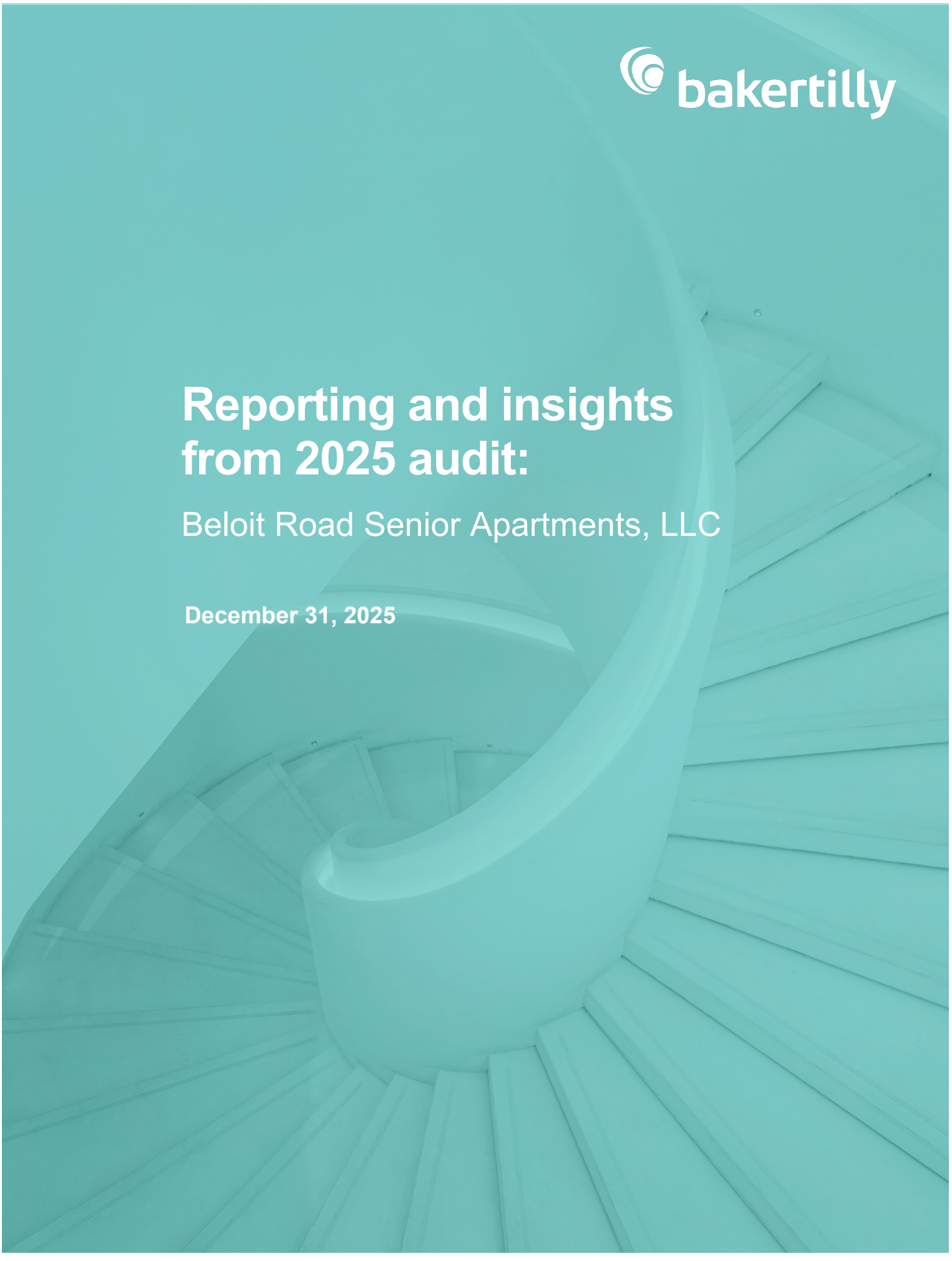

Reporting and insights from 2025 audit:

Beloit Road Senior Apartments, LLC

December 31, 2025

Executive summary

We have completed our audit of the financial statements of Beloit Road Senior Apartments, LLC (the Company) for the year ended December 31, 2025, and have issued our report thereon dated February 23, 2026**.** This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial . The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Company's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas Beloit Road Senior Apartments should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Corey Tremaine, Principal: Corey.Tremaine@bakertilly.com or +1 (414) 777 5422
- Madison Tellefson, Manager: Madison.Tellefson@bakertilly.com or +1 (414) 256 7070

Sincerely,

Baker Tilly US, LLP

Corey Tremaine, CPA

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

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Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial , whether due to fraud or error. Included in that assessment is a consideration of the Company's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial prepared by management, with the oversight of those charged with governance:
    - Are free from material misstatement
    - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Company’s accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors’ report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

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Significant steps identified for follow-up

There were no significant steps identified for follow-up from the December 31, 2025, audit.

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Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Company and environment in which you operate, we focused our audit on the following key areas:

- Management override of controls
- Related party transactions

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Company's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	We tested manual journal entries and substantively tested significant estimates/allowances subject to management bias. Inquired with management and other personnel on fraud and other items.	No actual or suspected fraud noted in fraud inquiries. No unapproved or fraudulent entries noted in journal entries that we tested. No material misstatements noted in retrospective review of accounting estimates or attribute testing.

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis	Testing approach	Conclusion
Related party transactions	We performed audit procedures around related party payables and debt, including substantive testing and confirmations. We analytically assessed related party expenses and interest.	All related party transactions appear to have been materially correct, and balances are deemed reasonable. No adjusting entries were deemed necessary.

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Internal control matters

In planning and performing our audit of the financial , we considered the Company's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial , but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies.

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Required communications

Qualitative aspect of accounting practices

Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Beloit Road Senior Apartments, LLC are described in Note 1 to the financial .

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial :

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Useful lives of property and equipment	The Company depreciates property and equipment based off the estimated useful lives.	The Company depreciates property and equipment based off the estimated useful lives.
Impairment of property and equipment	The Company reviews property and equipment for impairment whenever events or changes in business circumstances indicate that the carrying amount of asset may not be fully recoverable	The Company did not observe any “indicators” of impairment during the reporting period that would have required them to test the asset values for impairment. Baker Tilly concurs with their assessment.

  There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in financial are neutral, consistent and clear.

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Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the Company's financial statementsfinancial . Baker Tilly provided all journal entries along with the draft package that summarizes the corrected misstatements, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures.

In our judgment, none of the misstatements that management has corrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the Company's financial reporting process.

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Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Company's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial are issued or available to be issued, including the effects on thefinancial and the adequacy of the related disclosures, and the effects on the auditor's report. Other than the fact that management is reliant on stabilized cash flows (which may not happen) as well as availability of escrow cash (restricted cash) to cover the working capital deficit that exists at December 31, 2025; no such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Company that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Company's related parties.

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Nonattest services

The following nonattest services were provided by Baker Tilly:

- Preparation of financial statements
- Preparation of adjusting journal entries approved by management
- Preparation of tax returns*
- Preparation of depreciation schedules*

* Nonattest service is provided by Baker Tilly Advisory Group, LP

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Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at www.bakertilly.com/page/audit-committee-resource-center.

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