

MARYLAND MASONIC HOMES, LTD.

DISCLOSURE STATEMENT

June 2026

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.

MARYLAND MASONIC HOMES, LTD.
DISCLOSURE STATEMENT
June 2026

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MARYLAND MASONIC HOMES, LTD.

DISCLOSURE STATEMENT

June 2026

SECTION 1. INTRODUCTION AND DESCRIPTION OF THE COMMUNITY

A. Introduction.

This Disclosure Statement is intended to provide certain information about Maryland Masonic Homes, a senior living, life plan community located at 300 International Circle, Cockeysville, Maryland 21030 (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 GIVEN TO YOU ALONG WITH THIS DISCLOSURE STATEMENT VERY CAREFULLY BEFORE MAKING A DECISION REGARDING ENTRANCE INTO THE COMMUNITY.

Pursuant to Section 10-425 of the Human Services Article of the Annotated Code of Maryland and the regulations published pursuant thereto, 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, (ii) annually, upon request, to all residents of the Community who paid an entrance fee ("**CCRC Residents**"), and (iii) to CCRC Residents residing in the Community's assisted living program ("Assisted Living Program") when certain information changes.

B. Description of the Community.

The Community is a full service, life plan community, which qualifies as a "continuing care community" under Maryland law. The Community is composed of thirty (30) independent living units, one hundred ten (110) licensed assisted living beds, and eighty-eight (88) licensed comprehensive care beds. Each living arrangement is housed in a separate area of the building connected to the others by breezeways. A non-denominational chapel is on the campus and the Community employs a full-time minister.

The Community is located at 300 International Circle, Cockeysville, Maryland 21030, on an approximately 258 acre parcel of land. Nearby are a shopping mall, a grocery store and houses of worship. The Grand Lodge owns several vehicles which it uses to transport residents to Community-sponsored recreational events and other transportation approved by the Executive Director (as defined below).

The Community was established by The Grand Lodge of Ancient Free and Accepted Masons of Maryland (the "**Grand Lodge**") as Maryland Masonic Homes. The Grand Lodge was the continuing care provider of the Maryland Masonic Homes. The Maryland Masonic Homes was not a r entity. However, in 2018, the Grand Lodge decided to separate the Maryland Masonic Homes into its own non-profit entity and it established Maryland Masonic Homes, Ltd., a 501(c)(3) tax-exempt organization to be the provider of continuing care for the Maryland Masonic Homes. The Grand Lodge is the sole member of the Maryland Masonic Homes, Ltd., which is a non-stock corporation.

As of July 15, 2018, the provider of continuing care is Maryland Masonic Homes, Ltd. Because this new entity has been established, the Grand Lodge has entered into a Performance

Guaranty and Suretyship Agreement with the Maryland Masonic Homes, Ltd. guaranteeing, along with Maryland Masonic Homes, Ltd., all of the duties, obligations and liabilities of Maryland Masonic Homes, Ltd. under and in connection with any and all existing and future Residence and Care Agreements to which the Maryland Masonic Homes, Ltd. is a party and all amendments thereto, including but not limited to:

1. The provision of all amenities, items and services agreed to be provided in the applicable Residence and Care Agreement;
2. The right to use common areas and facilities in accordance with the terms of the applicable Residence and Care Agreement;
3. Priority admission to the comprehensive nursing care center and/or assisted living facility at the Community in accordance with the terms of the applicable Residence and Care Agreement; and
4. The payment of any financial assistance, if applicable, and all entrance fee refunds when and as due.

The Grand Lodge has its main offices at 304 International Circle, Cockeysville, Maryland 21030. The Grand Lodge employs an Executive Director, Robert McMinn, N.H.A. to manage the Community (the “**Executive Director**”). The Grand Lodge, 304 International Circle, Cockeysville, Maryland 21030 remains the owner of the facility and the land, and provides management services to Maryland Masonic Homes. The address for Maryland Masonic Homes, Ltd. and for the Community is 300 International Circle, Cockeysville, Maryland 21030.

The Community operates as a life plan community and also admits individuals directly to its Assisted Living Program and its comprehensive care beds who are not continuing care residents. Residents entering the continuing care community are admitted to the independent living units (“**Independent Living**”) under a 90/10 Type C (fee-for-service) contract.¹ They may move within the Community to the Assisted Living Program or comprehensive care beds as their needs increase. Residents under Independent Living contracts must pay a per diem fee for use of the assisted living and comprehensive care beds. Should such a resident be admitted to an assisted living or comprehensive care bed for a full month, the resident is charged the fee for the assisted living or comprehensive care bed in lieu of the monthly maintenance for his/her apartment. A resident admitted for a partial month is charged the daily comprehensive care rate fee and is credited the pro-rata portion of the monthly maintenance fee if already paid. In the case where a couple occupies the unit, the maintenance for the independent living unit is reduced to that for a single resident while the second resident resides in an assisted living or comprehensive care bed. The Provider, as defined in Section 2, discontinued its Life Care Program for new residents. Residents who entered the Community under Life Care may transfer to the comprehensive care beds without additional charge.

¹ Plans A and B are no longer offered to new residents. *The contract that is offered to new residents refunds ninety (90%) of the Entrance Fee.*

The independent living units are comprised of efficiency, one bedroom and two bedroom apartments. Residents have the option to purchase a meal plan for one, two or three meals per day. Each apartment has a call bell for use in case of emergency. Each resident must furnish his or her own unit.

Each assisted living unit consists of a room and a private bath. Three or four assisted living units share a common living room. The assisted living units are licensed as assisted living beds. Each assisted living room may be furnished by a resident. If a resident does not have furniture or want to furnish the room, then the Provider will furnish the room with a bed, bedside stand with a drawer, a comfortable chair, a chest of drawers, a bedside lamp and two pillows. Bed linens and towels are also provided.

The Provider leases the facility and the real property, improvements and the parking lot from the Grand Lodge. The Provider is licensed for eighty-eight (88) comprehensive care beds, (thirty-six (36) of which are private and fifty-two (52) of which are semi-private. Residents of the independent living units and the assisted living units who are no longer mobile and able to care for themselves are eligible for permanent admission to comprehensive care beds. Current residents of the independent living units and assisted living units who become temporarily unable to care for themselves may be admitted to a comprehensive care bed on a temporary basis. In addition, the Provider admits individuals from outside of the Community directly to comprehensive care beds. Residents under Independent Living contracts pay fees set forth in Section 4 but, if the resident is single, the resident's payment for monthly maintenance and comprehensive care will be no greater than the monthly comprehensive care charge. If the resident remains in a comprehensive care bed for more than ninety (90) days, the Provider may, at its option, reassign the resident's independent living unit to another resident and store the resident's personal property at the Provider's expense. When eligible to leave the comprehensive care bed, the resident whose property is so stored would have the right to the first available independent living unit comparable to his or her former unit. If the resident shares an independent living unit with a spouse, the spouse would pay the single rate maintenance fee for the independent living unit.

The Provider participates in the Medicare and Medicaid Programs. Residents are required to enroll in Medicare Part A and Part B, if eligible, and to maintain Medigap coverage.

SECTION 2. ORGANIZATIONAL STRUCTURE AND MANAGEMENT OF THE PROVIDER

The Provider is the Maryland Masonic Homes, Ltd. (the "**Provider**"). The Provider is a not-for-profit organization recognized by the Internal Revenue Service as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Provider is governed currently by a Board of Directors consisting of members of the Board of Trustees of the Grand Lodge and a resident of the Community. It is the intention of the Provider to recruit non-Masons with an expertise in continuing care to its Board of Directors. The Grand Lodge employs the Executive Director, Robert McMinn, to manage the Community. The Grand Master of the Grand Lodge acts as the Chief Executive Officer of Maryland Masonic Homes.

SECTION 3. STATEMENT REGARDING AFFILIATION

The Provider is not affiliated with any religious or charitable organizations and no such organizations shall be responsible for any financial or contractual obligations of the Provider. The Grand Lodge is the sole member of the Provider and has guaranteed certain obligations of the Provider. See Section 1.B above.

SECTION 4. DESCRIPTION OF FEES

A. Entrance Fee.

1. Effective January 1, 2026, entrance fees for independent living apartments range from \$58,735-\$180,795 according to the size of the apartment.

A resident or the resident's estate will receive a refund of ninety percent (90%) of the Entrance Fee to occur in accordance with Maryland law and the Residence and Care Agreement. **Also, the portion of the Entrance Fee to be refunded after the Occupancy Date, if any, is not held in trust or escrow for the benefit of Resident after the Occupancy Date.** Entrance Fees prior to May 24, 1999 were not refundable.

2. An applicant whose application is accepted pays a Reservation Fee of \$1,000. The Reservation Fee is applied to the Entrance Fee for residents of the independent living apartments. There is no Reservation Fee for assisted living or comprehensive care.

The monthly fees for independent living apartments range from \$1,632-4,300 based on the size of the apartment. An additional monthly cost of \$892 per month is charged for a second person in the independent living apartment.

B. Current Monthly Fees. Fees for assisted living and comprehensive care (for new residents) are calculated on a per diem basis but paid monthly.

Assisted Living (monthly fees based upon 30 day month)

Ionic Building

Single Person Occupancy Studio \$4,650 Large \$5,100 Deluxe \$5,250
Grand \$5,760
Second Person Fee \$2,160

Camden Hall

Single Person Occupancy Studio \$5,340 Large \$6,210
Second Person Fee \$2,160

Level 1 included in above price
Level 2-additional \$480
Level 3-additional \$840

Community Fee \$3,000 Bed hold fee: same as the daily rate
(CCRC residents do not pay a Community Fee when entering Assisted Living)

Respite Care

\$250/Day-All Inclusive

Healthcare: Current Rates

Private Room

\$428/day

Semi-Private Room

\$384

No Entrance Fee

Note: Bed hold fees are the same as the daily rates and a chart containing the date and the amount of any changes in fees that are not optional imposed in any of the past 5 years during which the facility was in operation in Exhibit 1.

SECTION 5. OPERATING RESERVES

As of December 31, 2025 the Provider maintains operating reserves in the amount of \$6,121,348.

In accordance with Section 10-420 of the Human Services Article of the Annotated Code of Maryland, the Provider is required to maintain a sufficient unrestricted and reasonably liquid reserve which represents twenty-five percent (25%) of the annual net operating expenses of the facility, measured as of the end of the prior year. In accordance with Section 10-419 of the Human Services Article of the Annotated Code of Maryland, net operating expenses means the total operating expenses less depreciation, amortization and unusual and infrequent expenses, changes in obligations to provide future services and changes in fair market value of interest rate swap agreements not involving an exchange of funds.

Reserves for the Maryland Masonic Homes are invested as set forth in Note 4 of the Grand Lodge's certified financial statement and are reviewed on an annual basis by independent public accountants, as part of the annual audits.

SECTION 6. FINANCIAL ARRANGEMENTS, IF ANY, TO ADDRESS RENEWAL AND REPLACEMENT OF THE BUILDINGS AND IMPROVEMENTS AT THE FACILITY

The Grand Lodge maintains a maintenance and operating fund of \$6,211,494 for the Provider. Purposes of the funds include, but are not limited to maintenance of the facility.

SECTION 7. CERTIFIED FINANCIAL STATEMENT

A copy of the Grand Lodge's certified financial statement obtainable under generally acceptable accounting principles for the fiscal year ended December 31, 2025 has been submitted separately as **Exhibit 2**.

SECTION 8. LONG-TERM FINANCING FOR THE FACILITY

Neither the Grand Lodge nor the Provider have long-term debt.

SECTION 9. CASH FLOW FORECAST STATEMENT

Maryland Masonic Homes' cash flow forecast statement for the current and the next two fiscal years has been submitted separately as **Exhibit 3**.

SECTION 10. OFFICERS AND DIRECTORS OF THE PROVIDER

A. Officers of the Provider

Randy L. Watson – President/CEO

Bradley D Andrukitis- Vice President

Thomas W Foster – Secretary

T. Scott Cushing, Sr - Treasurer

B. Board of Directors of the Provider

Name	Occupation
Randall L. Watson	Retired Businessman
Bradley D. Andrukitis	Scottish Rite of Southern Jurisdiction
T. Scott Cushing, Sr.	Retired Businessman
Thomas W. Foster	Businessman
Kenneth R. Taylor	Appraiser
John Basch	Retired; Resident Representative
Walter F. Burgess	Pastor Episcopal Diocese of Easton
W. Miles Cole	Retired; Resident Representative
G. Wilson Tharpe	Retired Businessman
Charles E. Fraim, Jr.	Retired Businessman
Keith D. Williams	Retired Businessman
Jon M. Christiana	Accountant
Marc E. Hartz	Retired Businesswoman
T. Anthony Fusco	Businessman; Fusco Financial
Richard H. Jones	Businessman Rick Jones Electric
Kevin H. Willis	Assistant Administrator of Training Emergency Management
Mrs. Renee Christoff	Retired

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

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 Provider of a value of \$10,000 or more within any fiscal year. No person identified in Section 10 has any financial interest in the Provider.

SECTION 12. THE MANAGER OF THE COMMUNITY

The Maryland Masonic Homes has a management agreement with the Grand Lodge whereby the Grand Lodge provides certain management services to the Maryland Masonic Homes. In addition, Robert McMinn, Executive Director, is an employee of the Grand Lodge.

SECTION 13. CERTAIN INFORMATION REGARDING OFFICERS AND DIRECTORS

None of the Provider'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 PROVIDER

A. Form of Governance.

The Community is governed by its Board of Directors, whose members are listed in Section 10, above. Currently, all members of the Board, including the Resident, are Masons. The Board confers with the resident's association before a resident officially joins the Board. Maryland Masonic Homes satisfies the requirements of §10-427 of the Human Services Article of the Annotated Code of Maryland.

There are two resident councils. One is for residents in independent living and assisted living, and the other is for residents in comprehensive care. Residents of the Community are members of the resident council for their living area. Each resident council holds monthly meetings and invites the Executive Director to attend these meetings. (Robert McMinn attends these meetings and reports back to the Board the advice and concerns of the residents.)

The purpose of Ionic/Doric Resident Council and Health Care Resident Council is to provide the resident with a means of exercising their rights and protecting his/her interests by participation in the decisions which govern his/her life. The active involvement of the residents can lead to improved programs and services. There are areas of the Home's management which can be best addressed by those who live in the facility. Another consideration is that by leaving the greater community, many residents also leave positions of prestige or lose the opportunity to be recognized as achievers. By taking part in the Resident Council a resident will achieve recognition and can provide their own unique skills to their current environment.

B. Statement Regarding Meetings. At least quarterly, the Provider undertakes to hold a meeting that is open to all residents at which an authorized officer of the Provider shall present a summary of the Provider's operations, significant changes from the previous year, and the goals and objectives for the next year, and shall receive and answer questions from residents at the meeting. At the last quarterly meeting of the year, a summary of the aggregated, deidentified internal grievances filed under the grievance procedure will be reported. The Board has no obligation to act on the recommendations of the residents or the Resident Council.

SECTION 15. INFORMATION REGARDING CERTIFICATE OF REGISTRATION

N/A

SECTION 16. SERVICES PROVIDED TO RESIDENTS

A. Independent Apartment. The following basic services are included in the monthly fee for an independent apartment: (a) all utilities, including heat, air conditioning, electricity, cable, and water, except private telephone; (b) access and use of all community facilities, equipment and furnishings; (c) on-site parking; (d) scheduled transportation to Community-sponsored recreational activities and other transportation approved by the Executive Director; (e) weekly housekeeping; and (f) cleaning and maintenance of the Community's land, building, furnishings and equipment.

B. Assisted living Units. Basic services included with assisted living units are those noted in A, above, plus (a) assistance with activities of daily living, (b) three (3) meals daily and snacks, and (c) bed and board in a semi-private room.

C. Healthcare. Basic services included in the monthly fee for comprehensive care occupancy include those noted in B, above, and health services according to a plan of care plus the following: (a) twenty-four (24) hour nursing care; and (b) bed and board in a semi-private room.

D. Services Available at an Extra Charge. Beauty and Barber Shop services, telephone services, guest meals and special activities, among other services, are available at an extra charge.

SECTION 17. HEALTH RELATED SERVICES

A. Health Related Services Included in the Monthly Fee. Assistance with activities of daily living is included in the monthly fee for assisted living units and twenty-four (24) hour nursing care is included in the monthly fee for comprehensive care.

B. Health Related Services Available at an Extra Charge. All medical services that are available at the Community and not included in the monthly fee are available at an extra charge. Any resident may choose to receive care from the Community medical director, podiatrist, ophthalmologist, dentist, psychiatrist, dermatologist, mobile x-ray, mobile laboratory, and/or hospice services, all of which or who will arrange payment with the resident. In addition, the following services are available for an extra charge: (a) prescription and over the counter medications, (b) catheter care supplies, (c) colostomy supplies, (d) supplies for decubitus bed care, (e) food and supplies for tube feeding, (f) special food supplements, (g) oxygen and respiratory therapeutic indicators, (h) rehabilitation and audiology (physical therapy, speech therapy, recreation therapy, audiology testing, hearing aids), (i) corrective eye glasses and lenses, (j) orthopedic appliances, (k) ambulance and emergency transport services, (l) incontinence care supplies, (m) hospitalizations, (n) private duty nurses/aides and (o) suctioning therapy.

SECTION 18. AMENDMENTS TO DISCLOSURE STATEMENT

The Provider shall amend this Disclosure Statement if, at any time, in the opinion of the Provider 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. In addition, residents of the Assisted Living Program will be provided with amendments to this Disclosure Statement if there are any material changes to the Assisted Living Program as explained in Section 21, below.

SECTION 19. RENOVATIONS/EXPANSIONS AND NEW DEVELOPMENT

During the preceding fiscal year (2025), we updated and modernized independent living apartments and will continue this effort in 2026. We are also in the process of modernizing our Assisted Living residences.

SECTION 20. SURCHARGES

It is not the policy of the Provider to impose a surcharge on some, but not all, subscribers because of some condition or circumstance.

SECTION 21. ADDITIONAL INFORMATION REGARDING ASSISTED LIVING

A. Other facilities. The Provider does not operate any other facilities and does not have any relationship with any other providers or services provided to residents.

B. Special Programming. The Provider operates the Assisted Living Program for residents requiring low (Level 1), moderate (Level 2) and a high (Level 3) level of assistance. Individual service plans designed to meet each resident's needs may include, but are not limited to, such services as health care coordination, assistance with activities of daily living, recreational and social support activities, meals and nutritional counseling, spiritual support, and transportation assistance. Hospice services are also available to residents. The Provider conducts an extensive in-service training program for all staff designed to address the complex needs of residents. No "sub-specialty" program is offered in the Assisted Living Program.

C. Security. All assisted living rooms have a door lock and each resident may lock his or her room to protect his or her property. In addition, each assisted living room contains a small storage box in which the resident may lock valuables. Representatives of the Provider who work in the facility have the right to enter a resident's assisted living unit at all reasonable times upon knocking first, and with notice to the Resident if practical, for the purposes of conducting safety or mechanical inspections, and at any time in the event of an emergency. The Provider has implemented a comprehensive Abuse Prohibition Program which describes screening, prevention, training, identification, reporting and protection measures employed to ensure a safe and secure environment for all residents, staff, and visitors. Policies, post orders, protocols, and loss control processes are included in the Abuse Prohibition Program. The Abuse Prohibition Program is one of many mandatory in-service training programs for all staff. Educational opportunities describing such programs are routinely offered to the residents.

D. Access to Medical Care and Equipment and Supplies. The Provider will assist the resident in obtaining medical care from providers who provide services at the facility. The

Provider will arrange for equipment and supplies ordered by the resident's physician or requested by the resident or his/her responsible party, although responsibility for payment rests with the resident.

E. Notification to Residents. The Provider will notify the resident of the Assisted Living Program if there are any material changes to the program, and the Assisted Living disclosure statement will be revised.

SECTION 22. INTERNAL GRIEVANCE POLICY

Maryland Masonic Homes has established an internal grievance procedure to address resident grievances. A resident or a group of residents collectively may submit a grievance in writing to the Executive Director, or his designee. Maryland Masonic Homes will send a written acknowledgement to the resident or group of residents within five (5) days after receipt of the written grievance. Maryland Masonic Homes 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 Maryland Masonic Homes within thirty (30) days after receipt of written grievance, in order to present the grievance. Maryland Masonic Homes will provide a response in writing within forty-five (45) days after receipt of written grievance as to the investigation and resolution of the grievance.

Within thirty (30) days after Maryland Masonic Homes provides its response to the grievance, a resident, group of residents, or Maryland Masonic Homes may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents, or Maryland Masonic Homes seeks mediation under the preceding sentence, the mediation shall be nonbinding.

SECTION 23. DISCLAIMER

Carefully read the Residence and Care Agreement for the conditions that must be satisfied before Provider is required to pay the Entrance Fee refund.

4913-3067-7174

EXHIBIT 1

**CHANGES IN FEES THAT ARE NOT OPTIONAL
IMPOSED IN ANY OF THE PAST 5 YEARS**

Monthly Fees (By Unit Type)

Unit	2022	2nd Person	2022 Total	% Increase	2023	2nd Person	2023 Total	% Increase	2024	2nd Person	2024 Total	% Increase	2025	2nd Person	2025 Total	% Increase	2026	2nd Person	2026 Total	% Increase
A	\$ 1,509.00	\$ 825.00	\$ 2,334.00	0%	\$ 1,509.00	\$ 825.00	\$ 2,334.00	0%	\$ 1,509.00	\$ 825.00	\$ 2,334.00	0%	\$ 1,584.00	\$ 867.00	\$ 2,451.00	5%	\$ 1,632.00	\$ 892.00	\$ 2,524.00	3.0%
B	\$ 1,560.00	\$ 825.00	\$ 2,385.00	0%	\$ 1,560.00	\$ 825.00	\$ 2,385.00	0%	\$ 1,560.00	\$ 825.00	\$ 2,385.00	0%	\$ 1,638.00	\$ 867.00	\$ 2,505.00	5%	\$ 1,687.00	\$ 892.00	\$ 2,579.00	3.0%
C	\$ 1,641.00	\$ 825.00	\$ 2,466.00	0%	\$ 1,641.00	\$ 825.00	\$ 2,466.00	0%	\$ 1,641.00	\$ 825.00	\$ 2,466.00	0%	\$ 1,723.00	\$ 867.00	\$ 2,590.00	5%	\$ 1,775.00	\$ 892.00	\$ 2,667.00	3.0%
D	\$ 1,834.00	\$ 825.00	\$ 2,659.00	0%	\$ 1,834.00	\$ 825.00	\$ 2,659.00	0%	\$ 1,834.00	\$ 825.00	\$ 2,659.00	0%	\$ 1,926.00	\$ 867.00	\$ 2,793.00	5%	\$ 1,984.00	\$ 892.00	\$ 2,876.00	3.0%
E	\$ 2,230.00	\$ 825.00	\$ 3,055.00	0%	\$ 2,230.00	\$ 825.00	\$ 3,055.00	0%	\$ 2,230.00	\$ 825.00	\$ 3,055.00	0%	\$ 2,342.00	\$ 867.00	\$ 3,209.00	5%	\$ 2,412.00	\$ 892.00	\$ 3,304.00	3.0%
F	\$ 2,235.00	\$ 825.00	\$ 3,060.00	0%	\$ 2,235.00	\$ 825.00	\$ 3,060.00	0%	\$ 2,235.00	\$ 825.00	\$ 3,060.00	0%	\$ 2,347.00	\$ 867.00	\$ 3,214.00	5%	\$ 2,417.00	\$ 892.00	\$ 3,309.00	3.0%
G	\$ 2,323.00	\$ 825.00	\$ 3,148.00	0%	\$ 2,323.00	\$ 825.00	\$ 3,148.00	0%	\$ 2,323.00	\$ 825.00	\$ 3,148.00	0%	\$ 2,439.00	\$ 867.00	\$ 3,306.00	5%	\$ 2,512.00	\$ 892.00	\$ 3,404.00	3.0%
H	\$ 2,383.00	\$ 825.00	\$ 3,208.00	0%	\$ 2,383.00	\$ 825.00	\$ 3,208.00	0%	\$ 2,383.00	\$ 825.00	\$ 3,208.00	0%	\$ 2,502.00	\$ 867.00	\$ 3,369.00	5%	\$ 2,577.00	\$ 892.00	\$ 3,469.00	3.0%
I	\$ 2,473.00	\$ 825.00	\$ 3,298.00	0%	\$ 2,473.00	\$ 825.00	\$ 3,298.00	0%	\$ 2,473.00	\$ 825.00	\$ 3,298.00	0%	\$ 2,597.00	\$ 867.00	\$ 3,464.00	5%	\$ 2,675.00	\$ 892.00	\$ 3,567.00	3.0%
J	\$ 2,595.00	\$ 825.00	\$ 3,420.00	0%	\$ 2,595.00	\$ 825.00	\$ 3,420.00	0%	\$ 2,595.00	\$ 825.00	\$ 3,420.00	0%	\$ 2,725.00	\$ 867.00	\$ 3,592.00	5%	\$ 2,807.00	\$ 892.00	\$ 3,699.00	3.0%
K	\$ 2,807.00	\$ 825.00	\$ 3,632.00	0%	\$ 2,807.00	\$ 825.00	\$ 3,632.00	0%	\$ 2,807.00	\$ 825.00	\$ 3,632.00	0%	\$ 2,947.00	\$ 867.00	\$ 3,814.00	5%	\$ 3,035.00	\$ 892.00	\$ 3,927.00	3.0%
L	\$ 2,966.00	\$ 825.00	\$ 3,791.00	0%	\$ 2,966.00	\$ 825.00	\$ 3,791.00	0%	\$ 2,966.00	\$ 825.00	\$ 3,791.00	0%	\$ 3,114.00	\$ 867.00	\$ 3,981.00	5%	\$ 3,207.00	\$ 892.00	\$ 4,089.00	3.0%

Entrance Fees

Unit	2022	% Increase	2023	% Increase	2024	% Increase	2025	% Increase	2026	% Increase
A	\$ 48,436	0%	\$ 48,436	0%	\$ 48,436	0%	\$ 48,436	0%	\$ 48,436	0%
B	\$ 52,314	0%	\$ 52,314	0%	\$ 52,314	0%	\$ 52,314	0%	\$ 52,314	0%
C	\$ 58,735	0%	\$ 58,735	0%	\$ 58,735	0%	\$ 58,735	0%	\$ 58,735	0%
D	\$ 73,619	0%	\$ 73,619	0%	\$ 73,619	0%	\$ 73,619	0%	\$ 73,619	0%
E	\$ 104,215	0%	\$ 104,215	0%	\$ 104,215	0%	\$ 104,215	0%	\$ 104,215	0%
F	\$ 104,633	0%	\$ 104,633	0%	\$ 104,633	0%	\$ 104,633	0%	\$ 104,633	0%
G	\$ 111,322	0%	\$ 111,322	0%	\$ 111,322	0%	\$ 111,322	0%	\$ 111,322	0%
H	\$ 116,107	0%	\$ 116,107	0%	\$ 116,107	0%	\$ 116,107	0%	\$ 116,107	0%
I	\$ 122,931	0%	\$ 122,931	0%	\$ 122,931	0%	\$ 122,931	0%	\$ 122,931	0%
J	\$ 132,360	0%	\$ 132,360	0%	\$ 132,360	0%	\$ 132,360	0%	\$ 132,360	0%
K	\$ 144,550	0%	\$ 144,550	0%	\$ 144,550	0%	\$ 144,550	0%	\$ 144,550	0%
L	\$ 161,180	0%	\$ 161,180	0%	\$ 161,180	0%	\$ 161,180	0%	\$ 161,180	0%

ALF

Unit	2022	2nd Person	2022 Total	% Increase	2023	2nd Person	2023 Total	% Increase	2024	2nd Person	2024 Total	% Increase	2025	2nd Person	2025 Total	% Increase	2026	2nd Person	2026 Total	% Increase
IONIC-STUDIO	\$ 143	\$ 67	\$ 210	0%	\$ 143	\$ 67	\$ 210	0%	\$ 143	\$ 67	\$ 210	0%	\$ 150	\$ 70	\$ 220	5%	\$ 155	\$ 72	\$ 227	3%
IONIC-LARGE	\$ 157	\$ 67	\$ 224	0%	\$ 157	\$ 67	\$ 224	0%	\$ 157	\$ 67	\$ 224	0%	\$ 165	\$ 70	\$ 235	5%	\$ 170	\$ 72	\$ 242	3%
IONIC-DELUXE	\$ 162	\$ 67	\$ 229	0%	\$ 162	\$ 67	\$ 229	0%	\$ 162	\$ 67	\$ 229	0%	\$ 170	\$ 70	\$ 240	5%	\$ 175	\$ 72	\$ 247	3%
IONIC-GRANDE	\$ 177	\$ 67	\$ 244	0%	\$ 177	\$ 67	\$ 244	0%	\$ 177	\$ 67	\$ 244	0%	\$ 186	\$ 70	\$ 256	5%	\$ 192	\$ 72	\$ 264	3%
CAMDEN-STUDIO	\$ 165	\$ 67	\$ 232	0%	\$ 165	\$ 67	\$ 232	0%	\$ 165	\$ 67	\$ 232	0%	\$ 173	\$ 70	\$ 243	5%	\$ 178	\$ 72	\$ 250	3%
CAMDEN-LARGE	\$ 191	\$ 67	\$ 258	0%	\$ 191	\$ 67	\$ 258	0%	\$ 191	\$ 67	\$ 258	0%	\$ 201	\$ 70	\$ 271	5%	\$ 207	\$ 72	\$ 279	3%

SNF

	2022	% Increase	2023	% Increase	2024	% Increase	2026	% Increase
PRIVATE	\$ 293	0%	\$ 293	0%	\$ 395	0%	\$ 428	3%
SEMI-PRIVATE	\$ 255	0%	\$ 255	0%	\$ 355	0%	\$ 384	3%

EXHIBIT 2

CERTIFIED FINANCIAL STATEMENT

MARYLAND MASONIC HOMES, LTD
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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MARYLAND MASONIC HOMES, LTD
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Masonic Homes, Ltd
Cockeysville, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maryland Masonic Homes, Ltd (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of operations and changes in net assets, functional expenses, and cash flows for the years 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 Maryland Masonic Homes, Ltd as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maryland Masonic Homes, Ltd 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 Maryland Masonic Homes, Ltd's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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 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 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 Maryland Masonic Homes, Ltd'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 Maryland Masonic Homes, Ltd'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
June 15, 2026

MARYLAND MASONIC HOMES, LTD
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,876,368	\$ 2,201,082
Accounts Receivable	3,228,756	3,672,357
Allowance for Credit Losses	(968,043)	(1,455,490)
Investments, Current Portion	183,408	285,405
Inventory - Supplies	88,632	87,521
Prepaid Expenses and Other Assets	223,707	213,786
Due from Affiliates	-	1,179,635
Total Current Assets	<u>4,632,828</u>	<u>6,184,296</u>
PROPERTY, NET OF ACCUMULATED DEPRECIATION	1,247,343	801,708
OTHER ASSETS		
Operating Lease Right-of-Use Assets	31,170	145,084
Operating Reserve, Investments	<u>5,937,940</u>	<u>5,422,695</u>
Total Other Assets	<u>5,969,110</u>	<u>5,567,779</u>
 Total Assets	 <u><u>\$ 11,849,281</u></u>	 <u><u>\$ 12,553,783</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 504,359	\$ 511,267
Accrued Expenses	1,096,686	1,083,958
Current Maturities of Deferred Entrance Fees	-	17,009
Current Maturities of Operating Lease Liabilities	31,170	113,737
Due to Affiliates	<u>102,651</u>	<u>-</u>
Total Current Liabilities	<u>1,734,866</u>	<u>1,725,971</u>
NONCURRENT LIABILITIES		
Refundable Entrance Fees	1,924,833	1,864,987
Deferred Entrance Fees, Net of Current Maturities	62,378	74,090
Operating Lease Liabilities, Net of Current Maturities	<u>-</u>	<u>31,347</u>
Total Noncurrent Liabilities	<u>1,987,211</u>	<u>1,970,424</u>
 Total Liabilities	 3,722,077	 3,696,395
COMMITMENTS AND CONTINGENCIES (Notes 10, 12, and 14)		
NET ASSETS		
Without Donor Restrictions	8,119,165	8,855,149
With Donor Restrictions	<u>8,039</u>	<u>2,239</u>
Total Net Assets	<u>8,127,204</u>	<u>8,857,388</u>
 Total Liabilities and Net Assets	 <u><u>\$ 11,849,281</u></u>	 <u><u>\$ 12,553,783</u></u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Resident Service Revenue:			
Healthcare	\$ 10,749,625	\$ -	\$ 10,749,625
Assisted Living	2,116,087	-	2,116,087
Independent Living	487,376	-	487,376
Ancillary	360,201	-	360,201
Total Resident Service Revenue	13,713,289	-	13,713,289
Amortization of Entrance Fees	33,395	-	33,395
Net Investment Return	473,197	-	473,197
Contributions	107,590	5,800	113,390
Management Fees	146,294	-	146,294
Other	513,112	-	513,112
Total Support and Revenue	14,986,877	5,800	14,992,677
EXPENSES			
Program Services	21,298,869	-	21,298,869
Supporting Services:			
Management and General	2,827,335	-	2,827,335
Total Expenses	24,126,204	-	24,126,204
INCOME (LOSS) FROM OPERATIONS	(9,139,327)	5,800	(9,133,527)
OTHER INCOME			
Contribution Revenue	8,403,343	-	8,403,343
CHANGE IN NET ASSETS	(735,984)	5,800	(730,184)
Net Assets - Beginning of Year	8,855,149	2,239	8,857,388
NET ASSETS - END OF YEAR	<u>\$ 8,119,165</u>	<u>\$ 8,039</u>	<u>\$ 8,127,204</u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Resident Service Revenue:			
Healthcare	\$ 10,959,988	\$ -	\$ 10,959,988
Assisted Living	2,017,929	-	2,017,929
Independent Living	422,203	-	422,203
Ancillary	241,021	-	241,021
Total Resident Service Revenue	13,641,141	-	13,641,141
Amortization of Entrance Fees	98,466	-	98,466
Net Investment Return	153,300	-	153,300
Contributions	221,230	750	221,980
Management Fees	147,957	-	147,957
Other	137,829	-	137,829
Net Assets Released from Restriction:			
Satisfaction of Program Restrictions	682	(682)	-
Total Support and Revenue	14,400,605	68	14,400,673
EXPENSES			
Program Services	20,872,390	-	20,872,390
Supporting Services:			
Management and General	3,065,988	-	3,065,988
Total Expenses	23,938,378	-	23,938,378
INCOME (LOSS) FROM OPERATIONS	(9,537,773)	68	(9,537,705)
OTHER INCOME			
Contribution Revenue	11,259,838	-	11,259,838
CHANGE IN NET ASSETS	1,722,065	68	1,722,133
Net Assets - Beginning of Year	7,133,084	2,171	7,135,255
NET ASSETS - END OF YEAR	<u>\$ 8,855,149</u>	<u>\$ 2,239</u>	<u>\$ 8,857,388</u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Total
Personnel Expenses:			
Salaries	\$ 10,141,383	\$ 1,002,994	\$ 11,144,377
Employee Benefits	1,679,219	34,270	1,713,489
Payroll Taxes	747,842	73,962	821,804
Pension	220,558	21,813	242,371
Total Personnel Expenses	12,789,002	1,133,039	13,922,041
Lease Expenses	2,441,634	332,950	2,774,584
Contracted Services	628,718	-	628,718
Provision for Credit Losses	514,728	-	514,728
Therapies and Other Ancillary Costs	889,444	-	889,444
Utilities	688,342	93,865	782,207
Meals and Related Costs	560,471	-	560,471
Repairs and Maintenance	591,604	253,544	845,148
Pharmacy	382,552	-	382,552
Insurance	513,614	70,038	583,652
Professional Fees	-	316,748	316,748
Medical Supplies	376,628	-	376,628
Management Fee	-	201,439	201,439
Janitorial	166,546	8,766	175,312
Information Technology	64,926	144,514	209,440
Real Estate Taxes	141,596	19,309	160,905
Dues and Subscriptions	25,566	59,655	85,221
Depreciation	208,884	28,484	237,368
Payroll Processing	69,546	9,484	79,030
Office Expenses	12,621	13,673	26,294
Postage	-	348	348
Meetings and Events	-	31,718	31,718
Telephone	159,669	21,773	181,442
Other Resident Expenses	65,926	-	65,926
Travel	1,009	1,514	2,523
Printing	174	9	183
Bank Fees	-	2,615	2,615
Advertising	-	18,080	18,080
Contributions	-	145	145
Miscellaneous	5,669	65,625	71,294
Total Expenses by Function	<u>\$ 21,298,869</u>	<u>\$ 2,827,335</u>	<u>\$ 24,126,204</u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Total
Personnel Expenses:			
Salaries	\$ 9,475,708	\$ 970,953	\$ 10,446,661
Employee Benefits	1,370,262	146,846	1,517,108
Payroll Taxes	797,625	115,051	912,676
Pension	155,776	15,962	171,738
Total Personnel Expenses	<u>11,799,371</u>	<u>1,248,812</u>	<u>13,048,183</u>
Lease Expenses	2,552,065	332,292	2,884,357
Contracted Services	883,576	2,743	886,319
Provision for Credit Losses	706,554	-	706,554
Therapies and Other Ancillary Costs	1,124,851	-	1,124,851
Utilities	617,621	80,417	698,038
Meals and Related Costs	557,614	-	557,614
Repairs and Maintenance	467,327	89,765	557,092
Pharmacy	522,050	-	522,050
Insurance	394,842	51,410	446,252
Professional Fees	-	710,751	710,751
Medical Supplies	575,620	-	575,620
Management Fee	-	197,000	197,000
Janitorial	154,474	7,948	162,422
Information Technology	54,269	121,857	176,126
Real Estate Taxes	120,288	15,662	135,950
Dues and Subscriptions	40,175	94,797	134,972
Depreciation	165,126	21,500	186,626
Payroll Processing	52,398	6,824	59,222
Office Expenses	26,487	28,436	54,923
Meetings and Events	-	41,208	41,208
Telephone	10,478	1,511	11,989
Other Resident Expenses	44,858	-	44,858
Travel	196	306	502
Printing	1,523	74	1,597
Bank Fees	-	1,677	1,677
Advertising	-	4,608	4,608
Miscellaneous	627	6,390	7,017
Total Expenses by Function	<u>\$ 20,872,390</u>	<u>\$ 3,065,988</u>	<u>\$ 23,938,378</u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (730,184)	\$ 1,722,133
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Provision for Credit Losses	514,728	706,554
Depreciation	237,368	186,626
Proceeds from Nonrefundable Entrance Fees	54,357	36,443
Amortization of Entrance Fees	(33,395)	(98,466)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(558,574)	(349,946)
Inventory - Supplies	(1,111)	(53,607)
Prepaid Expenses	(9,921)	118,402
Accounts Payable	(6,908)	123,309
Accrued Expenses	12,728	215,144
Contract Liabilities	-	(95,616)
Net Cash Provided (Used) by Operating Activities	<u>(520,912)</u>	<u>2,510,976</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(413,248)	(120,131)
Purchases of Property	<u>(683,003)</u>	<u>(252,813)</u>
Net Cash Used by Investing Activities	<u>(1,096,251)</u>	<u>(372,944)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Due from Affiliates	1,282,286	(413,201)
Refundable Entrance Fees Received	489,216	327,990
Payments of Refundable Entrance Fees	<u>(479,053)</u>	<u>(256,716)</u>
Net Cash Provided (Used) by Financing Activities	<u>1,292,449</u>	<u>(341,927)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(324,714)	1,796,105
Cash and Cash Equivalents - Beginning of Year	<u>2,201,082</u>	<u>404,977</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,876,368</u></u>	<u><u>\$ 2,201,082</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Operating Cash Flows Paid for Amounts Included in the Measurement of Lease Liabilities	<u><u>\$ 115,916</u></u>	<u><u>\$ 142,016</u></u>

See accompanying Notes to Financial Statements.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Maryland Masonic Homes, Ltd (MMH Limited) has been recognized by the Internal Revenue Service (IRS) as a nonprofit corporation, as defined by section 501(c)(3) of the Internal Revenue Code (IRC). MMH Limited was incorporated under the laws of the state of Maryland on May 16, 2016. MMH Limited was established to operate a continuing care retirement community, primarily for members of the Grand Lodge of Ancient Free and Accepted Masons of Maryland (Grand Lodge) and their spouses and is currently licensed for 30 independent living units, 110 assisted living beds, and 88 comprehensive care beds.

The Grand Lodge is a fraternal organization as defined by section 501(c)(8) of the IRC. The Grand Master, Deputy Grand Master, Grand Secretary, and Grand Treasurer of the Grand Lodge comprise four of the members of the governing board of MMH Limited; therefore, these organizations are affiliated by common control. In addition, the Grand Lodge provides financial support for the operations of MMH Limited (see Note 13).

The accounting and reporting policies of MMH Limited conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

MMH Limited generally classifies all investments which are readily convertible to cash, and which have a maturity of three months or less when purchased as cash equivalents. Cash and cash equivalents held by investment custodians are not included in cash and cash equivalents but rather are treated as investments.

Accounts Receivable

Accounts receivable arise from services rendered to residents which are billed either to the residents or to a government agency and are carried at the original invoice amount less an estimate made for credit losses. MMH Limited provides for credit losses based on anticipated losses. Estimated credit losses are determined from a review of outstanding receivables, historical collection experience with individual accounts and payor sources, existing economic conditions, and supportable forecasts of future events. Receivables are written off by management when, in their determination, all collection efforts have been exhausted. Recoveries of receivables previously written off are recorded when received. MMH Limited does not require collateral or other security to support accounts receivable.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments with readily determinable fair values are reported at fair value in the statements of financial position. Investments, whose fair values are not readily determinable, are recorded at cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains and losses on investments for the year are reported in the statements of operations and changes in net assets as part of net investment return.

Inventory - Supplies

Inventory, which consists primarily of food, medical supplies, and maintenance supplies, is stated at cost. Cost is determined by the first-in, first-out (FIFO) method.

Property

Property is recorded at cost or if donated, at fair value at the date of the gift, less accumulated depreciation. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. MMH Limited capitalizes property acquisitions in excess of \$2,500 having an estimated useful life of three years or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Machinery and Equipment	5 to 10 Years
Furniture and Office Equipment	5 to 30 Years
Automobiles and Trucks	3 to 7 Years

Leases

MMH Limited determines if an arrangement is a lease at the inception of the contract. As of the lease commencement date, each lease is evaluated to determine if it will be classified as an operating or finance lease. Leases with a term of 12 months or less are considered short-term leases and lease assets and liabilities are not recognized. Lease terms include the noncancellable portion of the leases and reasonably certain renewal periods, termination operations and purchase options. MMH Limited accounts for lease and non-lease components as a single lease. MMH Limited uses the risk-free interest rate when the rate implicit in the lease is not available. Variable lease payments that cannot be determined at the commencement of the lease such as increases in the lease payments based on changes in index rates or usage are not included in the lease assets or liabilities.

Net Assets

Net assets, revenue, support, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

MMH Limited generates contract revenue primarily by providing healthcare, assisted living care, and independent living services to residents within its facility. It also generates contract revenue from management services. Revenue is recognized when control of the promised good or service is transferred to a resident or others, in an amount that reflects the consideration to which MMH Limited expects to be entitled from residents, third-party payors (including government programs and insurers), and others, in exchange for those goods and services.

Performance obligations are determined based on the nature of the services provided by MMH Limited. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred. MMH Limited believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents receiving skilled nursing or other services within the facility. MMH Limited measures the performance obligation from admission into the facility or commencement of services to the point when MMH Limited is no longer required to provide services to that resident, which is generally at the time of discharge or termination of the resident contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (e.g., guest meals, ancillaries) and MMH Limited does not believe it is required to provide additional goods or services related to that sale.

Performance obligations are determined based on the nature of the services provided. The majority of MMH Limited's healthcare services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered. MMH Limited provides certain ancillary services which are not included in the bundle of services, and as such, are treated as separate performance obligations satisfied at a point in time. MMH Limited also provides independent living services which also represent a bundle of services that are not capable of being distinct and therefore are treated as a single performance obligation satisfied over time as services are rendered.

Management services encompass a variety of services provided by MMH Limited personnel to a related party and are treated as a single performance obligation satisfied over time as services are rendered. MMH Limited determines the transaction price for each type of service based on contractually agreed-upon amounts or rates. Net patient service revenue is recorded at net realizable amounts from residents and third-party payors for services rendered.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

MMH Limited disaggregates revenue from contracts with residents by payor type (private or third-party reimbursement). MMH Limited notes that this disaggregation of revenue into these categories achieves the disclosure objectives to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The payment terms and conditions with MMH Limited's revenue-generating contracts vary by payor source (See Note 14). Approximately 57% and 61% of resident service revenue for the years ended December 31, 2025 and 2024, respectively, was derived under a third-party reimbursement program.

MMH disaggregates its revenue from contracts with residents and customers as follows:

	<u>2025</u>	<u>2024</u>
Revenue Recognized at a Point in Time:		
Resident Service Revenue - Ancillaries	\$ 360,201	\$ 241,021
Revenue Recognized Over Time:		
Resident Service Revenue	13,353,088	13,400,120
Amortization of Entrance Fees	33,395	98,466
Management Fees	146,294	147,957
Total	<u>\$ 13,892,978</u>	<u>\$ 13,887,564</u>

MMH Limited recognizes revenue in the statements of operations and changes in net assets and contract assets in the statements of financial position only when services have been provided. When MMH Limited has performed its obligations under the contracts, it has unconditional rights to the consideration recorded as contract assets and therefore classifies those billed and unbilled contract assets as accounts receivable. Payments that MMH Limited receives from residents in advance of providing services represent contract liabilities. Such payments primarily relate to private pay patients and residents, which are billed monthly in advance.

MMH Limited assesses an entrance fee for its independent living and assisted living units. The entrance fee for Private Pay 90/10 residents is 90% refundable upon the resident's death or discharge and the re-occupancy of the unit. The refundable portion of the entrance fee is not affected by the amount assessed for future entrance fees. Refundable entrance fees are recorded in the accompanying statements of financial position as non-current liabilities. The nonrefundable entrance fees are classified as deferred entrance fees and are recognized as revenue on a straight-line basis over each individual resident's life expectancy (based on actuarial assumptions of the life expectancy of residents in a continuing care retirement community).

The gross contractual liability for the refundable portion of entrance fees of the Private Pay 90/10 contracts as of December 31, 2025 and 2024 was \$1,924,833 and \$1,864,987, respectively.

Net investment return and other income are recorded as revenue in the period for which they are earned and/or the service is provided.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions

All donor-restricted support is reported as an increase in net assets with donor restrictions. Upon the expiration of a temporary restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of operations and changes in net assets.

Advertising

Advertising costs are charged to operations when incurred. MMH Limited has no significant direct-response advertising. Advertising expense for the years ended December 31, 2025 and 2024 was \$18,080 and \$4,608, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other support activities have been summarized on a functional basis and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates such as time and effort.

Income Taxes

MMH Limited is exempt from federal and state income taxes under IRC section 501(c)(3). Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. MMH Limited had no unrelated business income for the years ended December 31, 2025 and 2024. Accordingly, no provision for income taxes is reflected in these financial statements. MMH Limited's federal exempt organization returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, MMH Limited has evaluated events and transactions for potential recognition or disclosure through June 15, 2026, the date the financial statements were available to be issued. During the period from January 1, 2025 through June 15, 2026, MMH Limited did not have any material recognizable subsequent events.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2025	2024
Cash and Cash Equivalents	\$ 1,876,368	\$ 2,201,082
Accounts Receivable, Net	2,260,713	2,216,867
Investments, Current Portion	183,408	285,405
Due from Affiliates	-	1,179,635
Less: Net Assets With Donor Restrictions	<u>(8,039)</u>	<u>(2,239)</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 4,312,450</u>	<u>\$ 5,880,750</u>

As part of MMH Limited's liquidity management plan, MMH Limited invests cash in excess of daily requirements in short-term investments.

NOTE 3 ACCOUNTS RECEIVABLE AND CONTRACT LIABILITIES

Accounts receivable consist of the following at December 31:

	2025	2024	2023
Medicare	\$ 594,156	\$ 842,379	\$ 1,385,535
Medicaid	852,301	656,709	1,234,902
Private Pay and Other	1,600,851	1,627,691	924,933
Managed Care	<u>181,448</u>	<u>545,578</u>	<u>553,105</u>
Accounts Receivable	3,228,756	3,672,357	4,098,475
Less: Allowance for Credit Losses	<u>(968,043)</u>	<u>(1,455,490)</u>	<u>(1,525,000)</u>
Accounts Receivable, Net	<u>\$ 4,196,799</u>	<u>\$ 2,216,867</u>	<u>\$ 2,573,475</u>

The allowance for credit losses was composed of the following at December 31:

	2025	2024	2023
Balance - Beginning of Year	\$ 1,455,490	\$ 1,525,000	\$ 822,276
Provision for Credit Losses	514,728	706,554	916,975
Write-Offs	<u>(1,002,175)</u>	<u>(776,064)</u>	<u>(214,251)</u>
Balance - End of Year	<u>\$ 968,043</u>	<u>\$ 1,455,490</u>	<u>\$ 1,525,000</u>

Contract liabilities consists of the following at December 31:

	2025	2024	2023
Contract Liabilities	<u>\$ 62,378</u>	<u>\$ 74,090</u>	<u>\$ 95,616</u>

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 INVESTMENTS

A summary of the investment portfolio, at fair value, is as follows at December 31:

	2025	2024
Cash Equivalents, Held by Investment Custodian	\$ 6,121,348	\$ 5,708,100
Less: Investments Classified as Long-Term:		
Operating Reserve	(5,937,940)	(5,422,695)
Investments, Current Maturities	<u>\$ 183,408</u>	<u>\$ 285,405</u>

The following summarizes the net investment return for the years ended December 31:

	2025	2024
Investment Income	\$ 473,397	\$ 153,475
Investment Fees	(200)	(175)
Net Investment Return	<u>\$ 473,197</u>	<u>\$ 153,300</u>

NOTE 5 FAIR VALUE MEASUREMENT

Generally accepted accounting principles (GAAP) establishes a framework for measuring fair value. The 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 as follows:

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

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.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 FAIR VALUE MEASUREMENT (CONTINUED)

The asset's or liability's 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. The valuation techniques used by MMH Limited include the following:

Cash Equivalents – Valued at original cost, which approximates fair value.

In determining the appropriate levels, MMH Limited performs a detailed analysis of the assets and liabilities that are to be reported at fair value. As of December 31, 2025 and 2024, MMH Limited invested in cash equivalents which are valued at original cost, which approximates fair value.

NOTE 6 PROPERTY

Property consisted of the following as of December 31:

	2025	2024
Machinery and Equipment	\$ 1,743,280	\$ 1,743,280
Furniture and Office Equipment	1,303,626	1,157,286
Building Improvements	419,488	-
Automobiles and Trucks	582,731	465,556
Subtotal	4,049,125	3,366,122
Less: Accumulated Depreciation	(2,801,782)	(2,564,414)
Total Property	<u>\$ 1,247,343</u>	<u>\$ 801,708</u>

NOTE 7 LEASES

Building Leases

MMH Limited entered into an agreement with the Grand Lodge to lease the land and building, collectively known as the Maryland Masonic Homes. The lease is renewed annually for one-year terms. The lease agreement requires monthly payments of \$225,000. Per the written lease agreement, there are no provisions for renewal options. Annual leases will be negotiated between the Grand Lodge and MMH Limited based on budgets and other criteria.

Equipment Leases

MMH Limited leases phones and copiers under lease agreements that expire between September 2025 and October 2026. MMH Limited recorded right-of-use assets of \$530,728 which are being expensed over the life of leases and off-setting operating lease liabilities of \$530,728 effective as of January 1, 2022.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 LEASES (CONTINUED)

MMH Limited's total lease expense for the years ended December 31 was as follows:

	2025	2024
Short-Term Lease Costs - Building	\$ 2,700,000	\$ 2,700,000
Fixed Lease Costs - Equipment	115,916	142,016
Variable Lease Costs - Equipment	36,968	39,922
Total Lease Expense	<u>\$ 2,852,884</u>	<u>\$ 2,881,938</u>

As of December 31, the right-of-use assets and operating lease liabilities related to operating leases were as follows:

	2025	2024
Lease Costs:		
Operating Lease Costs:		
Current Maturities of Operating Lease Costs	\$ 31,170	\$ 113,737
Operating Lease Liabilities, Net of Current Maturities	-	31,347
Total Lease Costs	<u>\$ 31,170</u>	<u>\$ 145,084</u>

Other Information:

Weighted-Average Remaining Lease Term	0.15 Years	1.15 Years
Weighted-Average Discount Rate	3.14%	3.14%

As of December 31, 2025, future minimum lease payments under operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	<u>\$ 31,347</u>
Total	31,347
Less: Interest	(177)
Present Value of Lease Liabilities	<u>\$ 31,170</u>

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

MMH Limited has several restricted funds, which may be fully expended but only for the purpose established by the respective donors. Net assets with donor restrictions were available for the following purposes as of December 31:

	2024	Current Year Activity		2025
		Contributions	Release from Restriction	
Subject to Expenditure for a Specified Purpose:				
Employee Activities Fund	\$ 1,739	\$ 5,800	\$ -	\$ 7,539
Other	500	-	-	500
Total	<u>\$ 2,239</u>	<u>\$ 5,800</u>	<u>\$ -</u>	<u>\$ 8,039</u>
	2023	Prior Year Activity		2024
		Contributions	Release from Restriction	
Subject to Expenditure for a Specified Purpose:				
Employee Activities Fund	\$ 1,671	\$ 750	\$ (682)	\$ 1,739
Other	500	-	-	500
Total	<u>\$ 2,171</u>	<u>\$ 750</u>	<u>\$ (682)</u>	<u>\$ 2,239</u>

NOTE 9 RESIDENT CONTRACTS

The terms of contracts offered to new residents are essentially a private pay arrangement. These contracts require fixed monthly payments for each of the following levels of care provided to residents: independent living, assisted living, and health care. The established monthly fees may be adjusted from time to time, as determined by the management of MMH Limited. Additional fees, such as processing fees, reservation fees, entrance fees, and other ancillary fees may also be charged.

NOTE 10 COMMITMENTS

Operating Reserve Requirements

The Maryland Department of Aging requires continuing care retirement communities to establish and fund an operating reserve equal to a specific percentage of annual operating expenses, measured as of the end of the prior year, exclusive of depreciation, amortization, and unusual and infrequent expenses (net operating expenses). The operating reserve requirement requires 25% of the annual operating activities. As of December 31, 2025 and 2024, the required reserve amounted to \$5,937,940 and 5,708,100, respectively. MMH Limited was in compliance with the required reserve amounts as of December 31, 2025 and 2024.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 COMMITMENTS (CONTINUED)

Operating Reserve Requirements (Continued)

The following is the calculation of the operating reserve:

	2025	2024
Total Annual Operating Expenses per Financial Statements (1)	\$ 23,938,378	\$ 22,929,003
Less: Depreciation Expense (1)	186,626	96,612
Total Annual Operating Expenses, Net (1)	23,751,752	22,832,391
Required Percentage	25%	25%
Operating Reserve (Rounded)	<u>\$ 5,937,940</u>	<u>\$ 5,708,100</u>

(1) Based on the Previous Year's Operating Expenses

Pension Plan

MMH Limited participates in a defined contribution pension plan (the Plan), established by the Grand Lodge, that covers all eligible employees, as defined in the plan document, who have completed three months of service for elective contributions and six months of service for employer contributions and who are at least 21 years of age.

Under the Plan, the employer contributions to the Plan are a specified match of participating employees' elective contributions (dollar for dollar match up to 1% of eligible compensation; 50 cents for each dollar contributed between 1% and 6% of eligible compensation; maximum of 3.5% of eligible compensation). Total pension expense incurred by MMH Limited for the years ended December 31, 2025 and 2024 was \$242,371 and \$171,738, respectively.

Estimated Future Service Obligations

MMH Limited was established to provide continuing care to qualified residents. Accounting principles generally accepted in the United States of America require that facilities with continuing care contracts evaluate and accrue any projected losses in their resident contracts. As of December 31, 2025 and 2024, all residents held a Type C contract and there were no residents under a previous contract that offered a lifecare discount. Accordingly, no accrual was required as of December 31, 2025 and 2024.

NOTE 11 PATIENT CASH FUNDS

MMH Limited acts in an agency capacity regarding the holding of residents' cash funds. MMH Limited was holding approximately \$22,700 and \$24,965 in resident's funds as of December 31, 2025 and 2024, respectively, which have not been reflected in these financial statements.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 12 SELF-INSURANCE PROGRAM – UNEMPLOYMENT COMPENSATION PLAN

MMH Limited has elected to maintain a self-funded unemployment compensation plan as a reimbursable employer as defined by the Department of Labor, Licensing and Regulation of the State of Maryland (the Department), whereby it pays qualified claims directly to the Department in lieu of submitting quarterly unemployment taxes. In order to be eligible for self-funding, the Department requires that funds be held as collateral in the event that MMH Limited fails to pay its claims. For both the years ended December 31, 2025 and 2024, the Department required collateral of \$108,608. MMH Limited has satisfied that requirement with a surety bond in the same amounts.

NOTE 13 RELATED PARTY TRANSACTIONS

Management Services

MMH Limited has an agreement to provide campus safety security and building management services to the Grand Lodge, related to their shared campus location. In addition, MMH Limited has an agreement to provide human resources services to the Grand Lodge. The fees charged for campus safety security, building management services, and human resources services are based on the allocation of MMH Limited's staff time providing these services plus 20% for employee benefits. The total revenue generated from the campus safety security, building management services, and human resources services was \$146,294 and \$147,957 for the years ended December 31, 2025 and 2024, respectively, and is reflected as management fees revenue on the statements of operations and changes in net assets.

The Grand Lodge provides financial services and in-house counsel to MMH Limited. The fees charged for the financial services are based on the allocation of the Grand Lodge's staff time providing these services plus 20% for employee benefits. The fees charged for the In-House Counsel is based on the time spent working on the business of MMH Limited. The total fees for these services were \$201,439 and \$197,000 for the years ended December 31, 2025 and 2024, respectively, and are included in management fee expense on the statements of functional expenses.

Due to (from) Affiliates, Net

The Grand Lodge provides financial aid to residents of MMH Limited who meet certain criteria pursuant to the Grand Lodge's financial aid program. During the years ended December 31, 2025 and 2024, the Grand Lodge provided financial aid in the amount of \$-0- and \$31,453, respectively, which is included in resident service revenue on the statements of operations and changes in net assets. The Grand Lodge owed \$215,323 and \$226,735, respectively, in financial aid to MMH Limited for the years ended December 31, 2025 and 2024 which has been included in accounts receivable on the statements of financial position.

At December 31, 2025 and 2024, MMH Limited had a balance due from the Grand Lodge in the amount of \$588,863 and \$1,143,754, respectively, related to the rent for the premises, property additions, and the management services provided by the Grand Lodge.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

Due to (from) Affiliates, Net (Continued)

Additionally, MMH Limited will periodically pay various expenditures on behalf of Masonic Charities of Maryland, Inc. (the Charities) and Stephen J. Ponzillo, Jr. Memorial Library & Museum of the Grand Lodge of AF & AM of Maryland, Inc. (the Library), which are subsequently reimbursed by both entities. The Library and Charities had a balance due of \$-0- and \$35,881, respectively, as of December 31, 2025 and 2024.

Financial Support from the Grand Lodge

The Grand Lodge provides financial support for the operations of MMH Limited. Total contributions to MMH Limited from the Grand Lodge totaled \$8,403,343 and \$11,259,838 for the years ended December 31, 2025 and 2024, respectively.

The Grand Lodge holds various funds that were established for the benefit of the operations of the continuing care retirement community (CCRC), which is being managed and operated by MMH Limited. A summary of these fund balances as of December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Endowment Funds:		
Endowment Fund	\$ 13,075,477	\$ 11,813,462
Pierce Memorial Endowment Fund	1,030,369	930,921
Beneficial Interest in a Trust	<u>648,250</u>	<u>592,899</u>
Total Endowment Funds	14,754,096	13,337,282
Donor-Restricted Fund:		
Endowment Fund	1,480,828	1,103,635
Pierce Memorial Endowment Fund	621,394	534,836
Grand Lodge Board-Designated Fund	<u>117,889,584</u>	<u>112,389,575</u>
Total	<u><u>\$ 134,745,902</u></u>	<u><u>\$ 127,365,328</u></u>

NOTE 14 CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES

Uninsured Balances

MMH Limited maintains its cash balances at various financial institutions. Periodically during the year, MMH Limited's cash balances may exceed federally insured limits. MMH Limited has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

MARYLAND MASONIC HOMES, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 14 CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES (CONTINUED)

Resident Service Revenue

MMH Limited receives revenue from Medicare, Medicaid, and private pay residents. The health care industry is continuing to experience the effects of the federal and state governments' trend toward cost containment, as government and other third-party payors seek to impose lower reimbursement and utilization rates and negotiate reduced payment schedules with providers. It is not possible to fully quantify the effect of recent legislation, the interpretation or administration of such legislation, or any other government initiatives on MMH Limited's business. Accordingly, there can be no assurance that any future health care legislation will not adversely affect MMH Limited's business. There can be no assurance that payments under government and private third-party payor programs will be timely, will remain at levels comparable to present levels, or will, in the future, be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to such programs. MMH Limited's financial position and change in net assets may be affected by the reimbursement process, which in the health care industry is complex and can involve lengthy delays between the time that revenue is recognized and the time that reimbursement amounts are settled.



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EXHIBIT 3

CASH FLOW FORECAST STATEMENT

	2026	2027	2028
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Assets	(96,000)	(125,000)	(125,000)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Provision for Credit Losses			
Depreciation	540,464	567,488	595,862
Proceeds from Nonrefundable Entrance Fees	249,236	261,698	274,783
Amortization of Entrance Fees	57,075	59,929	62,925
Changes in Operating Assets & Liabilities	(35,065)	(36,818)	(38,659)
Account Receivable	(586,503)	(615,828)	(646,619)
Inventory - Supplies	(1,144)	(1,179)	(1,214)
Prepaid Expenses	(10,417)	(10,938)	(11,485)
Accounts Payable	(7,115)	(7,329)	(7,549)
Accreud Expenses	13,110	13,503	13,908
Contract Liabilities	0	0	0
Net Cash Provided (Used) by Operating Activities	123,641	105,526	116,953
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Investments	(250,000)	(262,500)	(275,625)
Purchase of Property	(375,000)	(393,750)	(413,438)
Net Cash used by Investing Activities	(625,000)	(656,250)	(689,063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Due from Affiliates	1,218,172	1,157,263	1,099,400
Refundable Entrance Fees Received	513,677	539,361	566,329
Payment of Refundable Entrance Fees	(503,006)	(528,156)	(554,564)
Net Cash Provided (Used) by Financing Activities	1,228,843	1,168,468	1,111,165
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	727,484	617,744	539,055
Cash & Cash Equivalents - Beginning of Year	1,876,368	2,603,852	3,221,597
CASH & CASH EQUIVALENTS - END OF YEAR	2,603,852	3,221,597	3,760,652