CONTINUING DISCLOSURE REPORT
for the nine months ended September 30, 2025

LIFESPACE
COMMUNITIES

OBLIGATED GROUP

Abbey Delray South
Beacon Hill
Claridge Court
Friendship Village of Bloomington
Friendship Village of South Hills
Harbour's Edge
Newcastle Place
Oak Trace
Querencia
The Waterford
Village on the Green

The information contained herein is being filed by the Corporation for the purposes of complying with the Corporation's obligations under SEC Rule 15c2-12. The information contained herein is as of the date of this report.

October 24, 2025

US Bank Trust Company, NA
Debbie Lamb
Assistant Vice President
Corporate Trust Dept.
6410 Southpoint Parkway, Suite 200
Jacksonville, FL 32216

RE: Certificate in accordance with Section 415(a)(ii) of the Master Trust Indenture dated November 1, 2010 and Section 4.15(b)(ii) of the Master Trust Indenture, Deed of Trust and Security Agreement dated October 1, 2015.

The undersigned, Senior Vice President and Chief Financial Officer for Lifespace Communities, Incorporated, hereby certifies that the attached financial statements for:

Lifespace Communities Obligated Group

Are complete, correct and fairly present the financial conditions and results of operations for the nine months ended September 30, 2025, subject to the year-end audit adjustments.

LIFESPACE COMMUNITES, INC.

DocuSigned by:
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Nick Harshfield

Cc: Bankers Trust, Kristy Olesen
Cc: US Bank, Catherine Eddins

Lifespace Communities, Inc.
Obligated Group
Management's Discussion and Analysis

Overview:

Lifespace Communities, Inc. ("Lifespace" or the "Corporation") is an Iowa nonprofit corporation organized for the purpose of owning and operating continuing care retirement communities ("CCRCs).

On July 1, 2021, Lifespace acquired Newcastle Place, LLC ("Newcastle Place") located in Mequon, Wisconsin. On December 19, 2024, Newcastle Place became part of the Obligated Group concurrent with the issuance of the Series 2024 bonds.

Prior period information has been restated to include Newcastle Place. In addition, Abbey Delray's activity was reclassed to discontinued operations in the financials and ratios presented for 2024 and forward.

On July 19, 2022, Lifespace acquired Meadow Lake located in Tyler, Texas, Wesley Court located in Abilene, Texas and The Craig located in Amarillo, Texas ("CMW Obligated Group"). On February 1, 2023, Lifespace became the sole member of Friendship Village of Mill Creek, NFP, d/b/a GreenFields of Geneva ("GreenFields") located in Geneva, IL. CMW Obligated Group and GreenFields are separately financed and are not members of the Obligated Group. However, Lifespace has Liquidity Support Agreements with the CMW Obligated Group and GreenFields that have not been funded to date.

As of April 1, 2025, the Corporation and its affiliates operate 15 CCRCs in seven states from the corporate office located in Dallas, Texas. References to the "Communities" herein are to the 11 CCRCs owned and operated by the Corporation that make up the Obligated Group.

On April 1, 2025, the sale of Abbey Delray was consummated, with March 31, 2025 as the last day of Lifespace Communities, Inc. ownership. The community is accounted for as a discontinued operation within the enclosed financial statements.

Calendar year-end financial information for December 31, 2024 and prior is provided from audited financial statements. All other financial information is obtained from unaudited financial statements.

Summary of Units Operated per Community

	Independent Living Apartments	Villas, Carriage or Town Homes	Assisted Living	Health Center Private Room	Health Center Semi-Private Room	Memory Support	Total	CMS 5-Star Rating *
Abbey Delray South (4)	217	44		28	46		335	4
Beacon Hill (2)	353			26	84		463	3
Claridge Court (2)	123			17	28		168	5
Friendship Village of Bloomington (1)(4)	332	12	42	66		32	484	5
Friendship Village of South Hills (1)	244	18	50	35	54	32	433	5
Harbour's Edge	266			50	4		320	5
Newcastle Place	129	29	36	47		16	257	2
Oak Trace (3)	342	16	66	84	20	28	556	4
Querencia	157	10	40	38	4	23	272	5
The Waterford	215	26		30	30		301	4
Village on the Green	204	58	36	40	8	18	364	4
Total	2,582	213	270	461	278	149	3,953	

* The CMS 5-Star ratings are as of September 2025.

<u>Change in units from December 31, 2024</u>

(1) Friendship Village of Bloomington and Friendship Village of South Hills each had an apartment combo in first quarter.

(2) Beacon Hill and Claridge Court each had an apartment combo in second quarter.

(3) Oak Trace combined two obsolete units in second quarter.

(4) Abbey Delray South and Friendship Village of Bloomington each had an apartment combo third quarter.

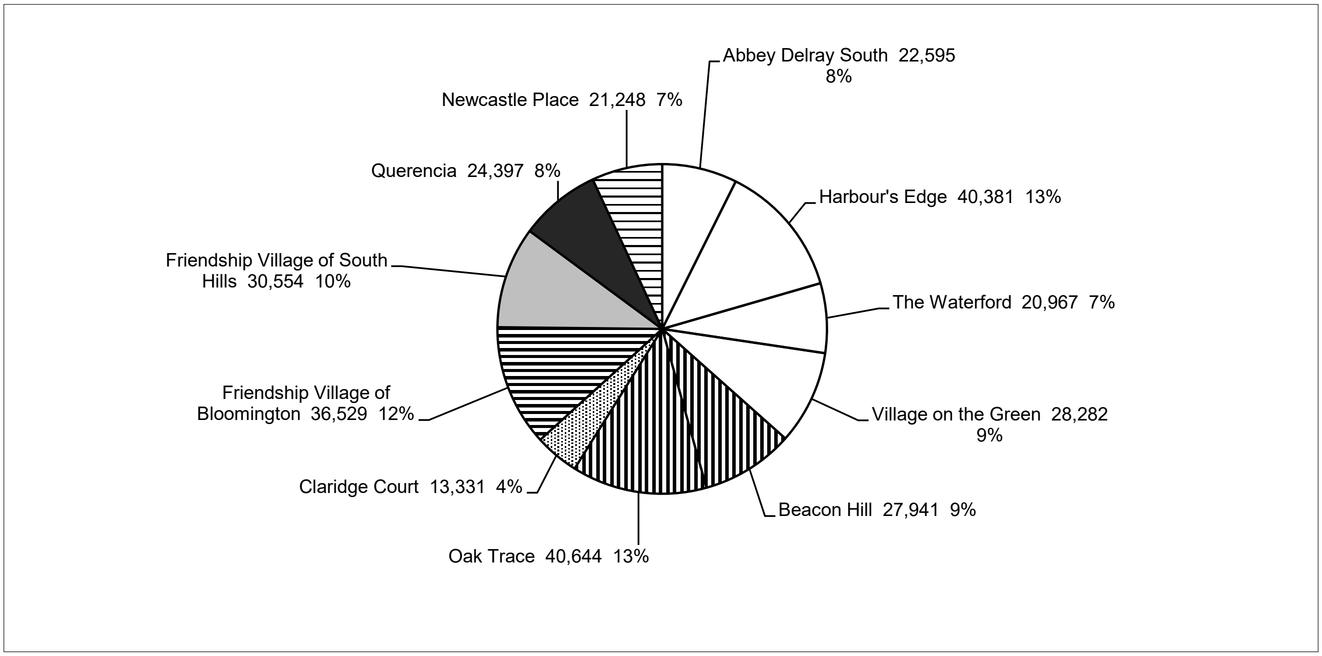
Lifespace Communities, Inc.
Average Occupancy of the Communities

Community	2022 Living Units	2022 Health Center	2022 ALUs	2022 Memory Support	2023 Living Units	2023 Health Center	2023 ALUs	2023 Memory Support	2024 Living Units	2024 Health Center	2024 ALUs	2024 Memory Support	Twelve Months Ended September 30, 2025 Living Units	Twelve Months Ended September 30, 2025 Health Center	Twelve Months Ended September 30, 2025 ALUs	Twelve Months Ended September 30, 2025 Memory Support
Abbey Delray, FL (b)(f)	58.7%	92.5%	92.1%	77.7%	64.4%	90.6%	93.5%	88.7%	86.6%	88.7%	92.9%	78.4%	91.6%	93.4%	93.8%	74.0%
Abbey Delray South, FL (b)	66.8%	90.0%	NA	NA	67.8%	93.8%	NA	NA	64.6%	95.0%	NA	NA	62.9%	95.7%	NA	NA
Beacon Hill, IL (b)	80.7%	87.5%	NA	NA	77.2%	90.4%	NA	NA	80.7%	93.1%	NA	NA	80.1%	91.8%	NA	NA
Claridge Court, KS	84.5%	95.6%	NA	NA	88.6%	92.7%	NA	NA	96.5%	92.1%	NA	NA	99.4%	93.8%	NA	NA
Friendship Village of Bloomington, MN (a)(b)	77.1%	89.3%	89.5%	93.4%	78.3%	95.5%	93.6%	97.2%	90.2%	95.5%	98.4%	98.8%	96.5%	95.5%	98.6%	97.8%
Friendship Village of South Hills, PA (b)	78.8%	82.1%	94.4%	97.8%	77.8%	87.3%	94.0%	97.8%	84.0%	89.0%	95.3%	97.1%	84.2%	91.1%	96.8%	97.5%
Harbour's Edge, FL	89.7%	92.8%	NA	NA	91.8%	92.6%	NA	NA	96.0%	94.8%	NA	NA	97.6%	95.6%	NA	NA
Newcastle Place, WI (e)	91.8%	80.9%	94.4%	97.5%	89.8%	84.9%	91.7%	93.1%	96.2%	82.7%	89.8%	87.7%	98.4%	86.4%	92.2%	93.8%
Oak Trace, IL (b)(c)	84.2%	94.1%	86.7%	97.9%	82.1%	94.6%	96.5%	96.1%	72.9%	97.2%	96.7%	94.5%	82.1%	97.4%	98.0%	98.6%
Querencia, TX	96.3%	95.5%	95.8%	87.8%	98.3%	93.8%	96.0%	87.4%	96.3%	95.1%	96.0%	88.2%	98.1%	96.0%	93.3%	91.7%
The Waterford, FL (b) (d)	77.4%	89.2%	NA	NA	81.4%	87.0%	NA	NA	83.4%	72.1%	NA	NA	84.9%	71.0%	NA	NA
Village on the Green, FL	71.1%	92.7%	95.6%	96.7%	75.5%	93.8%	95.8%	97.8%	79.4%	96.5%	96.0%	91.0%	81.7%	96.0%	93.9%	88.3%
Obligated Group	78.0%	89.9%	92.1%	92.2%	79.5%	91.4%	94.6%	94.1%	84.0%	91.3%	95.2%	91.3%	86.6%	92.2%	95.7%	93.4%

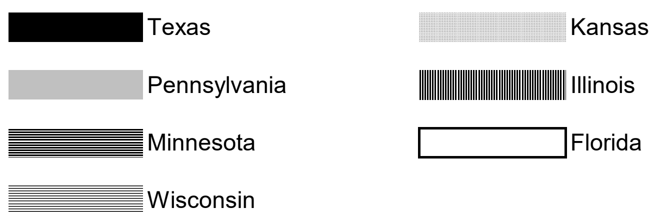
(a) Friendship Village of Bloomington's new health center opened in June 2022.
(b) The 2023 living units are impacted by the reduction of 80 smaller obsolete units and 87 additional units at January 1, 2024 as mentioned on the Summary of Units Operated per Community page.
(c) Oak Trace opened 140 new independent living units as of January 25, 2024.
(d) The Waterford opened three villas in the second quarter and five villas in the third quarter of 2024.
(e) Newcastle Place joined the Lifespace Obligated Group in December 2024 in conjunction of the Series 2024 financing.
(f) The last day of ownership and operations for Abbey Delray was March 31, 2025.

	Nine months ended September 30, 2024 Living Units	Nine months ended September 30, 2024 Health Center	Nine months ended September 30, 2024 ALUs	Nine months ended September 30, 2024 Memory Support	Nine months ended September 30, 2025 Living Units	Nine months ended September 30, 2025 Health Center	Nine months ended September 30, 2025 ALUs	Nine months ended September 30, 2025 Memory Support
Abbey Delray, FL	85.0%	87.8%	93.1%	78.4%	91.1%	94.3%	94.2%	68.0%
Abbey Delray South, FL	64.9%	95.1%	NA	NA	62.2%	95.9%	NA	NA
Beacon Hill, IL	80.5%	93.6%	NA	NA	79.5%	91.8%	NA	NA
Claridge Court, KS	95.4%	86.8%	NA	NA	98.8%	93.4%	NA	NA
Friendship Village of Bloomington, MN	88.7%	95.3%	98.1%	99.0%	96.4%	95.5%	98.4%	97.5%
Friendship Village of South Hills, PA	83.7%	88.3%	95.7%	96.9%	83.6%	91.1%	97.7%	97.5%
Harbour's Edge, FL	95.7%	94.6%	NA	NA	97.7%	95.6%	NA	NA
Newcastle Place, WI	95.3%	81.9%	89.1%	84.1%	98.2%	87.1%	92.6%	91.9%
Oak Trace, IL	70.4%	97.0%	96.3%	93.3%	82.6%	97.3%	98.0%	98.9%
Querencia, TX	95.7%	94.7%	97.6%	91.1%	98.2%	96.3%	94.0%	96.2%
The Waterford, FL	82.6%	71.6%	NA	NA	84.0%	70.1%	NA	NA
Village on the Green, FL	79.1%	96.2%	95.2%	92.3%	82.2%	95.7%	92.3%	89.0%
Obligated Group	83.2%	90.7%	95.2%	91.3%	86.3%	92.1%	95.8%	94.2%

Comparative Analysis of Gross Revenues
Nine Months Ended September 30, 2025
($ in Thousands)



Gross revenues include independent living fees, skilled nursing, assisted living fee and memory support fees, entrance fees earned, and investment income.



Skilled Nursing Payer Mix and Occupancy

Payer	Year-ended 2022	Year-ended 2023	Year-ended 2024	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2025
Lifecare	11.4%	12.5%	11.8%	11.9%	12.1%
Private Pay	27.1%	24.7%	24.6%	24.7%	23.3%
Medicare	44.8%	44.7%	44.5%	44.3%	46.0%
Medicaid	6.2%	5.3%	3.1%	3.3%	1.8%
Other	10.5%	12.8%	16.0%	15.8%	16.8%
Total Patient Mix	100%	100%	100%	100%	100%
Year-To-Date Average Service Units Available	839	839	839	839	772
Year-To-Date Average Occupancy Percentage	89.9%	91.4%	91.3%	90.7%	92.1%

Lifespace Communities, Inc.
Obligated Group Balance Sheets
As of September 30 (Unaudited)
(Thousands of $)

	2025	**2024**
Assets		
Current Assets:		
Cash and Cash Equivalents	$40,781	$42,619
Investments	96,841	103,273
Accounts Receivable	39,982	33,060
Inventories	670	670
Prepaid Insurance & Other	4,961	5,455
Assets whose use is limited	131,490	78,403
Assets Held for Sale	-	67,750
Total Current Assets	314,725	331,230
Assets whose use is limited	90,355	94,615
Property and equipment, at cost:		
Land and improvements	74,949	71,916
Buildings and improvements	1,429,310	1,380,722
Furniture and equipment	110,034	91,182
	1,614,293	1,543,820
Less accum. deprec.	(673,096)	(615,970)
Net property and equipment	941,197	927,850
Swap Derivative	108	2,719
Net goodwill	44,325	55,717
Net deferred assets	12,807	9,307
Net intangible assets	5,327	6,797
TOTAL ASSETS	$1,408,844	$1,428,235

Lifespace Communities, Inc.
Obligated Group Balance Sheets
As of September 30 (Unaudited)
(Thousands of $)

	2025	**2024**
Liabilities and net assets		
Current liabilities:		
Accounts payable:		
Trade	$16,469	$19,164
Intercompany	4,649	3,449
	21,118	22,613
Accrued liabilities:		
Employee compensation expense	14,305	15,844
Interest	15,042	12,994
Property taxes	5,390	5,105
Other	1,854	1,893
	36,591	35,836
Entrance fee refunds	6,448	455
Reserve for health center refunds	27,463	28,058
Long-term debt due within one year	45,851	21,079
Obligation under cap lease due within one yr	527	340
Liabilities Held in Sale	-	7,134
Total current liabilities	137,998	115,515
Entrance fee deposits	3,277	2,581
Wait list deposits	2,737	1,709
Long-term debt due after one year	854,959	790,195
Long-term notes payable due after one year	-	55,883
Settlement payable	41,193	51,357
Obligation under cap lease due after one year	1,278	854
Future Service Obligation Lifecare Discount	2,421	-
Deferred entrance fees	216,732	208,763
Refundable entrance and membership fees	697,809	673,413
Total liabilities	1,958,404	1,900,270
Net assets without donor restrictions	(549,560)	(472,035)
TOTAL LIABILITIES AND NET ASSETS	$1,408,844	$1,428,235

Lifespace Communities, Inc.
Obligated Group Statements of Operations and Changes in Unrestricted Assets
For the Nine Months Ended September 30 (Unaudited)
(Thousands of $)

	2025	2024
Revenues		
Independent Living Fees	$141,971	$134,942
Entrance fees earned/cancellation penalties	30,672	25,259
Skilled nursing, assisted living and memory support fees	116,200	110,343
Investment Income	18,026	15,721
	306,869	286,265
Expenses		
Operating expenses:		
Salaries and benefits	125,972	122,009
General and administrative	65,070	58,510
Plant operations	17,234	16,093
Housekeeping	1,266	1,257
Dietary	23,636	22,155
Medical and other resident care	5,660	7,183
Depreciation	48,662	41,731
Amortization	13,030	12,701
Interest	25,668	24,727
Loss on disposal of fixed assets	105	25
	326,303	306,391
Nonoperating Expenses		
Settlement Loss	-	(805)
Deficit of revenues over expenses	(19,434)	(20,931)
Discontinued operations		
Loss from Operations of Discontinued Operations	(4,497)	(4,460)
Loss on Sale of Discontinued Operations	(15,401)	-
Total Discontinued Operations	(19,898)	(4,460)
Other Changes in Net Assets		
Contributions to Lifespace Communities, Inc.	(3,209)	(17,320)
Changes in net assets	(42,541)	(42,711)
Net assets at beginning of year	(507,019)	(429,324)
Net assets at end of the period	($549,560)	($472,035)

Lifespace Communities, Inc.
Obligated Group Statements of Cash Flow
For the Nine Months Ended September 30 (Unaudited)
(Thousands of $)

	2025	2024
Operating activities		
Changes in unrestricted net assets	($42,541)	($42,711)
Loss from Discontinued Operations	$4,497	$4,460
Adjustments to reconcile changes in net asset to net cash provided in operating activities:		
Entrance fees earned	(30,672)	(25,259)
Proceeds from nonrefundable entrance fees and deposits	39,652	52,285
Refunds of entrance fees	(3,279)	(3,323)
Depreciation and Amortization	61,692	54,432
Amortization of Financing Costs	608	618
Net accretion of original issue premium/discounts	(1,231)	(1,278)
Change in unrealized appreciation of investments	(3,214)	(5,526)
Net sales (purchases) of trading investments	(12,084)	10,746
Contributions to Lifespace Communities, Inc.	3,209	17,320
Loss on disposal of property and equipment	105	25
Loss on Settlement	-	805
Change in wait lists and deposits	2,038	(7,041)
Loss on Sale of Discontinued Operations	15,401	-
Changes in operating assets and liabilities:		
Accounts receivables, inventories, and prepaid insurance and other	(16,684)	(4,258)
Accounts payables and accrued liabilities	8,296	(7,518)
Net cash provided by Continued Operating Activities	25,793	43,777
Net cash used by Discontinued Operating Activities	(3,234)	(5,769)
Net cash provided in Operating Activities	22,559	38,008
Investing activities		
Purchases of property and equipment	(52,907)	(69,412)
Net cash used by Continued Investing Activities	(52,907)	(69,412)
Net cash used by Discontinued Investing Activities	(1,040)	(3,791)
Net cash used in Investing Activities	(53,947)	(73,203)
Financing activities		
Repayment of long-term debt	(8,641)	(11,765)
Payments on settlement	(10,914)	(11,470)
Advances from line of credit	8,634	-
Proceeds from new financing	-	19,332
Intercompany Notes Payable	-	1,643
Contributions to Lifespace Communities, Inc.	(3,209)	(17,320)
Proceeds from Disposal of Community	45,579	-
Payments on Leases	(348)	(192)
Proceeds from refundable entrance fees and deposits	62,072	105,710
Refunds of entrance fees	(50,681)	(55,120)
Net cash provided in financing activities	42,492	30,818
Net change in cash and cash equivalents	11,104	(4,377)
Cash and cash equivalents at beginning of year	29,677	46,996
Cash and cash equivalents at end of period	$40,781	$42,619

Nine Months Ended September 30, 2025 versus Nine Months Ended September 30, 2024:

The average year-to-date independent living occupancy through September 30, 2025, was 2,495 independent living homes (86.3% of the 2,891 average available homes). The average year-to-date occupancy through September 30, 2024 was 2,544 independent living homes (83.2% of the 3,058 average available homes). The change in average available homes from September 30, 2024 to the same period in 2025 is due to new independent living units at Oak Trace and The Waterford which is offset by three communities that combined smaller apartments and the sale of Abbey Delray on March 31, 2025.

Revenues from independent living monthly fees and related charges amounted to $141,971,000 in 2025, a 5.2% increase over $134,942,000 from the same revenue sources in 2024. The increase is due mainly to occupancy and monthly fee increases and offset by lower processing fees. As previously mentioned, the average year-to-date occupancy has increased to 86.3% as of September 30, 2025 from 83.2% for the same period ending 2024. Monthly fees increased in a range of 4.0% to 6.9%. Some community's increases were effective January 1, 2025 while others were effective February 1, 2025. Processing fees are lower due to less year-to-date closings in 2025 of 204 than in 2024 of 396 due to Oak Trace's new Independent Living apartments that opened in early 2024.

Revenues from the health center, assisted living, and memory support fees were $116,200,000 in 2025 compared to $110,343,000 in 2024, an increase of 5.3%. This increase is due mainly to the monthly fee increases and higher occupancy. Monthly fee increases ranged from 4.5% to 7.0%. Some community increases were effective January 1, 2025 with others were effective February 1, 2025. In addition, year-to-date average occupancy in the health center, assisted living and memory support are all higher in 2025 versus 2024.

Total operating expenses, excluding depreciation, amortization, interest expense, and loss on disposal of property were $238,838,000 in 2025, an increase of $11,631,000 or 5.1% from comparable expenses of $227,207,000 in 2024. Salaries and benefits increased $3,963,000 or 3.2% due primarily to merit increases effective January 1, 2025 and filled positions that were vacant in the prior period including positions that were previously filled by agency. General and administrative expense increased $6,560,000 or 11.2% due primarily to travel, consulting/outsourcing services, centralized systems and services, real estate taxes, network, data center and interest access, and damage claims paid. Plant operations increased $1,141,000 or 7.1% due primarily to repairs and maintenance, cable/satellite television, and utilities. Dietary expense increased $1,481,000 or 6.7% due primarily to increased occupancy in all levels of living. Medical and other resident care decreased $1,523,000 or 21.2% due primarily to less agency spend as positions are filled and increasing salaries and benefits.

Nine Months Ended September 30, 2025 Actual versus Budget

The Lifespace Board of Directors annually approves the budget that results in an accepted net operating margin, net entrance fees and capital expenditures. The chart below shows line-item comparisons to the board approved net operating margin, net entrance fees and capital expenditures, along with the favorable and unfavorable variances.

(in thousands)	Actual	Budget	Favorable/ (Unfavorable)
Revenues			
Independent Living Fees	$141,971	$142,842	($871)
Skilled nursing, assisted living and memory support fees	116,200	111,164	5,036
	258,171	254,006	4,165
Expenses			
Operating expenses:			
Salaries and benefits	125,972	131,193	5,221
General and administrative	65,070	61,590	(3,480)
Plant operations	17,234	15,916	(1,318)
Housekeeping	1,266	1,255	(11)
Dietary	23,636	23,408	(228)
Medical and other resident care	5,660	4,066	(1,594)
	238,838	237,428	(1,410)
Net operating margin	19,333	16,578	2,755
Net entrance fees, including initial entrance fees	47,764	56,475	(8,711)
Capital expenditures, financed with bond proceeds	22,713	34,606	11,893
Capital expenditures, routine and community projects	30,194	34,586	4,392

Net operating margin is favorable to budget by $2,755,000.

Independent living fees are unfavorable to budget by $871,000 mainly due to lower processing fees. Processing fees were budgeted for 298 move-ins and actual move-ins were 204.

Skilled nursing, assisted living and memory support fees are favorable to budget by $5,036,000 due primarily to higher occupancy than budgeted in the health center, assisted living and memory support. The health center budgeted an average year to date occupancy of 90.2% and has actual occupancy of 92.1%. Assisted Living budgeted an average year to date occupancy of 93.3% and has actual occupancy of 95.9%. Memory Care budgeted an average year to date occupancy of 92.9% and has actual occupancy of 95.9%. All excluding Abbey Delray.

Salaries and benefits are $5,221,000, or 4.0%, favorable to budget due primarily to better labor management. Lifespace has closely managed overtime, shift bonuses, short breaks and hours worked greater than six with no break while always focusing on quality of care and delivering exceptional service to our residents.

General and administrative expenses are $3,480,000, or 5.7%, unfavorable to budget due primarily to consulting/outsourcing fees, legal services, bank charges, liability and property insurance, supplies, network, data center, and internet access, bad debt and damage claims paid.

Plant operations expenses are $1,318,000, or 8.3%, unfavorable to budget due primarily to utilities and cable/satellite television.

Medical and other resident care expense is unfavorable to budget by $1,594,000, or 39.2%, due primarily to agency staff usage and transportation.

Net entrance fees are unfavorable to budget by $8,711,000. The budget for the nine months ended September 30, 2025 had 298 closings compared to the actual closings of 204.

Capital expenditures financed with bond proceeds and routine and community projects are less than budgeted by $11,893,000 and $4,392,000, respectively. These are the result of timing.

Ratios:

All periods on the ratios page are inclusive of Newcastle Place. The discontinued operations of Abbey Delray are only taken into account in 2024's ratios and going forward.

The Net Operating Margin Ratio increased from 7.4% for the nine months ended September 30, 2024 to 7.5% for the same period in 2025. The Net Operating Margin, Adjusted Ratio decreased from 20.6% for the nine months ended September 30, 2024 to 20.3% for the same period in 2025. The annual debt service coverage ratio remained the same at 1.9 times for the nine months ended September 30, 2024 and 2025 which remains above the covenant of 1.2.

Investment income increased when comparing the nine months ended September 30, 2025 to the same period in 2024. Excluding the unrealized gain/loss, investment income represents an increase of $4,617,000, which impacts the debt service coverage ratio in a positive manner. The following chart shows the components of investment income in thousands of dollars.

	September 30, 2025	September 30, 2024
Interest and Dividend Income	$5,639	$5,992
Realized Gain/(Loss)	9,173	4,203
Unrealized Gain/(Loss)	3,214	5,526
Total	$18,026	$15,721

The Adjusted Debt to Capitalization increased from 148.0% at September 30, 2024 to 158.6% at September 30, 2025.

Liquidity and Capital Requirements – Nine Months Ended September 30, 2025 versus Nine Months Ended September 30, 2024:

Cash proceeds from entrance fees and deposits (refundable and non-refundable), net of refunds and including initial entrance fees, were $47,764,000 for the nine months ended September 30, 2025 compared to $99,552,000 for the same period in 2024. The number of entrance fee move-ins was 204 in the nine months ended September 30, 2025 compared to 396 in the nine months ended September 30, 2024. In addition, there were initial entrance fees at one community of $6,362,000 (12 closings) in the nine months ended September 30, 2025 and at three communities of $58,604,000 (120 closings) in the nine months ended September 30, 2024.

Daily operating expenses for 2025 increased to $965,000 from $915,000 in 2024, an increase of 5.5%. The overall unrestricted cash position decreased from $189,206,000 at September 30, 2024 to $177,282,000 at September 30, 2025, a change of 6.3%. The Days Cash on Hand Ratio decreased from 207 days at September 30, 2024 to 184 days at September 30, 2025.

Capital expenditures for the communities for the nine months ended September 30, 2025 were $52,907,000, while depreciation expense for the same period was $48,662,000. The redevelopment project accounts for $8,480,000 of this year-to-date 2025 expenditure balance. In addition, various community projects were funded by the Series 2021, 2022, 2023 and 2024 financings in the amount of $14,233,000 for the nine months ended September 30, 2025. Capital expenditures for the communities for the nine months ended September 30, 2024 were $69,412,000, while depreciation expense for the same period was $41,731,000. The redevelopment projects account for $21,042,000 of this year-to-date 2024 expenditure balance. In addition, various community projects were funded by the Series 2021, 2022 and 2023 financings in the amount of $6,853,000 for the nine months ended September 30, 2024.

To evaluate the financial aspect of the needed re-investment in the communities, management targets capital expenditures as a percentage of depreciation in the range of 70% to 130%. This ratio is monitored on a 5-year historical view and a 10-year forecast period to assist with the annual capital expenditure decisions. The 5-year historical ratio for the Obligated Group at December 31, 2024 is 208% which is higher than the range as a result of the projects. The redevelopment projects and several community projects are mostly funded with long-term debt and internal cash. Routine capital projects are expected to be funded from internal cash flows.

On December 19, 2024, Lifespace Communities successfully completed a bond financing of Series 2024A and B with Iowa Finance Authority. Lifespace received proceeds from the issuance of $149 million. The proceeds from these bonds i) refinanced the Iowa Finance Authority Revenue Bonds (Lifespace Communities, Inc.) Series 2021D, approximately $53,000,000, ii) refinanced the Newcastle Place Loan in the outstanding principal amount, approximately $57,000,000, and iii) funded various capital investment projects. As part of the financing, Newcastle Place, LLC became a Member of the Obligated Group.

Lifespace has secured a line of credit with a bank for $25 million to support the redevelopment efforts and various board approved projects. The terms and covenants of the line of credit follow the master trust indenture. As of September 30, 2025, the outstanding amount borrowed on the line of credit is $18.1 million.

One community is in the process of significant construction currently. The community is using proceeds from the Series 2022 Bonds. As with any construction project, the timing of expenditures and the project budget can change through the passage of time or as the project advances in development. The monthly Redevelopment Project Status Report filed on EMMA provides additional details regarding the construction projects.

Management continuously reviews and prioritizes the needs at each of the Communities to determine what is needed to enhance the Community, fill service gaps, stay competitive in the market place and grow. There is no guarantee that the Lifespace will complete all the projects, that the scope will not be materially altered or that additional Communities will not be added.

On November 21, 2024, Fitch reaffirmed the Obligated Group’s ‘BBB’ credit rating, while improving the outlook from negative to stable.

Forward-Looking Statements:

This document contains various “forward-looking statements”. Forward-looking statements represent our expectations or beliefs concerning future events. The words “plan”, “expect’ “estimate” “budget” and similar expressions are intended to identify forward-looking statements. We caution that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including without limitations the factors described in this document.

We ask you not to place undue reliance on such forward-looking statements because they speak only of our views as of the statement dates. Although we have attempted to list the important factors that presently affect the Obligated Group’s business and operating results, we further caution you that other factors may in the future prove to be important in affecting the Obligated Group’s results of operations. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Lifespace Communities, Inc.
Obligated Group Selected Historical Financial Information
(Thousands of $)

	Nine Months Ended September 30 (Unaudited)		Year Ended December 31 (Audited)		
Historical Debt Service Coverage	**2025**	**2024**	**2024**	**2023**	**2022**
Excess (deficit) of revenues over expenses	(19,434)	(20,931)	(39,211)	(167,091)	(89,046)
Less:					
Entrance fees earned	(30,672)	(25,259)	(35,730)	(36,518)	(34,963)
Initial redevelopment entrance fee and/or redevelopment deposits	(6,362)	(58,604)	(63,048)	(8,291)	(19,475)
Add:					
Depreciation	48,662	41,731	61,061	57,969	57,654
Amortization	13,030	12,701	17,604	18,101	18,733
Interest Expense	25,668	24,727	33,338	24,770	21,675
Expenses paid by long-term debt issuances	-	285	285	1,509	1,234
Unrealized (gain) loss on securities	(3,214)	(5,526)	(6,583)	(13,795)	27,006
Loss (gain) on Derivatives	-	-	2,052	1,546	(4,571)
Realized (gain) loss on sale of assets	105	25	731	(374)	5
Loss on extinguishment of debt	-	-	1,092	2,062	-
Loss on settlement	-	805	1,480	131,778	-
Entrance fee proceeds (less refunds)	47,764	99,552	128,656	60,817	84,241
Income available for debt service	75,547	69,506	101,727	72,483	62,493
Annual debt service payment	52,461	48,191	48,191	35,337	29,570
Annual debt service coverage (b)(c)(d)	1.9	1.9	2.1	2.1	2.1
Maximum annual debt service payment	60,902	60,030	60,030	53,795	44,314
Maximum annual debt service coverage (d)	1.7	1.5	1.7	1.3	1.4
Cash to Debt					
Unrestricted cash and investments (a)	177,282	189,206	181,469	184,819	188,814
Debt service reserve fund	41,864	40,434	40,473	39,266	32,359
	219,146	229,640	221,942	224,085	221,173
Bonds outstanding long-term	854,959	790,195	881,520	780,131	646,229
Annual debt service	52,461	48,191	48,191	35,337	29,570
Maximum annual debt service	60,902	60,030	60,030	53,795	44,314
Ratio of total unrestricted cash & investments with debt service reserve to bonds outstanding	0.3	0.3	0.3	0.3	0.3
Ratio of total unrestricted cash & investments with debt service reserve to annual debt service	4.2	4.8	4.6	6.3	7.5
Ratio of total unrestricted cash & investments with debt service reserve to maximum annual debt service	3.6	3.8	3.7	4.2	5.0
Department operating expenses (excluding expenses paid by long-term debt issuances and bad debt) plus interest	263,574	250,646	334,804	332,928	315,210
Daily expenses	965	915	915	912	864
Days of unrestricted cash & investments on hand (b)(c)(d)	184	207	198	203	219
Other Ratios					
Net operating margin (c)(d)	7.5%	7.4%	7.4%	2.5%	-2.1%
Net operating margin, adjusted (c)(d)	20.3%	20.6%	22.8%	16.3%	16.6%
Adjusted debt to capitalization (c)(d)	158.6%	148.0%	148.4%	141.3%	112.6%

(a) The balances include the Cash & Cash Equivalents, Investments, and the Florida operating and renewal and replacement reserve funds.

(b) The financial ratios that are required by the financing documents.

(c) The financial ratios that are monitored monthly by Lifespace.

(d) Latest FITCH for Investment Grade medians used as benchmarks are as follows: net operating margin of 6.5%, net operating margin, adjusted of 22.5%, maximum annual debt service of 2.5 times, days cash on hand of 528 and adjusted debt to capitalization of 54.0%. The latest "BBB" ratings are as follows: net operating margin of 6.7%, net operating margin, adjusted of 23.0%, maximum annual debt service of 2.2 times, days cash on hand of 496 and adjusted debt to capitalization of 61.1%.