



Reserve Funds Notice

as of December 31, 2025

The Florida Office of Insurance Regulation (OIR) requires continuing care retirement communities to place a certain amount of cash aside into what is known as *reserve accounts*. These cash reserves are held within professionally managed investment accounts that are mainly diversified into fixed income securities for the purpose of protecting the principal amount. Annually, Village On The Isle is responsible to formally assess and report the reserve balances to the Office of Insurance Regulation to assure these accounts meet the Minimum Liquid Reserve requirements.

Village On The Isle has claim to these funds; however, disbursements are subject to formal approval by the Florida Office of Insurance Regulation and Bank of New York Mellon ("Trustee"). All Reserve Funds are maintained by the "Trustee" whose office is located in Jacksonville, Florida. In the event of bankruptcy, foreclosure or rehabilitation proceeding, the Sarasota County Health Facilities Authority has a claim to these funds, subject to regulations that protect the interest of the residents and the approval by the Florida Office of Insurance Regulation and "Trustee".

The Reserve Funds are comprised of the following accounts:

| | Required by the OIR | Balance as of 12/31/2025 |
|---|--------------------------------|-------------------------------------|
| Annual Debt Service Reserve Fund | \$ 6,995,500 | \$ 6,995,500 |
| Statutory Operating Reserve Account | 3,017,004 | 3,121,030 |
| Statutory Renewal & Replacement Account | 3,017,004 | 3,121,030 |
| TOTAL | 13,029,508 | \$13,237,560 |

If you should have any further questions regarding this disclosure notice, you may contact Kathleen Rogers, CFO at (941) 486-5421.