

**DISCLOSURE STATEMENT**

**FOR**

**SHERWOOD OAKS**

A Life Plan Retirement Community

100 Norman Drive  
Cranberry Township, Pennsylvania 16066

(800) 642-2217  
(724) 776-8100

THE ISSUANCE OF A CERTIFICATE OF AUTHORITY BY THE INSURANCE DEPARTMENT OF PENNSYLVANIA DOES NOT CONSTITUTE THAT DEPARTMENT'S APPROVAL, RECOMMENDATION OR ENDORSEMENT OF SHERWOOD OAKS FACILITY, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

October 2025

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## SUMMARY

**1. Name and address of our community:**

**Sherwood Oaks**  
100 Norman Drive  
Cranberry Township, Pennsylvania 16066

**2. Name and address of the licensed provider:**

**Pittsburgh Lifetime Care Community**  
d/b/a Sherwood Oaks  
100 Norman Drive  
Cranberry Township, Pennsylvania 16066

**3. Person to be contacted to discuss residency:**

**Dave Capan**  
Sherwood Oaks  
100 Norman Drive  
Cranberry Township, Pennsylvania 16066  
(724) 776-8486

**4. Project Description:**

Sherwood Oaks is located in a suburban area on more than 84 acres located in Cranberry Township, Butler County, Pennsylvania, one-quarter mile West of U.S. Route 19, and one mile north of the intersection of Interstate Route 79 and the Pennsylvania Turnpike. The community consists of 270 residences (single story garden patio homes and apartments), 38 rooms for personal care residence, 4 personal care suites, and a 30-room center for the care of memory impaired persons, and a 43-bed health-care facility. Sherwood Oaks' three-story community center contains a dining room, private dining room, cafe, auditorium, card room, hobby rooms, library, computer center, bank, styling salon, fitness center, swimming pool, physician's office and health and rehabilitation rooms.

**5. Minimum age:**

The minimum age for admission to Sherwood Oaks is 62 years, but spouses and companions under age 62 can enter under certain conditions outlined on page 2 of the Residential Agreement.

**6. Affiliations:**

Sherwood Oaks is a non-sectarian, nonprofit organization. Sherwood Oaks is affiliated with UPMC and with UPMC Senior Communities, Inc., both nonprofit corporations. On August 1, 2024, Sherwood Oaks entered into a long-term management agreement with Presbyterian Senior Care Network. The intent of the agreement is to improve the ability of the organization to serve its non-profit mission. Backed by the resources and excellence of UPMC, Presbyterian SeniorCare Network will deliver on its core competency as a highly respected aging services provider. For more than 95 years, Presbyterian SeniorCare Network has had a commitment to Making Aging Easier for older adults and their families. They are experienced in operating high-quality personal care and skilled nursing communities, specialized Alzheimer's and dementia care,

affordable and supportive housing communities, independent living, and many other service lines dedicated to enriching the aging experience.

Presbyterian SeniorCare Network is a non-profit, faith-based organization that currently serves more than 6,500 older adults and their families through in-home and community-based programs across 10 Western Pa. counties.

**7. Management Agreement:**

On August 1, 2024, Sherwood Oaks entered into a management agreement with Presbyterian Senior Care Network.

**8. Current Resident Population:**

As of June 30, 2025, the current resident population living at Sherwood Oaks under long-term continuing care contracts in all types of accommodations was 339 people.

**9. Sample Fees:**

As of July 1, 2025 the current fees for those signing a contract that provides for occupancy of a one-bedroom unit are as follows:

{	Entrance Fee (for those choosing the Standard Residential Agreement)	\$165,335
	Entrance Fee (for those choosing the “50% Refundable Plan”)	\$254,400
	Entrance Fee (for those choosing the “90% Refundable Plan”)	\$363,115
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{	Monthly Service Fees for occupancy for one person (for Life Care type of contract)	\$ 3,936
	Monthly Service Fees for occupancy for two people including the \$1,820 second person fee. (for Life Care type of contract)	\$ 5,756
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{	*Monthly Service Fees for occupancy for one person (for a 3-year modified Life Care contract)	\$3,073
	*Monthly Service Fees for occupancy for two people including the second person fee and the modified discount. (for a 3-year modified Life Care contract)	\$ 4,322
-----		
{	Monthly Service Fees for occupancy for one person (for a Pay As You Go contract)	\$ 3,050
	Monthly Service Fees for occupancy for two people including the \$1,200 second person fee. (for a Pay As You Go contract)	\$ 4,250
{	Monthly Service Fees for occupancy for one person (for a Lease and Services contract)	\$ 4,228
	Monthly Service Fees for occupancy for two persons (for a Lease and Services contract)	\$ 6,048

- The Modified Life Care Contract is no longer offered to new incoming residents.

## DESCRIPTION OF SHERWOOD OAKS

### *The Corporation*

Pittsburgh Lifetime Care Community (“Sherwood Oaks”) is a nonprofit corporation which is qualified under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from the payment of federal income taxes. The Sherwood Oaks community opened in September 1982 and remains its first and only community.

### *Memberships and Licenses*

Sherwood Oaks is licensed by the Pennsylvania Department of Health and the Department of Human Services to operate a long-term care nursing, a home care agency, and a personal care facility. Sherwood Oaks is a member of the Leading Age, Leading Age PA, and PALA (Pennsylvania Assisted Living Association).

### *UPMC and UPMC Senior Communities*

UPMC appoints the members of the Sherwood Oaks’ Borad of Directors, approves all fundamental corporate decisions, appoints Sherwood Oaks’ Senior Director, and approves its strategic plans and budgets.

To strengthen Sherwood Oaks and allow it to refinance its debt obligations, in May 1986 Sherwood Oaks affiliated with North Hills Passavant Hospital, a nonprofit corporation. That affiliation with Passavant remained in place after October 1997, when North Hills Passavant Hospital became affiliated with UPMC and changed its name to UPMC Passavant.

In 2006, Sherwood Oaks changed its alignment within UPMC, and now reports to UPMC through Sherwood Oaks’ parent corporation, UPMC Senior Communities, Inc., at 3600 Forbes Ave at Meyran Avenue, Forbes Tower, Suite 70073, Pittsburgh, PA 15213. In turn, the parent corporation of UPMC Senior Communities, Inc. is UPMC, 200 Lothrop Street, Pittsburgh, PA 15213. Like Sherwood Oaks, both UPMC and UPMC Senior Communities are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

Sherwood Oaks’ budget anticipates that Sherwood Oaks will pay approximately \$201,000 to affiliates of UPMC during the fiscal year ending June 30, 2026 for employee health insurance through UPMC Health Plan, workers’ compensation and other insurance coverages obtained from System-wide insurance bidding and from UPMC’s captive insurance company, computer system training and maintenance, psychiatric coverage for those with special needs, fees for access to long-term investment management, and other ancillary services such as information technology initiatives, laboratory and pharmacy.

In addition to the payments for services just described, Sherwood Oaks has a loan-repayment obligation to UPMC relating to costs incurred from 2009 through early 2012 to construct apartments, additional patio homes (each with a two-car garage), a new personal care building, and renovations of the existing the Health Center. To help finance part of the \$27.1 million construction cost, Sherwood Oaks has borrowed an additional \$13,000,000 from UPMC. Sherwood Oaks must make loan repayments to UPMC of principal and interest, which are budgeted to average approximately \$1,043,000 per year. The remaining principal balance as of June 30, 2025 is \$4,550,000.

Due to the specialized nature of the services provided by related entities and the desire of Sherwood Oaks to recognize the efficiencies possible by functioning as part of an integrated system, it was not always possible or desirable to competitively bid for the services that may be provided by UPMC-related entities. However, in most instances alternate providers' prices and services are closely compared prior to arranging for services from the UPMC system. Sherwood Oaks pays no development or licensing fees.

**Sherwood Oaks encourages diversity in its resident population.  
There are no barriers to obtaining housing because of race,  
color, religion, sex, handicap, or national origin.**

### **The Mission of Sherwood Oaks**

**The mission of Sherwood Oaks is to operate a continuing care community for people age 62 and over which fosters independence, health, and physical and financial security for residents, while preserving a quality and dignity of life in which residents may realize their fullest potential.**

### **The Community**

Sherwood Oaks fulfills its mission by offering residential patio homes, carriage homes, apartments, personal care rooms and suites, and skilled, intermediate, and custodial nursing care. A resident may remain in the community even though requiring health care. Spouses may be near one another even though one may be in the Health Center.

Sherwood Oaks is constructed on more than 84 acres in a partially wooded area adjacent to Rochester and Graham School Roads in Cranberry Township, Butler County, Pennsylvania. The area surrounding the site is generally residential and commercial and has access to Pittsburgh and other areas by Interstate Routes 79 and 279, U.S. Route 19 and the Pennsylvania Turnpike. Sherwood Oaks provides regularly scheduled transportation to local shopping centers, downtown Pittsburgh, and to cultural events in Pittsburgh and the surrounding areas.

The physical plant of Sherwood Oaks consists of 283 homes including patio homes, carriage homes and apartments grouped in neighborhood clusters, a three-story apartment building with underground parking, a three-story Community Center building, a secured Oak Grove Center, a guest lodge, and a maintenance building.

The Community Center includes a skilled nursing care facility and 42-room personal care facility. In addition, the Community Center building contains administrative and clerical offices, dining rooms, a café, meeting rooms, lounges, an auditorium, a library, a computer center, a chapel, craft and hobby rooms, therapy rooms, a fitness center for health and wellness training complete with exercise equipment and programming, an indoor swimming pool and Jacuzzi, physician office and examination rooms, and facilities for a podiatrist, an audiologist and speech, physical and occupational therapy.

Linked to the Community Center is the Oak Grove Center which offers personal care for residents with memory impairment in 30 private rooms, with family lounges, dining areas, activity rooms and a rooftop garden. The lower level of that building includes a group fitness center and The Cranberry Lake Grill.

Renovations to the skilled nursing facility were completed in early 2012. These renovations created three neighborhood-style care units, each containing 14 or 15 patient rooms. The renovated skilled nursing facility contains three country kitchens, three resident lounges and 43 beds in primarily private rooms.

The patio homes that are grouped in neighborhood clusters include 9 alcove units, 39 one-bedroom units, 71 one-bedroom units with a den or study, 60 two-bedroom units, 25 two-bedroom units with den, 19 two-bedroom and a multi-purpose area, and 23 three-bedroom units. Some units have a fireplace, and a two-car attached garage and, with the exception of a single unit, are constructed as duplexes.

The three-story apartment building contains 24 units, each having a balcony or private patio, and ranging in size from 1,000 to 1,400 square feet. The apartment building is connected to the Community Center building by an enclosed walkway.

Each residence on campus contains a fully equipped kitchen, full bathroom(s), individual climate control, wall-to-wall carpeting, and (except in the alcove units) a walk-in closet. The residences and Community Center contain equipment and features designed for safety, such as grab-bars in all bathrooms, emergency call and fire alarm systems. A 24-hour security staff operates a gatehouse at the community's entrance and provides additional safety.

## **THE PEOPLE OF SHERWOOD OAKS**

### ***The Officers and Directors of Sherwood Oaks***

A Board of Directors consists of up to eleven (11) voting Directors. The Board of Directors may be reduced by majority vote of the Board but, in any event, shall remain a multiple of three (3), plus one. Each year, approximately one-third of the Board stands for election to a three-year term, and one director who is a Sherwood Oaks resident as a member of the Sherwood Oaks Residents Association is elected to a one-year term.

No officer or director of Sherwood Oaks owns a 10% or greater interest in a professional service, firm, partnership, or corporation that provides Sherwood Oaks more than \$500 in goods and services.

The following is a description of the Officers of Sherwood Oaks and the Directors on its Board:

Nanci L. Case — Chair, Director

Ms. Case joined the Sherwood Oaks Board in 2013. She is Vice President of UPMC Senior Communities for Sales and Marketing. She received her Bachelor of Science in Marketing and her Master of Science in Business/Strategic Planning, both from Colorado State University. Ms. Case worked at Denver Children's Hospital and Pittsburgh Children's Hospital, leading marketing, and planning; at TRACO Windows and Doors as Vice President of Corporate Marketing; and as President of St. Barnabas Charities and Vice President of St. Barnabas Health System for eleven years prior to joining UPMC Senior Communities. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

Jean Henderson — Director, Designated Resident Director

Rev. Dr. Henderson moved to Sherwood Oaks as a resident in 2014. She graduated from Davis and Elkins College in West Virginia and from Pittsburgh Theological Seminary. She was ordained as a Presbyterian (U.S.A.) minister in 1971, served several churches in Western Pa, and retired in 2006. She continues to engage in pastoral activities permitted during retirement. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

Donald R. Shoenthal, MD— Director

Dr. Shoenthal joined the board in 2020. He is a physician Board Certified in Family Medicine and is a member of Allegheny County Medical Society and American Academy of Family Practice. Dr. Shoenthal was appointed to the PLCC Board of Directors July 1, 2020 and receives a stipend from existing medical director contract with Genesis Medical Associates. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

Kathleen Seaton – Director

Ms. Seaton joined the board in 2019. She has been a licensed realtor since 1976 and obtained her seniors real estate specialist license in 2016. She is a member of the Realtors Association of Metropolitan Pittsburgh, National Association of Realtors and Pennsylvania Association of Realtors. Ms. Seaton has served on Board of Trustees at the Village at St. Barnabas and St. Barnabas Health System. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

Gary Brandenberger — Director

Mr. Brandenberger is a retired Duquesne Light Company executive who moved to Sherwood Oaks in 2009. He earned Bachelor of Science Degrees in Electrical Engineering and Management Science from Carnegie Mellon University. Mr. Brandenberger was elected SORA President in June 2022. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

George Ehringer, Sr. — Director

Mr. Ehringer is a Penn State Graduate and member of the American Institute of Architects. He worked 27 years at Michael Baker International and 9 years at Passavant Hospital prior to retiring. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, Pennsylvania 16066.

Joseph Nowak — Director

Mr. Nowak came to Sherwood Oaks as a resident in 2017. He earned his BS from Duquesne University and MBA from The University of Pittsburgh. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, PA 16066.

Amy M Devinney — Director

Mrs. Devinney is currently the Director of Accounting Analytics at UPMC. She had previously served in various accounting positions in the UPMC system in both the Insurance Services and Health Services Divisions. Mrs. Devinney has a Bachelor of Science from Pennsylvania State University. She lives in Allison Park with her husband Kevin. They have one child. Address: c/o Sherwood Oaks, 100 Norman Drive, Cranberry Township, PA 16066.

**Staff**

Mark D. Bondi, MPA, NHA, JD

Mr. Bondi is currently the senior director at Sherwood Oaks. He had previously served in various positions in the UPMC system including seven years as the president of UPMC Senior Communities, the parent organization of Sherwood Oaks. He has a BA and MPA from the University of Pittsburgh and JD from Duquesne University. He has both an attorney's and nursing home administrator's license in Pennsylvania. Mr. Bondi lives in Allison Park with his wife Michele. They have four children and three grandchildren.

Recently Mr. Bondi announced that he plans to retire early 2026. A search for a replacement is now underway.

Mark R. Nord, MBA, NHA

Mr. Nord has been at Sherwood Oaks as its nursing home administrator licensure since 2021. He has a Master's Degree in Business Administration from Robert Morris University, and a Bachelor of Science in Financial Management/Computer Systems Management, Grove City College. Mr. Nord has worked in aging services for over 15 years.

Lori A. Greer, PCHA

Ms. Greer is the administrator at Sherwood Oaks for Personal Care, the Oak Grove Center (dementia) and Special Services (homecare). She received her Bachelor of Arts in Psychology from LaRoche College and worked in the foster care system before furthering her education. She earned her graduate degree in Occupational Therapy from Chatham College. Ms. Greer currently holds a state license and national certification in Occupational Therapy. She has been working in the senior living industry for 20 years. She currently holds Personal Care and Assisted Living administrator licenses in the state of Pennsylvania. Ms. Greer joined the Sherwood Oaks team in 2012.

## **The Sherwood Oaks Residents Association**

Residents have the legal right of self-organization. In 1982, the first residents of Sherwood Oaks organized a residents' association. In 1986, the Association incorporated. Each and every resident living at Sherwood Oaks under a residential agreement is automatically a member of the Sherwood Oaks Residents Association. The Association performs the function of organizing many resident activities through its Association board and many committees. The Association meets with a representative of the Sherwood Oaks corporate board, normally on the second Tuesday of March, June, September, and December, for the purpose of free discussion on subjects that may include financial matters or proposed changes in policies, programs, and services. At least seven days' notice of each meeting is given to each resident.

The Association's President, Jeran Henderson, sits as a voting member of Sherwood Oaks' Board of Directors.

The Internal Revenue Service recognizes the Sherwood Oaks Residents Association as a tax-exempt organization to which tax-deductible contributions may be made. Funds contributed are commonly earmarked for partial support of residents in financial need, for recreational, social or educational programs, or for any addition to Sherwood Oaks' property or equipment that the community's corporate board has first approved.

### **SERVICES PROVIDED AT SHERWOOD OAKS**

To provide all the services offered to residents, Sherwood Oaks' employees include registered nurses, licensed practical nurses, certified nurse assistants, companions, resident assistants and personnel for the dining services, security, maintenance, housekeeping, and administrative departments.

Each resident or prospective resident can find a listing of the services offered to him or her by referring to his or her Residential Agreement. A more complete description of the services being offered to prospective residents can be found in the current Residential Agreements, under the subtitle of "C. Services to You."

Among the services which the community provides to residents who are entering Sherwood Oaks are:

#### **Included in the basic contract:**

- Standard utilities (with individually controlled heating & air conditioning)
- Regular housekeeping
- Weekly flat linen service
- Choice of meal plans – full or modified – in lakeside dining room or café
- Regularly scheduled transportation
- Security supervision of buildings and grounds
- Lighted parking areas and walkways
- Carpeting or luxury vinyl flooring in each residence.
- Private patio or balcony
- Complete kitchen in each residence
- Storage space in each residence
- Smoke detection system in each residence
- Bathrooms with safety aids and emergency call system
- Twenty-four-hour emergency call system

- Maintenance of all Sherwood Oaks grounds and its standard furnishings and equipment
- Area pickup of disposables
- Home delivered meals (for minor short-term illness)
- Special diet when approved by our physician
- Recreational services
- Auditorium and social rooms
- Library, bank, and convenience gift shop
- Computer center
- Fitness Center, indoor swimming pool and Jacuzzi
- Certified health fitness instructor and exercise programming
- Rooms for art, crafts, wood-working and other activities
- Billiards Room
- Greenhouse and personal vegetable garden
- Indoor and outdoor Pickle Ball courts
- Practice putting green and Wimbledon croquet court
- Horseshoe and bocce courts
- Community pays residential real estate taxes
- Building insurance
- Message service at reception desk
- Individual mailboxes; box for outgoing mail
- Skilled or intermediate nursing care and personal care residency in a room as specified in the Residential Agreement

Available at extra cost:

- Home delivered meals, other than for minor short-term illness
- Beautician, barber services, and massage
- Cable television (We bill basic cable services, and the cable company bills additional or premium cable services. We are now negotiating with a local provider to improve serves and reduce costs of cable television, internet and telephone services. This will likely result in a change in 2026.)
- Internet service
- Telephone
- Therapies - Physical, Speech, Occupational
- Garage parking, when available
- Guest accommodations, when available
- Guest meals
- If you are assigned to the Health Center, we provide two extra meals per day at extra cost
- Upgrade from personal care room to a personal care suite
- Certain medical services not covered under the Health Care Program
- Extra transportation services
- Special Services, a program providing residents with the opportunity of hiring additional services from certified nurse aides, companions, household assistants and transportation aides
- These and other optional services are available

We may change the scope or cost of supplementary services upon thirty (30) days' written notice.

Average annual cost of providing services:

The Community estimates that the Community's average annual cost per resident of providing these services in the fiscal year ending June 30, 2025 will be \$65,477.

**CHOOSING A CONTRACT FOR THESE SERVICES**

Sherwood Oaks offers four distinct contract options (A, B, C & D).

Choice A. Sherwood Oaks' Life Care contract has a one-time entrance fee, and a monthly fee. The Life Care contract guarantees unlimited days of Health Care (personal care and nursing care) with virtually no added costs. Details are found on Pages 13-14.

Choice B. Our Modified Life Care contract also requires the same one-time entrance fee, but the monthly fee is discounted by amounts ranging from \$359 to \$1,872. Under the Modified Life Care program, the resident pays more, for a limited time period, when using our health care facilities. Details are found on Page 15. This contract choice is no longer offered to new incoming residents.

Choice C. Our Pay As You Go contract provides a discount of your monthly fee. As with the two prior contract choices, this contract guarantees access to continuing care, but these contract holders pay privately for any days of care in the Health Care facilities. Details are found on Page 16.

Choice D. Our Lease and Services contract requires no entrance fee. Lease and Services contract holders pay a monthly service fee for their living unit and all campus amenities. They have priority access, but no guarantee, to receive care in our Health Care facilities. This contract option is no longer offered to new incoming residents. Details are found on Page 17.

## **OUR LIFE CARE AGREEMENT (CONTRACT CHOICE “A”)**

### **THE LIFE CARE CONCEPT**

The “life care” concept assures a resident lifetime use of a living unit, support services such as dining and housekeeping and, if ever necessary, personal care and long-term nursing care at virtually no additional cost. The concept is designed to meet the needs of men and women ages 62 or older for personal and financial security in a residential community.

Sherwood Oaks’ life care concept provides some distinct advantages to those who may find that their once comfortable homes no longer afford them the convenience and security they require. We provide residential and health care services and, at the same time, offer financial and personal security, independence and access to health care, companionship of friends and neighbors of similar age, privacy, and easy access to community facilities. Residents also can take advantage of a wide variety of activities and services conveniently offered within the community.

Under our Life Care program (Contract Choice “A”) residents pay an entrance fee upon admission and a service fee each month. Sherwood Oaks’ Life Care contract provides services in the Health Center without an increase in monthly fees, except to pay for providing two daily meals in addition to the one meal usually provided (plus any other costs identified on page 10 of this Disclosure Statement).

### **THE ENTRANCE FEE**

The Entrance Fee is a one-time charge, based upon the size of the residential unit selected, which is paid upon entry into Sherwood Oaks. The Entrance Fee does not depend on whether one or more persons are seeking residency.

The release of a living unit upon permanent assignment to the Health Center does not qualify a resident for a partial reimbursement of the Entrance Fee. Sherwood Oaks may place someone else in the vacated living unit after a resident has been permanently assigned to the Health Center.

Certain portions of the Entrance Fee can be refunded to the resident or resident’s estate after the Residential Agreement is terminated and a new resident has paid a new Entrance Fee for the unit vacated.

In selected instances, a future resident may desire a residential living unit where a sunroom has previously been constructed. Sherwood Oaks may require a non-refundable, one-time charge for such inherited sunrooms.

**Choice of Three Types of Residential Agreement Refund Plans**

When a residential living unit is selected, prospective residents can choose one of three contract types, each with a different refund plan. The only differences between these three kinds of agreements are the amount of Entrance Fee and the refund available at the end of the term of each agreement. Months of residency in all accommodations, whether independent or Health Care living units, determine refunds under the first two types of agreements:

1. **Standard Residential Agreement.** Under the Standard Residential Agreement, the Entrance Fee is lower, but the Entrance Fee refund is limited. Upon termination, the Standard refund is 90% of the Entrance Fee, less 2% of the Entrance Fee for each month of residency. After 45 months of residency, there is no remaining refund to a resident or resident’s estate.

2. **50% Refundable Residential Agreement.** Under the 50% Refundable Plan, the Entrance Fee for each unit is higher than under the Standard Residential Agreement, but upon termination a resident or the resident’s estate receives 90% of the Entrance Fee, less 2% of the Entrance Fee for each month for the first 20 months of residency. Therefore, after 20 months of residency, the refund to a resident or resident’s estate shall remain at 50% of the Entrance Fee (less any outstanding charges and any unpaid costs for restoring special features which might have been added at the resident’s request).

3. **90% Refundable Residential Agreement.** Under the 90% Refundable Plan, the Entrance Fee for each unit is higher than under the Standard and the 50% Refundable Residential Agreements, but upon termination a resident or the resident’s estate receives a full 90% of the Entrance Fee (less any outstanding charges and any unpaid costs for restoring special features which might have been added at the resident’s request).

Below are the Entrance Fees for those now signing a contract for each living accommodation at Sherwood Oaks:

**ENTRANCE FEES for our Life Care and Modified Life Care Contracts (Choices “A” and “B”)**

<u>Type of Patio Home</u>	<u>Standard Contract</u>	<u>50% Refundable Plan</u>	<u>90% Refundable Plan</u>
Elm [Alcove]	\$ 108,505	\$165,565	\$ 240,620
Bayberry [1-Bedroom]	165,335	254,400	363,115
Dogwood [1-Bedroom/Den]	228,350	351,185	506,705
Cypress [1-Bedroom/Den]	228,350	351,185	506,705
Holly [2-Bedroom/1 Bath]	228,350	351,185	506,705
Cedar [2-Bedroom/2 Bath]	291,455	447,920	643,810
Poplar [2-Bedroom/2 Bath]	291,455	447,920	643,810
River/Birch [2-Bedroom/Den/2 Bath]	291,455	447,920	643,810
Magnolia [3-Bedroom/2 Bath]	356,700	532,475	733,400
<b><u>Apartments</u></b>			
Primrose	270,165	417,755	605,060
Wisteria	322,810	512,870	724,850
Trillium	413,045	639,740	891,570
<b><u>Patio Homes (with two-car garages)</u></b>			
Willow [2-Bedroom]	383,785	618,190	843,100
Oak [3-Bedroom]	463,195	705,800	993,775

## THE MONTHLY SERVICE FEE

The second type of fee is a Monthly Service Fee. The Monthly Service Fee is a recurring monthly charge that may be adjusted periodically, provided that each resident is given at least thirty days' written notice of any change. Residents may expect changes in the Monthly Service Fee necessary to provide sound financial conditions for the Community and quality services to its Residents.

Sherwood Oaks' Life Care contract provides services in the Health Center without an increase in monthly fees for Health Center care, except to pay for providing two daily meals in addition to the one meal usually provided (plus any other costs identified on Disclosure Statement page 10).

The table below shows the Monthly Service Fees charged by Sherwood Oaks for Life Care since July 1, 2025

### **LIFE CARE (Contract Choice "A") MONTHLY SERVICE FEES EFFECTIVE JULY 1, 2025**

<u>Patio Homes</u>	<u>Monthly Service Fees</u>
Elm [Alcove]	\$ 3,130
Bayberry [1-Bedroom]	3,936
Dogwood [1-Bedroom/Den]	4,264
Cypress [1-Bedroom/Den]	4,264
Holly [2-Bedroom/1 Bath]	4,264
Cedar [2-Bedroom/2 Bath]	4,794
Poplar [2-Bedroom/2 Bath]	4,794
River Birch [2-Bedroom/Den/2 Bath]	4,794
Magnolia [3-Bedroom/2 Bath]	5,663
<u>Apartments</u>	
Primrose	4,664
Wisteria	5,018
Trillium	5,730
<u>Carriage Homes (with two-car garages)</u>	
Willow	6,266
Oak	6,614

For any life care residence, the second person fee is \$1,820.

**Recent Adjustments to Monthly Service Fees**

The following table shows the frequency and average dollar amount of each increase in the Life Care Monthly Service Fees since 2020:

	<b>Life Care Monthly Rate Increases Effective on:</b>					
	<u>7/1/20</u>	<u>7/1/21</u>	<u>7/1/22</u>	<u>7/1/23</u>	<u>7/1/24</u>	<u>7/1/25</u>
<b>Living Accommodation:</b>						
Elm [Alcove]	76	65	67	113	170	120
Bayberry [1-Bedroom]	93	82	84	140	215	151
Dogwood [1-Bedroom/Den]	105	88	91	151	235	164
Cypress [1-Bedroom/Den]	105	88	91	151	235	164
Holly [2-Bedroom/1 Bath]	105	88	91	151	235	164
Cedar [2-Bedroom/2 Bath]	115	99	102	170	265	184
Poplar [2-Bedroom/2 Bath]	115	99	102	170	265	184
River Birch [2-Bdrm/Den/2 Bath]	115	99	102	170	265	184
Magnolia [3-Bedroom/2 Bath]	47	117	120	200	310	218
ADDITIONAL FOR A SECOND RESIDENT	44	38	38	64	100	70
<u>Apartments</u>						
Primrose	113	97	99	167	255	179
Wisteria	121	104	107	177	275	193
Trillium	139	119	117	200	315	220
<u>Carraige Homes (with two-car garages)</u>						
Willow	142	130	133	222	345	241
Oak	145	137	141	234	361	254

**OUR MODIFIED LIFE CARE AGREEMENT (CONTRACT CHOICE “B”)**

Sherwood Oaks offers residents a Modified Life Care addendum, Contract Choice B, which alters the Life Care contract by providing a Discount from the monthly rates in exchange for reduced Health Center cost protection. When a resident agrees to pay full per-diem charges for any days in the Sherwood Oaks Health Center (but not for any day covered by Medicare) for at least 1 year, up to 5 years, then Sherwood Oaks will provide a Monthly Service Fee Discount beginning immediately and continuing for as long as the resident lives in the retirement residence. The amount of the discount depends on whether the applicant who qualifies for the Discount agrees to a one, three or five year “carve out” of life care benefits during which the applicant would privately pay the per-diem charges for days the applicant is in the Health Center. If the resident should spend more than this number of days in the Health Center (not covered by Medicare), the Health Center per diem charges will cease, and the residents will resume paying the discounted Monthly Service Fee.

This option is no longer offered to new incoming residents.

**MODIFIED LIFE CARE for our Contract Choice “B”  
ENTRANCE FEES EFFECTIVE JULY 1, 2025**

The entrance fees for Modified Life Care are the same as those for the Life Care program Contract Choice A, which is described on page 12.

**MODIFIED LIFE CARE for our Contract Choice “B”  
MONTHLY SERVICE FEES EFFECTIVE JULY 1, 2025**

A resident with this contract choice can reduce Monthly Service Fees (specified on Disclosure Statement page 14) while living in their living unit. The resident’s Discount is based on whether the resident specifies by addendum whether the resident requests a 1, 2, 3, 4 or 5 year carve-out of life care benefits. Residents choosing this option will pay the private daily rate when they are in our medical facilities for one, two, three, four, or five years. \* Noted below are discounts that are effective July 1, 2025

	<u>Single</u>	<u>Couple (1 Discount)</u>	<u>Couple (2 Discounts)</u>
One-year daily rate Discount	\$359 / month	\$322 / month	\$644 / month
Two-year daily rate Discount	\$603 / month	\$509/ month	\$1,019 / month
Three-year daily rate Discount	\$863 / month	\$717/ month	\$1,435 / month
Four-year daily rate Discount	\$1014 / month	\$826 / month	\$1,653 / month
Five-year daily rate Discount	\$1,138 / month	\$936 / month	\$1,872 /month

\* Our current daily rate costs are found on page 17 below.

**OUR PAY AS YOU GO AGREEMENT (CONTRACT CHOICE “C”)**

Sherwood Oaks offers residents a Pay As You Go addendum that alters the Life Care contract by discounting the Monthly Service Fees. The Addendum for the Pay As You Go Discount states that the resident receives no Health Center cost protection—for any days not covered by Medicare that a resident spends in the Sherwood Oaks Health Center. The resident agrees to privately pay Sherwood Oaks’ daily rate instead of the Monthly Service Fee. Our current daily rate Health Center costs are found on page 17 below. Pay As You Go is not available for Alcove, Willow, Oak, Primrose, Wisteria, or Trillium residences.

The Pay As You Go Monthly-Service-Fee Discount has the same Entrance Fees shown on page 12 above, and then provides a discount that lowers Monthly Service Fee for non-Health-Care days of residency, as follows:

**PAY AS YOU GO (Contract Choice “C”)**  
**DISCOUNTED MONTHLY SERVICE FEES**  
**EFFECTIVE JULY 1, 2025**

<u>Residential Living</u>	<u>Single Resident</u>	<u>*Two Residents</u>
Elm (Alcove)	2,750	3,950
Bayberry [1-Bedroom]	3,050	4,250
Dogwood [1-Bedroom/Den]	3,450	4,650
Cypress [1-Bedroom/Den]	3,450	4,650
Holly [2-Bedroom/1 Bath]	3,450	4,650
Cedar [2-Bedroom/2 Bath]	3,850	5,050
Poplar [2-Bedroom/2 Bath]	3,850	5,050
River Birch [2-Bedroom/Den/2 Bath]	3,850	5,050
Magnolia [3-Bedroom/2 Bath]	4,200	5,400
<u>Apartments</u>		
Primrose	4,550	5,750
Wisteria	4,650	5,850
Trillium	4,900	6,100
<u>Carraige Homes (with two-car garages)</u>		
Willow	4,725	5,925
Oak	5,400	6,600

\*The non-lifecare second person fee is \$1,200

**OUR LEASE AND SERVICES AGREEMENT (CONTRACT CHOICE “D”)**

Sherwood Oaks also offers an option to choose a Lease and Services contract, Contract Choice “D.” This program requires no entrance fee. Lease and Services contract holders pay a monthly service fee for their living unit and all campus amenities. Although this contract offers priority access to care in the Health Center, Sherwood Oaks does not guarantee care in our Health Care facilities. If this contract holder enters our Health Center, the contract holder will pay the daily rates shown on this page, below. This option is no longer offered to new incoming residents.

**LEASE AND SERVICES AGREEMENT (Contract Choice “D”)  
MONTHLY SERVICE FEES  
EFFECTIVE JULY 1, 2025**

<u>Residential Living</u>	<u>Monthly Service Fees</u>
Elm [Alcove]	\$ 3,359
Bayberry [1-Bedroom]	4,228
Dogwood [1-Bedroom/Den]	4,597
Cypress [1-Bedroom/Den]	4,597
Holly [2-Bedroom/1 Bath]	4,597
Cedar [2-Bedroom/2 Bath]	5,112
Poplar [2-Bedroom/2 Bath #265 with garage]	5,112
River Birch [2-Bedroom/Den/2 Bath]	5,112
Magnolia [3-Bedroom/2 Bath]	6,172
FOR SECOND PERSON-ADD	1,820

This Agreement is not available for new incoming residents.

Whenever a resident is in the Health Center, that resident must pay the daily rate costs. Our current daily rate costs are shown on this page, below. If two residents are in the Health Center for any day, then the charge for that day will include two daily rate charges. Residents who reside in the health center on a temporary stay will still incur charges for their independent living unit.

**DAILY RATE CHARGES FOR THOSE WHO ARE PAYING  
A DAILY RATE IN THE HEALTH CENTER.**

The daily rate for a personal care room is \$212 or \$245, depending on the intensity of care needed. The daily rate for the Oak Grove Center (a personal care facility for individuals with memory loss) is \$293 or \$341 depending upon level of care. The daily rate for a skilled nursing room is \$389 per day for semi-private or private accommodations. For direct outside admissions a private room can be added depending on availability for \$79 per day.

**ALTERNATIVE MEAL PLAN**

Those residents electing an alternative meal plan providing only 21 meals per month may receive a monthly credit of \$114 per resident per month. Couples must choose the same meal plan.

## **INCOME TAX IMPLICATIONS OF THE ENTRANCE AND MONTHLY FEES**

### **Repeal of attempts to tax imputed interest.**

The tax law has been amended, and now the IRS no longer may treat entrance fees as interest-free loans to a continuing care facility. This should eliminate the risk that a resident would be taxed on imputed interest earned on an interest-free loan. Please see your tax advisor for questions about this and any tax related matters.

### **Possibility of tax deduction for medical expenses.**

Residents may use a portion of the Monthly Service Fees they pay (and sometimes the Entrance Fee paid) as a federal income tax deduction for medical care expense. The deductible amount may be reduced for a resident whose contract choice requires the resident to pay the daily rate for any future days when the resident might reside in the Health Center.

A resident's eligibility for such a deduction depends on whether he or she itemizes deductions. Among other limitations, the deduction for all medical expenses of a resident in any year, including the deduction for part of the Monthly Service Fee, is limited to the excess of such expenses over 7.5% of the resident's adjusted gross income. However, beginning January 1, 2018, taxpayers may deduct only the amount of the total unreimbursed allowable medical care expenses for the year that exceeds 10% of adjusted gross income.

Residents should seek tax counsel before declaring any amount of the Entrance Fee or Monthly Service Fees as an income tax deduction.

*Circular 230 Disclosure: Please rely on your own tax advisor. To ensure compliance with Treasury Department regulations, we advise you that any federal tax advice contained in this Disclosure Statement is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.*

**SHERWOOD OAKS**  
**PRO FORMA INCOME STATEMENT**

A good pro forma budget is an important business tool. There will usually be differences between the pro forma and the actual results of operations, because of events and circumstances that do not occur as originally expected, and those differences may be material. Although there can be no guarantee of accuracy, the pro forma is based on the experience and the best estimates of Sherwood Oaks at the time its budget was adopted. It is believed that the pro forma reflects sound financial planning and a rational set of assumptions.

The Pro Forma Income Statement  
For the Fiscal Year July 1, 2024 to June 30, 2025

**SHERWOOD OAKS**  
**PRO-FORMA INCOME STATEMENT**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Operating Revenue:

Net Resident Revenue \$3,651,000

Net assets released from restrictions 362,000

Total Operating Revenue 24,013,000

Operating Expenses:

Salaries and employee benefits 14,037,000

Supplies and other expenses 11,039,000

Depreciation 2,780,000

Interest 207,000

Total Operating Expenses 28,063,000

Operating Loss (4,050,000)

Other Income (Expense)

Other nonoperating income -

Contributions -

Investment income	<u>470,000</u>
Revenues in Excess of (Less than) Expenses	<u>(3,580,000)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>	
Restricted contributions	100,000
Increase in beneficial interest in Sherwood Oaks Fund	100,000
Net assets released from restrictions	<u>(362,000)</u>
Increase in Net Assets with Donor Restrictions	<u>(162,000)</u>
Change in Net Assets	(3,742,000)
Net Assets, Beginning	<u>1,580,000</u>
Net Assets, Ending	<u><u>\$ 2,162,000</u></u>

### **FINANCIAL SECURITY FOR RESIDENTS**

The cash reserves of Sherwood Oaks and a financial guarantee of its parent corporation secure the Community's contractual commitments to its Residents.

#### **Long Term Debt Financing**

When in June 2003 Sherwood Oaks received a \$20,460,000 loan from UPMC to pay off Sherwood Oaks' 1993 Bonds, Sherwood Oaks entered into a Loan and Contribution Agreement. Although that the original loan has been repaid, the Loan and Contribution Agreement remains in effect to secure the additional \$13 million borrowed to finance community renovations that were completed in Spring 2012. The Loan and Contribution Agreement calls for two kinds of payments to UPMC. First, Sherwood Oaks is obligated to make regular loan repayments to UPMC totaling on average approximately \$1,043,000 per year, and this obligation is secured by a pledge of Sherwood Oaks' Gross Revenues. Second, if UPMC fails to meet a cushion-ratio liquidity test, Sherwood Oaks and all UPMC's other affiliates who have received similar loans agree to pay to UPMC an amount that allows UPMC to meet that liquidity test and maintain debt covenants. If Sherwood Oaks is required to make a payment to UPMC in connection with this financial covenant, Sherwood Oaks' payment obligation will be limited to a pro rata share, measured against the obligations of other obligated affiliates of UPMC. Sherwood Oaks' share of the assessment is currently scheduled to be less than 1% of the total. No revenues or other collateral have been pledged as collateral to secure this second potential obligation.

**Reserves**

Sherwood Oaks has on deposit or in its reserve accounts the following cash, cash equivalents or investments as of the start of business on July 1, 2025:

Statutory Liquid Reserve Fund	\$ 2,476,109
TOTAL RESERVE FUNDING	\$ 18,250,305

The Statutory Liquid Reserve Fund is mandated by Pennsylvania's Continuing Care Provider Registration and Disclosure Act. Additional information provided at Note 4 in Audited Financial Statements.