

**QUARTERLY REPORT  
for the year ended December 31, 2025**

**CMW Obligated Group**

**Craig Amarillo, LLC  
Meadow Lake, LLC  
Wesley Court, LLC**

A Lifespace Community

January 23, 2026

UMB Bank, NA  
 Brian Krippner  
 2 South Broadway, Suite 600  
 St. Louis, MO 63102

RE: Certificate in accordance with Liquidity Support Agreement dated July 1, 2022, Section 8(e) and Continuing Covenants Agreement dated July 1, 2022, Section 4.3(a)(ii)

This certificate is being delivered with respect to the following (each, “Testing Period”): Fiscal Quarter ended December 31, 2025.

The undersigned duly authorized officer of Lifespace Communities, Inc., an Iowa nonprofit corporation (the “Support Provider”), hereby certifies as follows to demonstrate compliance with certain provisions of the Liquidity Support Agreement dated as of July 1, 2022, between UMB Bank, National Association and the Support Provider (the “Support Agreement”).

(a) Liquidity Requirement

Unrestricted Cash and Marketable Securities	113,458
Support Amount (A)	7,412
Other Guarantee Requirement (B)	-
Liquidity Requirement (A+B)	7,412

Is the Unrestricted Cash and Marketable Securities of the Support Provider at least equal to the Liquidity Requirement for the applicable period? Yes  No

(b) Additional Information. Additional information about the Support Provider is available on EMMA under the CUSIP numbers associated with the Series 2022 Bonds. Other Liquidity Support Agreements total \$5,000,000

(c) Certification as to no Event of Default. To the best of the undersigned knowledge, has an Event of Default under the Support Agreement occurred? Yes  No



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 Dallas, Texas 75019



P: 515.288.5805  
 Toll-Free 1.866.471.5556



LifespaceCommunities.com

The undersigned duly authorized officer of Meadow Lake, LLC (the “Obligated Group Representative”) hereby certifies as follows to demonstrate compliance with certain provisions of the Continuing Covenants Agreement dated as of July 1, 2022, among UMB, National Association and the Obligated Group (the “Continuing Covenants Agreement”).

**(a) Debt Service Coverage Ratio**

Net Revenues Available for Debt Service (A) *	8,443
Maximum Annual Debt Service (B)	6,520
Debt Service Coverage Ratio (A/B)	1.29
Covenant Requirement	1.15
* Calculated on a rolling twelve months	

Is the Debt Service Coverage Ratio of the Obligated Group an amount at least equal to the Debt Service Coverage Ratio requirement for the applicable period? Yes  No

In order to meet the Debt Service Coverage Ratio requirement, did the Obligated Group defer any management fees payable during the Testing Period? Yes  No

If yes, please identify the amount of such deferral: \$-

In order to meet the Debt Service Coverage Ratio requirement, did the Obligated Group receive any contributions under the Support Agreement during the Testing Period? Yes  No

If yes, please identify the amount of such contribution: \$-

**(b) Days Cash on Hand Requirement**

Unrestricted Cash and Marketable Securities (A)	9,501
Operating Expenses *	45,168
Less:	
Depreciation (Op. expenses do not include Depr.)	-
Amortization (Op. expenses do not include Amort.)	-
Total Operating Expenses (B)	45,168
Days Cash on Hand Ratio (A to B/365 or 366)	77
Covenant Requirement	60
Amount drawn on working capital to meet DCOH	N/A
* Calculated on a rolling twelve months	

Is the Days Cash on Hand Ratio of the Obligated Group an amount at least equal to the Days Cash on Hand Ratio requirement for the applicable period? Yes  No

In order to meet the Days Cash on Hand Ratio requirement, did the Obligated Group defer any management fees payable during the Testing Period? Yes    No

If yes, please identify the amount of such deferral: \$

In order to meet the Days Cash on Hand Ratio requirement, did the Obligated Group receive any contributions under the Support Agreement during the Testing Period? Yes    No

If yes, please identify the amount of such contribution: \$-

(c) Occupancy (CMW Obligated Group) as the date of quarter end

	IL	HC	ALU	MS	All levels of living
The Craig	87.3%	77.9%	97.5%	N/A	
Meadow Lake	100.0%	93.3%	95.0%	64.7%	
Wesley Court	84.6%	96.7%	100.0%	N/A	
CMW Obligated Group	90.1%	84.5%	97.5%	64.7%	88.5%
Covenant Requirement					80.0%

Is the Occupancy of the Facilities an amount at least equal to the Occupancy requirement for the applicable period? Yes  No

(d) Related Party Transactions. During the Testing Period, has a Member entered into a Related Party Agreement? Yes    No

If yes, attach agreement.

During the Testing Period, has any director, trustee, officer or member of a Member filed a Conflict of Interest Questionnaire? Yes    No

If yes, please attach.

(e) Subordinate Bonds. During the Testing Period, did the Obligated Group pay any interest or principal on the Subordinate Bonds? Yes    No

Interest Paid: \$ -

Principal Paid: \$ -

The attached financial statements are complete, correct and fairly present the financial conditions and results of operations for the year ended December 31, 2025, subject to the year-end audit adjustments. Lifespace Communities, Inc. has not become aware of any event of default or unmatured event of default that has occurred.

There are no board meetings or consents in lieu thereof the quarter ended December 31, 2025.

In witness whereof, I have hereunto set my hand, this 23rd day of January, 2026.

LIFESPACE COMMUNITES, INC.

DocuSigned by:



0FBD63BFF8124CA...

Nick Harshfield

Senior Vice President & CFO

MEADOW LAKE, LLC

DocuSigned by:



0FBD63BFF8124CA...

Nick Harshfield

Treasurer

## CMW Obligated Group

**Apartments/Units Available**

	Independent Living Apartments	Independent Living Cottages	Assisted Living	Memory Support	Skilled Nursing	Total
The Craig	108	65	40	-	95	308
Meadow Lake	80	47	20	34	30	211
Wesley Court	81	62	19	-	30	192
<b>Total CMW Obligated Group</b>	<b>269</b>	<b>174</b>	<b>79</b>	<b>34</b>	<b>155</b>	<b>711</b>

### Average Occupancy

	Period of July 19, 2022 through December 31, 2022				For the Year Ended December 31, 2023				For the Year Ended December 31, 2024			
	Independent		Assisted		Independent		Health		Assisted		Independent	
	Living	Health Center	Living	Memory Support	Living	Center	Living	Support	Living	Support	Living	Memory Support
The Craig	93.3%	88.6%	94.6%	N/A	90.9%	75.5%	97.2%	N/A	93.5%	75.2%	95.1%	N/A
Meadow Lake	99.6%	88.3%	95.1%	59.0%	98.4%	80.1%	82.9%	64.9%	98.2%	84.5%	74.9%	60.7%
Wesley Court	94.2%	87.8%	94.5%	N/A	93.1%	89.0%	95.8%	N/A	87.3%	96.3%	93.9%	N/A
Total CMW Obligated Group	95.4%	88.4%	94.7%	59.0%	93.7%	79.0%	93.2%	64.9%	92.8%	81.1%	89.7%	60.7%

**CMW Obligated Group**  
**Balance Sheet**  
**As of December 31 (Unaudited)**  
**(Thousands of \$)**

**2025**

**Assets**

**Current Assets:**

Cash and Cash Equivalents	\$7,098
Accounts Receivable	2,334
Inventories	43
Prepaid Insurance & Other	65
Assets whose use is limited	<u>6,277</u>
Total Current Assets	<u>15,817</u>

Assets whose use is limited	4,647
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**Property and equipment, at cost:**

Land and improvements	9,232
Buildings and improvements	100,062
Furniture and equipment	<u>5,894</u>
	<u>115,188</u>
Less accum. deprec.	<u>(11,972)</u>
Net property and equipment	<u>103,216</u>

Net goodwill	21,664
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Net deferred assets	347
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Net intangible assets	9,492
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<b>TOTAL ASSETS</b>	<b><u>\$155,183</u></b>
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**CMW Obligated Group**  
**Balance Sheet**  
**As of December 31 (Unaudited)**  
**(Thousands of \$)**

**2025**

**Liabilities and net assets**

**Current liabilities:**

Accounts payable:	
Trade	\$1,277
Intercompany	10,715
	<hr/>
	11,992
Accrued liabilities:	
Employee compensation expense	1,386
Interest	4,801
Property taxes	254
Other	125
	<hr/>
	6,566
Long-term debt due within one year	970
Obligation under lease due within one yr	28
Total current liabilities	<hr/>
	19,556
Wait list deposits	162
Long-term debt due after one year	114,216
Obligation under lease due after one year	48
Deferred entrance fees	4,394
Refundable entrance and membership fees	55,605
Total liabilities	<hr/>
	193,981
Net assets without donor restrictions	(38,798)
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$155,183</u></u></b>

**CMW Obligated Group**  
**Statements of Operations and Changes in Unrestricted Assets**  
**For the Year Ended December 31 (Unaudited)**  
**(Thousands of \$)**

	<b>Actual 2025</b>	<b>Budget 2025</b>
<b>Revenues</b>		
Independent Living Fees	\$20,308	20,705
Entrance fees earned/cancellation penalties	995	851
Skilled nursing, assisted living and memory support fees	22,869	22,394
Investment Income	442	612
	<hr/>	<hr/>
	44,614	44,562
<b>Expenses</b>		
Operating expenses:		
Salaries and benefits	21,243	23,022
General and administrative	8,591	8,708
Plant operations	4,085	3,964
Housekeeping	142	166
Dietary	2,861	2,536
Medical and other resident care	949	1,020
Interest	7,297	5,511
Loss on disposal of fixed assets	11	-
	<hr/>	<hr/>
Deficit of revenues over expenses	45,179	44,927
	<hr/>	<hr/>
	(565)	(365)
<b>Other Changes in Net Assets</b>		
Depreciation	(3,780)	(3,750)
Amortization	(7,234)	(8,804)
Contributions to Lifespace Communities, Inc.	(948)	-
	<hr/>	<hr/>
Changes in net assets	(12,527)	(12,919)
Net assets at beginning of year	(26,271)	(26,271)
Net assets at end of the period	<u><u>(\$38,798)</u></u>	<u><u>(\$39,190)</u></u>

**CMW Obligated Group**  
**Statements of Cash Flow**  
**For the Year Ended December 31 (Unaudited)**  
**(Thousands of \$)**

**2025**

**Operating activities**

Changes in unrestricted net assets	(\$12,527)
Adjustments to reconcile changes in net asset to net cash provided in operating activities:	
Entrance fees earned	(995)
Proceeds from nonrefundable entrance fees and deposits	1,288
Depreciation and Amortization	11,014
Amortization of Financing Costs	537
Change in unrealized appreciation of investments	133
Net sales of trading investments	1,620
Contributions to Lifespace Communities, Inc.	948
Loss on disposal of property and equipment	11
Change in wait lists and deposits	(68)
Changes in operating assets and liabilities:	
Accounts receivables, inventories, and prepaid insurance and other	204
Accounts payables and accrued liabilities	891
Net cash provided in operating activities	3,056

**Investing activities**

Purchases of property and equipment	(2,972)
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**Financing activities**

Repayment of long-term debt	(1,375)
Contributions to Lifespace Communities, Inc.	(948)
Proceeds from refundable entrance fees and deposits	8,877
Refunds of entrance fees	(5,068)
Net cash provided in financing activities	1,486
Net change in cash and cash equivalents	1,570
Cash and cash equivalents at beginning of year	5,528
Cash and cash equivalents at end of period	\$7,098

**CMW Obligated Group**  
**Selected Historical Financial Information**  
**(Thousands of \$)**

	Year Ended December 31 (Unaudited)	Period of July 19 through December 31		
		2024	2023	2022
<b>Historical Debt Service Coverage</b>				
Excess (deficit) of revenues over expenses	(565)	(3,976)	(2,663)	(717)
Less:				
Entrance fees earned	(995)	(920)	(833)	(460)
Initial Entrance Fees	(2,535)	(3,150)	(863)	-
Add:				
Interest Expense	7,297	7,414	7,490	3,426
Unrealized (gain) loss on securities	133	(143)	(12)	(16)
Management Fee	-	2,183	-	-
Entrance fee proceeds (less refunds)	5,097	5,208	3,549	1,775
Income available for debt service	<u>8,443</u>	<u>6,616</u>	<u>6,668</u>	<u>4,008</u>
Maximum Annual debt service payment	6,520	6,524	7,878	7,878
Maximum Annual debt service coverage (a)(b)(c)(h)	1.29	1.01	0.85	1.13
Maximum Annual debt service coverage covenant (d)	1.15	N/A	N/A	N/A
<b>Days Cash on Hand</b>				
Unrestricted cash and investments	7,098	5,528	3,912	332
Working Capital	2,403	2,318	2,209	2,120
Funded Interest	-	-	1,544	3,930
Unrestricted Cash and Marketable Securities	<u>9,501</u>	<u>7,846</u>	<u>7,665</u>	<u>6,382</u>
Department operating expenses plus interest	45,168	45,620	41,127	17,845
Daily expenses (h)	124	125	113	108
Days of unrestricted cash & investments on hand (a)(b)(c)(e)(f)	77	63	68	59
Days of unrestricted cash & investments on hand covenant (e)	60	60	60	60
<b>Occupancy</b>				
Occupancy as of period end (g)	88.5%	92.2%	89.2%	91.1%
Occupancy covenant	80.0%	80.0%	80.0%	80.0%
<b>Other Ratios</b>				
Net operating margin (b)(c)	12.3%	4.7%	8.9%	12.7%
Net operating margin, adjusted (b)(c)	17.2%	9.4%	15.1%	21.2%
Adjusted debt to capitalization (b)(c)	142.6%	123.6%	104.9%	93.1%

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

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

(c) 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%.

(d) The annual debt service coverage ratio's first testing date is June 30, 2025 per Hamlin and must be at least 1.15x.

(e) The first liquidity testing date is December 31, 2022 and tests June 30 and December 31 going forward. Days cash on hand must be at least 60 days prior to termination of the Support Agreement and 80 days after the termination of the Support Agreement.

(f) Hamlin Capital Management, LLC has provided a waiver regarding the days cash on hand covenant compliance at December 31, 2022.

(g) The occupancy covenant must be met each quarter. The occupancy calculation represents the last day of each quarter for all levels of living.

(h) Maximum annual debt service coverage and days cash on hand are required to be calculated on a rolling twelve months.

**CMW Obligated Group**  
**Statements of Operations and Changes in Unrestricted Assets**  
**For the Fiscal Quarter Ended December 31 (Unaudited)**  
**(Thousands of \$)**

	<b>2025</b>	<b>2024</b>
<b>Revenues</b>		
Independent Living Fees	\$5,305	\$4,919
Entrance fees earned/cancellation penalties	345	222
Skilled nursing, assisted living and memory support fees	5,784	5,574
Investment Income	99	123
	<hr/>	<hr/>
	11,533	10,838
<b>Expenses</b>		
Operating expenses:		
Salaries and benefits	5,424	5,597
General and administrative	2,448	2,797
Plant operations	1,104	900
Housekeeping	21	23
Dietary	779	610
Medical and other resident care	165	313
Interest	1,827	1,773
Loss on disposal of fixed assets	11	-
	<hr/>	<hr/>
	11,779	12,013
(Deficit) Excess of revenues over expenses	<hr/>	<hr/>
	(246)	(1,175)
<b>Other Changes in Net Assets</b>		
Depreciation	(1,184)	(944)
Amortization	(2,124)	(1,666)
Contributions from Lifespace Communities, Inc.	(146)	35
	<hr/>	<hr/>
Changes in net assets	(3,700)	(3,750)
Net assets at beginning of period	(35,098)	(22,521)
Net assets at end of the period	<hr/>	<hr/>
	(\$38,798)	(\$26,271)

**Refunds Due in Current Course of Business****Refunds in Process****(in thousands)**

		September 30, 2025	Additions/(Refunds)	December 31, 2025
Resident #1	ML Resident March 2024	146	(146)	-
Resident #18	ML Resident July 2025	54	(54)	-
Resident #19	ML Resident August 2025	229	(229)	-
		429	(429)	-