

**CONTINUING DISCLOSURE REPORT  
for the three months ended March 31, 2026**



**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.**

April 29, 2026

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

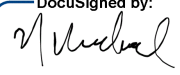
RE: Certificate in accordance with Section 415(a)(ii) of the Master Trust Indenture dated November 1, 2010 and Section 4.15(b)(ii) of the Master Trust Indenture, Deed of Trust and Security Agreement dated October 1, 2015.

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 three months ended March 31, 2026, subject to the year-end audit adjustments.

LIFESPACE COMMUNITES, INC.

DocuSigned by:  
  
0FBD63BFF8124CA...

Nick Harshfield

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



3501 Olympus Blvd, Suite 300  
Dallas, Texas 75019



P: 515.288.5805  
Toll-Free 1.866.471.5556



LifespaceCommunities.com

**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.

On April 1, 2025, the sale of Abbey Delray was consummated, with March 31, 2025 as the last day of Lifespace Communities, Inc. ownership.

Prior period information has been restated to include Newcastle Place. In addition, Abbey Delray’s activity was accounted for as 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.

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.

Lifespace personal services (“LPS”) is a non-Medicare certified home health business unit which provides services to the residents of the various Lifespace communities. The activity of this service line has been excluded from the operations of the Obligated Group commencing in 2024.

Calendar year-end financial information for December 31, 2025 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	216	44		28	46		334	4
Beacon Hill	353			26	84		463	3
Claridge Court	123			17	28		168	5
Friendship Village of Bloomington	331	12	42	66		32	483	4
Friendship Village of South Hills (1)	243	18	50	35	54	32	432	3
Harbour's Edge	266			50	4		320	4
Newcastle Place	129	29	36	47		16	257	3
Oak Trace	342	16	66	84	20	28	556	5
Querencia	156	10	40	38	4	23	271	4
The Waterford	215	26		30	30		301	4
Village on the Green	204	58	36	40	8	18	364	5
Total	2,578	213	270	461	278	149	3,949	

\* The CMS 5-Star ratings are as of March 2026.

Change in units from December 31, 2025

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

**Lifespace Communities, Inc.**  
**Average Occupancy of the Communities**

Community	2023				2024				2025				Twelve Months Ended March 31, 2026			
	Living Units	Health Center	ALUs	Memory Support	Living Units	Health Center	ALUs	Memory Support	Living Units	Health Center	ALUs	Memory Support	Living Units	Health Center	ALUs	Memory Support
Abbey Delray South, FL (a)	67.8%	93.8%	NA	NA	64.6%	95.0%	NA	NA	62.9%	95.8%	NA	NA	62.9%	95.8%	NA	NA
Beacon Hill, IL (a)	77.2%	90.4%	NA	NA	80.7%	93.1%	NA	NA	79.3%	91.2%	NA	NA	78.7%	90.2%	NA	NA
Claridge Court, KS	88.6%	92.7%	NA	NA	96.5%	92.1%	NA	NA	98.9%	92.7%	NA	NA	98.4%	91.8%	NA	NA
Friendship Village of Bloomington, MN (a)	78.3%	95.5%	93.6%	97.2%	90.2%	95.5%	98.4%	98.8%	97.6%	95.6%	98.3%	97.8%	98.0%	96.1%	98.8%	98.1%
Friendship Village of South Hills, PA (a)	77.8%	87.3%	94.0%	97.8%	84.0%	89.0%	95.3%	97.1%	84.1%	90.4%	98.0%	97.8%	85.6%	89.2%	98.8%	98.1%
Harbour's Edge, FL	91.8%	92.6%	NA	NA	96.0%	94.8%	NA	NA	97.6%	96.1%	NA	NA	97.2%	96.5%	NA	NA
Newcastle Place, WI (d)	89.8%	84.9%	91.7%	93.1%	96.2%	82.7%	89.8%	87.7%	98.3%	87.0%	92.5%	93.1%	98.5%	89.4%	92.8%	93.8%
Oak Trace, IL (a)(b)	82.1%	94.6%	96.5%	96.1%	72.9%	97.2%	96.7%	94.5%	83.7%	97.3%	98.0%	98.9%	85.5%	97.5%	98.8%	98.9%
Querencia, TX	98.3%	93.8%	96.0%	87.4%	96.3%	95.1%	96.0%	88.2%	98.3%	96.2%	95.3%	97.0%	98.2%	96.4%	96.5%	97.8%
The Waterford, FL (a) (c)	81.4%	87.0%	NA	NA	83.4%	72.1%	NA	NA	83.3%	70.0%	NA	NA	81.4%	71.2%	NA	NA
Village on the Green, FL	75.5%	93.8%	95.8%	97.8%	79.4%	96.5%	96.0%	91.0%	82.3%	95.6%	92.8%	91.1%	83.3%	95.8%	93.1%	91.7%
Obligated Group	81.0%	91.5%	94.8%	95.2%	83.8%	91.6%	95.6%	93.9%	86.5%	91.9%	96.2%	96.6%	86.7%	91.9%	96.9%	97.0%

(a) The 2023 living units are impacted by the reduction of 80 smaller obsolete units and 87 more units at January 1, 2024.

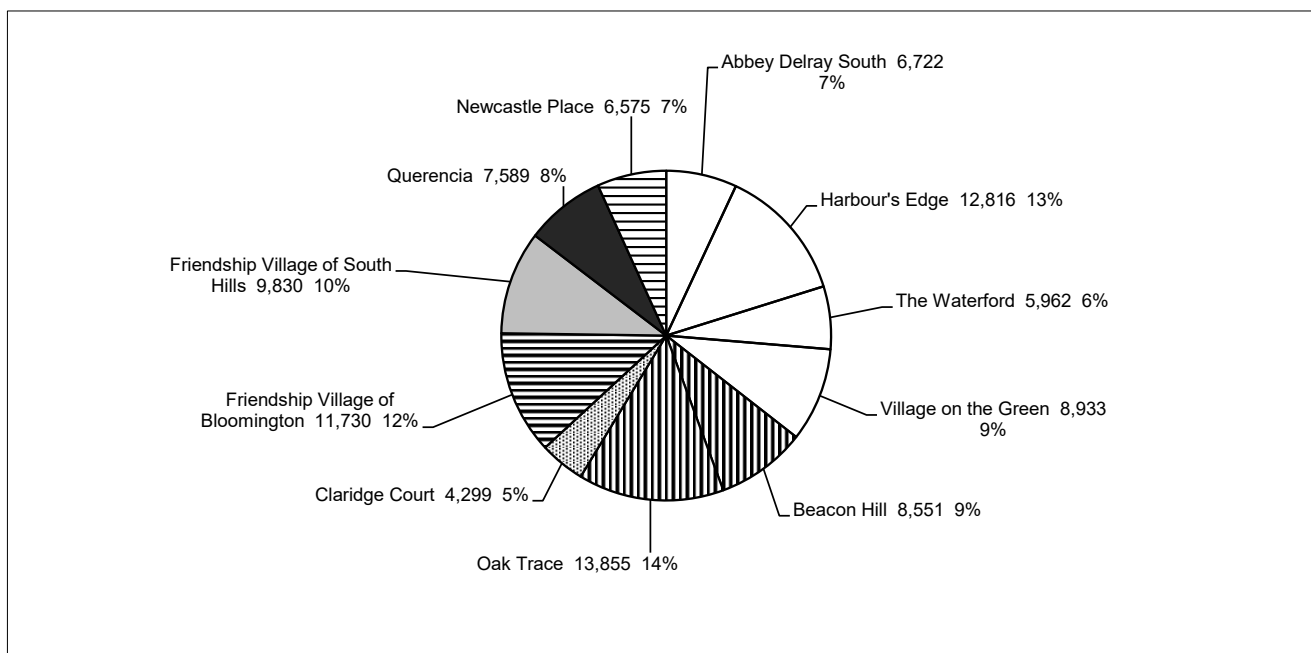
(b) Oak Trace opened 140 new independent living units as of January 25, 2024.

(c) The Waterford opened three villas in the second quarter and five villas in the third quarter of 2024.

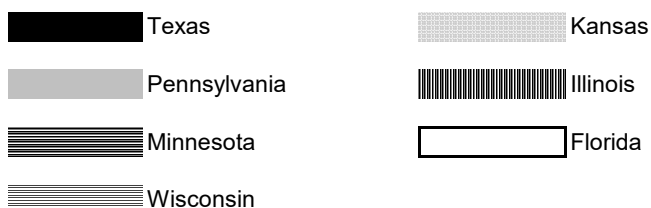
(d) Newcastle Place joined the Lifespace Obligated Group in December 2024 in conjunction of the Series 2024 financing.

Community	Three months ended March 31, 2025				Three months ended March 31, 2026			
	Living Units	Health Center	ALUs	Memory Support	Living Units	Health Center	ALUs	Memory Support
Abbey Delray South, FL	63.2%	97.1%	NA	NA	63.7%	97.0%	NA	NA
Beacon Hill, IL	80.6%	93.8%	NA	NA	78.4%	89.8%	NA	NA
Claridge Court, KS	99.6%	93.8%	NA	NA	98.5%	90.0%	NA	NA
Friendship Village of Bloomington, MN	97.3%	95.3%	97.8%	98.6%	99.6%	97.0%	99.5%	100.0%
Friendship Village of South Hills, PA	83.9%	92.5%	95.4%	97.9%	88.9%	87.3%	98.6%	99.6%
Harbour's Edge, FL	98.7%	95.4%	NA	NA	97.2%	97.9%	NA	NA
Newcastle Place, WI	98.7%	84.0%	90.1%	92.3%	99.2%	93.3%	90.2%	94.8%
Oak Trace, IL	82.4%	97.3%	96.3%	99.1%	89.5%	98.2%	99.4%	99.1%
Querencia, TX	98.2%	96.6%	92.5%	91.0%	98.2%	97.2%	97.9%	95.6%
The Waterford, FL	87.0%	71.3%	NA	NA	79.3%	76.0%	NA	NA
Village on the Green, FL	81.6%	97.4%	96.9%	94.3%	85.4%	98.2%	97.7%	95.7%
Obligated Group	86.9%	92.7%	95.1%	96.2%	87.8%	92.7%	97.6%	98.0%

**Comparative Analysis of Gross Revenues  
Three Months Ended March 31, 2026  
(\$ 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			Three Months Ended March 31,	
	2023	2024	2025	2025	2026
Lifecare	13.3%	11.8%	14.2%	12.0%	14.2%
Private Pay	26.8%	24.6%	21.0%	24.0%	21.0%
Medicare	43.8%	44.5%	44.9%	46.2%	44.9%
Medicaid	3.4%	3.1%	1.5%	1.9%	1.5%
Other	12.7%	16.0%	18.4%	15.9%	18.4%
<b>Total Patient Mix</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Year-To-Date Average Service Units Available	739	739	739	739	739
Year-To-Date Average Occupancy Percentage	91.5%	91.6%	91.9%	92.7%	92.7%

**Lifespace Communities, Inc.**  
**Obligated Group Balance Sheets**  
**As of March 31 (Unaudited)**  
**(Thousands of \$)**

	<b>2026</b>	<b>2025</b>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$27,290	\$40,246
Investments	92,241	88,000
Accounts Receivable	47,006	25,115
Inventories	452	669
Prepaid Insurance & Other	7,429	5,882
Assets whose use is limited	73,638	152,989
Total Current Assets	<u>248,056</u>	<u>312,901</u>
Assets whose use is limited	95,474	95,668
Property and equipment, at cost:		
Land and improvements	86,087	75,128
Buildings and improvements	1,481,315	1,389,937
Furniture and equipment	119,693	107,885
	<u>1,687,095</u>	<u>1,572,950</u>
Less accum. deprec.	(688,200)	(643,564)
Net property and equipment	<u>998,895</u>	<u>929,386</u>
Swap Derivative	-	108
Net goodwill	38,630	50,021
Net deferred assets	14,495	11,284
Net intangible assets	4,592	6,062
<b>TOTAL ASSETS</b>	<u><u>\$1,400,142</u></u>	<u><u>\$1,405,430</u></u>

**Lifespace Communities, Inc.**  
**Obligated Group Balance Sheets**  
**As of March 31 (Unaudited)**  
**(Thousands of \$)**

	<b>2026</b>	<b>2025</b>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable:		
Trade	16,577	14,816
Intercompany	5,973	4,461
	22,550	19,277
Accrued liabilities:		
Employee compensation expense	13,514	15,813
Interest	15,635	14,464
Property taxes	4,847	3,760
Other	3,452	4,245
	37,448	38,282
Entrance fee refunds	3,008	2,266
Reserve for health center refunds	35,811	26,206
Long-term debt due within one year	32,725	28,619
Settlement Payable Due within One Year	9,081	10,043
Obligation under cap lease due within one yr	575	559
Total current liabilities	141,198	125,252
Entrance fee deposits	5,189	2,584
Wait list deposits	3,418	2,352
Long-term debt due after one year	866,943	881,290
Settlement payable due after one year	23,450	31,150
Obligation under cap lease due after one year	1,072	1,389
Deferred entrance fees	230,982	208,782
Refundable entrance and membership fees	700,284	688,939
Total liabilities	1,972,536	1,941,738
Net assets without donor restrictions	(572,394)	(536,308)
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,400,142</b>	<b>\$1,405,430</b>

**Lifespace Communities, Inc.**  
**Obligated Group Statements of Operations and Changes in Unrestricted Assets**  
**For the Three Months Ended March 31 (Unaudited)**  
**(Thousands of \$)**

	<b>2026</b>	<b>2025</b>
<b>Revenues</b>		
Independent Living Fees	\$49,326	\$46,433
Entrance fees earned/cancellation penalties	11,194	9,123
Skilled nursing, assisted living and memory support fees	36,313	34,305
Investment Income	29	5,004
	<u>96,862</u>	<u>94,865</u>
<b>Expenses</b>		
Operating expenses:		
Salaries and benefits	38,357	39,492
General and administrative	22,628	21,700
Plant operations	6,282	5,746
Housekeeping	451	362
Dietary	8,487	7,899
Medical and other resident care	1,799	1,751
Depreciation	16,699	16,259
Amortization	4,219	3,949
Interest	8,999	10,392
Loss on disposal of fixed assets	(45)	-
	<u>107,876</u>	<u>107,550</u>
<b>Deficit of revenues over expenses</b>	<u>(11,014)</u>	<u>(12,685)</u>
<b>Discontinued operations</b>		
Gain (Loss) from Operations of Discontinued Operations	272	(2,605)
Loss on Sale of Discontinued Operations	-	(12,571)
Total Discontinued Operations	<u>272</u>	<u>(15,176)</u>
<b>Other Changes in Net Assets</b>		
Contributions to Lifespace Communities, Inc.	(954)	(550)
Changes in net assets	(11,696)	(28,411)
Net assets at beginning of year	(560,698)	(507,897)
Net assets at end of the period	<u><u>(\$572,394)</u></u>	<u><u>(\$536,308)</u></u>

**Lifespace Communities, Inc.**  
**Obligated Group Statements of Cash Flow**  
**For the Three Months Ended March 31 (Unaudited)**  
**(Thousands of \$)**

	<b>2026</b>	<b>2025</b>
<b>Operating activities</b>		
Changes in unrestricted net assets	(\$11,696)	(\$28,411)
(Gain) Loss from Discontinued Operations	(\$272)	\$2,605
Adjustments to reconcile changes in net asset to net cash (used) provided in operating activities:		
Entrance fees earned	(11,194)	(9,123)
Proceeds from nonrefundable entrance fees and deposits	13,561	5,867
Refunds of entrance fees	(546)	(744)
Depreciation and Amortization	20,918	20,208
Amortization of Financing Costs	209	215
Net accretion of original issue premium/discounts	(432)	(445)
Change in unrealized appreciation of investments	7,052	3,319
Net sales (purchases) of trading investments	13,472	(36,588)
Contributions to Lifespace Communities, Inc.	954	550
Loss on disposal of property and equipment	(45)	-
Change in wait lists and deposits	2,148	970
Loss on Sale of Discontinued Operations	-	12,571
Changes in operating assets and liabilities:		
Accounts receivables, inventories, and prepaid insurance and other	(11,078)	(2,429)
Accounts payables and accrued liabilities	(1,481)	8,144
Net cash provided by Continued Operating Activities	<u>21,570</u>	<u>(23,291)</u>
Net cash used by Discontinued Operating Activities	<u>-</u>	<u>(1,980)</u>
Net cash (used) provided in Operating Activities	21,570	(25,271)
<b>Investing activities</b>		
Purchases of property and equipment	(31,854)	(8,642)
Proceeds from sale of property and equipment	-	48,079
Net cash (used) provided by Continued Investing Activities	<u>(31,854)</u>	<u>39,437</u>
Net cash used by Discontinued Investing Activities	<u>-</u>	<u>(955)</u>
Net cash (used) provided in Investing Activities	(31,854)	38,482
<b>Financing activities</b>		
Repayment of long-term debt	(1,078)	-
Payments on settlement	(10,043)	(10,914)
Advances from line of credit	1,633	8,633
Contributions to Lifespace Communities, Inc.	(954)	(550)
Payments on Leases	(126)	(150)
Proceeds from refundable entrance fees and deposits	16,601	16,066
Refunds of entrance fees	(17,004)	(15,727)
Net cash used in financing activities	<u>(10,971)</u>	<u>(2,642)</u>
Net change in cash and cash equivalents	(21,255)	10,569
Cash and cash equivalents at beginning of year	<u>48,545</u>	<u>29,677</u>
Cash and cash equivalents at end of period	<u>\$27,290</u>	<u>\$40,246</u>

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

**Three Months Ended March 31, 2026 versus Three Months Ended March 31, 2025:**

The average year-to-date independent living occupancy through March 31, 2026, was 2,451 independent living homes (87.8% of the 2,791 average available homes). The average year-to-date occupancy through March 31, 2025 was 2,431 independent living homes (86.9% of the 2,799 average available homes). The average year-to-date occupancy for both periods are exclusive of Abbey Delray. The change in average available homes from March 31, 2025 to the same period in 2026 are due to combination of smaller apartments at several communities.

Revenues from independent living monthly fees and related charges amounted to \$49,326,000 in 2026, a 6.2% increase over \$46,433,000 from the same revenue sources in 2025. The increase is due mainly to occupancy and monthly fee increases. As previously mentioned, the average year-to-date occupancy has increased to 87.8% as of March 31, 2026 from 86.9% for the same period ending 2025. Monthly fees increased in a range of 3.5% to 4.5%. Some community's increases were effective January 1, 2025 while others were effective February 1, 2025.

Revenues from the health center, assisted living, and memory support fees were \$36,313,000 in 2026 compared to \$34,305,000 in 2025, an increase of 5.9%. This increase is due mainly to the monthly fee increases and higher occupancy. Monthly fee increases ranged from 0.0% to 4.5%. Fee increases were effective January 1, 2026. In addition, year-to-date average occupancy in assisted living and memory support are all higher in 2026 versus 2025.

Total operating expenses, excluding depreciation, amortization, interest expense, and loss on disposal of property were \$78,004,000 in 2026, an increase of \$1,054,000 or 1.4% from comparable expenses of \$76,950,000 in 2025. Salaries and benefits decreased \$1,135,000 or 2.9% due primarily to an adjustment to the vacation and sick accruals. In addition, two communities received unemployment reimbursements. General and administrative expenses increased \$928,000 or 4.3% due primarily to consulting/outsourcing services, marketing, and network, data center and internet access. Plant operations increased \$536,000 or 9.3% due primarily to repairs and maintenance, utilities, and garbage/hazardous waste disposal. Dietary expense increased \$588,000 or 7.4% due primarily to increased occupancy in independent living, assisted living and memory support.

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

**Three Months Ended March 31, 2026 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)
<b>Revenues</b>			
Independent Living Fees	\$49,326	\$47,388	\$1,938
Skilled nursing, assisted living and memory support fees	36,313	35,311	1,002
	85,639	82,699	2,940
<b>Expenses</b>			
Operating expenses:			
Salaries and benefits	38,357	39,867	1,510
General and administrative	22,628	21,368	(1,260)
Plant operations	6,282	5,936	(346)
Housekeeping	451	371	(80)
Dietary	8,487	8,456	(31)
Medical and other resident care	1,799	1,582	(217)
	78,004	77,580	(424)
Net operating margin	7,635	5,119	2,516
Net entrance fees, including initial entrance fees	12,612	12,372	240
Capital expenditures, financed with bond proceeds	23,477	13,691	(9,786)
Capital expenditures, financed with AD proceeds	5,827	2,354	(3,473)
Capital expenditures, routine and community projects	2,550	8,598	6,048

Net operating margin is favorable to budget by \$2,516,000.

Independent fees are favorable to budget by \$1,938,000 due primarily to the mix of occupied units and more second persons. The actual average monthly fee is \$5,085 versus the budgeted average monthly fee of \$4,965. More larger units are occupied than budgeted. In addition, there are 13 more second persons than budgeted.

Skilled nursing, assisted living and memory support fees are favorable to budget by \$1,002,000 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 92.0% and has actual occupancy of 92.7%. Assisted Living budgeted an average year to date occupancy of

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

95.6% and has actual occupancy of 97.6%. Memory Care budgeted an average year to date occupancy of 93.3% and has actual occupancy of 98.0%.

Salaries and benefits are \$1,510,000, or 3.8%, favorable to budget due primarily to the adjustment to vacation and sick accruals and unemployment reimbursements as mentioned earlier.

General and administrative expenses are \$1,260,000, or 5.9%, unfavorable to budget due primarily to legal services, real estate taxes, telephone, damage claims paid and bad debt.

Capital expenditures financed with bond proceeds and Abbey Delray proceeds are more than budgeted by \$9,786,000 and \$3,473,000, respectively. Capital expenditures that are routine and community projects are paid by internal cash and are lower than budgeted by \$6,048,000. All variances are the result of timing.

**Ratios:**

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

The Net Operating Margin Ratio increased from 4.7% for the three months ended March 31, 2025 to 8.9% for the same period in 2026. The Net Operating Margin, Adjusted Ratio increased from 7.8% for the three months ended March 31, 2025 to 20.6% for the same period in 2026. The annual debt service coverage ratio increased from 1.2 for the three months ended March 31, 2025 to 1.9 for the same period in 2026.

Investment income decreased when comparing the three months ended March 31, 2026 to the same period in 2025. Excluding the unrealized gain/loss, investment income represents a decrease of \$1,242,000, which impacts the debt service coverage ratio in a negative manner. The following chart shows the components of investment income in thousands of dollars.

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Interest and Dividend Income	\$1,926	\$2,500
Realized Gain/(Loss)	5,155	5,823
Unrealized Gain/(Loss)	<u>(7,052)</u>	<u>(3,319)</u>
Total	\$29	\$5,004

The Adjusted Debt to Capitalization increased from 156.2% at March 31, 2025 to 161.2% at March 31, 2026.

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

**Liquidity and Capital Requirements – Three Months Ended March 31, 2026 versus Three Months Ended March 31, 2025:**

Cash proceeds from entrance fees and deposits (refundable and non-refundable), net of refunds and including initial entrance fees, were \$12,612,000 for the three months ended March 31, 2026 compared to \$5,462,000 for the same period in 2025. The number of entrance fee move-ins was 61 for the three months ended March 31, 2026 compared to 40 in the three months ended March 31, 2025. In addition, there were initial entrance fees at one community of \$2,769,000 (5 closings) in the three months ended March 31, 2025 and none in same period for 2026.

Daily operating expenses for 2026 increased to \$963,000 from \$961,000 in 2025, a change of 0.2%. The overall unrestricted cash position decreased from \$171,248,000 at March 31, 2025 to \$159,609,000 at March 31, 2026, a change of 6.8%. The first quarter of 2026 included a total of \$7.1 million unrealized loss on investments, negatively impacting unrestricted cash position as of March 31, 2026. The Days Cash on Hand Ratio decreased from 178 days at March 31, 2025 to 166 days at March 31, 2026.

Capital expenditures for the communities for the three months ended March 31, 2026 were \$31,854,000, while depreciation expense for the same period was \$16,699,000. The redevelopment project accounts for \$5,827,000 of this year-to-date 2026 expenditure balance. In addition, various community projects were funded by the Series 2022, 2023, and 2024 financings, Abbey Delray project funds and the Line of Credit in the amount of \$26,453,000 for the three months ended March 31, 2026. Capital expenditures for the communities for the three months ended March 31, 2025 were \$8,642,000, while depreciation expense for the same period was \$16,259,000. The redevelopment projects account for \$2,350,000 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 \$4,201,000 for the three months ended March 31, 2025.

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, 2025 is 194% 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 Communities, Inc.**  
**Obligated Group**  
**Management's Discussion and Analysis**

On April 23, 2026, Lifespace Communities successfully completed a bond financing of Series 2026A and B with Iowa Finance Authority and Palm Beach County Health Facilities Authority. Lifespace received proceeds from the issuance of \$98 million. The proceeds from these bonds will fund The Waterford's Phase 2 redevelopment project and various other capital investment projects within the other Obligated Group communities. The official statement is posted on EMMA for further details.

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 March 31, 2026, the outstanding amount borrowed on the line of credit is \$20.4 million.

One community is in the process of significant construction currently. The community is using proceeds from the Abbey Delray Project Funds. 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 three construction projects at various communities.

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 6, 2025, Fitch reaffirmed the Obligated Group's 'BBB' credit rating with and Stable outlook.

**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 \$)

<b>Historical Debt Service Coverage</b>	<b>Three Months Ended March 31 (Unaudited)</b>		<b>Year Ended December 31 (Audited)</b>		
	2026	2025	2025	2024	2023
Excess (deficit) of revenues over expenses	(11,014)	(12,685)	(31,380)	(40,089)	(167,091)
Less:					
Entrance fees earned	(11,194)	(9,123)	(40,245)	(35,730)	(36,518)
Initial redevelopment entrance fee and/or redevelopment deposits	-	(2,769)	(6,796)	(63,048)	(8,291)
Add:					
Depreciation	16,699	16,259	68,435	61,061	57,969
Amortization	4,219	3,949	17,634	17,604	18,101
Interest Expense	8,999	10,392	33,825	33,338	24,770
Expenses paid by long-term debt issuances	120	-	802	285	1,509
Unrealized (gain) loss on securities	7,052	3,319	(3,481)	(6,583)	(13,795)
Loss (gain) on Derivatives	-	-	108	2,052	1,546
Realized (gain) loss on sale of assets	(45)	-	10	731	(374)
Loss on extinguishment of debt	-	-	-	1,092	2,062
Loss on settlement	-	-	1,245	1,480	131,778
Entrance fee proceeds (less refunds)	12,612	5,462	78,002	128,656	60,817
Income available for debt service	27,448	14,804	118,159	100,849	72,483
Annual debt service payment	57,345	51,486	51,486	48,191	35,337
Annual debt service coverage (b)(c)(d)	1.9	1.2	2.3	2.1	2.1
Annual debt service coverage - rolling 12 months	2.3	2.0			
Maximum annual debt service payment	60,902	59,370	59,370	59,370	53,795
Maximum annual debt service coverage (d)	1.8	1.0	2.0	1.7	1.3
Maximum annual debt service coverage - rolling 12 months	2.1	1.8			
<b>Cash to Debt</b>					
Unrestricted cash and investments (a)	159,609	171,248	185,966	181,469	184,819
Debt service reserve fund	41,425	41,084	42,280	40,473	39,266
	201,034	212,332	228,246	221,942	224,085
Bonds outstanding long-term	866,943	881,290	867,712	881,520	780,131
Annual debt service	57,345	51,486	51,486	48,191	35,337
Maximum annual debt service	60,902	59,370	59,370	59,370	53,795
Ratio of total unrestricted cash & investments with debt service reserve to bonds outstanding	0.2	0.2	0.3	0.3	0.3
Ratio of total unrestricted cash & investments with debt service reserve to annual debt service	3.5	4.1	4.4	4.6	6.3
Ratio of total unrestricted cash & investments with debt service reserve to maximum annual debt service	3.3	3.6	3.8	3.7	4.2
Department operating expenses (excluding expenses paid by long-term debt issuances and bad debt) plus interest	86,592	86,504	336,507	322,023	332,928
Daily expenses	962	961	922	880	912
Days of unrestricted cash & investments on hand (b)(c)(d)	166	178	202	206	203
<b>Other Ratios</b>					
Net operating margin (c)(d)	8.9%	4.7%	8.8%	7.5%	2.5%
Net operating margin, adjusted (c)(d)	20.6%	7.8%	24.8%	23.5%	16.3%
Adjusted debt to capitalization (c)(d)	161.2%	156.2%	158.3%	148.6%	141.3%

(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%.