroom Deluxe**	**3 Bedroom**
2024	$2,500.00	$3,000.00	$5,000.00	$5,000.00	$7,000.00
2025	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
2026	$5,000.00	$5,000.00	$5,000.00	$5,000.00	$5,000.00

One-Time Entrance Fee[3]				
Year	**Standard Occupancy**	**Non-Refundable**	**Discount**	**Larger Discount**
2024	N/A	N/A	N/A	N/A
2025	$0.00	$25,000.00	$50,000.00	$100,000.00
2026	$0.00	$25,000.00	$50,000.00	$100,000.00

Other Additional Monthly Fees with Fixed Prices				
Year	**Additional Occupant Fee**	**Parking Fee (Per Vehicle)**	**Cat Fee (Per Pet)**	**Dog Fee (Per Dog)**
2024	$850.00	$30.00	$25.00	$35.00
2025	$850.00	$30.00	$25.00	$33.33
2026	$850.00	$30.00	$25.00	$33.33

[3] The "Discount" & "Larger Discount" Entrance Fee types each provide for a discount on the resident's monthly fee. The amount of the Entrance Fee that is refundable to the resident at termination of their Continuing Care Agreement diminishes by 10% each year of residency after adjustment period until termination or the refund amount is equal to $0.00.

In 2026, Heritage at Augsburg updated its pricing structure and room descriptions to better illustrate the rooms available and to pay homage to the Community's rich history. As such, the 2026 pricing is now displayed more precisely than in previous disclosure statements.

Monthly Fee				
Apartment Model	**Apartment Description**	**2024**	**2025**	**2026**
BLAKE	Studio	$2,770.00	$2,770.00	$2,770.00
CALVERT	Large Studio	$2,800.00	$2,800.00	$2,800.00
CANTON	One Bedroom	$3,260.00	$3,260.00	$3,260.00
CAMDEN	One Bedroom	$3,260.00	$3,260.00	$3,260.00
CARROLL	Large One Bedroom	$3,700.00	$3,700.00	$3,700.00
CHESAPEAKE	Larger One Bedroom	$3,700.00	$3,700.00	$3,700.00
DOUGLASS	Spacious One Bedroom	$3,750.00	$3,750.00	$3,750.00
HARBOR	One Bedroom with Den	$3,850.00	$3,850.00	$3,850.00
HOPKINS	Extra Large One Bedroom	$4,300.00	$4,300.00	$4,300.00
LEXINGTON	Cozy Two Bedroom Classic	$4,500.00	$4,500.00	$5,700.00
MARSHALL	Two Bedroom Deluxe	$4,650.00	$4,650.00	$4,650.00
MCHENRY	Large Two Bedroom Deluxe	$4,800.00	$4,800.00	$6,000.00
MONUMENT	Two Bedroom Standard	$5,000.00	$5,000.00	$6,200.00
PATAPSCO	Relaxed Two Bedroom Retreat	$5,100.00	$5,100.00	$5,100.00
PATTERSON	Comfortable Two Bedroom	$5,250.00	$5,250.00	$5,250.00
PEABODY	Open & Airy Two Bedroom	$5,400.00	$5,400.00	$5,400.00
PREAKNESS	Spacious Two Bedroom	$5,500.00	$5,500.00	$5,500.00
ROLAND	Elevated Two Bedroom	$5,500.00	$5,500.00	$5,500.00
SENATOR	Grand Two Bedroom	$5,600.00	$5,600.00	$6,800.00
THURGOOD	Premier Two Bedroom	$5,700.00	$5,700.00	$5,700.00
WALTERS	Three Bedroom	$6,500.00	$6,500.00	$6,500.00

RESORTS OF AUGSBURG ALF ASSISTED LIVING

One-Time Community Fee				
Year	**Private Room Shared Bath**	**Large Private Room Shared Bath**	**Private Room Private Bath**	**Large Private Room Private Bath**
2024	$3,990.00	$4,150.00	$4,295.00	$4,500.00
2025	$2,500.00	$2,500.00	$2,500.00	$2,500.00
2026	$2,500.00	$2,500.00	$2,500.00	$2,500.00

Monthly Fee				
Year	**Private Room Shared Bath**	**Large Private Room Shared Bath**	**Private Room Private Bath**	**Large Private Room Private Bath**
2024	$3,990.00	$4,150.00	$4,295.00	$4,500.00
2025	$3,990.00	$4,150.00	$4,295.00	$4,500.00
2026	$3,990.00	$4,150.00	$4,295.00	$4,500.00

Monthly Level of Care Fee					
Year	**Level 1**	**Level 2**	**Level 3**	**Level 4**	**Level 5**
2024	$1,050.00	$1,350.00	$1,800.00	$2,400.00	$2,700.00
2025	$1,050.00	$1,350.00	$1,800.00	$2,400.00	$2,700.00
2026	$1,050.00	$1,350.00	$1,800.00	$2,400.00	$2,700.00

Monthly Medication Management Fee		
Year	**Basic Plan**	**Deluxe Plan**
2024	$600.00	$1,000.00
2025	$600.00	$1,000.00
2026	$600.00	$1,000.00

Other Additional Monthly Fees with Fixed Prices					
Year	**Additional Occupant Fee**	**Parking Fee (Per Vehicle)**	**Cat Fee (Per Pet)**	**Dog Fee (Per Dog)**	**Respite Stay (Per Day)**
2024	$850.00	$30.00	$25.00	$35.00	$250.00
2025	$850.00	$30.00	$25.00	$33.33	$250.00
2026	$850.00	$30.00	$25.00	$33.33	$250.00

RESORTS OF AUGSBURG SKILLED NURSING & COMPREHENSIVE CARE

Resorts of Augsburg Skilled Nursing Daily Fee			
Year	**Semi-Private Room Half Bath**	**Private Room Shared Bath**	**Private Room Private Bath**
2024	$475.00	$500.00	$550.00
2025	$475.00	$500.00	$550.00
2026	$475.00	$500.00	$550.00

Resorts of Augsburg Skilled Nursing Respite (Short Term) Daily Fee			
Year	**Semi-Private Room Half Bath**	**Private Room Shared Bath**	**Private Room Private Bath**
2024	$475.00	$500.00	$550.00
2025	$475.00	$500.00	$550.00
2026	$475.00	$500.00	$550.00

7. OPERATING RESERVE REQUIREMENTS

THE CCRC	12/31/2025
Total Operating Expenses	21,289,852
Less:	
Depreciation	(1,275,878)
Interest and Amortization	(1,574,970)
Net Operating Expenses	**18,439,004**
Minimum Statutory Operating Reserve Requirement (25%)	4,609,751
Cash, Cash Equivalents, and Available Financing	4,630,500

The Provider's Operating Reserve is maintained with Connect One Bank and reviewed annually by the President, Chief Operating Officer, and Shareholder.

As part of the Provider's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. These are managed by professional investment advisors under the oversight of the President, Chief Operating Officer, and Shareholder, which review the performance thereof quarterly. The investment policy is reviewed on an annual basis. The Provider does not separately designate a capital renewal and replacement fund. Renewal and replacement funds are included in the Provider's cash projections and are budgeted annually.

8. FINANCIAL STATEMENT

Pursuant to HSA §10–425(a)(12) and COMAR 32.02.01.21C(10), an audited financial statement for the Provider is prepared for each fiscal year (January 1 to December 31). A copy of the most recently audited financial statement for the Provider is attached hereto as an exhibit.

It is important for residents, their families, and their advisors to understand the financial basis on which the Community is operating. The basis for financial planning for the Community comes from its history of sound management and strong economic health. It is this record of success and stability that ensures you that this Community is a sound investment now and in the future.

9. LONG TERM FINANCING

Resorts of Augsburg has taken an $18,000,000.00 loan from Connect One Bank with a five (5) year term, with the first two (2) years being interest only.

10. CASHFLOW FORECAST STATEMENT AND PROJECTIONS

Pursuant to HSA §10–425(a)(14) and COMAR 32.02.01.21C(14), below is the Provider's Cashflow Forecast Statement for the current and next two fiscal years:

	2026	2027	2028
Net Income	$707,473	$1,194,434	$1,681,395
Depreciation	$1,648,127	$1,681,090	$1,714,712
Cash Flows from Operating Activities			
Accounts Receivable	($250,000)	($250,000)	($250,000)
Accounts Payable	$100,000	$50,000	$25,000
Cash Flows from Investing Activities			
Capital Purchases	($400,000)	($400,000)	($400,000)
Cash Flows from Financing Activities			
Increase (Decrease) in Long Term Debt	($500,000)	($500,000)	($500,000)
Net Change in Cash	**$1,305,600**	**$1,775,524**	**$2,271,107**
Beginning Cash	$3,176,046	$4,481,646	$6,257,170
Ending Cash	**$4,481,646**	**$6,257,170**	**$8,528,277**

11. NAMES AND OCCUPATIONS OF THE BOARD OF DIRECTORS AND OFFICERS NAME OCCUPATION

a. Resorts of Augsburg Corp.

1) The President and 100% owner is Mindy Rosenberg.

a) Address: 6811 Campfield Road Baltimore Maryland

b) Phone number: 732-335-6951

2) The Manager and CEO is Peter Pappas

a) Address: 6811 Campfield Road Baltimore Maryland

b) Phone Number: 410-486-4573

ii. Resorts at Augsburg Corp.

1) The President and 100% owner is Mindy Rosenberg.

a) Address: 6811 Campfield Road Baltimore Maryland

b) Phone number: 732-335-6951

2) The Manager and CEO is Peter Pappas

a) Address: 6811 Campfield Road Baltimore Maryland

b) Phone Number: 410-486-4573

12. PROFESSIONAL SERVICES/FINANCIAL INTEREST

Resorts of Augsburg Corp and Resorts at Augsburg Corp are each a Maryland stock corporation with Mindy Rosenberg as President.

13. SEMI-ANNUAL MEETING, GOVERNING BODY

a. Governing Body

i. There is no governing body for the CCRC.

ii. The Provider's Designated Officer is Peter Pappas, Regional Director of Operations. Mr. Pappas' responsibilities include:

1) Overseeing the strategic and day-to-day operations across multiple levels of care, including independent living, assisted living, and skilled nursing.

2) Ensuring regulatory compliance, financial performance, and high standards of resident care and satisfaction.

3) The Regional Director of Operations leads and supports Executive Directors and interdisciplinary teams, driving initiatives that enhance quality outcomes, staff engagement, and overall community performance.

4) His focus is to foster a culture of excellence while aligning operations with the organization's mission and long-term goals.

b. Semi-Annual Meeting

i. The Provider meets twice a year with the subscriber association.

ii. Peter Pappas is selected to meet with the subscriber association.

14. FINANCIAL INTEREST PROVIDING GOODS

N/A.

15. OCCUPANCY POLICY

Single Occupancy Unit Policy. Residents in single occupancy apartments have the exclusive right to use their unit and the facility's common areas for residential purposes only, and must maintain the apartment in good, clean condition. No one else may live in the apartment without the Executive Director's written approval, except for short-term guests as allowed by the Facility. If a single resident terminates their agreement, they must provide appropriate written notice, or the agreement will end automatically upon their death.

Double Occupancy Unit Policy. For double occupancy apartments, both residents have equal rights and responsibilities. If one resident transfers to another level of care, the remaining resident is billed the full Monthly Occupancy Fee for the apartment, and the transferred resident is billed for the applicable care level. If one resident terminates occupancy, the other may remain in the apartment under single occupancy terms or request a transfer to a smaller unit, subject to availability and applicable fees. Termination of the agreement by both residents requires joint written notice at least 120 days in advance. If the residents paid separate portions of the Entrance Fee, financial responsibilities and offsets apply jointly or individually, depending on the circumstances.

16. SUMMARY OF BASIC SERVICES – Skilled Nursing & Comprehensive Care

a. Items and Services Included in the Daily Fee:

   i. Room and Board

   ii. Social Services

   iii. Nursing Care, Including:

      1) The dispensing of prescribed medications, and treatments.

      2) The provision of care to prevent skin breakdown, bedsores and deformities.

      3) The provision of care to keep the resident comfortable, clean and well-groomed.

      4) The provision of care to protect the resident from accident, injury and infection.

      5) The provision of care necessary to encourage, assist and train the resident in selfcare and group activities.

      6) Personal laundry.

   iv. Cable Television, Phone and Wireless Internet access

b. Items and Services Not Included in Daily Fee of Private Pay Residents:

   i. The items and services available in the facility that are not included in the Daily Fee are listed below. You may be charged for these items and services if you ask for them and receive them. If you are eligible for Medicare and you believe that Medicare may cover an item or service listed below, you should ask us to submit the bill to Medicare.

      1) Medical care, medical specialist's services and consultations, dental care and therapeutic services as ordered by the physician.

      2) Medications, eyeglasses, hearing aids, Wander-guard transmitters (or similar), medical and dental appliances and other medical and dental devices or prosthesis.

      3) Personal items and services such as clothing, barbers and beauticians, toiletries and sundries that are not normally provided as part of nursing care.

4) Penalties incurred due to late payments of charges.

5) Clinic visits or hospitalization of the Resident.

6) Clinical and laboratory tests and emergency treatments.

7) Ambulance and transportation expenses.

17. SUMMARY OF BASIC SERVICES – Assisted Living

a. Items Included in the Daily Fee:

i. Minimal assistance with Activities of Daily Living (“ADL”).

ii. Personal laundry in addition to providing and laundering bed and bath linens.

iii. Three (3) meals per day and snacks.

iv. Housekeeping and maintenance of resident units.

v. All utilities except private phone.

vi. Social, educational, devotional, and therapeutic recreation programs.

vii. Twenty-four (24) hour on-site staffing including emergency access to a licensed nurse.

viii. Use, with others, of all common areas including Lounges; Dining Room; Activity Area; Porch; Laundry; Nourishment Rooms; and outdoor areas.

ix. Medication Administration

b. Optional Services (Available at extra cost):

i. Beauty Shop Services

ii. Additional assistance with Activities of Daily Living

iii. Transportation

iv. Cable Television Phone and Wireless Internet (normal rates apply)

v. Dietitian Supervised Meals

vi. Physical, Occupational and Speech Therapy

vii. Medical and Pharmacy Supplies

viii. Physician Visits, Including some Specialists

ix. Temporary Treatments requiring a Licensed Nurse.

x. Repairs to Resident's Belongings.

xi. Tray Service to Resident's Unit.

18. SUMMARY OF BASIC SERVICES – Independent Living

a. Items Included in the Monthly Service Fee:

i. Main (evening Meal Daily) * - Available for an increased Monthly Fee.

ii. Monthly Housekeeping

iii. Weekly Flat Linen Service

iv. Scheduled Local Transportation

v. 24-hour Emergency Call Response

vi. Trash Removal

vii. Parking

viii. Security Alarm System

ix. Building & Ground Maintenance

x. Water & Sewer Utilities

xi. Community Activities

xii. Access to Community Facilities

xiii. Maintenance and Replacement of Apartment Appliances and Equipment

b. Optional Services at an Extra Charge:

i. Guest Meals and Accommodations

ii. Meal Tray Service

iii. Dietician Supervised Meals

iv. Individual Transportation

v. Pharmacy and Medical Lab Services

vi. Physician Visits Weekly

vii. Nursing Care (Health Center)

viii. Cable TV

ix. Additional Housekeeping and Laundry Services

x. Beauty Shop

c. Residents of the Independent Living apartments are given priority over the general public for admission to skilled nursing and assisted living.

i. In the event bed space is not available, Independent Living residents will receive assistance in obtaining space elsewhere at the residents' own cost.

d. Each level of care involves a separate contract and any admissions to Independent Living, Assisted Living or Nursing Home from another level of care and, in the case of discharge.

e. Independent Living residents transferring to the Nursing Home or Assisted Living will receive any refunds when their unit is reoccupied.

f. The staff will answer any health emergency calls for Independent Living residents while they are present on the campus.

g. The Facility's licensed personnel will, when necessary, provide appropriate emergency service or summon appropriate emergency personnel such as a physician, ambulance or medical personnel.

h. One (1) emergency call per month is included in the basic monthly service charge. Each emergency response by nursing personnel beyond the first call monthly will be paid by the Independent Living resident.

19. COSTS FOR HEALTH-RELATED SERVICES

a. Levels of Care Process:

i. The Maryland Department of Health and Mental Hygiene ("DHMH") licenses Assisted Living facilities to provide up to three (3) levels of care: low (level 1), moderate (level 2) and high (level 3).

1) Level of care assessments will be done quarterly or upon significant change determined by the nursing department.

ii. The Provider is licensed as a level 3—high level of care—Assisted Living program by DHMH to provide low, moderate, and high levels of care.

iii. The Provider offers five (5) levels of care, which exceeds the minimum levels required by DHMH.

1) To determine the level of care that meets the specific resident's needs, the CCRC may consult the resident's medical records or speak with their doctor and will conduct an initial evaluation.

2) In the event a resident needs a different level of care than has been determined by the initial evaluation, the CCRC will conduct another functional assessment to determine whether a different level of care is appropriate.

a) All recommendations involving a change in the level of care will be made by an interdisciplinary team after it meets with the resident and/or resident representative.

b. Non-Monthly Fee Service Fees:

Description of Items & Services Not Included in the Monthly Fee	**Charge**
Audiology Services	Billed by Audiologist
Beauty Salon and Barber Shop*	See Fees Posted in Salon
Catheter care	Per Vendor
Colostomy/Ostomy care	Per Vendor
Dental Services	Billed by the Dentist
Incontinent care*	Supply charge only depending on supply needed
Injections	$ Per Persons Care Needs
Laundry (Personal Items)	Staff can help with laundry on the neighborhood
Occupational, Physical & Speech Therapy Services*****	Per Vendor
On-site laboratory blood drawing	Per Vendor
On-site pharmacy	Per Vendor
Oxygen Therapy (Continuous)	Per Vendor
Portable x-ray services	Per Vendor
Telephone	Per Vendor

Television	Per Vendor except for basic cable.
Tube Feeding	Not Available in AL
Walker/Geriatric Chair/Wheelchair/Trapeze/Pressure Mattress	Per Vendor
Wound Care – Level 1 (Stage 1) Level 2 (Stage 2)	$ Per Persons Care Needs

c. Ancillary Services Fees:

i. Transportation

1) The Assisted Living provides in-house transportation for our residents in a wheelchair accessible van at a rate of sixty ($60.00) dollars per hour, billed in minimum increments of fifteen (15) minutes.

ii. Dining Services

1) Meal Delivery Fee: $5.00

2) Guest Meals

a) Breakfast: $8.00

b) Lunch: $12.00

c) Dinner: $12.00

20. GRIEVANCE PROCEDURE

a. The Provider has established an internal grievance procedure to address resident grievances.

i. A resident or group of residents may collectively submit a written grievance to the Executive Director of the Provider.

ii. The Provider will send a written acknowledgment to the resident or group of residents within five (5) days after receipt of the written grievance.

iii. The Provider will assign personnel to investigate the grievance.

iv. A resident or group of residents who file a written grievance has the right to meet with management of the CCRC within thirty (30) days after receipt of the written grievance to present the grievance.

v. The Provider will respond in writing within forty-five (45) days after receipt of the written grievance regarding the investigation and resolution of the grievance.

vi. Within thirty (30) days after the CCRC provides its response to the grievance, a resident, group of residents, or CCRC may seek mediation through one of the Community Mediation Centers in the State or another mediation provider. If the Provider, resident, or group of residents seeks mediation under the preceding sentence, the mediation shall be nonbinding."

vii. Residents may also contact the following regulatory agencies: Maryland Assisted Living Complaint Unit at (410) 402-8200 or toll free at (877) 402-8221; Maryland Department of Aging; Maryland Department of Health and Mental Hygiene, Office of Health Care Quality; Baltimore County's Long-Term Care Ombudsman; Baltimore County's Department of Social Services (for adult protective services); or any other regulatory agency having jurisdiction over the matter.

21. GOVERNING BODY & MEETINGS WITH RESIDENTS

Peter Pappas acts as the governing body and meets with the residents quarterly in accordance with HSA §10–426. Pursuant to COMAR 32.02.01.19B, the Provider also appoints a select committee of its officers or partners to meet at least twice annually with the subscriber association at each of its facilities to address concerns of the subscribers and to ensure that the opinions of subscribers are relayed to all officers or partners of the provider.

22. RESIDENT COUNCIL

Resorts of Augsburg has a Resident Council that meets monthly. All skilled nursing and comprehensive care residents are invited, however, attendance averages about thirty (30), as many are unable to participate. In addition to staff, a member of the Board of Directors attends each meeting, and the Baltimore County Ombudsman attends many meetings.

Resorts of Augsburg ALF has a Resident Council that meets monthly. Members visit all residents and bring their concerns to the meeting. Staff members and a member of the Board of Directors attend each meeting. All residents are invited to the meeting around four (4) times each year.

The purpose of the monthly Resident Council Meetings is to provide residents with a structured platform to voice their concerns, share feedback, and actively participate in decisions that affect their daily lives. These meetings promote resident rights, facilitate communication between residents and facility staff, and help ensure quality of care and quality of life. The agenda typically includes discussions on food services, activities, housekeeping, nursing care, and any concerns or suggestions from residents. Input from these meetings is communicated to facility leadership for follow-up and resolution, fostering a culture of respect, transparency, and continuous improvement.

In 2025, the Resident Council met monthly on: 1/22/25; 2/19/25; 3/19/25; 4/16/25; 5/21/25; 6/18/25; 7/17/25; 8/20/25; 9/24/25; 10/27/25; 11/19/25; and 12/19/25.

23. RESIDENT ASSOCIATION

All Heritage at Augsburg residents are members of the Resident Association that meets quarterly with representatives of the Provider.

The Governing Body of the Resident Association comprises of the following individuals:

President:	Mr. Karl Lang
Vice President:	Mr. David Carroll
Treasurer:	Ms. Judy Bourassa

The purpose of the Resident Association Meetings held quarterly in Heritage at Augsburg is to foster open communication, collaboration, and transparency between residents and community leadership. These meetings serve as a structured forum for residents to voice concerns, share ideas, and receive updates on community operations, upcoming events, policies, and improvement projects. The agenda typically includes departmental reports, safety updates, and resident committee feedback, all aimed at enhancing the quality of life within the community. The meetings also provide an opportunity to build a stronger sense of community and ensure residents remain informed and actively engaged in shaping their living environment.

24. PLANNED RENOVATION AND EXPANSION

In 2025, the Provider underwent significant renovations to enhance the resident experience and modernize the Community. Renovations cost approximately $1,140,000.00. Renovations were funded through the operations revenue. The Provider did not establish a renewal and replacement fund. Renovations included, but were not limited to, a full replacement of the heating, ventilation, and cooling (“HVAC”) system in all hallways, common areas, and 36 rooms in the Skilled Nursing & Comprehensive Care facility, and 34 apartments in Heritage of Augsburg. Additionally, 50 apartments were fully renovated and refreshed in

Heritage of Augsburg. Additional improvements were made to the newly constructed community center to further improve resident enjoyment. The Provider also began the process of replacing aged portions of the Community roofing and purchased a new hot water storage tank.

In 2026, the Provider intends to renovate and modernize the elevators located throughout the Community, continue the roof replacement project, replace the HVAC system in the Community's Bistro, and begin replacements of the HVAC system in Resorts of Augsburg ALF. Additionally, the Provider intends to commence renovations of individual apartments in Resorts of Augsburg ALF.

25. OTHER DISCLOSED INFORMATION

In accordance with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973, and Article 49B of the Annotated Code of Maryland, it is the policy of the Provider that no person (including but not limited to a resident, prospective resident, employee, prospective employee, volunteer, consultant or visitor) shall be subject to discrimination in the terms or conditions for admission to, employment, or the provision of services on the basis of their race, color, religion, sex, handicap or national origin. The Provider is an equal housing opportunity provider.

Please note that while the Provider remains a Continuing Care Retirement Community, and this Disclosure Statement refers to the payment of Entrance Fees to secure a Continuing Care Residency Agreement and Continuing Care Apartment, the Provider is currently only offering Rental Residency Agreements. *See* Section 6.A. above, which discusses the difference between the two types of Residency Agreements. All Continuing Care fees and Entrance Fee offerings listed herein are for reference only at this time. In the future, the Provider may offer continuing care entrance fee options to prospective residents.

26. AMENDMENTS TO THIS DOCUMENT

The Provider shall amend its disclosure statement if, at any time, in the opinion of the Provider or the Maryland Department of Aging, and amendment is necessary to prevent the disclosure statement from containing any material misstatement of fact required by this section to be stated in the disclosure statement or omission of a material fact required by this section to be stated in the disclosure statement.

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

RESORTS OF AUGSBURG CORP AND AFFILIATES

Financial Statements

Year Ended December 31, 2025

Resorts Of Augsburg Corp and Affiliates

Year Ended December 31, 2025

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MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members,
Resorts Of Augsburg Corp and Affiliates:

Opinion

We have audited the accompanying financial statements of Resorts Of Augsburg Corp and Affiliates, which comprise the balance sheet as of December 31, 2025, and the related statement of income, members' equity, and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resorts Of Augsburg Corp and Affiliates as of December 31, 2025, and the results of its operations 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Resorts Of Augsburg Corp and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Resorts Of Augsburg Corp and Affiliates's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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.

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MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report Continued

In performing an audit in accordance with generally accepted auditing standards, 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 Resorts Of Augsburg Corp and Affiliates'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 Resorts Of Augsburg Corp and Affiliates'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.

Martin Friedman CPA, PC

MARTIN FRIEDMAN, C.P.A. P.C.
Certified Public Accountants

Brooklyn, NY

April 30, 2026

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Resorts Of Augsburg Corp and Affiliates
Balance Sheet
December 31, 2025

Assets				
Cash	$	1,930,500		
Accounts Receivable		5,048,717		
(Net of Allowance for Credit Losses of $800,000)				
Prepaid Expenses		24,413		
Escrow Deposits		195,546		
Exchanges		142,159		
Due from Prior Owner		62,676		
Total Current Assets			$	7,404,011
Building		18,000,000		
Capital Improvements		1,140,500		
Furniture & Equipment		31,345		
		19,171,845		
Less: Accum. Depreciation & Amortization		1,266,510		
Total Fixed Assets				17,905,335
Right-of-Use Asset		9,599,628		
Security Deposits		202,105		
Goodwill (Net)		7,293,079		
Patients' Trust Fund		141,584		
Total Other Assets				17,236,396
Total Assets			**$**	**42,545,742**
Liabilities and Equity				
Accounts Payable	$	2,169,941		
Lease Liabilities		3,135,831		
Accrued Payroll		805,854		
Accrued Expenses & Taxes		2,931,789		
Entrance Fee Payable		6,755,601		
Due To Third Party Payors		691,224		
Patients' Security Deposits		16,400		
Total Current Liabilities			$	16,506,640
Mortgage Payable (Net)		15,079,022		
Due to Members		3,700,575		
Lease Liabilities		6,463,797		
Total Long Term Liabilities				25,243,394
Members' Equity				795,708
Total Liabilities & Members' Equity			**$**	**42,545,742**

Resorts Of Augsburg Corp and Affiliates
Statement of Operations
For the year ended December 31, 2025

Total Revenue From Patients		$ 19,739,957
Revenue from Rentals		2,927,285
Operating Expenses:		
Payroll	$ 11,058,504	
Employee Benefits	1,392,041	
Professional Care	1,642,081	
Dietary & Housekeeping	776,523	
Plant & Maintenance	4,770,312	
General & Administrative	1,650,391	
Total Operating Expenses		21,289,852
Income From Operations		1,377,390
Other Income		143,099
Income Before Taxes		1,520,489
Less: Pass-Through Entity Taxes		185,022
Net Income		**$ 1,335,467**

See accompanying notes to the financial statements.

Resorts Of Augsburg Corp and Affiliates
Statement of Members' Equity
For the year ended December 31, 2025

Members' Equity:		
Balance as of Beginning of Period	$	(539,759)
Net Income for the Period		1,335,467
Total Members' Equity - End of Period	**$**	**795,708**

See accompanying notes to the financial statements.

Resorts Of Augsburg Corp and Affiliates
Statement of Cash Flows
For the year ended December 31, 2025

Cash Flows From Operating Activities:		
Net Income		$ 1,335,467
Adjustments to reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization		1,574,970
Amortization of Debt Issuance Costs		73,659
Allowance for Credit Losses		500,000
(Increase) Decrease In:		
Accounts Receivable	$ (2,775,327)	
Prepaid Expenses	135,611	
Escrow Deposits	(101,728)	
Increase (Decrease) In:		
Accounts Payable	626,762	
Accrued Payroll & Withholding Taxes	225,207	
Accrued Expenses & Taxes	2,873,106	
Entrance Fee Payable	(2,847,474)	
Due to Third Party Payors	213,442	
Patients' Security Deposits	16,400	
Exchanges	58,478	
Total Adjustments		(1,575,523)
Net Cash Provided By Operating Activities		1,908,573
Cash Flows From Investing Activities:		
Loans Receivable - Related Parties	(9,017,589)	
Capital Expenditures	(921,500)	
Other Assets	(2,713,983)	
Net Cash Used In Investing Activities		(12,653,072)
Cash Flows From Financing Activities:		
Increase In Long Term Debt	2,700,000	
Other Liabilities	(118,340)	
Loans Payable - Related Parties	7,753,616	
Net Cash Provided By Financing Activities		10,335,276
Net Change In Cash		(409,223)
Cash - Beginning of Period		2,339,723
Cash - End of Period		**$ 1,930,500**
Supplemental Disclosures:		
Interest Paid		$ 1,202,219
Income Taxes Paid		185,022

Resorts of Augsburg Corp and Affiliates
Notes to the Financial Statements

Note 1: Organization

6825 Camp Road LLC was organized as a limited Liability Company in the State of Maryland in 2023 to own the property located in Baltimore, Maryland which includes 52 assisted living units and 131 skilled nursing beds.

6825 Campfield LLC was organized as a limited Liability Company in the State of Maryland in 2023 to own the property located in Baltimore, Maryland which includes 98 Independent living units part of the CCRC model and 33 month to month units to make up a total of 131 units.

6825 Campfield B LLC was organized as a limited Liability Company in the State of Maryland in 2023 to own 6825 Camp Road LLC and 6825 Campfield LLC.

Resorts of Augsburg Corp (Facility) was organized as an S-Corporation in, and is licensed by, the State of Maryland in 2023 to lease and manage the property located in Baltimore, Maryland which includes 52 assisted living units and 131 skilled nursing beds.

Resorts at Augsburg Corp was organized as an S-Corporation in, and is licensed by, the State of Maryland in 2023 to lease and manage the property located in Baltimore, Maryland which includes 131 independent living units.

Note 2: Summary of Significant Accounting Policies

The accounting policies that affect the significant elements of the financial statements are summarized below.

Principles of Consolidation –

The consolidated financial statements include the accounts of Country 6825 Camp Road LLC, 6825 Campfield LLC, 6825 Campfield B LLC, Resorts of Augsburg Corp and Resorts of Augsburg IL Corp ("Company") which are related by common ownership. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Method of Accounting -

The Company maintains its books and prepares its financial statements based on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Cash -

For purposes of the statement of cash flows, cash includes time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of six months or less. The Company maintains cash at financial institutions which periodically exceeds federally insured amounts during the year.

Fixed Assets -

Fixed assets are stated at cost. Depreciation and amortization for assets are computed using the straight-line method over the estimated useful lives of the assets.

Capital Improvements	10 years
Furniture & Equipment	5 years

Intangible Assets/Goodwill –

Intangible assets subject to amortization are shown net of accumulated amortization based upon their estimated useful lives. The Facility has classified as goodwill the excess of the purchase price over the fair value of the assets acquired.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising -

Advertising costs are expensed as incurred and included in general and administrative expenses. Advertising expense for the year was $125,061.

Resident Funds –

Resorts of Augsburg Corp, as trustee, holds resident funds in escrow accounts. These funds are expended at the direction of the residents for personal use.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences -

The Company recognizes a liability for compensated absences when the employees have earned the right to the leave through their service, the leave is expected to be used in the future, and the amount can be reasonably estimated. Compensated absences include accrued vacation and sick leave as well as personal time off. The liability is calculated based on the employee's current pay rate and number of remaining unused days. As of December 31, 2025, the liability for compensated absences amounted to $272,612, which is included in the total accrued payroll liability of $805,854.

Patient Care Revenue -

Revenue for services provided to residents is recognized at the amount the Company expects to receive in exchange for providing care to the residents. This revenue includes amounts due from residents, third-party payors (such as health insurers and government programs), and incorporates variable considerations for potential retroactive adjustments resulting from audits and reviews. Typically, the Facility bills residents and third-party payors a few days after services are provided or when the resident no longer requires care. Revenue is recognized as performance obligations are fulfilled.

Performance obligations are identified based on the nature of the services provided. For obligations satisfied over time, revenue is recognized based on the percentage of completion method, i.e., actual charges incurred relative to the total expected charges. This approach is believed to accurately reflect the transfer of services throughout the performance obligation period, particularly for residents receiving post-acute care services in the Resorts of Augsburg Corp.

Revenue for performance obligations fulfilled at a specific point in time is generally recognized when goods are provided to residents in a retail setting (e.g., personal care services and additional meals not included in the resident contract) and when no further goods or services are required.

The transaction price is determined based on standard charges for services rendered, adjusted for contractual allowances given to third-party payors, discounts for uninsured residents per the Facility's charity care policy, and implicit price concessions for uninsured residents. Estimates for contractual adjustments and discounts are based on contractual agreements, Facility policies, and historical data. Implicit price concessions are estimated from historical collection experiences with each group of residents.

Revenues are recorded based on current billings of the estimated net realizable amounts from patients, third-party payors and others for services rendered. Settlements for retroactive adjustments due to audits or investigations are considered variable considerations and are included in the transaction price estimation for resident services. These settlements are estimated based on agreements with payors, relevant correspondence, and historical settlement activities. Adjustments are made in subsequent periods as new information becomes available or when cases are settled. Such adjustments, if any, will be reflected in revenues in the period in which they are received.

Changes to transaction price estimates are recorded as adjustments to resident service revenue in the period of change. Adverse changes in residents’ ability to pay, as well as any estimates of future adverse changes, are recorded as credit loss expense and included in general and administrative expenses.

Agreements with major third-party payors typically stipulate payments at amounts lower than established charges. A summary of the payment arrangements with key payors includes:

Skilled nursing: Skilled nursing revenue is primarily derived from providing nursing services to residents at a stated daily fee, net of any explicit and implicit price concessions. The Company has determined that skilled nursing services are considered one performance obligation which is satisfied over time as services are provided. Therefore, skilled nursing revenue is recognized on a daily basis as services are rendered.

Assisted living: Assisted living revenue is primarily derived from providing housing and personal care services to residents at a stated monthly fee. The Company has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, assisted living revenue is recognized on a month-to-month basis.

Independent living: Independent living revenue is primarily derived from providing housing and services to residents. The Company has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided. Therefore, independent living monthly fees are recognized on a month-to-month basis.

Residents covered by third-party payors are generally responsible for deductibles and coinsurance, which can vary. The Facility also serves uninsured residents and offers discounts as required by policy or law. Estimates of transaction prices for these residents are based on historical data and market conditions. Revenue from resident's deductibles and coinsurance are included in the preceding categories based on the primary payor.

Compliance with government regulations, particularly concerning Medicare and Medicaid, is complex and can be subject to interpretation. Facilities may receive requests for information and notices of alleged noncompliance, leading to potential settlement agreements. Future regulatory reviews may result in fines, penalties, and/or exclusion from programs. The Company believes they are currently in compliance with all applicable laws and regulations.

Income Taxes -

The Company is treated as a partnership for income tax purposes, and as such each member is taxed separately on their distributive share of the company's income whether or not that income is actually distributed.

Uncertainty in Income Taxes

Management has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ended December 31, 2023 and subsequent remain subject to examination by applicable taxing authorities.

Note 3: Accounts Receivable

The Company grants credit, without collateral, to its patients, the majority of whom are insured under third-party payor agreements. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The amount of receivables from patients and third-party payors at December 31, 2025 was as follows:

Accounts Receivable

Medicaid Patients	$	3,051,794
Medicare Patients		1,228,181
HMO Patients		529,252
Private Patients		1,039,490
Less: Allowance for Credit Losses		(800,000)
Total	**$**	**5,048,717**

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on the current expected credit loss (CECL) model. Credit losses that are expected to occur in the future are recognized at the time the receivable is recorded. The Company uses a pooled approach to group together receivables with similar risk characteristics into portfolios categorized by major payor class. Estimated credit losses are calculated based on historical loss data for each portfolio as well as current and forecasted economic conditions. Management periodically reviews the allowance to ensure it accurately reflects the expected credit losses. Any adjustments that are needed are recognized currently as credit loss expense. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Allowance for Credit Losses

Balance, January 1, 2025	$	300,000
Provision for expected credit losses		500,000
Balance December 31, 2025	**$**	**800,000**

Note 4: Intangible Assets

Intangible assets are as follows:

	Gross Carrying Amount	Accumulated Amortization	Estimated Useful Life
Goodwill	$ 9,116,348	$ 1,823,270	10 years

Note 5: Mortgage Payable

In December 2023, the purchase of the Company was financed by a 60 month $15,300,000 loan from ConnectOne Bank with an interest rate of 7.75%. The first three years require interest payments only. The remaining period requires principal payments calculated with an amortization period of 25 years, and a balloon payment at the end of the term. The following are the balances as of December 31, 2025:

Principal Balance:	$	15,300,000
Unamortized debt issuance cost:		(220,978)
Long-term Debt	$	15,079,022

Principal payments for the next five years and on are as follows:

Year ending December 31,		
2027	$	208,330
2028		15,091,670
Total Principal Payments	$	15,300,000

Note 6: Maryland Department of Aging Reserve Requirements

In accordance with Maryland law governing continuing care retirement communities, the Company is required to set aside operating reserves totaling 25% of the Company's net operating expenses (as defined) for the most recent audited fiscal year. The calculation of the required minimum statutory operating reserve for the year ended December 31, 2025, is as follows:

Total operating expenses for fiscal year ended December 31, 2025	$	21,289,852
Less: Interest		1,275,878
Less: Depreciation & Amortization		1,574,970
Adjusted operating expense	$	18,439,004
Funding requirement (25% of operating expenses)	**$**	**4,609,751**

As of December 31, 2025 the company had cash in the amount of $1,930,500 and $2,700,000 in available Section 10-421(b) financing for a total of $4,630,500 in operating reserves.

Note 7: Subsequent Events

The Company has evaluated subsequent events through April 30, 2026, the date which the financial statements were available to be issued. No significant subsequent events have been identified by management.

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Members,
Resorts Of Augsburg Corp and Affiliates:

Our report on our audit of the basic financial statements of Resorts Of Augsburg Corp and Affiliates for 2025 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 14 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Martin Friedman CPA, PC

MARTIN FRIEDMAN C.P.A. P.C.
Certified Public Accountants

Brooklyn, NY

April 30, 2026

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Resorts Of Augsburg Corp and Affiliates

Supplementary Schedules

For the year ended December 31, 2025

Revenue From Patients:				
Private & HMO	$	3,534,464		
Medicaid		11,271,824		
Medicare		4,933,669		
Total Revenue From Patients			$	19,739,957
Revenue From Rentals:				2,927,285
Other Income:				
Interest		25,728		
Barber & Beauty Shops		2,409		
Other		114,962		
Total Other Income				143,099
Total Revenue			**$**	**22,810,341**

Resorts Of Augsburg Corp and Affiliates
Supplementary Schedules
For the year ended December 31, 2025

Payroll:

Administrative & Office	$ 1,015,430		
Nursing	5,663,511		
Therapies	902,929		
Social Services	453,198		
Recreation	622,757		
Dietary	1,173,312		
Housekeeping	652,422		
Laundry	108,076		
Maintenance	466,869		
Total Payroll		**$**	**11,058,504**

Employee Benefits:

Payroll Taxes	880,036		
Workmen's Compensation	73,869		
Employee Benefits	434,290		
Uniform & Transp. Allowance	3,846		
Total Employee Benefits			**1,392,041**

Professional Care:

Prescription Drugs	207,237		
Medical Supplies	329,954		
Contracted Nursing Service	892,355		
Fees & Expenses	212,535		
Total Professional Care			**1,642,081**

Resorts Of Augsburg Corp and Affiliates
Supplementary Schedules
For the year ended December 31, 2025

Dietary & Housekeeping:		
Food	$ 520,348	
Other Dietary Expenses	102,723	
Housekeeping	103,698	
Contracted Dietary Services	49,754	
Total Dietary & Housekeeping		**$ 776,523**
Plant & Maintenance:		
Mortgage Interest	1,275,878	
Equipment Rentals	5,872	
Real Estate Tax	227,679	
Light, Heat & Power	636,487	
Maintenance	919,881	
Contracted Maintenance Services	7,458	
Security	1,898	
Water & Sewer Charges	120,189	
Depreciation & Amortization	1,574,970	
Total Plant & Maintenance		**4,770,312**
General & Administrative:		
Office	103,740	
Contracted Office Services	132,500	
Computer Services	121,684	
Telephone	814	
Auto & Travel	19,637	
Professional Fees	79,126	
Insurance	283,791	
Advertising	125,061	
Credit Losses	500,000	
Miscellaneous	284,038	
Total General & Administrative		**1,650,391**