CONTINUING DISCLOSURE REPORT
for the three months ended March 31, 2024

LIFESPACE
COMMUNITIES

OBLIGATED GROUP

Abbey Delray
Abbey Delray South
Beacon Hill
Claridge Court
Friendship Village of Bloomington
Friendship Village of South Hills
Harbour's Edge
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.

May 10, 2024

US Bank
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, 2024, 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, Marie Mortenson Mack

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).

The Corporation owns 11 CCRCs in six states that make up the Obligated Group.

Lifespace is the sole member of Barton Creek Senior Living Center, Inc., d/b/a Querencia (“Querencia”) located in Austin, Texas. On August 31, 2021, concurrent with the issuance of the Series 2021 bonds, Querencia became part of the Obligated Group.

The Corporation is the sole member of Tarrant County Senior Living Center, Inc., d/b/a The Stayton at Museum Way (“The Stayton”) located in Ft. Worth, Texas. On July 1, 2021, Lifespace acquired Newcastle Place, LLC (“Newcastle Place”) located in Mequon, Wisconsin. 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. 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. The Stayton, Newcastle Place, Meadow Lake, Wesley Court, The Craig and GreenFields are separately financed and are not members of the Obligated Group.

The corporation was sole member of Deerfield Retirement Community, Inc. (“Deerfield”) a nonprofit organization that was organized to own and operate a CCRC in suburban Des Moines, Iowa. On August 1, 2021, Deerfield was sold to a third party. Deerfield was separately financed and not part of the Obligated Group. While outside the Obligated Group, the Obligated Group had previously guaranteed certain outstanding long-term indebtedness of Deerfield. These guarantees were discharged in connection with the sale of Deerfield and the Obligated Group has no further outstanding long-term indebtedness or guarantee obligations with respect to Deerfield.

The Corporation and its affiliates operate 17 CCRCs in seven states from corporate offices located in West Des Moines, Iowa and Dallas, Texas. References to the “Communities” herein are to the 11 CCRCs owned and operated by the Corporation that make up the Obligated Group.

Calendar year-end financial information for December 31, 2023 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 (1)	246	28	48	30	70	30	452	2
Abbey Delray South (1)	218	44		28	46		336	4
Beacon Hill (1)	354			26	84		464	5
Claridge Court	125			17	28		170	4
Friendship Village of Bloomington (1)	335	12	42	66		32	487	5
Friendship Village of South Hills (1)	246	18	50	35	54	32	435	3
Harbour's Edge	266			50	4		320	5
Oak Trace (1)(2)	341	16	66	84	20	28	555	5
Querencia	157	10	40	38	4	23	272	5
The Waterford (1)	215	18		30	30		293	5
Village on the Green	204	58	36	40	8	18	364	5
Total	2,707	204	282	444	348	163	4,148	

* The CMS 5-Star ratings are as of April 2024.

Change in units from December 31, 2023

(1) Total independent living apartments have been reduced by 89. Upon management's review of current inventory at all communities, various floorplans were determined obsolete and/or unsellable. Generally, apartments of less than 600 square feet have been deemed unsellable for several communities and have been removed from available inventory. Management is in the process of developing plans for the highest and best use for these units.
(2) As a result of redevelopment efforts at Oak Trace, 140 independent living apartments were added in first quarter 2024.

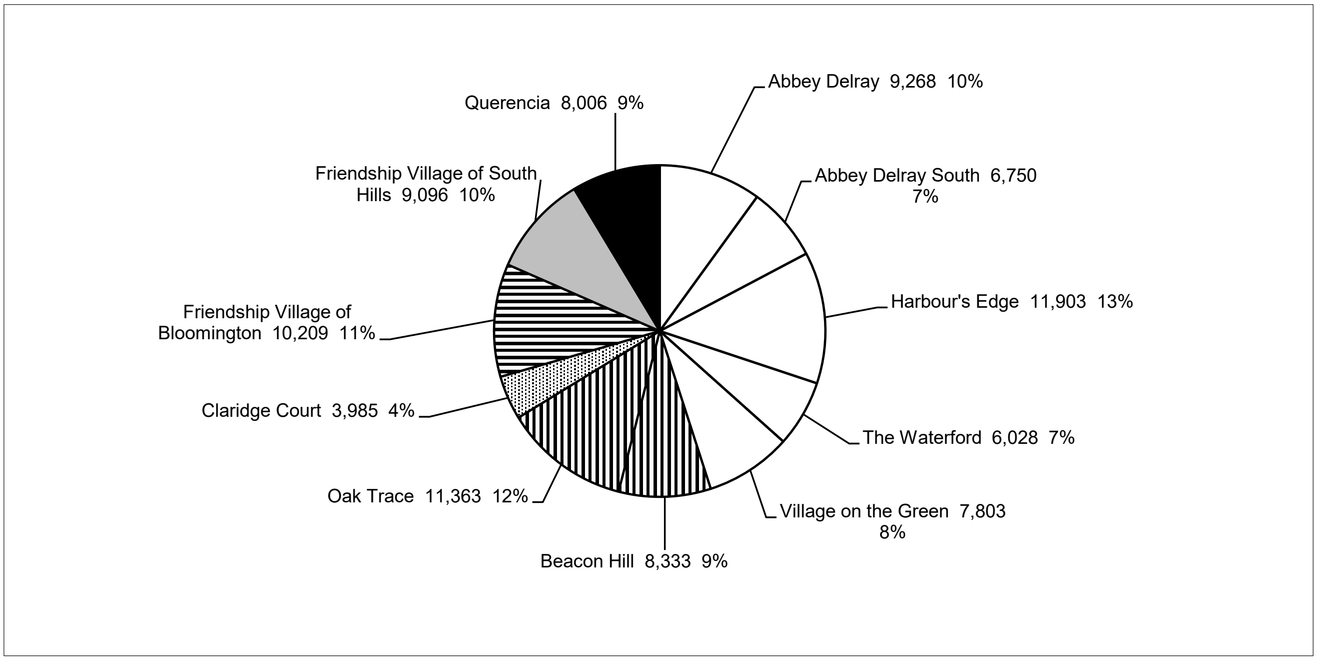
Lifespace Communities, Inc.
Average Occupancy of the Communities

Community	2021				2022				2023				Twelve Months Ended March 31, 2024			
	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, FL (e)	60.1%	92.4%	74.1%	60.6%	58.7%	92.5%	92.1%	77.7%	64.4%	90.6%	93.5%	88.7%	68.4%	89.9%	94.0%	90.3%
Abbey Delray South, FL (e)	66.3%	75.5%	NA	NA	66.8%	90.0%	NA	NA	67.8%	93.8%	NA	NA	68.0%	93.8%	NA	NA
Beacon Hill, IL (e)	87.0%	89.6%	NA	NA	80.7%	87.5%	NA	NA	77.2%	90.4%	NA	NA	78.6%	91.5%	NA	NA
Claridge Court, KS	81.2%	89.3%	NA	NA	84.5%	95.6%	NA	NA	88.6%	92.7%	NA	NA	90.1%	92.7%	NA	NA
Friendship Village of Bloomington, MN (a)(e)	81.2%	79.6%	55.2%	91.6%	77.1%	89.3%	89.5%	93.4%	78.3%	95.5%	93.6%	97.2%	80.9%	95.6%	95.5%	98.1%
Friendship Village of South Hills, PA (e)	81.3%	76.6%	75.4%	90.0%	78.8%	82.1%	94.4%	97.8%	77.8%	87.3%	94.0%	97.8%	79.8%	87.1%	94.6%	96.9%
Grand Lodge, NE (b)	85.2%	NA	85.4%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Harbour's Edge, FL	83.3%	92.3%	NA	NA	89.7%	92.8%	NA	NA	91.8%	92.6%	NA	NA	92.4%	93.1%	NA	NA
Oak Trace, IL (e)(f)	86.2%	93.4%	64.8%	88.1%	84.2%	94.1%	86.7%	97.9%	82.1%	94.6%	96.5%	96.1%	76.6%	94.6%	95.3%	93.6%
Querencia, TX (c)	97.9%	81.3%	96.0%	90.1%	96.3%	95.5%	95.8%	87.8%	98.3%	93.8%	96.0%	87.4%	98.3%	92.9%	96.0%	88.3%
The Waterford, FL (e)	79.5%	83.3%	NA	NA	77.4%	89.2%	NA	NA	81.4%	87.0%	NA	NA	82.3%	83.5%	NA	NA
Village on the Green, FL (d)	72.2%	78.2%	46.2%	72.6%	71.1%	92.7%	95.6%	96.7%	75.5%	93.8%	95.8%	97.8%	76.8%	94.6%	95.0%	95.6%
Obligated Group	78.7%	85.0%	69.7%	82.8%	77.3%	90.5%	91.8%	91.7%	78.9%	91.8%	95.0%	94.2%	79.9%	91.6%	95.0%	94.0%

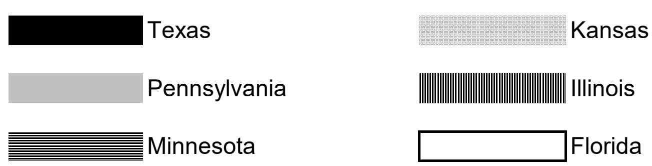
(a) The new assisted living and memory support opened in February 2021. The new apartments opened in July 2021. The new health center opened in June 2022.
(b) Grand Lodge was disposed as of August 1, 2021.
(c) Querencia joined the Lifespace Obligated Group as of August 31, 2021 in conjunction of the Series 2021 financing.
(d) The new assisted living opened in March 2021. The memory support and new independent villas opened in April 2021. The replacement health center opened in May 2021.
(e) The 2023 living units are impacted by the reduction of 80 smaller obsolete units and 89 additional units at January 1, 2024 as mentioned on the Summary of Units Operated per Community page.
(f) Oak Trace opened 140 new independent living units as of January 25, 2024.

	Three months ended March 31, 2023				Three months ended March 31, 2024			
	Living Units	Health Center	ALUs	Memory Support	Living Units (f)	Health Center	ALUs	Memory Support
Abbey Delray, FL	55.7%	96.8%	91.8%	79.3%	81.6%	92.6%	93.3%	85.9%
Abbey Delray South, FL	67.4%	95.8%	NA	NA	69.3%	95.4%	NA	NA
Beacon Hill, IL	77.1%	89.5%	NA	NA	83.3%	93.6%	NA	NA
Claridge Court, KS	87.6%	93.5%	NA	NA	93.7%	87.0%	NA	NA
Friendship Village of Bloomington, MN	77.3%	94.7%	90.3%	94.9%	88.2%	95.7%	97.2%	98.7%
Friendship Village of South Hills, PA	76.9%	86.5%	92.8%	99.3%	85.5%	85.0%	95.5%	95.2%
Harbour's Edge, FL	92.5%	93.4%	NA	NA	94.6%	94.9%	NA	NA
Oak Trace, IL	81.2%	96.3%	98.8%	97.6%	64.5%	96.1%	94.2%	87.4%
Querencia, TX	97.7%	95.6%	97.3%	84.0%	97.8%	91.3%	97.2%	87.5%
The Waterford, FL	76.5%	89.9%	NA	NA	85.0%	74.6%	NA	NA
Village on the Green, FL	73.9%	94.3%	98.6%	98.6%	78.8%	96.9%	96.2%	90.2%
Obligated Group	76.8%	93.1%	95.0%	92.2%	82.6%	91.5%	95.4%	91.2%

Comparative Analysis of Gross Revenues
Three Months Ended March 31, 2024
($ 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 2021	Year-ended 2022	Year-ended 2023	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Lifecare	11.6%	11.7%	12.4%	12.8%	10.7%
Private Pay	24.0%	27.0%	24.8%	25.2%	23.8%
Medicare	48.1%	45.0%	45.1%	46.4%	46.0%
Medicaid	8.5%	6.6%	5.7%	5.7%	5.8%
Other	7.8%	9.7%	12.0%	9.9%	13.7%
Total Patient Mix	100%	100%	100%	100%	100%
Year-To-Date Average Service Units Available	809	792	792	792	792
Year-To-Date Average Occupancy Percentage	85.0%	90.5%	91.8%	93.1%	91.5%

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

	2024	**2023**
Assets		
Current Assets:		
Cash and Cash Equivalents	$18,182	$36,667
Investments	111,404	109,991
Accounts Receivable	33,189	17,863
Inventories	696	701
Prepaid Insurance & Other	6,119	4,984
Assets whose use is limited	101,271	105,536
Total Current Assets	270,861	275,742
Assets whose use is limited	91,374	78,788
Property and equipment, at cost:		
Land and improvements	72,751	72,310
Buildings and improvements	1,384,952	1,243,195
Furniture and equipment	97,036	94,092
	1,554,739	1,409,597
Less accum. deprec.	(654,154)	(600,628)
Net property and equipment	900,585	808,969
Swap Derivative	412	-
Net goodwill	28,111	34,206
Net deferred assets	6,310	3,280
Net intangible assets	7,532	9,002
TOTAL ASSETS	$1,305,185	$1,209,987

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

	2024	2023
Liabilities and net assets		
Current liabilities:		
Accounts payable:		
Trade	$12,248	$14,061
Intercompany	3,739	3,145
	15,987	17,206
Accrued liabilities:		
Employee compensation expense	14,673	13,654
Interest	12,051	9,481
Property taxes	3,575	3,002
Other	2,038	3,702
	32,337	29,839
Entrance fee refunds	4,820	5,414
Reserve for health center refunds	31,426	31,115
Long-term debt due within one year	19,325	10,486
Obligation under cap lease due within one yr	442	480
Total current liabilities	104,337	94,540
Entrance fee deposits	7,904	8,821
Wait list deposits	1,482	1,270
Long-term debt due after one year	793,668	642,657
Settlement payable	51,357	-
Obligation under cap lease due after one year	1,101	1,341
Deferred entrance fees	193,897	180,718
Refundable entrance and membership fees	580,659	550,109
Total liabilities	1,734,405	1,479,456
Net assets without donor restrictions	(429,220)	(269,469)
TOTAL LIABILITIES AND NET ASSETS	$1,305,185	$1,209,987

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

	2024	2023
Revenues		
Independent Living Fees	$43,096	$37,867
Entrance fees earned/cancellation penalties	9,043	8,744
Skilled nursing, assisted living and memory support fees	38,849	34,948
Investment Income	1,754	8,160
Other	-	83
	92,742	89,802
Expenses		
Operating expenses:		
Salaries and benefits	41,364	39,323
General and administrative	21,361	17,703
Plant operations	5,353	4,618
Housekeeping	389	304
Dietary	7,814	6,795
Medical and other resident care	2,602	1,963
Depreciation	13,479	13,404
Amortization	2,556	2,718
Interest	6,859	5,402
(Gain) Loss on disposal of fixed assets	29	(3)
	101,806	92,227
Deficit of revenues over expenses	(9,064)	(2,425)
Contributions to Lifespace Communities, Inc.	(1,001)	(5,047)
Changes in net assets	(10,065)	(7,472)
Net assets at beginning of year	(419,155)	(261,997)
Net assets at end of the period	($429,220)	($269,469)

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

	2024	**2023**
Operating activities		
Changes in unrestricted net assets	($10,065)	($7,472)
Adjustments to reconcile changes in net asset to net cash (used) provided in operating activities:		
Entrance fees earned	(9,043)	(8,744)
Proceeds from nonrefundable entrance fees and deposits	13,774	8,030
Refunds of entrance fees	(1,408)	(93)
Depreciation and Amortization	16,035	16,122
Amortization of Financing Costs	178	154
Net accretion of original issue premium/discounts	(460)	(489)
Change in unrealized appreciation of investments	2,416	(4,632)
Net sales (purchases) of trading investments	(15,931)	29,744
Contributions to Lifespace Communities, Inc.	1,001	5,047
Loss (gain) on disposal of property and equipment	29	(3)
Change in wait lists and deposits	(1,782)	1,752
Changes in operating assets and liabilities:		
Accounts receivables, inventories, and prepaid insurance and other	(1,901)	(1,664)
Accounts payables and accrued liabilities	(14,775)	(10,480)
Net cash (used) provided in operating activities	(21,932)	27,272
Investing activities		
Purchases of property and equipment	(16,472)	(22,917)
Financing activities		
Payments for settlement	(11,470)	-
Proceeds from new financing	19,331	-
Contributions to Lifespace Communities, Inc.	(1,001)	(5,047)
Payments on Finance Leases	(29)	(64)
Proceeds from refundable entrance fees and deposits	27,772	11,771
Refunds of entrance fees	(15,423)	(12,486)
Net cash provided (used) in financing activities	19,180	(5,826)
Net change in cash and cash equivalents	(19,224)	(1,471)
Cash and cash equivalents at beginning of year	37,406	38,138
Cash and cash equivalents at end of period	$18,182	$36,667

Three Months Ended March 31, 2024 versus Three Months Ended March 31, 2023:

The average year-to-date independent living occupancy through March 31, 2024, was 2,376 independent living homes (82.6% of the 2,874 average available homes). The average year-to-date occupancy through March 31, 2023 was 2,280 independent living homes (76.8% of the 2,968 average available homes). The decrease in average available homes from March 31, 2023 to the same period in 2024 is due to seven communities that took smaller obsolete apartments out of inventory and three communities that combined smaller apartments which were offset by the new independent living units at Oak Trace.

Revenues from independent living monthly fees and related charges amounted to $43,096,000 in 2024, a 13.8% increase over the $37,867,000 from the same revenue sources in 2023. The increase is due mainly to occupancy, monthly fee increases, rental income and processing fees. Independent living year-to-date occupancy increased from 2,280 through March 31, 2023 to 2,376 through March 31, 2024. Monthly fees increased in a range of 5.5% to 9.0%. Some community's increases were effective January 1, 2024 while others were effective February 1, 2024. One community began selling a rental contract in July 2023. Processing fees are higher due to more year-to-date closings in 2024 of 133 versus 2023 of 53. In addition, one community began recording processing fees according to the new residency agreement in fourth quarter of 2023.

Revenues from the health center, assisted living, and memory support fees were $38,849,000 in 2024 compared to $34,948,000 in 2023, an increase of 11.2%. This increase is due mainly to the monthly fee increase. Some communities had monthly fee increases of 7.0% effective December 1, 2023 while the Florida communities had monthly fee increases of 9.0% effective January 1, 2024.

As of December 31, 2023, the Obligated Group received a total of $83,000 in COVID relief related funding. The Obligated Group received $48,000 in stimulus funds from third party payors that is in accordance with their contract with Commonwealth of Pennsylvania's Department of Human Services and $35,000 from the State of Kansas's Department for Aging and Disability Services.

Total operating expenses, excluding depreciation, amortization, interest expense, and loss on disposal of property were $78,883,000 in 2024, an increase of $8,177,000 or 11.6% from comparable expenses of $70,706,000 in 2023. Salaries and benefits increased $2,041,000 or 5.2% due primarily to merit increases effective January 1, 2024 and filled positions that were vacant in the prior period. General and administrative expense increased $3,658,000 or 20.7% due primarily to consulting/outsourcing services, property and liability insurance, digital marketing, resident relations, application software and licenses, network, data center and internet access, damage claims paid and bad debt expense. Plant operations increased $735,000 or 15.9% due primarily to repairs and maintenance, utilities and garbage/hazardous waste disposal. Dietary costs increased $1,019,000 or 15.0% due primarily to inflation and occupancy. Medical and other resident care expenses increased $639,000 or 32.6%, due primarily to agency costs and transportation.

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

Three Months Ended March 31, 2024 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	$43,096	$41,789	$1,307
Skilled nursing, assisted living and memory support fees	38,849	36,210	2,639
	81,945	77,999	3,946
Expenses			
Operating expenses:			
Salaries and benefits	41,364	42,422	1,058
General and administrative	21,361	21,509	148
Plant operations	5,353	5,187	(166)
Housekeeping	389	368	(21)
Dietary	7,814	7,963	149
Medical and other resident care	2,602	1,475	(1,127)
	78,883	78,924	41
Net operating margin	3,062	(925)	3,987
Net entrance fees, including initial entrance fees	24,715	23,659	1,056
Capital expenditures, financed with bond proceeds	4,945	20,587	15,642
Capital expenditures, routine and community projects	11,527	9,314	(2,213)

Net operating margin is favorable to budget by $3,987,000.

Independent living fees are favorable to budget by $1,307,000, which is related to occupancy, processing fees and less apartment hardship discounts. The year to date average occupancy budgeted for the three months ended March 31, 2024 was 79.2% while actual was 82.6%. Processing fees are favorable due to more closings than budgeted. The budget for the three months ended March 31, 2024 had 94 closings compared to the actual closings of 133.

Skilled nursing, assisted living and memory support fees are favorable to budget by $2,639,000 due primarily to higher occupancy than budgeted in the health center and assisted living. The health center budgeted an average year to date occupancy of 89.8% and has actual occupancy of 91.5%. Assisted Living budgeted an average year to date occupancy of 93.3% and has actual occupancy of 95.4%.

Salaries and benefits are $1,058,000, or 2.5%, 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.

Medical and other resident care expense is unfavorable to budget by $1,127,000, or 76.4%, due primarily to agency costs that were not budgeted and transportation.

Net entrance fees are favorable to budget by $1,056,000. As mentioned earlier, the budget for the three months ended March 31, 2024 had 94 closings compared to the actual closings of 133. In addition, one community started selling rental contracts in July 2023. There are no entrance fees associated with the rental contracts. The chart below represents how many closings received entrance fees when comparing actual and budget.

Year-to-date March 31, 2024	Actual	Budget
Total Closings	133	94
Rental Closings	(43)	(26)
Entrance Fee Closings	90	68

Capital expenditures financed with bond proceeds are approximately $15,642,000 less than budgeted. Approximately $2,213,000 more was spent on routine capital expenditures than budgeted. These are the result of timing.

Ratios:

The Net Operating Margin Ratio increased from 3.0% at March 31, 2023 to 3.7% at March 31, 2024. The Net Operating Margin, Adjusted Ratio decreased from 10.0% at March 31, 2023 to 6.8% at March 31, 2024. The annual debt service coverage ratio decreased from 1.4 at March 31, 2023 to 0.9 at March 31, 2024. The Net Operating Margin, Adjusted and the Debt Service Coverage Ratio are impacted by the decrease in net entrance fees excluding the initial entrance fees. In addition, the annual debt service has increased when comparing March periods due to funded interest funds being used and new debt in 2023. Further details on net entrance fees are stated in the Liquidity and Capital Requirements section below.

Investment income decreased when comparing the three months ended March 31, 2024 to the same period in 2023. Excluding the unrealized gain/loss, investment income represents an increase of $642,000, which impacts the debt service coverage ratio in a positive manner. The following chart shows the components of investment income in thousands of dollars.

	March 31, 2024	March 31, 2023
Interest and Dividend Income	$2,333	$2,652
Realized Gain/(Loss)	1,837	876
Unrealized Gain/(Loss)	(2,416)	4,632
Total	$1,754	$8,160

The Adjusted Debt to Capitalization increased from 115.7% at March 31, 2023 to 140.7% at March 31, 2024.

Liquidity and Capital Requirements – Three Months Ended March 31, 2024 versus Three Months Ended March 31, 2023:

Cash proceeds from entrance fees and deposits (refundable and non-refundable), net of refunds and including initial entrance fees, were $24,715,000 for the three months ended March 31, 2024 compared to $7,222,000 for the same period in 2023. The number of entrance fee move-ins was 133 in the three months ended March 31, 2024 compared to 60 in the three months ended March 31, 2023. One community started to offer rental contracts in July 2023. The rental contracts do not require an entrance fee. There were 43 rental contracts sold in the three months ended March 31, 2024. In addition, there were initial entrance fees at three communities of $22,008,000 (40 closings) in the three months ended March 31, 2024 and $1,518,000 (3 closings) in the three months ended March 31, 2023.

Daily operating expenses for 2024 increased to $940,000 from $841,000 in 2023, an increase of 11.7%. The overall unrestricted cash position decreased from $180,358,000 at March 31, 2023 to $167,986,000 at March 31, 2024, a change of 6.9%. The Days Cash on Hand Ratio decreased from 214 days at March 31, 2023 to 179 days at March 31, 2024.

Capital expenditures for the communities for the three months ended March 31, 2024 were $16,472,000, while depreciation expense for the same period was $13,479,000. The remaining redevelopment projects mentioned below account for $2,575,000 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 $2,370,000 for the three months ended March 31, 2024. Capital expenditures for the communities for the three months ended March 31, 2023 were $22,917,000, while depreciation expense for the same period was $13,404,000. As stated below, the redevelopment projects account for $9,655,000 of this year-to-date 2023 expenditure balance. In addition, various community projects were funded by the Series 2018, 2019, 2021 and 2022 financing in the amount of $3,028,000 for the three months ended March 31, 2023.

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, 2023 is 226% which is higher than the range as a result of the redevelopment projects. The redevelopment projects are mostly funded with long-term debt and internal cash. Routine capital projects are expected to be funded from internal cash flows.

On November 16, 2022, Lifespace Communities completed a privately placed tax-exempt bond financing that will support The Waterford's redevelopment construction project and smaller projects at the other four Florida communities of Abby Delray, Abbey Delray South, Harbour's Edge and Village on the Green. Lifespace received proceeds from issuing $85.0 million of Series

2022 bonds. The proceeds from these bonds will pay redevelopment costs of $54.1 million at The Waterford, fund cost of issuance of $0.8 million and funded interest of $3.7 million. In addition, several Florida communities received proceeds of $26.4 million to assist with community projects.

On December 8, 2023, Lifespace Communities successfully completed a tax-exempt bond financing of Series 2023B (non-Florida) and 2023C (Florida). Lifespace received proceeds from issuing $112 million. The bonds sold at a discount generating $110.0 million of proceeds. The proceeds from these bonds will pay costs at Harbour's Edge for the assisted living and memory care building of $18.9 million, fund specific large community projects in the 2024 budget of $9.3 million, reimburse previous expended capital expenditures of $19.2 million and refinance the Series 2023A bonds of $52.5 million. The remainder of funds were funding issuance costs, the debt service reserve and capitalized interest.

Lifespace has secured a revolving 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, 2024, the outstanding line of credit is $9.4 million.

Two communities are in the process of significant construction at March 31, 2024. Both communities are using proceeds from the Series 2021 and 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 listed above, that the scope will not be materially altered or that additional Communities will not be added.

On September 13, 2022, Fitch affirmed its rating for the outstanding revenue bonds of Lifespace at 'BBB' with a stable outlook. On February 9, 2023, Fitch issued a press release stating Lifespace Communities, Inc. has been placed on Rating Watch Negative. On August 4, 2023, Fitch issued a press release removing the Credit Watch designation, affirming its rating for the outstanding revenue bond of Lifespace at 'BBB', while changing its outlook from stable to negative. This rating was reaffirmed in December 2023.

In conjunction with the acquisition of The Stayton in June 2019, Lifespace provided a Liquidity Support Agreement ("LSA") to the Stayton trustee. Pursuant to the LSA, Lifespace made a deposit of $3,000,000 to be held by the Stayton trustee in a liquidity support account. This was funded from sources other than the Obligated Group. Lifespace has an unfunded commitment in the amount of up to $3,000,000 which may be drawn upon in accordance with the LSA. This $3,000,000 would likely come from the Obligated Group. In October 2022, the Obligated Group funded The Stayton with $600,000 as part of the unfunded commitment amount in the LSA. On January 13, 2023, the BOKF, N.A. and The Stayton entered into a Forbearance Agreement. In conjunction with the Forbearance Agreement, BOKF, N.A., The Stayton, and Lifespace entered into the First Amendment to Liquidity Support Agreement. Pursuant to the First Amendment to Liquidity Support Agreement, the Trustee shall be permitted to withdraw up to $900,000 previously deposited by Lifespace and held by the Trustee in the Liquidity Support Account to pay fees and expenses of the Trustee’s counsel and advisors. The $900,000 withdrawal occurred in January 2023 from the funded LSA. No other substantive changes were made to the Liquidity Support Agreement. In April 2023, the Obligated Group funded The Stayton with an additional $1,000,000 as part of the unfunded commitment amount in the LSA. In October 2023, the Obligated Group funded The Stayton with the last of the unfunded commitment of $1,400,000. In December 2023, The Stayton drew from the funded commitment for $1,300,000 which has no impact on the Obligated Group.

In conjunction with the acquisition of Newcastle Place on July 1, 2021, Lifespace made an $8,000,000 equity contribution and provided a Liquidity Support Agreement for the Newcastle Place long-term indebtedness which is currently outstanding in the aggregate principal amount of approximately $5,000,000. At March 31, 2024 the Liquidity Support Agreement remains unfunded. Lifespace also holds approximately $8,000,000 million of subordinated bonds issued by Newcastle Place.

As stated within the EMMA notice filed July 28, 2022, effective July 19, 2022, an unfunded Liquidity Support Agreement has been entered into between Lifespace and UMB Bank, National Association (the “Bond Trustee”), as trustee under the Bond Trust Indenture dated as of July 1, 2022 between Tarrant County Cultural Education Facilities Finance Corporation (the “issuer”) and the Bond Trustee related to Senior Series 2022 Bonds. The Liquidity Support Agreement provides for an aggregate maximum support amount of $7,412,300. At March 31, 2024 the Liquidity Support Agreement remains unfunded.

As stated within the EMMA notice filed January 9, 2023, Lifespace has agreed to provide certain limited financial support relative to the plan of reorganization contained within the Third Amended Disclosure Statement filed in December 2022 by Edgemere (collectively the “Plan”), pending final confirmation of the Bankruptcy Court. Specifically, the Plan provides for a settlement of all potential Estate, Trustee, DIP Lender and Resident claims against Lifespace in exchange for (a) a $16.5 million payment to the Trustee on the Effective Date for Distribution to holders of the Original Bonds, pursuant to the terms of the Original Bond Documents (the “Lifespace Bond Contribution”), and (b) subject to certain conditions, annual payments (the “Lifespace Resident Contributions”) made into a trust, pursuant to the schedule attached to the Third Amended Disclosure Statement, which funds shall be used to pay participating Residents for claims relating to their Residency Agreements. The anticipated Lifespace Resident Contributions will be paid over approximately 19 years in an aggregate amount of approximately $143,000,000, subject to certain contribution deferral provisions. In exchange for the Lifespace Resident Contributions and the releases provided under the Plan, Lifespace will be entitled to a Pro Rata distribution of Litigation Trust Assets, in accordance with the terms of the Plan and the Litigation Trust Agreement. The Lifespace Bond Contribution and Lifespace Resident Contributions are collectively referred to as the “Lifespace Contribution”.

On February 10, 2023, Lifespace posted an event notice on EMMA as notification of the incurrence of a financial obligation. In conjunction with the Member Substitution Agreement of GreenFields of Geneva, Lifespace has provided financial support and entered into unfunded Liquidity Support Agreements.

On May 25, 2023, the Iowa Finance Authority (the *"Authority"*) issued its Revenue Bonds (Lifespace Communities, Inc.), Series 2023A in the original principal amount of $52,500,000 (the *"Series 2023A Bonds"*), pursuant to a Bond Trust Indenture (the *"Bond Indenture"*) dated as of May 1, 2023, between the Authority and U.S. Bank Trust Company, National Association, as bond trustee.

Lifespace also issued its Lifespace Communities, Inc. Master Indenture Note, Series 2023A (the *"Note"*), in the principal amount of $52,500,000, under the Master Trust Indenture dated as of November 1, 2010, as supplemented and amended and Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, (*"Supplemental Master Indenture No. 13"*) (said Master Trust Indenture, together with said Supplemental Master Indenture No. 13 and all other amendments and supplements thereto, being referred to herein collectively as the *"Master Indenture"*).

The Series 2023A Bonds are also secured by the Barton Creek Senior Living Center, Inc. Series 2021 Obligation, issued by Barton Creek Senior Living Center, Inc., a Texas nonprofit corporation (*"Querencia"*), pursuant to the Master Trust Indenture, Deed of Trust and Security Agreement dated as of October 1, 2015, between Querencia and U.S. Bank Trust Company, National Association (the *"Querencia Master Trustee"*), and Supplemental Indenture Number 4 (*"Querencia Supplemental Indenture Number 4"*) between Querencia and the Querencia `Master Trustee (said Master Trust Indenture, Deed of Trust and Security Agreement, together with said Supplemental Indenture Number 4 and all other amendments and supplements thereto, being referred to herein collectively as the *"Querencia Master Indenture"*).

The proceeds of the Series 2023A Bonds were loaned by the Authority to Lifespace pursuant to a Loan Agreement dated as of May 1, 2023 (the *"Loan Agreement"*), to provide a portion of the funds necessary (a) to fund, pursuant to the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the *"Plan"*) filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division case *In re: Northwest Senior Housing Corporation, et al.*, in settlement of any potential claims against the Corporation relating to its affiliation with Northwest Senior Housing Corporation d/b/a Edgemere (*"Edgemere"*), a Texas nonprofit corporation, and Senior Quality Lifestyle Corporation, a Texas nonprofit corporation, and in exchange for full releases and exculpation provided under the Plan: (i) initial payments to a residents trust and (ii) a bond settlement contribution payment to UMB Bank, N.A., as successor bond trustee under certain bond trust indentures relating to Edgemere and (b) to pay certain costs associated with the issuance of the Bonds, all as more fully defined and described hereinafter and in the Loan Agreement.

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 $)

	Three Months Ended March 31 (Unaudited)		Year Ended December 31 (Audited)		
Historical Debt Service Coverage	**2024**	**2023**	**2023**	**2022**	**2021**
Excess (deficit) of revenues over expenses	(9,064)	(2,425)	(158,154)	(85,519)	(32,081)
Less:					
Entrance fees earned	(9,043)	(8,744)	(35,349)	(33,522)	(29,802)
Initial redevelopment entrance fee and/or redevelopment deposits	(22,008)	(1,518)	(8,291)	(19,475)	(41,862)
Add:					
Depreciation	13,479	13,404	54,796	54,553	52,224
Amortization	2,556	2,718	12,085	12,427	12,225
Interest Expense	6,859	5,402	21,932	18,816	17,468
Expenses paid by long-term debt issuances	234	396	1,509	1,234	1,719
Unrealized (gain) loss on securities	2,416	(4,632)	(13,795)	27,006	(14,953)
Gain on Derivatives	-	-	(412)	-	-
Realized (gain) loss on sale of assets	29	(3)	(370)	5	12
Loss on extinguishment of debt	-	-	2,062	-	214
Loss on settlement	-	-	131,778	-	-
Entrance fee proceeds (less refunds)	24,715	7,222	58,816	81,567	96,292
Income available for debt service	10,173	11,820	66,607	57,092	61,456
Annual debt service payment	43,936	33,114	33,114	27,717	27,213
Annual debt service coverage (b)(c)(d)	0.9	1.4	2.0	2.1	2.3
Maximum annual debt service payment	50,067	50,067	50,067	40,586	34,748
Maximum annual debt service coverage (d)	0.8	0.9	1.3	1.4	1.8
Cash to Debt					
Unrestricted cash and investments (a)	167,955	180,358	184,769	189,702	214,073
Debt service reserve fund	39,036	32,062	39,266	32,359	34,245
	206,991	212,420	224,035	222,061	248,318
Bonds outstanding long-term	793,668	642,657	774,618	642,993	567,332
Annual debt service	43,936	33,114	33,114	27,717	27,213
Maximum annual debt service	50,067	50,067	50,067	40,586	34,748
Ratio of total unrestricted cash & investments with debt service reserve to bonds outstanding	0.3	0.3	0.3	0.3	0.4
Ratio of total unrestricted cash & investments with debt service reserve to annual debt service	4.7	6.4	6.8	8.0	9.1
Ratio of total unrestricted cash & investments with debt service reserve to maximum annual debt service	4.1	4.2	4.5	5.5	7.1
Department operating expenses (excluding expenses paid by long-term debt issuances) plus interest	85,508	75,712	312,291	295,938	259,866
Daily expenses	940	841	856	811	712
Days of unrestricted cash & investments on hand (b)(c)(d)	179	214	216	234	301
Other Ratios					
Net operating margin (c)(d)	3.7%	3.0%	1.3%	-3.3%	0.8%
Net operating margin, adjusted (c)(d)	6.8%	10.0%	15.7%	16.1%	18.8%
Adjusted debt to capitalization (c)(d)	140.7%	115.7%	140.5%	113.7%	98.2%

(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%.