DISCLOSURE STATEMENT

UNDER PENNSYLVANIA ACT 82

October 31, 2026

Landis Homes

1001 E. Oregon Rd
Lititz PA 17543-9206
(717) 569-3271

NOTE: Issuance of a Certificate of Authority by the Pennsylvania Insurance Department does not constitute approval, recommendation or endorsement of Landis Homes Retirement Community by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this disclosure statement.

Table of Contents

Page

Information Summary 2
1. Facilities 2
2. Licensed Provider 2
3. Admissions 2
4. Facility Description 2
5. Minimum Age for Admission 2
6. Affiliates 2
7. Current Resident Population 3
8. Sample Fees for a One Bedroom Unit for Single or Double Occupancy 3
9. Loan Agreements 3

Responses to Section 7 of PA Act 82 4
1. Address 4
2. Board of Directors 4
3. Board Member Information 4
4. Affiliation 5
5. Facility Description 5
6. List of Services 6
7. Fees 7
8. Reserves 7
9. Budgeted Income Statement vs. Actual with the Pro Forma Income Statement 8

Attachment I – Resident Fee Schedules

Attachment II - Audited Financial Statement

Attachment III - Resident Continuing Care Agreements with Notice of Right to Terminate the Agreement

RESIDENT DISCLOSURE STATEMENT
(Section 151.7 of Regulations)

1) Facilities:

Landis Homes Retirement Community
1001 Oregon Road,
Lititz, PA 17543

2) Licensed Provider:

Landis Homes Retirement Community
1001 Oregon Road,
Lititz, PA 17543

3) Admissions:

Sarah L. Short
Director of Residency Planning
Landis Homes
1001 E. Oregon Road, Lititz, PA 17543
(717) 381-3549
sshort@landishomes.org

4) Facility Description:

Landis Homes is located on a 114-acre campus, surrounded by farmland, 8 miles north of Lancaster, Pennsylvania.

Licensed nursing care and personal care is provided in households located in one and two-story buildings. Residential living includes single-level cottage homes, apartments in one, two and three-story buildings and hybrid-style homes. Hybrid-style homes combine the features of cottage homes (multiple outside walls, garages, no corridors) with those of apartment living (indoor access to common areas, a shared community room).

5) Minimum Age for Admission:

The minimum age is 62. Exceptions may be made for those seeking admission to Heritage Memory Support and for short-term admissions to the skilled nursing area.

6) Affiliation with Other Organizations, Including Religious Organizations:

Landis Homes is affiliated with Landis Communities, which is a conference-related ministry with ties to LMC (previously known as Lancaster Mennonite Conference) and Atlantic Coast Conference of Mennonite Church USA. Landis Communities appoints members to the Board of Directors of Landis Homes. Neither LMC nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

7) Resident Population:

As of June 30, 2026, there were 689 residents in the residential living area, 88 residents living in personal care, and 99 living in skilled nursing at Landis Homes, for a total of 876 residents.

8) Sample Fees:

Sample Fees for a One Bedroom Residential Living Cottage.

		Single	Double
Entrance Fee: $138,000	Monthly fees:	$1,453	$1,721

9) Loan Agreements:

The details of Landis Homes loan agreements may be found on pages 19 through 22 of the audited financial statements, which are attached to the back of the disclosure statement.

Responses to Section 7 of Pennsylvania Act 82 of June 18, 1984.

The numbers below correspond to the paragraphs of Section 7(a) which list the requirements for this disclosure statement.

1) The Provider:

Landis Homes, not-for-profit Pennsylvania Corporation
1001 E. Oregon Road
Lititz, PA 17543

2) Board of Directors:

No officer, trustee, nor any other person had any equity or beneficial interest in the provider.

Glen Moffett, 1001 E. Oregon Road, Lititz, PA 17543
Gerry Horst, 1001 E. Oregon Road, Lititz, PA 17543
Lisa Clark, 1001 E. Oregon Road, Lititz, PA 17543
Kenneth Moore, 1001 E. Oregon Road, Lititz, PA 17543
Mim Book, 1001 E Oregon Rd, Lititz PA 17543
Bill Davis, 1001 E. Oregon Road, Lititz, PA 17543
Sherwood Lingenfelter, 1001 E. Oregon Road, Lititz, PA 17543
George Stoltfus, 1001 E. Oregon Road, Lititz, PA 17543

3) Further Information Concerning Landis Homes as the Provider Agency and its Board of Directors.

This item requires a listing of the following information for those named in item 2:

(A) A description of the business experience of such persons, if any, in the operation or management of facilities similar to Landis Homes:

The Board of Directors consists of individuals that possess a wide variety of experience in the business community, with some members having specific experience in the healthcare and service-oriented sectors.

(B) The name and address of any entity in which such person has a 10% or greater interest and which it is presently intended will or may provide goods, leases, or services to the facility of a value of $500 or more within any year:

None

(C) Description of certain types of criminal, civil or administrative charges convictions, injunctions, or suspensions of licenses:

None

4) Affiliation of the Provider with a Religious Organization

Landis Homes is affiliated with Landis Communities, which is a conference related ministry with ties to LMC (previously known as Lancaster Mennonite Conference) and Atlantic Coast Conference of Mennonite Church USA. Landis Communities appoints members to the Board of Directors of Landis Homes. Neither LMC nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

A Board of Directors of not less than six or more than twelve members governs Landis Homes. The Landis Communities Board of Directors shall appoint up to nine directors for terms of three years (unless a shorter term is designated by the Landis Homes Board of Directors at appointment). The Landis Homes Board of Directors may recommend nominees. The Landis Communities Board of Directors may appoint up to three directors for terms of one year.

Neither the Lancaster Mennonite Conference nor the Atlantic Coast Conference of Mennonite Church USA or any other group other than Landis Homes is responsible for the financial and contractual obligations of the Facility.

Landis Homes is exempt from the payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code.

5) Facility Description

Landis Homes is located on a 114-acre campus, surrounded by farmland, 8 miles north of Lancaster, Pennsylvania.

Licensed nursing care and personal care is provided in households located in one and two-story buildings. Residential living includes single-level cottage homes, apartments in one, two and three-story buildings and hybrid-style homes. Hybrid-style homes combine the features of cottage homes (multiple outside walls, garages, no corridors) with those of apartment living (indoor access to common areas, a shared community room).

6) List of Services

Included in the basic contract for Residential Living

- Utilities, including cable TV and Wi-Fi (telephone services not included)
- Real estate taxes
- Maintenance of building and appliances
- Grounds maintenance
- Scheduled shopping trips
- Pastoral care
- Social and recreational activities
- 24-hour emergency response
- Priority access to healthcare and personal care
- Social services
- Use of all indoor and outdoor common social and recreational facilities
- Security services 24 hours a day
- Three meals per day*
- Laundry*
- Housekeeping services*
- Medical/emergency call system*
- Upgraded Cable TV service
- Internet service

Available at extra cost for Residential Living

- Meals, guest meals, catering
- Personal laundry or dry cleaning
- Housekeeping services
- Beautician and barber services
- Repairs of personal property

Available at extra cost for all residents

- Telephone service

*Included in basic contract only for residents of Residential Suites, however, residents may opt out of laundry and housekeeping services and receive a discounted rate.

7) Fees:

See Attachment I for a listing of entrance and monthly fees.

Rate Changes:

Daily and monthly fees and fees for services not included in the basic agreement are reviewed and adjusted from time to time based on factors, which include but are not limited to: changes in the Consumer Price Index, operating experience, governmental regulations, property taxes, maintenance of reserve funds, and to insure the financial stability of Landis Homes. Under ordinary circumstances, these adjustments are announced annually by May 1 where required by regulation, and by June 1 otherwise, and are effective for July 1. Changes in rates may also occur due to single versus double occupancy.

Fee Increases:

For a single occupant in a one-bedroom apartment at Landis Homes, the most recent monthly fees and fee increases for a sample unit are:

Effective Date	Monthly Fee	Increase Amount	Increase Percent
July 1, 2026	$1,625	$62	4.0%
July 1, 2025	$1,563	$67	4.5%
July 1, 2024	$1,496	$90	4.9%
July 1, 2023	$1,426	$104	8.0%
July 1, 2022	$1,322	$74	5.9%
July 1, 2021	$1,248	$48	4.0%
July 1, 2020	$1,200	$46	4.0%

8) Reserves

A reserve fund in the amount of $4,639,600 is established as required by Pennsylvania law (Section 9 of Act 1984-82). This amount is the greater of Landis Homes' annual debt payments or 10% of the budget operating expenditures, with the debt payments comprising the larger of the two. The calculation of this reserve is shown on page 18 of the attached consolidated financial statements.

9) Income Statement – ACTUAL to BUDGET for 2026 and Pro Forma for 2027

Landis Homes Income Statement				
Rounded in $1,000s	June 30, 2026			June 30, 2027
	Actual	Budgeted	Favorable (Unfavorable) Variance	Budgeted
Operating Revenue				
Net Resident Service Revenues	53,094	52,919	175	59,010
Other Revenues	3,396	3,450	(53)	3,549
Net Assets Released From Restriction	1,039	900	139	900
Unrestricted Contributions and Bequests	134	0	134	0
Interest and dividend income	1,859	1,211	649	1,611
Unrestricted Revenues	59,523	58,480	261	65,070
Operating Expenses				
Resident Services	18,344	18,668	324	19,547
Dining services	6,357	6,586	229	6,906
Campus services, housekeeping, and laundry	2,743	2,902	158	2,964
Outcome Mgmt, pastoral services, and life enrichment	2,180	2,272	92	2,467
Plant operations	6,599	6,349	(250)	7,452
General and administrative	9,690	9,115	(574)	10,506
Depreciation	8,055	7,915	(140)	9,300
Interest	4,270	3,926	(344)	5,025
Expenses	58,237	57,733	(504)	64,167
OPERATING INCOME (LOSS)	**1,285**	**747**	**(243)**	**903**
Other Income (Loss):				
Net Realized Gain (Loss) on Sales of Investments	4,482	600	3,882	600
Net Unrealized Gain (Loss) on Investments	4,614	1,200	3,414	1,200
Loss on Extinguishment of Debt	0	0	0	0
Loss on Disposal of Property & Equipment	(68)	0	(68)	0
other income (loss), net	9,029	1,800	7,229	1,800
Revenues in Excess of (Less Than) Expenses	**10,314**	**2,547**	**6,986**	**2,703**
Donor-Restricted Contributions Used for Purchase of Property and Equipment	220	0	220	0
Transfers (To) From Affiliate	(308)	(308)	0	(0)
Increase (Decrease) In Unrestricted Net Assets	**10,226**	**2,239**	**7,206**	**2,703**

Notes to the actual to budget presentation for the 2025/2026 year and the 2026/2027 budget.

Landis Homes finished fiscal year 2025/2026 well ahead of budget. Strong investment income accounted for most of the favorable budget variances.

The Gardens project was completed in phases throughout the year. Its impact on revenue and expenses was not included in the budget because the completion timing was uncertain. The remaining budget variances were primarily attributable to the completion of the Gardens project.

Fiscal year 2026/2027 is expected to be a relatively normal year of operations for Landis Homes. The Gardens project and Meadows Phase 1 project will be in service for most of the year.

Current Year Audit Presentation

The audited financial statements are included in this disclosure statement as attachment II. Pages 28 through 33 include the balance sheet and income statement for Landis Homes, along with the affiliates.

Resident Agreement Attachment III

The applicable statement(s) below should be checked:

__X__ A Landis Homes Resident Agreement is attached.

_____ No Resident Agreement is attached because:

_____ This disclosure statement is being provided to a person who is already a resident of Landis Homes.

This disclosure statement is being provided to a person who has already received a copy of a previous disclosure statement with a copy of the Resident Agreement attached, and the Agreement has not been changed since.

This disclosure statement is being provided to a person who is not currently making application to Landis Homes and is not making a deposit or payment to Landis Homes with such on application.

Attachment I

Landis Homes Rate Schedules

Landis Homes
Enriching Lives, Together

Resident Rates
Effective July 1, 2026

All Listed Rates Are Daily And Per Person

Residential Suites:	Rate No Advance Fee
Standard	$ 127.00
Large, occupied by two persons (per person)	115.00
Large, occupied by single person	185.00
Apartment, occupied by two persons (per person)	125.00
Apartment, occupied by single person	206.00

Personal Care Suites:	Base	Intermediate	Enhanced
Standard	$ 329.00	Base + $44 (Rate $373)	Base + $88 (Rate $417)
Large, occupied by two persons (per person)	$ 312.00	Base + $44 (Rate $356)	Base + $88 (Rate $400)
Large, occupied by single person	445.00	Base + $44 (Rate $489)	Base + $88 (Rate $533)
Apartment, occupied by two persons (per person)	$ 322.00	Base + $44 (Rate $366)	Base + $88 (Rate $410)
Apartment, occupied by single person	466.00	Base + $44 (Rate $510)	Base + $88 (Rate $554)

Personal Care Suites, Memory Support:	Base	Intermediate	Enhanced
Standard	$ 483.00	$ 503.00	$ 523.00

Respite Rates - Additional $20

Health Care:	Regular	Memory Support
Private Room	$ 698.00	$ 720.00
Private Room With Shared Bath	671.00	693.00

Apartment Fees

Effective July 1, 2026

		# of Homes	Square Feet	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
Grandview, 1 BR	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	13	520	$106,000	$132,500	$180,200	$1,361	$1,629
Homeview, 1 BR	22	1	510	$106,000	$132,500	$180,200	$1,361	$1,629
Kirkview, Studio	3, 4, 10, 11	4	357	$63,000	$78,750	$107,100	$1,140	$1,408
1 BR	5, 6, 7, 8, 9	5	532	$109,000	$136,250	$185,300	$1,370	$1,638
2 BR	1, 2, 12, 13	4	700	$144,000	$180,000	$244,800	$1,518	$1,786
Westview, Studio	121, 126, 127, 128, 221, 228	6	374	$66,000	$82,500	$112,200	$1,154	$1,422
1 BR	115, 215	2	520	$106,000	$132,500	$180,200	$1,361	$1,629
1 BR	118, 120, 122, 123, 124, 125, 218, 220, 222, 223, 224, 225	12	572	$118,000	$147,500	$200,600	$1,402	$1,670
1 BR	205	1	614	$138,000	$172,500	$234,600	$1,446	$1,714
1 BR, 1 1/2 Bath	113, 213	2	732	$154,000	$192,500	$261,800	$1,491	$1,759
1 BR, 1 1/2 Bath	226	1	748	$160,000	$200,000	$272,000	$1,527	$1,795
2 BR, 1 1/2 Bath	106, 202, 207	3	780	$166,000	$207,500	$282,200	$1,586	$1,854
2 BR	117, 119, 217, 219	4	792	$167,000	$208,750	$283,900	$1,613	$1,881
2 BR, 2 Bath	102, 110, 210	3	1,066	$239,000	$298,750	$406,300	$2,052	$2,287
Harvest View Studio A	11, 12, 22, 111, 112, 118, 120, 123, 129, 130, 211, 212, 218, 223, 229, 230	16	436	$90,000	$112,500	$153,000	$1,426	$1,684
Studio B	15, 20, 115, 126, 215, 226	6	611	$131,000	$163,750	$222,700	$1,578	$1,836
1 BR, Ground	3, 4, 5, 7, 8, 9, 10, 16, 17, 18, 19, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 116, 121, 125	25	639	$154,000	$192,500	$261,800	$1,625	$1,883
1 BR, Balcony	105, 107, 119, 122, 133, 135, 139, 140, 205, 206, 207, 216, 219, 220, 221, 222, 225, 233, 235, 236, 239, 240	22	639	$154,000	$192,500	$261,800	$1,625	$1,883
1 BR, Bay Window	103, 104, 108, 109, 110, 117, 124, 131, 132, 134, 137, 138, 141, 142, 203, 204, 208, 209, 210, 217, 224, 231, 232, 234, 237, 238, 241, 242, 220A	29	678	$164,000	$205,000	$278,800	$1,625	$1,883
1 BR, Den	6, 28, 106, 136	4	771	$186,000	$232,500	$316,200	$1,840	$2,098
2 BR, 1 1/2 Bath	13, 14, 21, 113, 114, 127, 128, 213, 214, 227, 228	11	946	$231,000	$288,750	$392,700	$2,120	$2,378
2 BR, 1 1/2 Bath	1, 2, 35, 36, 101, 102, 143, 144, 201, 202, 243, 244	12	981	$239,000	$298,750	$406,300	$2,180	$2,438

West Cottage Fees

Effective July 1, 2026

		# of Homes	Square Feet	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
West Campus								
1 BR	77, 82, 83, 86, 88	5	660	$107,000	$133,750	$181,900	$1,321	$1,589
1 BR, Garage	76, 90	2	660	$138,000	$172,500	$234,600	$1,453	$1,721
1 BR	106, 109, 115	3	690	$113,000	$141,250	$192,100	$1,358	$1,626
1 BR, Garage	98	1	690	$144,000	$180,000	$244,800	$1,493	$1,761
2 BR	87	1	843	$154,000	$192,500	$261,800	$1,561	$1,829
2 BR, Garage	62, 65, 66, 67, 68, 74, 75, 93, 95	9	843	$186,000	$232,500	$316,200	$1,696	$1,964
2 BR	105, 108	2	924	$172,000	$215,000	$292,400	$1,666	$1,934
2 BR, Garage	100, 110, 111, 114, 116, 118	6	924	$201,000	$251,250	$341,700	$1,795	$2,063
2 BR, Family Room, Garage	78, 85	2	1,012	$216,000	$270,000	$367,200	$1,926	$2,164
2 BR, Garage	61, 73, 80, 84, 89	5	1,050	$224,000	$280,000	$380,800	$1,964	$2,232
2 BR, 1 1/2 Bath, Garage	60, 81, 94	3	1,050	$229,000	$286,250	389,300	$1,964	$2,232
2 BR, Garage	50, 52, 53	3	1,069	$215,000	$268,750	$365,500	$2,033	$2,301
2 BR, 1 1/2 Bath, Garage	48, 49	2	1,069	$220,000	$275,000	$374,000	$2,033	$2,301
2 BR, 1 1/2 Bath, Garage	47, 54	2	1,076	$223,000	$278,750	$379,100	$2,042	$2,310
2 BR, 1 1/2 Bath, Garage	51	1	1,110	$229,000	$286,250	$389,300	$2,080	$2,348
2 BR, 1 1/2 Bath, Garage	97, 101, 104, 112, 117, 119	6	1,130	$246,000	$307,500	$418,200	$2,088	$2,356
2 BR, Family Room, Garage	72, 91, 92	3	1,219	$251,000	$313,750	$426,700	$2,192	$2,460
2 BR, Family Room, 1 1/2 Bath, Garage	63, 64, 69, 70, 71, 79	6	1,219	$256,000	$320,000	$435,200	$2,192	$2,460
2 BR, Family Room, 1 1/2 Bath, Garage	96, 99, 102, 103, 107, 113	6	1,294	$276,000	$345,000	$469,200	$2,302	$2,570

South Campus Fees

Effective July 1, 2026

		# of Homes	Square Feet	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
Hybrid Homes *All include garage parking unless indicated.*								
Type D, 1 BR	1559, 1601	2	862	$226,000	$282,500	$384,200	$1,892	$2,160
Type D, 1 BR, No Garage	1524	1	875	$215,000	$268,750	$365,500	$1,892	$2,160
Type A, 1 BR, Den, 1 1/2 Bath	1502, 1507, 1508, 1513, 1525, 1530, 1531, 1536, 1541, 1546, 1547, 1552, 1560, 1565, 1566, 1571, 1578, 1583, 1584, 1589, 1602, 1607, 1608, 1613	24	1,285 to 1,315	$318,000	$397,500	$540,600	$2,544	$2,812
Type C, 2 BR, 2 Bath	1504, 1505, 1510, 1511, 1527, 1528, 1533, 1534, 1543, 1544, 1549, 1550, 1562, 1563, 1568, 1569, 1580, 1581, 1586, 1587, 1604, 1605, 1610, 1611	24	1,370 to 1,378	$344,000	$430,000	$584,800	$2,610	$2,878
Type B, 2 BR, Den, 2 Bath	1503, 1506, 1509, 1512, 1526, 1529, 1532, 1535, 1542, 1545, 1548, 1551, 1561, 1564, 1567, 1570, 1579, 1582, 1585, 1588, 1603, 1606, 1609, 1612	24	1,620 to 1,636	$404,000	$505,000	$686,800	$2,954	$3,222
Cottages *All include one car garages unless indicated.*								
Standard, 2 BR, 2 Bath, Garage	1515	1	1,212	$315,000	$393,750	$535,500	$2,194	$2,462
Standard, 2 BR, 2 Bath	1442, 1639	2	1,217	$318,000	$397,500	$540,600	$2,232	$2,500
Standard, 2 BR, 2 Bath, Back Porch	1554, 1633, 1641, 1654, 1657	5	1,217	$343,000	$428,750	$583,100	$2,232	$2,500
Standard, 2 BR, 2 Bath, Sunroom	1514, 1521, 1522	3	1,459	$382,000	$477,500	$649,400	$2,481	$2,749
Standard, 2 BR, 2 Bath, Sunroom	1440, 1516, 1519, 1537, 1553, 1557, 1575, 1615, 1617, 1618, 1619, 1622, 1623, 1635, 1637, 1643, 1645, 1647, 1649, 1651, 1652, 1653, 1655, 1659	24	1,464	$386,000	$482,500	$656,200	$2,520	$2,788
Standard, 2 BR, 2 Bath, Sunroom, 2 Car Garage	1444, 1520, 1556, 1572, 1621, 1624, 1638	7	1,464	$419,000	$523,750	$712,300	$2,742	$3,010
Wraparound, 2 BR, 2 Bath, Sunroom	1441, 1443, 1445, 1517, 1518, 1538, 1555, 1573, 1574, 1614, 1620, 1632, 1634, 1636, 1640, 1642, 1650, 1660	18	1,556	$411,000	$513,750	$698,700	$2,615	$2,883
Wraparound, 2 BR, 2 Bath, Sunroom, 2 Car Garage	1616, 1644, 1646, 1648, 1656, 1658	6	1,556	$443,000	$553,750	$753,100	$2,837	$3,105

Crossings Fees

Effective July 1, 2026

		# of Homes	Square Feet	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
Baldwin 1 BR, Inside Den, 1 1/2 Bath	1101, 1105, 1201, 1205, 1301, 1305	6	1,115	$307,000	$383,750	$521,900	$2,415	$2,683
Baldwin 1 BR, Outside Den 1 1/2 Bath	1103, 1107, 1123, 1203, 1207, 1223, 1303, 1307,	9	1,115	$313,000	$391,250	$532,100	$2,415	$2,683
Baldwin Main 1 BR, Outside Den, 1 1/2 Bath	1213, 1219, 1313, 1319	4	1,145	$315,000	$393,750	$535,500	$2,415	$2,683
Baldwin Bay 1 BR, Inside Den, 1 1/2 Bath	1104, 1204, 1304	3	1,250	$323,000	$403,750	$549,100	$2,415	$2,683
Everett 2 BR, 2 Bath	1102, 1106, 1124, 1125, 1127, 1128, 1202, 1206, 1210, 1211, 1212, 1218, 1220, 1221, 1224, 1225, 1227, 1228, 1302, 1306, 1310, 1311, 1312, 1318, 1320, 1321, 1324, 1325, 1327, 1328	30	1,300	$351,000	$438,750	$596,700	$2,601	$2,869
Everett Corner 2 BR, 2 Bath	1100B, 1108, 1129, 1200B, 1208, 1229, 1300B, 1308, 1329	9	1,320	$361,000	$451,250	$613,700	$2,650	$2,918
Stewart 2 BR, 2 Bath	1214, 1216, 1314, 1316	4	1,350	$381,000	$476,250	$647,700	$2,681	$2,949
Winfield 2 BR, 2 Bath	1315, 1317	2	1,395	$381,000	$476,250	$647,700	$2,731	$2,999
Everett Plus 2 BR, 2 Bath	1126, 1226, 1326	3	1,400	$381,000	$476,250	$647,700	$2,761	$3,029
Clearfield, 2 BR, Den, 2 Bath	1100A, 1109, 1130, 1200A, 1209, 1230, 1300A, 1309, 1330	9	1,550	$424,000	$530,000	$720,800	$2,971	$3,239

Landis Homes

Enriching Lives, Together

Gardens Fees

Effective July 1, 2026

		# of Homes	Square Feet Unit	Square Feet Garage	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
Wildflower Homes									
Poppy 2 BR, 2 Bath	1700, 1701, 1702, 1703, 1704, 1705, 1707	7	1,333	361	$416,000	$520,000	$707,200	$2,772	$3,040
Primrose 2 BR, 2 Bath, Sunroom	1706, 1709	2	1,478	491	$469,000	$586,250	$797,300	$3,074	$3,342
Creekside Villas									
Bumblebee 1 BR, Den, 1 1/2 Bath	1711, 1717, 1719, 1725, 1727, 1733	6	1,094	280	$336,000	$420,000	$571,200	$2,218	$2,486
Butterfly 2 BR, 2 Bath	1724, 1726, 1728, 1730, 1732, 1734	6	1,261	346	$387,000	$483,750	$657,900	$2,557	$2,825
Firefly 2 BR, Den, 2 Bath	1713, 1715, 1721, 1723, 1729, 1731	6	1,613	460	$503,000	$628,750	$855,100	$3,355	$3,623
Sunrise Cottages									
Sunrise 2 BR, 2 Bath	1708, 1710, 1712, 1714, 1716, 1718, 1720, 1722	8	1,562	440	$488,000	$610,000	$829,600	$3,249	$3,517

Meadows Hybrid Homes

Phase One Fees (Buildings 1 & 2)

Effective July 1, 2026

	# of Homes	Square Feet	Entrance Fee 0% Guaranteed Refund	Entrance Fee 25% Guaranteed Refund	Entrance Fee 50% Guaranteed Refund	Monthly Fee Single	Monthly Fee Double
Chickadee 1 BR, Den, 1 1/2 Bath	4	1,196	**2nd Floor:** $335,000 **3rd Floor:** $352,000	**2nd Floor:** $418,000 **3rd Floor:** $440,000	**2nd Floor:** $569,500 **3rd Floor:** $598,400	$2,631	$2,899
Bluebird 2 BR, 2 Bath	6	1,420	**1st & 2nd Floor:** $405,000 **3rd Floor:** $425,000	**1st & 2nd Floor:** $506,300 **3rd Floor:** $531,300	**1st & 2nd Floor:** $688,500 **3rd Floor:** $722,500	$3,195	$3,463
Sparrow 2 BR, Den, 2 Bath	4	1,488	**1st & 2nd Floor:** $424,000 **3rd Floor:** $445,000	**1st & 2nd Floor:** $530,000 **3rd Floor:** $556,300	**1st & 2nd Floor:** $720,800 **3rd Floor:** $756,500	$3,348	$3,616
Goldfinch 2 BR, Den, 2 Bath	6	1,515	**1st & 2nd Floor:** $439,000 **3rd Floor:** $461,000	**1st & 2nd Floor:** $548,000 **3rd Floor:** $576,300	**1st & 2nd Floor:** $746,300 **3rd Floor:** $783,700	$3,485	$3,753
Robin 2 BR, Den, 2 1/2 Bath	6	1,685	**1st & 2nd Floor:** $489,000 **3rd Floor:** $513,000	**1st & 2nd Floor:** $611,300 **3rd Floor:** $641,300	**1st & 2nd Floor:** $831,300 **3rd Floor:** $872,100	$3,876	$4,144

All homes include garage parking.

3rd floor homes feature up to 9' 6" ceilings, larger windows, and panoramic views.

Landis Homes
Enriching Lives, Together

Meadows Hybrid Homes: Phase Two Fees

Building 3 (2027-2028) & Building 4 (2028-2029)

BUILDING 3 Fiscal Year 2027-2028	**# of Homes**	**Square Feet**	**Entrance Fee** 0% Guaranteed Refund	**Entrance Fee** 25% Guaranteed Refund	**Entrance Fee** 50% Guaranteed Refund	**Monthly Fee***
Chickadee 1 BR, Den, 1 1/2 Bath	4	1,196	**2nd Floor:** $352,000 **3rd Floor:** $370,000	**2nd Floor:** $440,000 **3rd Floor:** $463,000	**2nd Floor:** $598,000 **3rd Floor:** $629,000	$2,736
Bluebird 2 BR, 2 Bath	6	1,420	**1st & 2nd Floor:** $425,000 **3rd Floor:** $446,000	**1st & 2nd Floor:** $531,000 **3rd Floor:** $558,000	**1st & 2nd Floor:** $723,000 **3rd Floor:** $758,000	$3,323
Sparrow 2 BR, Den, 2 Bath	4	1,488	**2nd Floor:** $445,000 **3rd Floor:** $467,000	**2nd Floor:** $556,000 **3rd Floor:** $584,000	**2nd Floor:** $757,000 **3rd Floor:** $794,000	$3,482
Goldfinch 2 BR, Den, 2 Bath	6	1,515	**1st & 2nd Floor:** $461,000 **3rd Floor:** $484,000	**1st & 2nd Floor:** $576,000 **3rd Floor:** $605,000	**1st & 2nd Floor:** $784,000 **3rd Floor:** $823,000	$3,624
Robin 2 BR, Den, 2 1/2 Bath	6	1,685	**1st & 2nd Floor:** $513,000 **3rd Floor:** $539,000	**1st & 2nd Floor:** $641,000 **3rd Floor:** $674,000	**1st & 2nd Floor:** $872,000 **3rd Floor:** $916,000	$4,031

BUILDING 4 Fiscal Year 2028-2029	**# of Homes**	**Square Feet**	**Entrance Fee** 0% Guaranteed Refund	**Entrance Fee** 25% Guaranteed Refund	**Entrance Fee** 50% Guaranteed Refund	**Monthly Fee***
Chickadee 1 BR, Den, 1 1/2 Bath	4	1,196	**2nd Floor:** $361,000 **3rd Floor:** $379,000	**2nd Floor:** $451,000 **3rd Floor:** $474,000	**2nd Floor:** $614,000 **3rd Floor:** $644,000	$2,846
Bluebird 2 BR, 2 Bath	6	1,420	**1st & 2nd Floor:** $436,000 **3rd Floor:** $457,000	**1st & 2nd Floor:** $545,000 **3rd Floor:** $571,000	**1st & 2nd Floor:** $741,000 **3rd Floor:** $777,000	$3,456
Sparrow 2 BR, Den, 2 Bath	4	1,488	**2nd Floor:** $456,000 **3rd Floor:** $479,000	**2nd Floor:** $570,000 **3rd Floor:** $599,000	**2nd Floor:** $775,000 **3rd Floor:** $814,000	$3,621
Goldfinch 2 BR, Den, 2 Bath	6	1,515	**1st & 2nd Floor:** $473,000 **3rd Floor:** $496,000	**1st & 2nd Floor:** $591,000 **3rd Floor:** $620,000	**1st & 2nd Floor:** $804,000 **3rd Floor:** $843,000	$3,769
Robin 2 BR, Den, 2 1/2 Bath	6	1,685	**1st & 2nd Floor:** $526,000 **3rd Floor:** $552,000	**1st & 2nd Floor:** $658,000 **3rd Floor:** $690,000	**1st & 2nd Floor:** $894,000 **3rd Floor:** $938,000	$4,192

Landis Homes
Enriching Lives, Together

All homes include garage parking. Third Floor homes feature up to 9'6" ceilings, larger windows, and panoramic views.

*Monthly Fees are based upon Single Occupancy; Double Occupancy pricing to be determined

Landis Homes Entrance Fee Refund Schedule

Note: These are rounded percentages for estimate purposes.

0% Guaranteed Refund			
Month	Percentage Refunded	Month	Percentage Refunded
1	98.0%	26	48.0%
2	96.0%	27	46.0%
3	94.0%	28	44.0%
4	92.0%	29	42.0%
5	90.0%	30	40.0%
6	88.0%	31	38.0%
7	86.0%	32	36.0%
8	84.0%	33	34.0%
9	82.0%	34	32.0%
10	80.0%	35	30.0%
11	78.0%	36	28.0%
12	76.0%	37	26.0%
13	74.0%	38	24.0%
14	72.0%	39	22.0%
15	70.0%	40	20.0%
16	68.0%	41	18.0%
17	66.0%	42	16.0%
18	64.0%	43	14.0%
19	62.0%	44	12.0%
20	60.0%	45	10.0%
21	58.0%	46	8.0%
22	56.0%	47	6.0%
23	54.0%	48	4.0%
24	52.0%	49	2.0%
25	50.0%	50	0.0%

25% Guaranteed Refund			
Month	Percentage Refunded	Month	Percentage Refunded
1	98.0%	26	48.0%
2	96.0%	27	46.0%
3	94.0%	28	44.0%
4	92.0%	29	42.0%
5	90.0%	30	40.0%
6	88.0%	31	38.0%
7	86.0%	32	36.0%
8	84.0%	33	34.0%
9	82.0%	34	32.0%
10	80.0%	35	30.0%
11	78.0%	36	28.0%
12	76.0%	37	26.0%
13	74.0%	38	25.0%
14	72.0%	39	25.0%
15	70.0%	40	25.0%
16	68.0%	41	25.0%
17	66.0%	42	25.0%
18	64.0%	43	25.0%
19	62.0%	44	25.0%
20	60.0%	45	25.0%
21	58.0%	46	25.0%
22	56.0%	47	25.0%
23	54.0%	48	25.0%
24	52.0%	49	25.0%
25	50.0%	50	25.0%

50% Guaranteed Refund			
Month	Percentage Refunded	Month	Percentage Refunded
1	98.0%	26	50.0%
2	96.0%	27	50.0%
3	94.0%	28	50.0%
4	92.0%	29	50.0%
5	90.0%	30	50.0%
6	88.0%	31	50.0%
7	86.0%	32	50.0%
8	84.0%	33	50.0%
9	82.0%	34	50.0%
10	80.0%	35	50.0%
11	78.0%	36	50.0%
12	76.0%	37	50.0%
13	74.0%	38	50.0%
14	72.0%	39	50.0%
15	70.0%	40	50.0%
16	68.0%	41	50.0%
17	66.0%	42	50.0%
18	64.0%	43	50.0%
19	62.0%	44	50.0%
20	60.0%	45	50.0%
21	58.0%	46	50.0%
22	56.0%	47	50.0%
23	54.0%	48	50.0%
24	52.0%	49	50.0%
25	50.0%	50	50.0%

Attachment II

Audited Financial Statements

Landis Communities and Affiliates

Consolidated Financial Statements and
Supplementary Information

June 30, 2026 and 2025

Landis Communities and Affiliates

Table of Contents
June 30, 2026 and 2025

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Changes in Net Assets	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Information	
Consolidating Schedule, Balance Sheet	28
Consolidating Schedule, Operations and Changes in Net Assets (Deficit)	30
Consolidating Schedule, Cash Flows	32

Independent Auditors' Report

To the Board of Directors of
Landis Communities and Affiliates

Opinion

We have audited the consolidated financial statements of Landis Communities and Affiliates (the Corporation), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of June 30, 2026 and 2025, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information identified on the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
September 29, 2026

Landis Communities and Affiliates

Consolidated Balance Sheets
June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 6,089,166	$ 4,280,921
Assets whose use is limited, debt service funds	3,813,323	3,797,357
Accounts receivable:		
Residents, net	3,328,359	3,867,129
Entrance fees	222,100	-
Other	77,045	238,048
Prepaid expenses and other current assets	773,249	876,410
Total current assets	14,303,242	13,059,865
Assets Whose Use is Limited		
Board-designated investments	5,818,212	4,736,858
Statutory minimum liquid reserve	4,639,600	3,768,090
Donor-restricted investments	4,947,959	4,355,830
Debt service reserve fund	7,158,269	7,277,393
Resident deposits	2,818,461	2,905,694
Total assets whose use is limited	25,382,501	23,043,865
Investments	55,266,487	49,654,150
Property and Equipment, Net	172,200,185	143,948,272
Gift Annuities Receivable	211,999	205,082
Other Assets	2,633,727	3,228,151
Total assets	$ 269,998,141	$ 233,139,385

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Balance Sheets
June 30, 2026 and 2025

	2026	2025
Liabilities and Net Assets		
Current Liabilities		
Current portion of:		
Long-term debt	$ 2,023,438	$ 1,959,008
Accounts payable:		
Trade	1,572,635	1,073,139
Capital related	3,709,017	2,747,304
Accrued expenses:		
Salaries and wages	209,074	1,044,789
Paid time off	935,446	912,705
Interest	2,161,647	2,098,033
Other	634,869	789,094
Total current liabilities	11,246,126	10,624,072
Long-Term Debt	139,221,097	127,306,163
Other Long-Term Liabilities	965,326	1,431,293
Priority Fees and Reservation Deposits	3,188,300	3,366,300
Refundable Entrance Fees and Deposits	458,415	486,388
Deferred Revenues From Nonrefundable Entrance Fees	52,528,386	38,774,192
Refundable Advance, Employee Retention Credit	2,380,846	2,380,846
Total liabilities	209,988,496	184,369,254
Net Assets		
Without donor restrictions	54,409,869	43,766,688
With donor restrictions	5,599,776	5,003,443
Total net assets	60,009,645	48,770,131
Total liabilities and net assets	$ 269,998,141	$ 233,139,385

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026	2025
Revenues Without Donor Restrictions		
Net resident service revenues	$ 59,356,852	$ 55,314,193
Other revenues	1,191,314	1,539,947
COVID stimulus revenue	-	5,563,711
Contributions and bequests	354,924	273,607
Donor-restricted contributions used primarily for benevolent care	1,334,373	967,758
Interest and dividend income	1,921,029	1,929,050
Total revenues without donor restrictions	64,158,492	65,588,266
Expenses		
Resident services	18,857,848	18,516,911
General and administrative	11,631,201	11,387,929
Depreciation	9,171,062	8,784,540
Plant operations	6,866,711	6,040,101
Dining services	6,697,222	6,763,222
Housekeeping, laundry and campus services	2,848,422	2,872,631
Admissions, social services, pastoral services and life enrichment	2,185,365	2,117,871
Interest	4,965,560	4,744,658
Total expenses	63,223,391	61,227,863
Operating income	935,101	4,360,403
Other Income (Loss)		
Net realized gain on sales of investments	4,493,111	907,694
Change in net unrealized gains and losses on investments	4,627,923	4,359,662
Loss on disposal or abandonment of property and equipment	(67,543)	(337,014)
Total other income	9,053,491	4,930,342
Revenues in excess of expenses	9,988,592	9,290,745
Donor-Restricted Contributions Used for Purchase of Property and Equipment	654,589	993,336
Change in net assets without donor restrictions	$ 10,643,181	$ 10,284,081

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026	2025
Net Assets Without Donor Restrictions		
Change in net assets without donor restrictions	$ 10,643,181	$ 10,284,081
Net Assets With Donor Restrictions		
Contributions	2,046,576	1,548,615
Interest and dividend income	59,436	47,731
Net realized gain on sales of investments	110,999	34,798
Change in net unrealized gains on investments	354,807	209,462
Change in value, split-interest agreements	13,477	19,737
Transfers	-	(1,746)
Donor-restricted contributions used for:		
Resident assistance program	(1,195,461)	(782,225)
Adult day care program	(59,971)	(52,212)
Other	(78,941)	(133,321)
Purchase of property and equipment	(654,589)	(993,336)
Change in net assets with donor restrictions	596,333	(102,497)
Change in net assets	11,239,514	10,181,584
Net Assets, Beginning	48,770,131	38,588,547
Net Assets, Ending	$ 60,009,645	$ 48,770,131

See notes to consolidated financial statements

Landis Communities and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$ 11,239,514	$ 10,181,584
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,171,062	8,784,540
Amortization of deferred financing costs	179,090	117,468
Amortization of bond premium	(156,999)	(142,814)
Net realized and unrealized gains and losses on investments and assets whose use is limited	(9,586,840)	(5,511,616)
Loss on disposal or abandonment of property and equipment	67,543	337,014
Forgiveness of LPK HOME loan	(52,100)	(52,100)
Proceeds from entrance fees and deposits, existing units	7,339,900	7,507,420
Amortization of nonrefundable entrance fees	(7,451,198)	(6,920,820)
Contributions restricted for long-term purposes	(30,440)	(577,275)
Change in split-interest agreements	(6,917)	(15,253)
Change in assets and liabilities:		
Accounts receivable	699,773	301,433
Prepaid expenses and other assets	697,585	(98,237)
Accounts payable, trade	499,496	(195,269)
Accrued expenses and other liabilities	(1,369,552)	128,368
Refundable advance, employee retention credit	-	(5,013,334)
Net cash provided by operating activities	11,239,917	8,831,109
Cash Flows From Investing Activities		
Net sales (purchases) of investments and assets whose use is limited	1,604,165	(3,653,003)
Purchase of property and equipment	(36,528,805)	(13,861,351)
Net cash used in investing activities	(34,924,640)	(17,514,354)
Cash Flows From Financing Activities		
Repayment of long-term debt	(13,215,822)	(1,894,918)
Proceeds from long-term debt	25,586,824	6,607,077
Payment of financing costs	(361,629)	(293,849)
Proceeds from entrance fees and deposits, new units	14,137,171	1,126,600
Proceeds from refundable fees and deposits	15,817	339,081
Refunds of entrance fees	(715,569)	(929,818)
Collections, pledges receivable	-	57,683
Contributions restricted for long-term purposes	30,440	577,275
Net cash provided by financing activities	25,477,232	5,589,131
Net change in cash, cash equivalents and restricted cash and cash equivalents	1,792,509	(3,094,114)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	8,944,234	12,038,348
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 10,736,743	$ 8,944,234
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 4,879,856	$ 4,835,186
Noncash Investing and Financing Activities		
Accounts payable, capital related	$ 3,709,017	$ 2,747,304
Forgiveness of LPK home loan	$ 52,100	$ 52,100
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 6,089,166	$ 4,280,921
Cash and cash equivalents included in assets whose use is limited and investments	4,647,577	4,663,313
Total cash, cash equivalents and restricted cash and cash equivalents	$ 10,736,743	$ 8,944,234

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Landis Communities (LC) is a not-for-profit corporation organized to operate exclusively for the support and benefit of Landis Homes Retirement Community (LHRC), Landis Place on King (LPK), Quality Living Choices (QLC), Welsh Mountain Home (WMH), Landis Quality Living (LQL) and Landis HCBS, LLC (HCBS); to support the mission, operations and residents of LHRC, LPK, QLC, WMH, LQL and HCBS, serving older adults, including the provision of housing, the provision of affordable housing, the promotion of community among the residents and the provision of access to home and community based services, including, but not limited to, home care, home health, continuing care at home, adult day services, respite care, care navigation and concierge services to not only residents but the general public and other retirement community services as elected by the residents and to develop and administer an array of services consistent with Landis Communities' Mennonite/Anabaptist heritage and designed to serve the physical and spiritual needs of aging adults.

LC is the controlling entity and sole member of the following entities, unless otherwise noted below:

- LHRC is a not-for-profit corporation that operates a continuing care retirement community in Lititz, Pennsylvania providing housing, health care and other related services to elderly residents through the operation of a nursing facility and personal care and residential living units.

- HCBS is a not-for-profit limited liability company organized to provide an array of home and community based services including home care, home health, continuing care at home, adult day services, respite care and other programs.

- LQL is a not-for-profit corporation organized to provide affordable low-income and other affordable housing options, including rental units, to meet the needs for senior adults, to promote community among the residents and to provide access to home health services and other retirement community services as elected by the residents. LQL owns and operates QLC and LPK, rental properties in Lancaster, Pennsylvania. QLC opened in 2013 and LPK opened in 2023.

- WMH (whose sole member is LQL) is a not-for-profit corporation that operates a personal care facility in a Christian environment in New Holland, Pennsylvania.

- WMH Inc., (whose sole member is WMH) is a not-for-profit corporation organized to act as a co-general partner in Mountain View Terrace, LP (an affordable housing apartment complex for seniors). WMH, Inc. does not control Mountain View Terrace, LP, therefore the financial statements of Mountain View Terrace, LP are not consolidated in the consolidated financial statements of Landis Communities and Affiliates.

LHRC and LPK comprise the Corporation's Obligated Group (the Obligated Group).

Principles of Consolidation

The consolidated financial statements include the accounts of LC, LHRC, LPK, QLC, WMH, WMH, Inc., LQL and HCBS (collectively, the Corporation). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements of the Corporation.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents includes investments in highly liquid debt instruments purchased with an original maturity of three months or less.

Accounts Receivable

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management during periodic review of individual accounts and based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses was approximately $22,000 and $174,000 at June 30, 2026 and 2025, respectively. Accounts receivable, residents, net was $3,909,817 at June 30, 2024.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the consolidated balance sheets are subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the consolidated balance sheets could change materially in the near term.

Assets Whose Use is Limited

Assets whose use is limited includes investments set aside by the Board of Directors which are available for the general use and purposes of the Corporation, assets whose use has been limited by donors to specific purposes, assets to be held in perpetuity, assets designated to meet the statutory minimum liquid reserve requirements of Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act (Act 82), resident escrow deposits and assets held by trustees under trust indentures. Amounts available to meet current liabilities of the Corporation have been classified as current assets in the consolidated balance sheets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been capitalized and are being amortized over the terms of the related debt using the straight-line method, which approximates the effective interest method. Amortization expense related to these costs is included as a component of interest expense.

Split-Interest Agreements

LHRC has received as contributions charitable gift annuities. These arrangements represent contracts between the Everence Foundation (the Foundation) and donors. Donors transfer cash or investments to the Foundation and, in turn, receive periodic distributions from the Foundation. The contributions received by LHRC are the unconditional rights to receive the remainder interest of the gift annuities. The amount of the contribution is the difference between the asset received by the Foundation and the present value of the estimated future payments to be distributed by the Foundation to the annuitants. These contributions are recorded to net assets with donor restrictions, in accordance with donor restrictions.

Entrance Fees

Under certain entrance fee plans for residential living units, LHRC receives payments in advance. Residential living apartment and cottage residents had two entrance plan options, a "refundable" option and a "nonrefundable" option. The refundable option has a guaranteed refund component, which is 90%, 50% or 25% of the entrance fee paid, with the balance generally refundable on a decreasing basis over 80 months for contracts entered into prior to June 30, 2022. The nonrefundable option had no guaranteed refund component and is generally refundable on a decreasing basis for 80 months for contracts entered into prior to June 30, 2022. Effective July 1, 2022, all new entrance fee contracts (refundable 90%, 50%, 25% and nonrefundable option) are refundable on a decreasing basis of 2% per month. The contracts are fully amortized after 5, 25, 37.5 and 50 months, respectively. All refunds to residents are generally paid upon termination of the resident agreement or transfer to another level of care. At June 30, 2026 and 2025, the gross amount of contractual refund obligations under existing resident agreements approximated $33,000,000 and $21,200,000, respectively.

The guaranteed refund component of entrance fees received is not amortized to income and is classified as refundable entrance fees and deposits in the consolidated balance sheets. The balance of entrance fees received is amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancies of the residents and is classified as deferred revenues from nonrefundable entrance fees in the consolidated balance sheets.

The majority of services provided to LHRC's residential living residents are paid for on a "fee-for-service" basis and are not included under the entrance fee plans.

Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of skilled nursing, personal care and independent living revenue streams, which are primarily derived from providing housing, skilled nursing, personal care and independent living services to residents at a stated daily or monthly fee, net of any explicit or implicit price concessions. The Corporation has determined that the services included in the stated daily or monthly fee for each level of care represents a series of distinct services that have the same timing and pattern of transfer.

Therefore, the Corporation considers the services provided to residents in each level of care to be one performance obligation which is satisfied over time as services are provided. As such, skilled nursing, personal care and independent living revenues are recognized on a daily or month-to-month basis as services are rendered.

The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees in the accompanying consolidated balance sheets.

Revenue from nonrefundable entrance fees received is recognized through amortization of the nonrefundable entrance fees using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees included in independent living revenues was $7,451,198 in 2026 and $6,920,820 in 2025.

The Corporation receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. The Corporation estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends and retroactive adjustments are recognized in future periods as final settlements are determined.

Donor-Restricted Gifts

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Contributed Services

Volunteers provide various services that are not recognized as contributions in the consolidated financial statements since the recognition criteria under the authoritative guidance were not met. Approximately 27,500 hours in 2026 and 25,700 hours in 2025 were contributed to the Corporation for these services.

Benevolent Care

The Corporation provides services to residents who meet certain criteria at amounts less than its cost of providing care. The Corporation maintains records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided to residents include both direct costs and estimated indirect costs. The level of benevolent care provided by the Corporation, which represents the difference between the estimated cost of providing care and the payments received for services rendered, was approximately $1,439,000 and $1,548,000 in 2026 and 2025, respectively. The Corporation received contributions restricted for benevolent care of $915,738 and $531,843 in 2026 and 2025, respectively. These amounts include contributions of charitable gift annuities.

LHRC provides nursing care to Medical Assistance program beneficiaries that are reimbursed at amounts less than its cost of providing care. LHRC maintains records to identify and monitor the difference between the cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered. The costs associated with the services provided to Medical Assistance program beneficiaries include both direct costs and estimated indirect costs, as reported by management on LHRC's internal financial statements. The difference between the estimated cost of providing care to Medical Assistance program beneficiaries and the payments received for services rendered was approximately $2,784,000 in 2026 and $2,639,000 in 2025.

Contract Balances

Contract assets represent the Corporation's right to consideration in exchange for goods or services that the Corporation has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporation's future performance). Contract liabilities represent the Corporation's obligation to transfer goods or services to a resident for which the Corporation has received consideration (or the amount is due) from the resident.

The Corporation's beginning and ending contract liabilities are separately presented on the consolidated balance sheets as of June 30, 2026 and 2025 as deferred revenues from nonrefundable entrance fees. Deferred revenues from nonrefundable entrance fees were $39,315,830 as of June 30, 2024. There were no contract assets as of June 30, 2024.

Income Taxes

LC, LHRC, LPK, HCBS, LQL, WMH and WMH, Inc. are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC). LHRC, HCBS, LQL, WMH and WMH, Inc. are exempt from federal income taxes on their exempt income under Section 509(a)(2) of the IRC and LC is exempt under Section 509(a)(3) of the IRC. QLC is a taxable corporation subject to federal income taxes.

Measure of Operations

The Corporation's operating income includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be more unusual and nonrecurring in nature.

Performance Indicator

The consolidated statements of operations and changes in net assets includes the determination of revenues in excess of expenses. Changes in net assets without donor restrictions which are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through September 29, 2026, the date the consolidated financial statements were issued.

2. Liquidity and Availability of Resources

The following table reflects the Corporation's financial assets available for general expenditures within one year of the consolidated balance sheets dated June 30:

	2026	2025
Cash and cash equivalents	$ 6,089,166	$ 4,280,921
Accounts receivable:		
Residents, net	3,328,359	3,867,129
Entrance fees	222,100	-
Other	77,045	238,048
Investments	54,826,669	49,211,619
Total	$ 64,543,339	$ 57,597,717

Investments included in the table above exclude net assets with donor restrictions in excess of assets whose use is limited donor-restricted investments of $439,818 and $442,531 as of June 30, 2026 and 2025, respectively.

The Corporation has board-designated assets whose use is limited of $5,818,212 and $4,736,858 at June 30, 2026 and 2025, respectively, which are excluded from the table above. Although the Corporation does not intend to utilize these funds for general expenditures as part of its annual budget and approval process, amounts designated could be made available, as necessary.

The Corporation designated a portion of its investments "reserved" to comply with the requirements of Act 82 (Note 4) and thus they are not included in the schedule above. Although the Corporation does not intend to utilize the reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available, as necessary. The reserves are separately classified in the consolidated balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

As part of the Corporation's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

The Corporation also maintains lines of credit as described in Note 6.

3. Net Resident Service Revenues

LHRC has agreements with third-party payors that provide for payments to LHRC at amounts different from its established rates. A summary of the principal payment arrangements with major third-party payors follows:

Medical Assistance - Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

Medicare - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors. Other resident service revenues are primarily comprised of therapy and other ancillary services. Net resident service revenues consist of the following for the years ended June 30:

	2026				
	Skilled Nursing	Personal Care	Independent Living	Home & Community Based Services	Total
Self-pay	$ 13,178,668	$ 13,203,343	$ 15,371,337	$ 2,054,699	$ 43,808,047
Medicare and other	1,940,036	-	-	196,511	2,136,547
Medicaid	3,967,115	-	-	-	3,967,115
Amortization of nonrefundable entrance fees	-	-	7,451,198	-	7,451,198
Subtotal	$ 19,085,819	$ 13,203,343	$ 22,822,535	$ 2,251,210	57,362,907
Ancillary service revenues					661,829
Other resident service revenues					1,332,116
Net resident service revenues					$ 59,356,852

	2025				
	Skilled Nursing	Personal Care	Independent Living	Home & Community Based Services	Total
Self-pay	$ 13,314,082	$ 11,620,315	$ 14,174,094	$ 2,142,787	$ 41,251,278
Medicare and other	1,590,919	-	-	147,545	1,738,464
Medicaid	3,630,825	-	-	-	3,630,825
Amortization of nonrefundable entrance fees	-	-	6,920,820	-	6,920,820
Subtotal	$ 18,535,826	$ 11,620,315	$ 21,094,914	$ 2,290,332	53,541,387
Ancillary service revenues					728,344
Other resident service revenues					1,044,462
Net resident service revenues					$ 55,314,193

4. Fair Value Measures, Investments, Assets Whose Use is Limited and Other Financial Instruments

Fair Value Measurements

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Corporation for identical instruments.

Level 2 - Significant inputs, other than Level 1 inputs that are observable either directly or indirectly for substantially the full term of the instruments through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following tables present financial instruments measured at fair value by caption on the consolidated balance sheets as of June 30:

	2026			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets:				
Investments and assets whose use is limited:				
Mutual funds, equity:				
International	$ 19,358,313	$ 19,358,313	$ -	$ -
Large cap	104,614	104,614	-	-
Small cap	3,635,985	3,635,985	-	-
Tactical	1,624,644	1,624,644	-	-
Mid cap	3,929,352	3,929,352	-	-
Real estate	4,355,538	4,355,538	-	-
Mutual funds, fixed income:				
Intermediate term	11,691,075	11,691,075	-	-
Short-term	3,660,275	3,660,275	-	-
Marketable equity securities:				
Information technology	10,059,136	10,059,136	-	-
Consumer	2,788,100	2,788,100	-	-
Financial	2,152,387	2,152,387	-	-
Healthcare	1,340,793	1,340,793	-	-
Other	3,465,054	3,465,054	-	-
Guaranteed investment contracts	6,998,373	-	-	6,998,373
	75,163,639	$ 68,165,266	$ -	$ 6,998,373
Cash and cash equivalents	9,298,672			
Total investments and assets whose use is limited	$ 84,462,311			
Split-interest agreements	$ 211,999	$ -	$ -	$ 211,999

	2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Reported at Fair Value				
Assets:				
Investments and assets whose use is limited:				
Mutual funds, equity:				
International	$ 12,263,785	$ 12,263,785	$ -	$ -
Large cap	29,624	29,624	-	-
Small cap	3,484,324	3,484,324	-	-
Tactical	1,415,475	1,415,475	-	-
Mid cap	3,600,021	3,600,021	-	-
Real estate	3,680,298	3,680,298	-	-
Mutual funds, fixed income:				
Intermediate term	10,088,420	10,088,420	-	-
Short-term	2,666,369	2,666,369	-	-
Marketable equity securities:				
Information technology	9,574,910	9,574,910	-	-
Consumer	3,548,751	3,548,751	-	-
Financial	2,630,172	2,630,172	-	-
Healthcare	1,518,618	1,518,618	-	-
Other	3,567,519	3,567,519	-	-
Guaranteed investment contracts	7,115,122	-	-	7,115,122
	65,183,408	$ 58,068,286	$ -	$ 7,115,122
Cash and cash equivalents	11,311,964			
Total investments and assets whose use is limited	$ 76,495,372			
Split-interest agreements	$ 205,082	$ -	$ -	$ 205,082

Investments and assets whose use is limited are presented together in the tables above as there are various investment and cash accounts that are allocated between the investments and assets whose use is limited lines on the consolidated balance sheets.

Investments and assets whose use is limited are combined on the above tables and are presented on the consolidated balance sheets as follows:

	2026	2025
Investments	$ 55,266,487	$ 49,654,150
Assets whose use is limited:		
Board-designated investments	5,818,212	4,736,858
Statutory minimum liquid reserve	4,639,600	3,768,090
Donor-restricted investments	4,947,959	4,355,830
Debt service funds, current	3,813,323	3,797,357
Debt service reserve fund	7,158,269	7,277,393
Resident deposits	2,818,461	2,905,694
Total	$ 84,462,311	$ 76,495,372

Pennsylvania Act 82 Reserve

In compliance with Act 82, LHRC "reserved" a portion of assets whose use is limited to meet the requirements of Act 82. The "reserved" funds amounted to $4,639,600 and $3,768,090 at June 30, 2026 and 2025, respectively. The reserve at June 30, 2026 was calculated as follows:

Budgeted resident living operating expenses for the year ending June 30, 2027	$ 24,330,243
Less budgeted resident living depreciation and amortization expense	(8,154,714)
Expenses subject to minimum liquid reserve requirement	16,175,529
Statutory requirement	10%
Statutory minimum liquid reserve requirement	$ 1,617,553
Budgeted debt service requirements for the year ending June 30, 2027	
Principal	$ 2,023,438
Interest	4,604,562
Total budgeted debt service requirements	6,628,000
Percentage of units subject to entrance fee agreements	70%
Statutory minimum liquid reserve requirement	$ 4,639,600
Greater of (a) or (b) above	$ 4,639,600

Valuation Methodologies

Investments and assets whose use is limited are valued at fair value based on quoted market prices in active markets for mutual funds and marketable equity securities or estimated using the present value of expected future cash flows for split-interest agreements.

The guaranteed investment contracts are reported at contract value, which approximates fair value, based on the ability of the counterparties to pay the guaranteed claims in accordance with the terms of the contracts. The credit ratings of the counterparties as of the measurement date uphold the guaranteed investment contracts' ability to meet obligations set forth in the contracts. Contract value is the aggregation of contributions, plus interest, less withdrawals. Contract value approximates a discounted cash flow value calculated using an appropriate risk-adjusted market discount rate which correlates closely with the counterparties' historical credit rates. The guaranteed investment contracts have redemption restrictions based on the terms of the underlying contracts. The redemption restrictions do not have a material impact on the contract value of the guaranteed investment contracts.

5. Property and Equipment

Property and equipment are as follows as of June 30:

	2026	2025
Land	$ 1,985,424	$ 1,985,424
Land improvements	10,753,873	10,836,873
Buildings and building improvements	192,401,921	168,700,755
Major moveable equipment	40,806,645	38,625,144
Furniture and equipment	13,073,941	12,452,196
Total	259,021,804	232,600,392
Less accumulated depreciation	107,696,793	101,563,953
Total	151,325,011	131,036,439
Construction-in-progress	20,875,174	12,911,833
Property and equipment, net	$ 172,200,185	$ 143,948,272

Construction-in-progress at June 30, 2026 and 2025 includes expenditures related to various ongoing capital projects including an independent living expansion on the East campus (Meadows Project). At June 30, 2026, the Corporation had entered into construction contracts of approximately $27,928,000, of which costs incurred were approximately $14,610,000.

6. Lines of Credit

LHRC has an $800,000 unsecured, revolving demand line of credit with a bank. The line of credit bears interest at the SOFR index plus 2.25% per annum (5.93% at June 30, 2026). There were no borrowings at June 30, 2026 and 2025.

WMH has a $25,000 unsecured, revolving demand line of credit with a bank which bears a variable interest rate based on the U.S. Prime Rate (6.75% at June 30, 2026). There were no borrowings outstanding at June 30, 2026 and 2025.

On August 29, 2024, the Obligated Group entered into an agreement for a $5,000,000 secured demand line of credit with a bank to support working capital and letter of credit needs. The line of credit bears interest at the SOFR index plus 1.60% per annum (5.28% at June 30, 2026). The line of credit is secured by a lien on substantially all assets of the Obligated Group. There were no borrowings outstanding on this line of credit at June 30, 2026. There are outstanding letters of credit of $2,810,767 as of June 30, 2026.

7. Long-Term Debt

Series 2015A Bonds

On October 1, 2015, the Corporation formed an Obligated Group including LHRC and LAH as co-obligors and the Lancaster County Hospital Authority issued $49,765,000 Series A of 2015 Health Center Revenue Refunding Bonds (the 2015A Bonds) on behalf of the Obligated Group. The 2015A Bonds are tax-exempt and consist of $4,605,000 Serial Bonds, which matured on July 1, 2020 at 2.00 to 3.00%, $5,450,000 10-year term bonds maturing July 1, 2021 to July 1, 2025 at 3.80%, $6,665,000 15-year term bonds maturing July 1, 2026 to July 1, 2030 at 4.25%, $8,400,000 20-year term bonds maturing July 1, 2031 to 2035 at 5.00% and $24,645,000 30-year term bonds maturing July 1, 2036 to July 1, 2045 at 5.00%. As of July 1, 2018, LAH was withdrawn from the Obligated Group leaving LHRC as the sole Obligor. On August 18, 2021, LPK was added to the Obligated Group as part of the Series 2021 bond financing.

Series 2021 Bonds

On August 18, 2021, the Lancaster Industrial Development Authority issued, on behalf of the Obligated Group, Series of 2021 Revenue Bonds (2021 Revenue Bonds), debt in the maximum principal amount of $25,000,000 to fund construction of LPK. The 2021 Revenue Bonds are tax-exempt direct placement bonds with interest payable at a rate of 2.35% through August 2031 at which time the interest rate will be equal to 79% of the SOFR rate plus 158 basis points or a minimum of 2.13%.

On September 1, 2021, the Lancaster Industrial Development Authority issued, on behalf of the Obligated Group, Series of 2021 Refunding Bonds (the 2021 Refunding Bonds) in the principal amount of $53,385,000 to fund various capital projects, refinance the 2015B Bonds, 2015C Bonds and 2017B Bonds and pay the costs of issuance. The 2021 Refunding Bonds are tax-exempt and consist of $1,760,000 10-year term bonds maturing July 1, 2023 to July 1, 2031 at 4.00%, $1,440,000 16-year term bonds maturing July 1, 2032 to July 1, 2037 at 4.00%, $5,905,000 25-year term bonds maturing July 1, 2038 to July 1, 2046 at 4.00%, $19,980,000 30-year term bonds maturing July 1, 2047 to July 1, 2051 at 4.00%, $24,300,000 35-year term bonds maturing July 1, 2052 to July 1, 2056 at 4.00%.

Series 2024 Bonds

On August 29, 2024, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series A of 2024 Revenue Bonds (2024A Revenue Bonds), debt in the maximum principal amount of $14,000,000 to fund construction of an independent living expansion of the east campus (the Gardens Project). The 2024A Revenue Bonds were paid off in full during 2026 from new unit entrance fee proceeds.

On August 29, 2024, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series B of 2024 Revenue Bonds (2024B Revenue Bonds), debt in the maximum principal amount of $10,000,000 to fund construction of the Gardens Project. The 2024B Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 36-month construction period. Beginning September 2027, payments of principal and interest are due monthly. Interest is payable at a rate equal to 80% of the SOFR rate plus 170 basis points (4.64% at June 30, 2026).

Series 2025 Bonds

On September 24, 2025, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series A of 2025 Revenue Bonds (2025A Revenue Bonds), debt in the maximum principal amount of $11,156,000 to fund construction of the Meadows Project. The 2025A Revenue Bonds are tax-exempt direct placement bonds with interest only payable during the 36-month construction period, at which time the outstanding principal is due in full, which is expected to be repaid with new unit entrance fee proceeds. Interest is payable at a rate of 80% of SOFR plus 160 basis points (4.54% at June 30, 2026).

On September 24, 2025, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series B of 2025 Revenue Bonds (2025B Revenue Bonds), debt in the maximum principal amount of $7,500,000 to fund construction of the Meadows Project. The 2025B Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 36-month construction period. Beginning October 2028, payments of principal and interest are due monthly. Interest is payable at a rate equal to 80% of the SOFR rate plus 180 basis points (4.74% at June 30, 2026). No draws have been made on the 2025B Revenue Bonds as of June 30, 2026.

On September 24, 2025, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series C of 2025 Revenue Bonds (2025C Revenue Bonds), debt in the maximum principal amount of $11,000,000 to fund construction of the Meadows Project. The 2025C Revenue Bonds are tax-exempt direct placement bonds with interest only payable during the 48-month construction period, at which time the outstanding principal is due in full, which is expected to be repaid with new unit entrance fee proceeds. Beginning in October 2025, interest is payable at a rate of 80% of SOFR plus 160 basis points (4.54% at June 30, 2026).

On September 24, 2025, the Lancaster County Hospital Authority issued, on behalf of the Obligated Group, Series D of 2025 Revenue Bonds (2025D Revenue Bonds), debt in the maximum principal amount of $7,500,000 to fund construction of the Meadows Project. The 2025D Revenue Bonds are tax-exempt direct placement bonds with interest only payable monthly during the 48-month construction period. Beginning October 2029, payments of principal and interest are due monthly. Interest is payable at a rate equal to 80% of the SOFR rate plus 180 basis points (4.74% at June 30, 2026). No draws have been made on the 2025D Revenue Bonds as of June 30, 2026.

LPK Loan

On August 18, 2021, LPK received a loan (the LPK Loan) in the maximum principal amount of $1,550,000 to fund construction of LPK. Payments of interest only are due semi-annually at a rate of 5.00% until maturity in August 2031 at which time the outstanding principal and any outstanding interest are due.

HOME Loan

On September 19, 2023, LPK entered into a loan agreement with the City of Lancaster for $1,042,000 in HOME Investment Partner Program funds for the construction of LPK. 5% of the loan amount, $52,100, will be forgiven annually. This loan matures in August 2043.

Interest

Interest expense on all debt totaled $4,965,560 and $4,744,658 (including amortization of deferred financing costs and bond premium) during 2026 and 2025, respectively, net of $530,741 and $179,239 capitalized during 2026 and 2025, respectively.

Security and Covenants

The Series 2015A Bonds, Series 2021 Revenue Bonds, Series 2021 Refunding Bonds, Series 2024B, Series 2025A, Series 2025B, Series 2025C and Series 2025D Bonds are primarily secured by a mortgage lien on and security interest in, the Obligated Group's property and equipment and revenues, as defined in the applicable agreements. The Bonds require the Obligated Group to meet certain financial ratios.

The LPK Loan is secured by a mortgage lien on and security interest in LPK's property and equipment.

Long-Term Debt Summary

Long-term debt is as follows as of June 30:

	2026	2025
2015A Bonds	$ 39,710,000	$ 40,885,000
2021 Revenue Bonds	23,529,605	24,128,614
2021 Refunding Bonds	52,850,000	53,035,000
2024A Revenue Bonds	-	6,435,665
2024B Revenue Bonds	10,000,000	171,412
2025A Revenue Bonds	5,019,416	-
2025C Revenue Bonds	5,917,672	-
LPK Loan	1,550,000	1,550,000
HOME Loan	885,700	937,800
Total	139,462,393	127,143,491
Less current maturities	(2,023,438)	(1,959,008)
Plus bond premium	3,829,086	3,986,085
Less unamortized deferred financing costs	(2,046,944)	(1,864,405)
Long-term debt	$ 139,221,097	$ 127,306,163

Scheduled principal repayments on long-term debt are as follows:

Years ending June 30:	
2027	$ 2,023,438
2028	2,023,419
2029	13,246,851
2030	2,398,241
2031	2,492,559
Thereafter	117,277,885
Total	$ 139,462,393

8. Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and amended by the Consolidated Appropriations Act (CAA), American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer.

The Corporation averaged more than 100 full-time employees (FTEs), but less than 500 FTEs, during 2019. Therefore, the Corporation was considered a large employer during 2020 and a small employer during 2021. As a large employer in 2020, only wages paid to employees not providing services were eligible for the ERC, while as a small employer in 2021, all of the Corporation's otherwise qualified wages were eligible. For 2021, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee. The Corporation applied for and received credits of $7,875,909 during the year ended June 30, 2022 on amended timely filed Forms 941 for the first, second and third calendar quarters of 2021. The Corporation received $8,181,650, which includes interest of $305,741 during the fiscal year ended June 30, 2023.

The Corporation accounted for this federal funding in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 for conditional contributions and accordingly, revenues are measured and recognized when barriers are substantially met. Management believes that it qualifies for the ERC under the partial suspension provisions. However, given the subjectivity in the eligibility assessment, the Corporation did not recognize the ERC funds as revenue until the barriers were substantially met, or the statute of limitations expired. During 2025, the statute of limitations expired for the quarters ending March 31, 2021 and June 30, 2021 and accordingly, the Corporation recognized Employee Retention Credit revenue of $5,563,711 in the consolidated statement of operations as COVID stimulus revenue. The remaining ERC not yet recognized as revenue relates to the quarter ending September 30, 2021, for which the statute of limitations will not expire until 2027.

9. Retirement Plan

Landis Communities sponsors a defined contribution retirement plan. Contributions to the plan were $1,028,871 in 2026 and $859,545 in 2025.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2026	2025
Purpose restricted:		
Resident assistance program	131,362	118,747
Endowment funds appreciation	1,639,480	1,139,400
Capital projects	1,676,228	1,814,022
Other	660,038	471,401
Restricted in perpetuity:		
Endowment funds	1,492,668	1,459,873
Total	$ 5,599,776	$ 5,003,443

11. Endowment Funds

LHRC's endowment funds consist of two funds established for a variety of purposes. The endowment includes both board-designated and donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence of or absence of donor-imposed restrictions.

LHRC interprets relevant Pennsylvania state law governing the net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result, LHRC classifies as net assets with donor restrictions (a) the original value of all gifts donated as permanent endowments; (b) the original value of subsequent gifts to the permanent endowments; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not classified in net assets with donor restrictions is classified as either net assets with or without restrictions, depending upon the donor designation.

LHRC has adopted investment and spending policies for its endowment assets that attempt to preserve the capital and achieve sufficient total return to fund the annual expenditures of the endowments in accordance with donor restrictions. To achieve LHRC's overall goals, the primary objectives of the investment policy are to (a) preserve and increase the real value of LHRC's assets, (b) provide a stable source of income for LHRC's programs in accordance with LHRC's spending policy, (c) assure that LHRC's bond covenants are satisfied and (d) invest LHRC's investment funds in a manner consistent with the values formed by LHRC's Anabaptist beliefs and heritage.

To satisfy its long-term rate of return objectives, LHRC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). LHRC targets a diversified asset allocation in order to achieve its long-term return objectives with prudent risk constraints.

LHRC has a policy of appropriating for distribution each year such amounts as are stipulated by the donors upon establishment of the endowment funds. In accordance with the original gifts, each of the endowment funds allows LHRC to appropriate the current yield for distribution each year. LHRC excludes realized capital gains related to the endowment funds from this calculation. LHRC expects the current spending policy to allow its endowment funds to preserve the fair value of the original gifts, which is consistent with LHRC's objective to preserve the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. LHRC's spending policy does not require a minimum payout from its endowment income on an annual basis.

Changes in endowment net assets for the years ended June 30, 2026 and 2025 are composed of the following:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,490,173	$ 2,599,273	$ 7,089,446
Investment gain (including interest and dividends and realized and unrealized gains and losses)	918,805	500,080	1,418,885
Contributions	133,538	30,440	163,978
Change in value, split-interest agreements	-	2,355	2,355
Endowment net assets, end of year	$ 5,542,516	$ 3,132,148	$ 8,674,664

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 3,904,235	$ 2,341,815	$ 6,246,050
Investment gain (including interest and dividends and realized and unrealized gains and losses)	510,567	290,809	801,376
Contributions	75,371	8,103	83,474
Change in value, split-interest agreements	-	5,093	5,093
Appropriated for expenditure	-	(46,547)	(46,547)
Endowment net assets, end of year	$ 4,490,173	$ 2,599,273	$ 7,089,446

12. Insurance

Professional and General Liability Insurance

The Corporation maintains professional and general liability insurance coverage on a claims-made basis through Peace Church Risk Retention Group (PCRRG), a reciprocal insurance company. Other than for premiums paid under these policies, no provision has been made for estimated losses. Management believes no incidents occurred or will be asserted that will exceed the insurance coverage of the Corporation or will have a material adverse effect on the consolidated financial statements.

Employee Health Insurance

Landis Communities self-insures certain of its health insurance benefits. Landis Communities holds a stop-loss policy of $235,000 per eligible employee that limits the maximum liability for benefits payable under such claims. Self-insurance costs incurred under this program were $2,918,694 and $3,823,702 in 2026 and 2025, respectively. On the consolidated balance sheets, accrued expenses, other includes $228,773 and $429,696 at June 30, 2026 and 2025, respectively, for reserves for anticipated health insurance costs. Management believes no instances occurred or will be asserted that will exceed the insurance coverage stated in the policies.

13. Contingencies

Real Estate Taxes

As not-for-profit corporations in the Commonwealth of Pennsylvania, LHRC and WMH are organizations which qualify for exemption from real property taxes relating to portions of their properties. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge not-for-profit corporations' exemption from real estate taxes. The possible future financial effects of this matter on LHRC and WMH, if any, are not determinable.

Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future effects of this matter on the Corporation, if any, are not determinable.

14. Concentrations of Credit Risk

The Corporation grants credit without collateral to its residents, some of whom are insured under third-party payor arrangements primarily with Medical Assistance and Medicare.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts.

15. Functional Expenses

The Corporation's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification consist of the following in 2026 and 2025:

	2026			
	Resident Services	General and Administrative	Fundraising	Consolidated Total
Salaries and wages	$ 21,070,239	$ 4,398,367	$ 310,399	$ 25,779,005
Employee benefits and payroll taxes	5,546,328	1,229,129	94,152	6,869,609
Professional fees and purchased services	2,058,533	1,548,287	25,592	3,632,412
Nursing home assessment	-	296,516	-	296,516
Depreciation	9,023,973	147,089	-	9,171,062
Interest	4,922,253	43,307	-	4,965,560
Supplies and other expenses	8,780,468	3,645,870	82,889	12,509,227
Total expenses	$ 51,401,794	$ 11,308,565	$ 513,032	$ 63,223,391

	2025			
	Resident Services	General and Administrative	Fundraising	Consolidated Total
Salaries and wages	$ 20,138,345	$ 4,293,768	$ 296,323	$ 24,728,436
Employee benefits and payroll taxes	6,147,467	1,227,733	92,742	7,467,942
Professional fees and purchased services	2,068,083	1,736,725	15,767	3,820,575
Nursing home assessment	-	308,520	-	308,520
Depreciation	8,643,650	140,890	-	8,784,540
Interest	4,703,278	41,380	-	4,744,658
Supplies and other expenses	7,956,841	3,356,030	60,321	11,373,192
Total expenses	$ 49,657,664	$ 11,105,046	$ 465,153	$ 61,227,863

Certain categories of expenses are attributable to more than one program or supporting function. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage, time and effort.

Landis Communities and Affiliates

Consolidating Schedule, Balance Sheet
June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Assets											
Current Assets											
Cash and cash equivalents	$ 4,237,808	$ 149,220	$ -	$ 4,387,028	$ 298,107	$ 1,072,651	$ 211,099	$ 13,992	$ 106,289	$ -	$ 6,089,166
Assets whose use is limited, debt service funds	3,813,323	-	-	3,813,323	-	-	-	-	-	-	3,813,323
Accounts receivable:											
Residents, net	3,088,518	1,399	-	3,089,917	228,941	1,676	-	149	7,676	-	3,328,359
Entrance fees	222,100	-	-	222,100	-	-	-	-	-	-	222,100
Other	(24,472)	13,399	-	(11,073)	1,044	21,005	66,069	-	-	-	77,045
Due from affiliates	910,787	46,883	(527,628)	430,042	510,546	3,624,651	231,313	-	17,000	(4,813,552)	-
Prepaid expenses and other current assets	533,726	5,564	-	539,290	-	152,397	-	42,878	38,684	-	773,249
Total current assets	12,781,790	216,465	(527,628)	12,470,627	1,038,638	4,872,380	508,481	57,019	169,649	(4,813,552)	14,303,242
Assets Whose Use is Limited											
Board-designated investments	5,542,516	49,375	-	5,591,891	-	-	-	-	226,321	-	5,818,212
Statutory minimum liquid reserve	4,639,600	-	-	4,639,600	-	-	-	-	-	-	4,639,600
Donor-restricted investments	3,615,727	-	-	3,615,727	-	946,535	-	-	385,697	-	4,947,959
Debt service reserve fund	7,158,269	-	-	7,158,269	-	-	-	-	-	-	7,158,269
Resident deposits	2,611,344	150,992	-	2,762,336	-	-	-	56,125	-	-	2,818,461
Total assets whose use is limited	23,567,456	200,367	-	23,767,823	-	946,535	-	56,125	612,018	-	25,382,501
Investments	55,266,487	-	-	55,266,487	-	-	-	-	-	-	55,266,487
Property and Equipment, Net	142,202,960	25,373,503	-	167,576,463	15,646	126,783	82,185	173,179	4,225,929	-	172,200,185
Split-Interest Agreements	205,935	-	-	205,935	-	6,064	-	-	-	-	211,999
Other Assets	1,065,643	-	-	1,065,643	-	50,805	100,325	877,192	640,087	(100,325)	2,633,727
Total assets	$ 235,090,271	$ 25,790,335	$ (527,628)	$ 260,352,978	$ 1,054,284	$ 6,002,567	$ 690,991	$ 1,163,515	$ 5,647,683	$ (4,913,877)	$ 269,998,141

Landis Communities and Affiliates

Consolidating Schedule, Balance Sheet
June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Liabilities and Net Assets (Deficit)											
Current Liabilities											
Current portion of:											
Long-term debt	$ 1,410,000	$ 613,438	$ -	$ 2,023,438	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,023,438
Accounts payable:											
Trade	306,254	-	-	306,254	-	1,266,381	-	-	-	-	1,572,635
Due to affiliate	2,280,125	827,811	(527,628)	2,580,308	200,612	109,945	1,367,276	304,450	109,698	(4,672,289)	-
Capital related	2,828,898	-	-	2,828,898	-	880,119	-	-	-	-	3,709,017
Accrued expenses:											
Salaries and wages	153,924	-	-	153,924	78,654	36,949	-	-	18,201	(78,654)	209,074
Paid time off	664,328	-	-	664,328	51,593	259,797	-	-	11,321	(51,593)	935,446
Interest	2,115,568	46,079	-	2,161,647	-	-	-	-	-	-	2,161,647
Other	585,159	1,356	-	586,515	11,068	45,117	-	(2,474)	5,659	(11,016)	634,869
Total current liabilities	10,344,256	1,488,684	(527,628)	11,305,312	341,927	2,598,308	1,367,276	301,976	144,879	(4,813,552)	11,246,126
Long-Term Debt	114,078,610	25,142,487	-	139,221,097	-	-	-	-	-	-	139,221,097
Other Long-Term Liabilities	-	-	-	-	-	-	-	965,326	-	-	965,326
Priority Fees and Reservation Deposits	3,188,300	-	-	3,188,300	-	-	-	-	-	-	3,188,300
Refundable Entrance Fees and Deposits	245,620	153,449	-	399,069	-	-	-	59,346	-	-	458,415
Deferred Revenues From Nonrefundable Entrance Fees	52,528,386	-	-	52,528,386	-	-	-	-	-	-	52,528,386
Refundable Advance, Employee Retention Credit (Note 8)	1,905,144	-	-	1,905,144	162,904	273,099	-	-	39,699	-	2,380,846
Total liabilities	182,290,316	26,784,620	(527,628)	208,547,308	504,831	2,871,407	1,367,276	1,326,648	184,578	(4,813,552)	209,988,496
Net Assets (Deficit)											
Without donor restrictions	48,610,285	(995,591)	-	47,614,694	465,276	2,193,725	(801,610)	(163,133)	5,100,917	-	54,409,869
With donor restrictions	4,189,670	1,306	-	4,190,976	84,177	937,435	125,325	-	362,188	(100,325)	5,599,776
Total net assets (deficit)	52,799,955	(994,285)	-	51,805,670	549,453	3,131,160	(676,285)	(163,133)	5,463,105	(100,325)	60,009,645
Total liabilities and net assets (deficit)	$ 235,090,271	$ 25,790,335	$ (527,628)	$ 260,352,978	$ 1,054,284	$ 6,002,567	$ 690,991	$ 1,163,515	$ 5,647,683	$ (4,913,877)	$ 269,998,141

Landis Communities and Affiliates

Consolidating Schedule, Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Revenues Without Donor Restrictions											
Resident service revenues:											
Nursing	$ 19,085,819	$ -	$ -	$ 19,085,819	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,085,819
Personal care	11,817,816	-	-	11,817,816	-	-	-	-	1,385,527	-	13,203,343
Residential living:											
Monthly fees	12,826,628	1,803,058	-	14,629,686	-	-	-	741,651	-	-	15,371,337
Amortization of entrance fees	7,451,198	-	-	7,451,198	-	-	-	-	-	-	7,451,198
Ancillary service revenues	661,829	-	-	661,829	-	-	-	-	-	-	661,829
Home and community based services	-	-	-	-	2,345,435	-	-	-	-	(94,225)	2,251,210
Other resident service revenues	1,250,926	54,350	-	1,305,276	-	-	-	26,840	-	-	1,332,116
Net resident service revenues	53,094,216	1,857,408	-	54,951,624	2,345,435	-	-	768,491	1,385,527	(94,225)	59,356,852
Other revenues	3,396,489	228,696	(25,956)	3,599,229	328,169	7,075,949	305,136	3,246	63,078	(10,183,493)	1,191,314
Contributions and bequests	133,538	-	-	133,538	5,129	50,954	-	-	165,303	-	354,924
Donor-restricted contributions used primarily for benevolent care	1,038,906	34,000	-	1,072,906	121,198	2,934	2,000	-	135,335	-	1,334,373
Interest and dividend income	1,859,431	4,242	-	1,863,673	-	43,839	6,881	-	19,767	(13,131)	1,921,029
Total revenues without donor restrictions	59,522,580	2,124,346	(25,956)	61,620,970	2,799,931	7,173,676	314,017	771,737	1,769,010	(10,290,849)	64,158,492
Expenses											
Resident services	18,343,974	28	-	18,344,002	2,599,217	-	-	-	576,923	(2,662,294)	18,857,848
General and administrative	9,689,699	619,773	(25,956)	10,283,516	139,049	7,384,037	412,507	665,991	361,525	(7,615,424)	11,631,201
Depreciation	8,054,715	776,656	-	8,831,371	3,226	50,290	-	22,018	264,157	-	9,171,062
Plant operations	6,598,687	23,964	-	6,622,651	-	-	-	-	244,060		6,866,711
Dining services	6,357,162	-	-	6,357,162	-	-	-	-	340,060	-	6,697,222
Housekeeping, laundry and campus services	2,743,376	-	-	2,743,376	-	-	-	-	105,046	-	2,848,422
Admissions, social services, pastoral services and life enrichment	2,179,769	-	-	2,179,769	-	-	-	-	5,596	-	2,185,365
Interest	4,269,849	695,711	-	4,965,560	-	-	-	13,131	-	(13,131)	4,965,560
Total expenses	58,237,231	2,116,132	(25,956)	60,327,407	2,741,492	7,434,327	412,507	701,140	1,897,367	(10,290,849)	63,223,391
Operating income (loss)	1,285,349	8,214	-	1,293,563	58,439	(260,651)	(98,490)	70,597	(128,357)	-	935,101

Landis Communities and Affiliates

Consolidating Schedule, Operations and Changes in Net Assets (Deficit)
Year Ended June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Other Income (Loss)											
Net realized gain on sales of investments	$ 4,482,480	$ -	$ -	$ 4,482,480	$ -	$ -	$ -	$ -	$ 10,631	$ -	$ 4,493,111
Change in net unrealized gains and losses on investments	4,614,203	-	-	4,614,203	-	-	-	-	13,720	-	4,627,923
Loss on disposal or abandonment of property and equipment	(67,543)	-	-	(67,543)	-	-	-	-	-	-	(67,543)
Total other income (loss), net	9,029,140	-	-	9,029,140	-	-	-	-	24,351	-	9,053,491
Revenues in excess of (less than) expenses	10,314,489	8,214	-	10,322,703	58,439	(260,651)	(98,490)	70,597	(104,006)	-	9,988,592
Donor-Restricted Contributions Used for Purchase of Property and Equipment	220,000	-	-	220,000	-	-	-	-	434,589	-	654,589
Transfer (to) From Affiliate	(308,000)	-	-	(308,000)	-	238,000	20,000	-	50,000	-	-
Change in net assets (deficit) without donor restrictions	10,226,489	8,214	-	10,234,703	58,439	(22,651)	(78,490)	70,597	380,583	-	10,643,181
Net Assets With Donor Restrictions											
Contributions	1,453,924	-	-	1,453,924	69,761	257,945	25,000	-	239,946	-	2,046,576
Interest and dividend income	59,436	-	-	59,436	-	-	-	-	-	-	59,436
Net realized gain on sales of investments	110,999	-	-	110,999	-	-	-	-	-	-	110,999
Change in net unrealized gains and losses on investments	354,807	-	-	354,807	-	-	-	-	-	-	354,807
Change in value, split-interest agreements	13,024	-	-	13,024	-	453	-	-	-	-	13,477
Transfers	41,945	34,000	-	75,945	15,000	(274,945)	2,000	-	182,000	-	-
Donor-restricted contributions used for:											
Resident assistance program	(1,014,767)	(34,000)	-	(1,048,767)	(44,167)	-	(2,000)	-	(100,527)	-	(1,195,461)
Adult day care program	-	-	-	-	(59,971)	-	-	-	-	-	(59,971)
Other	(24,139)	-	-	(24,139)	(17,060)	(2,934)	-	-	(34,808)	-	(78,941)
Purchase of property and equipment	(220,000)	-	-	(220,000)	-	-	-	-	(434,589)	-	(654,589)
Change in net assets with donor restrictions	775,229	-	-	775,229	(36,437)	(19,481)	25,000	-	(147,978)	-	596,333
Change in net assets (deficit)	11,001,718	8,214	-	11,009,932	22,002	(42,132)	(53,490)	70,597	232,605	-	11,239,514
Net Assets (Deficit), Beginning	41,798,237	(1,002,499)	-	40,795,738	527,451	3,173,292	(622,795)	(233,730)	5,230,500	(100,325)	48,770,131
Net Assets (Deficit), Ending	$ 52,799,955	$ (994,285)	$ -	$ 51,805,670	$ 549,453	$ 3,131,160	$ (676,285)	$ (163,133)	$ 5,463,105	$ (100,325)	$ 60,009,645

Landis Communities and Affiliates

Consolidating Schedule, Cash Flows
Year Ended June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Cash Flows From Operating Activities											
Change in net assets (deficit)	$ 11,001,718	$ 8,214	$ -	$ 11,009,932	$ 22,002	$ (42,132)	$ (53,490)	$ 70,597	$ 232,605	$ -	$ 11,239,514
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:											
Depreciation	8,054,715	776,656	-	8,831,371	3,226	50,290	-	22,018	264,157	-	9,171,062
Amortization of deferred financing costs	158,901	20,189	-	179,090	-	-	-	-	-	-	179,090
Amortization of bond premium	(156,999)	-	-	(156,999)	-	-	-	-	-	-	(156,999)
Net realized and unrealized gains and losses on investments and assets whose use is limited	(9,562,489)	-	-	(9,562,489)	-	-	-	-	(24,351)	-	(9,586,840)
Loss on disposal or abandonment of property and equipment	67,543	-	-	67,543	-	-	-	-	-	-	67,543
Forgiveness of LPK HOME loan	-	(52,100)	-	(52,100)	-	-	-	-	-	-	(52,100)
Proceeds from entrance fees and deposits, existing units	7,339,900	-	-	7,339,900	-	-	-	-	-	-	7,339,900
Amortization of entrance fees	(7,451,198)	-	-	(7,451,198)	-	-	-	-	-	-	(7,451,198)
Contributions restricted for long-term purposes	(30,440)	-	-	(30,440)	-	-	-	-	-	-	(30,440)
Change in split-interest agreements	(6,464)	-	-	(6,464)	-	(453)	-	-	-	-	(6,917)
Change in assets and liabilities:											
Accounts receivable	565,944	(820)	-	565,124	(32,466)	(19,855)	193,321	1,325	(7,676)	-	699,773
Due from/to affiliates	477,559	(300,291)	-	177,268	10,909	309,970	(95,959)	(25,487)	(389,842)	13,141	-
Prepaid expenses and other current assets	107,429	(1,108)	-	106,321	-	119,721	66,070	433,567	(28,094)	-	697,585
Accounts payable, trade	123,165	-	-	123,165	(233)	380,084	-	-	(3,520)	-	499,496
Accrued expenses and other liabilities	(778,870)	(24)	-	(778,894)	13,472	(115,423)	-	(466,503)	(9,063)	(13,141)	(1,369,552)
Net cash provided by operating activities	9,910,414	450,716	-	10,361,130	16,910	682,202	109,942	35,517	34,216	-	11,239,917
Cash Flows From Investing Activities											
Net sales (purchases) of investments and assets whose use is limited	1,608,825	-	-	1,608,825	-	-	-	-	(4,660)	-	1,604,165
Change in value of investment in limited partnerships	-	-	-	-	-	-	-	-	-	-	-
Purchase of property and equipment	(35,869,961)	(23,874)	-	(35,893,835)	-	(464,466)	(788)	(39,951)	(129,765)	-	(36,528,805)
Net cash (used in) provided by investing activities	(34,261,136)	(23,874)	-	(34,285,010)	-	(464,466)	(788)	(39,951)	(134,425)	-	(34,924,640)
Cash Flows From Financing Activities											
Repayment of long-term debt	(12,616,815)	(599,007)	-	(13,215,822)	-	-	-	-	-	-	(13,215,822)
Proceeds from long-term debt	25,586,824	-	-	25,586,824	-	-	-	-	-	-	25,586,824
Payment of financing costs	(361,629)	-	-	(361,629)	-	-	-	-	-	-	(361,629)
Proceeds from entrance fees and deposits, new units	14,137,171	-	-	14,137,171	-	-	-	-	-	-	14,137,171
Proceeds from refundable fees and deposits	18,000	(3,356)	-	14,644	-	-	-	1,173	-	-	15,817
Refunds of entrance fees	(715,569)	-	-	(715,569)	-	-	-	-	-	-	(715,569)
Contributions restricted for long-term purposes	30,440	-	-	30,440	-	-	-	-	-	-	30,440
Net cash provided by (used in) financing activities	26,078,422	(602,363)	-	25,476,059	-	-	-	1,173	-	-	25,477,232
Net change in cash, cash equivalents and restricted cash and cash equivalents	1,727,700	(175,521)	-	1,552,179	16,910	217,736	109,154	(3,261)	(100,209)	-	1,792,509
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	5,618,336	475,733	-	6,094,069	281,197	1,801,450	101,945	73,378	592,195	-	8,944,234
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 7,346,036	$ 300,212	$ -	$ 7,646,248	$ 298,107	$ 2,019,186	$ 211,099	$ 70,117	$ 491,986	$ -	$ 10,736,743

Landis Communities and Affiliates

Consolidating Schedule, Cash Flows
Year Ended June 30, 2026

	Landis Homes Retirement Community	Landis Place on King	Eliminations	Obligated Group	Landis HCBS	Landis Communities	Landis Quality Living	Quality Living Choices	Welsh Mountain Home and WMH, Inc.	Eliminations	Consolidated
Supplemental Disclosure of Cash Flow Information											
Interest paid, net of amounts capitalized	$ 4,203,160	$ 676,696	$ -	$ 4,879,856	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,879,856
Noncash Investing and Financing Activities											
Accounts payable, capital related	$ 2,828,898	$ -	$ -	$ 2,828,898	$ -	$ 880,119	$ -	$ -	$ -	$ -	$ 3,709,017
Forgiveness of LPK home loan	$ -	$ 52,100	$ -	$ 52,100	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,100
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents											
Cash and cash equivalents	$ 4,237,808	$ 149,220	$ -	$ 4,387,028	$ 298,107	$ 1,072,651	$ 211,099	$ 13,992	$ 106,289	$ -	$ 6,089,166
Cash and cash equivalents included in assets whose use is limited and investments	3,108,228	150,992	-	3,259,220	-	946,535	-	56,125	385,697	-	4,647,577
Total cash, cash equivalents and restricted cash and cash equivalents	$ 7,346,036	$ 300,212	$ -	$ 7,646,248	$ 298,107	$ 2,019,186	$ 211,099	$ 70,117	$ 491,986	$ -	$ 10,736,743

LANDIS HOMES RETIREMENT COMMUNITY

AMENDMENT TO DISCLOSURE STATEMENT

June 30, 2025

The Disclosure Statement is hereby amended to include the following:

In early August of 2024, Landis Homes Retirement Community began an expansion project which will add 35 new residential living units to its campus. Specifically, these 35 units will include 14 units in duplexes, one standalone home, and three small over/under buildings with six units in each building. All of these buildings will include garages and outside entrances for residents. The anticipated completion of this project is late 2025.

There will be six floor plans ranging from 1,094 to 1,613 square feet. The applicable entry fees for the apartments range from $323,000 to $484,000. The monthly fees for the apartments range from $2,133 to $3,226 for single occupancy. Double occupancy will incur an additional fee of $258 based on today's rate.

Similarly, Landis Homes Retirement Community will start another expansion called the Meadows in July 2025. This project will include 52 new residential units in four hybrid home-style buildings. Each unit will also have an indoor parking space. The first two buildings are expected to begin construction in July 2025, with completion planned for late 2026. The construction of the remaining two buildings will be evaluated over the next 12 to 24 months.

There will be five floor plans ranging from 1,196 to 1,685 square feet. The applicable entry fees for the apartments range from $335,000 to $513,000. The monthly fees for the apartments range from $2,631 to $3,876 for single occupancy. Double occupancy will incur an additional fee of $258 based on today's rate.

Reference should be made to the attached pricing reflected in Exhibit "A" for further information. Similar to prospective residents of the existing residential living units, prospective residents of the new apartments and cottages may choose from four refund plans: 2% Declining Balance Plan, 25% Refundable Plan, 50% Refundable Plan, and 90% Refundable Plan. Reference should be made to the Residency Agreement for further information. Landis Homes only offers Type C, Fee for Service Contracts.

For both expansion projects, prospective residents pay a refundable $1,000 deposit at the time of placement on the Priority List. When offered a unit, a prospective resident will make a deposit equal to 10% of the applicable entry fee. The remaining balance is due at the time of occupancy or three months after the unit is available for occupancy, whichever is earlier. The 10% deposit is refundable upon cancelation minus a $2,500 fee.

An Entrance Fee Escrow Account is maintained as required by the Continuing Care Provider Registration and Disclosure Act (Act 82). Any funds placed in escrow will be invested in accordance with the provisions of Act 82. A copy of the executed Entrance Fee Escrow Agreement is attached as Exhibit "B."

Pursuant to 40 P.S. § 3207(a)(10), as of the date of this Amendment to Disclosure Statement, Landis Homes Retirement Community has yet to commence operations of the on-campus expansion projects, and thus is providing the following information.

(i) An estimate of the cost of purchasing or constructing and equipping the facility including such related costs as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs which the provider expects to incur or become obligated for prior to the commencement of operations.

Meadows and Gardens	**Uses**			**Sources**
Construction	48,671,267		Entrance Fees	35,960,000
Contingency 4%	1,877,910		Debt	25,192,908
Barn and Facilities Buildings	3,090,000		Owner Equity	5,000,000
Total Construction	53,639,177			
Soft Costs	8,132,641			
Additional Contingency	4,381,090			
Total Costs	**66,152,908**		**Total Sources**	**66,152,908**

As reflected above, the total construction cost is $66,000,000. Soft costs, including capitalized interest, architect and engineering fees, insurance, and township fees, are estimated at $8,000,000. Contingencies are substantial with an estimated $6,200,000, or over 10% of the construction costs.

Such costs will be funded through short-term construction loans of up to $61,000,000 and a $5,000,000 equity contribution from Landis Homes Retirement Community. The construction loan is anticipated to be a non-taxable bank loan. Landis Homes Retirement Community anticipates paying down the loan to a permanent loan amount of approximately $25,000,000 after receiving and releasing the entrance fees.

E.G. Stoltzfus Construction has begun construction on the Gardens, and Warfel Construction will commence with the Meadows in the very near future. The financing for the entire project was bid in the spring of 2024 and awarded to Fulton Bank. Landis Homes uses HJ Sims as the investment banker, with Pearl Creek Advisors acting as the financial advisor.

(iii) An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.

Total estimated entry fees expected to be collected at or before the time of commencement of operations are:

Gardens: $1,400,000.
Meadows Phase 1: $1,100,000
Meadows Phase 2: $1,100,000

(iv) An estimate of the funds, if any, which are anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care.

Landis Homes Retirement Community does not anticipate any start-up losses related to the expansion project.

(v) A projection of estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of government subsidies for health care services, if any, to be provided pursuant to the contracts for continuing care.

Reference should be made to the 5-year Pro Forma specific to the expansion project attached as Exhibit "C."

(vi) A projection of estimated operating expenses of the facility, including a description of the assumptions used in calculating the expenses and separate allowances, if any, for the replacement of equipment and furnishings and anticipated major structural repairs or additions.

Reference should be made to Exhibit "C."

(vii) Identification of any assets pledged as collateral for any purpose.

Collateral pledge will be a first mortgage on the campus based on the Master Trust Indenture approved and executed with the 2015 Landis Homes Bond Issue.

(viii) An estimate of annual payments of principal and interest required by any mortgage loan or other long-term financing.

The construction loans have interest-only payments for the estimated 12-month time frame to complete the expansion projects. Landis Homes Retirement Community anticipates paying off the construction loans by the end of the 12-month period, utilizing the equity contribution and entry fee funds referenced in subsection (ii) above.

All construction plans are contingent on acceptable market demands and financing requirements, and all designated occupancy dates are approximate and may vary according to changes in approvals, weather conditions, market demands, and other factors that are beyond Landis Homes Retirement Community's control. There are no assurances or guarantees that the entire project will be completed or that the scope of the project will not change. All future dates are approximate and assume Residency Agreements were entered into for all of the proposed apartments and cottages.

EXHIBIT "A"

ENTRY FEES AND MONTHLY FEES

PRICING SUMMARY

Reflects 2026-2027 pricing

	COUNT	TOTAL SQUARE FEET	ENTRANCE FEE *(first and second floor)*	ENTRANCE FEE* *(third floor)*	MONTHLY FEE
Chickadee: 1 BR, Den	4	1,196	$335,000	$352,000	$2,631
Sparrow: 2BR, Den	4	1,488	$424,000	$445,000	$3,348
Bluebird: 2 BR	6	1,420	$405,000	$425,000	$3,195
Goldfinch: 2 BR, Den	6	1,515	$439,000	$461,000	$3,485
Robin: 2 BR, Den	6	1,685	$489,000	$513,000	$3,876

**Top floor homes feature up to 9' 6" ceilings, larger windows and panoramic views.*

Standard Finishes and Features

INCLUDED IN YOUR NEW HOME

- Luxury vinyl plank floors in living, dining and kitchen spaces
- Choice of painted or stained wood cabinets with soft-close doors and drawers
- Tall pantry cabinets with roll-out shelves
- Quartz kitchen counters with tile backsplash
- Kitchen island or peninsula with seating space
- Electric stainless steel kitchen appliance package including bottom-freezer refrigerator
- Tile walls in all showers
- Glass shower door in primary bathroom
- Luxury vinyl tile bathroom floors
- Ample closets and storage space
- Patio or balcony
- High energy efficiency design
- Individual garage parking
- Additional storage area on first floor
- Gathering rooms on second and third floors
- Close proximity to many campus amenities

PRICING SUMMARY

Reflects 2025-2026 pricing

	COUNT	TOTAL SQUARE FEET	GARAGE SQUARE FEET	ENTRANCE FEE	MONTHLY FEE
WILDFLOWER HOMES					
Poppy: 2 BR	7	1,333	361	$400,000	$2,665
Primrose: 2BR, Sunroom	2	1,478	491	$451,000	$2,956
CREEKSIDE VILLAS					
Bumblebee: 1 BR, Den	6	1,094	280	$323,000	$2,133
Butterfly: 2 BR	6	1,261	346	$372,000	$2,459
Firefly: 2 BR, Den	6	1,613	460	$484,000	$3,226
SUNRISE COTTAGES					
Sunrise: 2 BR	8	1,562	440	$469,000	$3,124

Standard Finishes and Features

INCLUDED IN YOUR NEW HOME

- Luxury vinyl plank floors in living, dining and kitchen spaces
- Choice of painted or stained wood cabinets with soft-close doors and drawers
- Tall pantry cabinets with roll-out shelves
- Quartz kitchen counters with tile backsplash
- Kitchen island or peninsula with seating space
- Electric stainless steel kitchen appliance package including bottom-freezer refrigerator
- Tile walls in all showers
- Luxury vinyl tile bathroom floors
- Ample closets and storage space
- High energy efficiency design

EXHIBIT "B"

ENTRANCE FEE ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") dated as of 10/17, 2024, is made by and between LANDIS HOMES RETIREMENT COMMUNITY, a Pennsylvania nonprofit corporation (the "Company"), and FULTON BANK, N.A., a national banking association (the "Escrow Agent").

The Company has entered into agreements ("Agreements") with prospective residents ("Residents") for its independent living units in continuing care retirement communities ("CCRC"), the terms of which require Entrance Fee payments ("Entrance Fees") prior to the date the resident is permitted to occupy the living unit in the CCRCs.

As a condition of receiving a certificate of authority from the Pennsylvania Department of Insurance for its CCRCs, the Company is required to establish an interest-bearing escrow account with a bank, trust company or other escrow agent for any Entrance Fees or payments that are in excess of 5% of the then existing Entrance Fee for the independent living unit.

The Company desires the Escrow Agent to hold in escrow the Entrance Fees until such time as the Company satisfies the conditions to the release of the Escrow as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, after good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereby agree as follows:

1. Appointment of Escrow Agent. The Company hereby appoints and designates the Escrow Agent to hold all Escrowed Assets (hereinafter defined) with the Escrow Agent, and the Escrow Agent hereby accepts such appointment and designation, to serve as such in accordance with the terms and conditions hereinafter set forth.

2. Creation of Escrow Account. Promptly following the receipt by the Company of any Entrance Fees, the Company shall deposit such payments with the Escrow Agent. An escrow account (the "Escrow Account") for these funds, together with the earnings thereon (the "Escrowed Assets"), shall be established by the Escrow Agent and designated as "[Name of Retirement Community] - Escrow Account." Within the Escrow Account, the Escrow Agent shall establish separate accounts for each Resident. The Escrow Agent shall receive all Entrance Fees and hold such funds in the Escrow Account, to be released or distributed in accordance with the terms hereof. No funds deposited into or held in the Escrow Account shall be disbursed to either the Company or any Resident, except as provided herein. The Escrowed Assets shall be invested by the Escrow Agent, pursuant to investment instructions by the Company to the Escrow Agent, in federally-insured, interest-bearing deposit accounts, or obligations of the United States Government or its agencies, or investments guaranteed by the United States Government or its agencies, or mutual funds investing in any of the foregoing. In the absence of written instructions from the Company, the Escrow Agent shall invest any portion of the Escrowed Assets in the Goldman Sachs Financial Square Treasury Obligations Fund Administrative Shares or a comparable fund available from the Escrow Agent.

3. Disbursement of Funds.

(a) Satisfaction of the Release Conditions Upon satisfaction of the conditions described in this Section 3(a) ("Release Conditions"), prior to the Escrow End Date (defined below), the Company may give notice to the Escrow Agent ("Release Notice") and direct the Escrow Agent to disburse Escrowed Assets to the Company. The Escrow Agent shall disburse Escrowed Assets to the Company at any time, and from time to time, in accordance with a Release Notice received from the Company prior to the Escrow End Date. A Release Notice shall state that the Release Conditions are satisfied for the Entrance Fees paid by one or more specified Residents. Any such notice shall, in addition, contain wiring instructions or an address to which a check shall be sent.

(i) If the Entrance Fee applies to a living unit which has been previously occupied, the Release Condition is satisfied at such time as the living unit becomes available for occupancy by the new resident.

(ii) If the Entrance Fee applies to a living unit which has not been previously occupied, the Release Condition is satisfied at such time as:

(A) Aggregate Entrance Fees received or receivable by the Company pursuant to executed continuing-care agreements equal not less than 50% of the sum of the Entrance Fees due at full occupancy of the portion of the facility under construction. For purposes of this paragraph 3(a)(ii)(A), Entrance Fees receivable pursuant to an agreement shall be counted only if the Company has received a deposit of 35% or more of the total Entrance Fee under the Agreement; and

(B) The amount of Entrance Fees received or receivable pursuant to the preceding paragraph, plus anticipated proceeds of any first mortgage loan or other long-term financing commitment, plus funds from other sources in the actual possession of the Company is not less than the sum of: (A) 50% of the aggregate cost of constructing or purchasing, equipping and furnishing the facility, and (B) 50% of the funds, estimated in the statement of anticipated source and application of funds submitted by the Company, as part of its application for a certificate of authority to be necessary to fund start-up losses of the facility; and

(C) A commitment has been received by the Company for any permanent mortgage loan or other long-term financing described in the statement of anticipated source and application of funds submitted by the Company as part of its application for certificate of authority, and any conditions of the commitment prior to disbursement of funds thereunder, other than completion of the construction or closing of the purchase of the facility, have been substantially satisfied.

(iii) All Entrance Fees and interest earned thereon shall thereupon be the property of the Company and the Escrow Agent shall promptly disburse all such funds upon the written instructions of the Company. In such case, the Company shall be liable for all taxes due in respect of interest earned on such funds. No Release Notice shall be effective hereunder unless the Company shall have delivered such notice to the Escrow Agent on or before the date

which is 36 months after the date on which Escrowed Assets are deposited or such later date as the Company may have specified, with consent of the Pennsylvania Insurance Commissioner, in a notice to the Escrow Agent ("Escrow End Date").

(b) Failure to Satisfy the Release Conditions. If the Company fails to provide to Escrow Agent, by the Escrow End Date, a Release Notice for any Entrance Fee, then Escrow Agent shall return such Entrance Fee, and shall disburse the amount of earnings attributable thereto, to the Residents on whose account the Entrance Fee had been paid. Promptly following the Escrow End Date, the Company shall provide to Escrow Agent the names, addresses, social security numbers, Entrance Fee and such other information as Escrow Agent may require in order to make such disbursements to Residents and for purposes of Section 8(d) hereof.

(c) Earnings on Escrow Investments.

(i) The Escrow Agent shall compute the amount of earnings attributable to the investment of each Resident's funds held in the Escrow Account, such computation to be made on a monthly basis.

(ii) Except as otherwise provided in Section 3(b), all earnings on the investment of Escrowed Assets shall be credited to the Company and reported for tax purposes as income of the Company in the year when earned. If the Escrow Agent returns to any Resident an Entrance Fee, and disburses the amount of earnings attributable thereto, in accordance with Section 3(b), then the amount of earnings so disbursed to such Resident shall be reported for tax purposes as income of such Resident in the year when disbursed.

4. Fees and Expenses. The Company shall compensate Escrow Agent for its services hereunder in accordance with Schedule A attached hereto and, in addition, shall reimburse Escrow Agent for all of its reasonable out-of-pocket expenses, including attorneys' fees, travel expenses, telephone and facsimile transmission costs, postage (including express mail and overnight delivery charges), copying charges and the like. The additional provisions and information set forth on Schedule A are hereby incorporated by this reference, and form a part of this Escrow Agreement. All of the compensation and reimbursement obligations set forth in this Section 4 shall be payable by Company upon demand by Escrow Agent. The obligations of Company under this Section 4 shall survive any termination of this Escrow Agreement and the resignation or removal of Escrow Agent.

5. Liabilities and Duties.

(a) Liability of Escrow Agent. The parties to this Agreement understand and agree that the Escrow Agent is not a principal, participant, or beneficiary of the underlying transaction which necessitates this Agreement. The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely on and shall be protected in acting or refraining from acting on any instrument believed by it to be genuine and to have been signed or presented by the proper party or parties, their officers, representatives or agents. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby. The Escrow Agent may consult with its counsel or other counsel satisfactory to it concerning any questions relating to its duties or responsibilities

hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by it in good faith upon the advice of such counsel.

(b) Standard of Care. The Escrow Agent shall have no liability under, or duty to inquire beyond, the terms and provisions of the Agreement, and it is agreed that its duties are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever except for willful misconduct or gross negligence so long as it has acted in good faith. Notwithstanding any contrary provision of this Agreement, the Escrow Agent shall have no responsibility to investigate or to verify any notice or other statement given by the Company in compliance with the terms of this Agreement.

(c) Indemnification. The Escrow Agent shall have no liability whatsoever under this Agreement except for its gross negligence or willful misconduct in the performance of Escrow Agent's duties hereunder. The Company hereby agrees to indemnify, defend and hold harmless the Escrow Agent and its past and present employees and agents from and against any and all costs, damages, claims, liabilities, suits, proceedings, judgments and expenses (including reasonable attorneys' fees and costs) suffered or incurred by them in connection with or arising out of the performance of Escrow Agent's obligations under this Agreement, or the enforcement of this Agreement, or any default under this Agreement, except in the event of Escrow Agent's gross negligence or willful misconduct in the performance of Escrow Agent's duties hereunder. The obligations of the Company under this Section 5(c) shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

6. Resignation. The Escrow Agent may at any time resign hereunder by giving written notice of its resignation to the Company at least ninety (90) days prior to the date specified for such resignation to take effect. Upon the effective date of such resignation, the Escrowed Assets hereunder shall be delivered to such person as may be designated in writing by the Company. If the Company fails to designate a substitute Escrow Agent within ninety (90) days after the giving of such notice, the Escrow Agent may institute a bill of interpleader as contemplated by this Agreement. The Escrow Agent's sole responsibility during the notice period shall be to keep safely all Escrowed Assets and to deliver the same to a person designated by the Company or in accordance with the directions of a final order or judgment of a court of competent jurisdiction, at which time Escrow Agent's obligations hereunder shall cease and terminate.

7. Termination. Upon disbursement of all of the Escrowed Assets, this Agreement shall terminate. In addition, this Agreement may be terminated at any time on at least fifteen (15) days written notice to the Escrow Agent by the Company for cause (as hereinafter defined), or on at least thirty (30) days written notice to the Escrow Agent for any reason whatsoever. "Cause," as used herein, shall mean the willful misconduct or gross negligence of the Escrow Agent or its agents.

8. Miscellaneous

(a) Entire Escrow Agreement. This Escrow Agreement constitutes the complete agreement of the Company and the Escrow Agent with respect to the subject matter

hereof, and may not be modified or amended except by written instrument executed by all parties.

(b) Severability. If one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect under applicable law, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision has never been contained herein.

(c) Successors. This Escrow Agreement shall be binding upon the Company and the Escrow Agent, their respective successors and assigns, and shall inure to the benefit of the Company and the Escrow Agent, their respective heirs, legal representatives, successors and assigns.

(d) Tax and Regulatory Compliance. The Escrow Agent may require, as a condition to making any disbursement of earnings on funds held in the Escrow Account, that the intended recipient provide a correct taxpayer identification number on IRS Form W-9 (or successor or substitute form) and indicate thereon that he or she is not subject to backup withholding. The Escrow Agent is authorized to withhold tax from any such disbursement to a recipient who has failed to satisfy such requirement. The Company agrees to furnish to the Escrow Agent any information reasonably requested by the Escrow Agent for compliance with tax laws, the USA Patriot Act, Pub.L.107-56, or any other law or regulation to which the Escrow Agent is or may become subject.

(e) Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania.

(f) Notices. Any notice, statement, direction or other communication which is required hereunder, including Release Notices, shall be in writing and shall be sufficient in all respects if delivered to a party personally, by courier service, or by certified United States mail, postage prepaid, return receipt requested, to the addresses listed in Schedule A, or to such other address as such party may have established by giving notice to the other party in accordance herewith.

(g) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall be effective when counterparts which, when taken together, bear the signature of all parties hereto and have been delivered to all such parties. Delivery of executed signature pages by facsimile or other electronic transmission will constitute effective and binding execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Company and the Escrow Agent have executed this Escrow Agreement as of the date first above written.

LANDIS HOMES RETIREMENT COMMUNITY

By: Corey Hamilton

Name: Corey Hamilton
Title: CFO

FULTON BANK, N.A.

By: _____ 10.23.2024

Name: MICHAEL S. SAMUEL
Title: EVP

SCHEDULE A

1. Escrow Funds.

Escrow Funds wiring instructions:	Fulton Bank, National Association One Penn Square, Lancaster PA 17602 ABA# 031301422 Account # 013-196-864 ATTN: LANDISHOMESENTFEE Re: Landis Home Entrance Fee Escrow

2. Escrow Agent Fees.

Acceptance Fee:	$2,000.00
Annual Escrow Fee:	$2,000.00
Out-of-Pocket Expenses:	As incurred
Investment and Custody Fees:	Per current schedule in effect
Other Fees/Attorney, etc. :	As incurred

The Acceptance Fee and the Annual Escrow Fee are payable upon execution of the escrow documents. In the event the Escrow Account is not funded, the Acceptance Fee and all related expenses, including attorneys' fees, remain due and payable, and if paid, will not be refunded. Annual fees cover a full year in advance, or any part thereof, and thus are not pro-rated in the year of termination.

The fees quoted in this schedule apply to services ordinarily rendered in the administration of an Escrow Account and are subject to reasonable adjustment based on final review of documents, or when the Escrow Agent is called upon to undertake unusual duties or responsibilities, or as changes in law, procedures, or the cost of doing business demand. Services in addition to and not contemplated in this Agreement, including, but not limited to, document amendments and revisions, non-standard cash and/or investment transactions, calculations, notices and reports, and legal fees, will be billed as extraordinary expenses.

Unless otherwise indicated, the above fees relate to the establishment of one escrow account. Additional sub-accounts governed by the same Escrow Agreement may incur an additional charge. Transaction costs include charges for wire transfers, checks, internal transfers and securities transactions.

Pursuant to the Agreement the Provider hereby directs the Escrow Agent to invest all uninvested balances in a Commercial IntraFi Network Deposits – Money Market Option account with Fulton Bank, N.A.

3. Taxpayer Identification Numbers.

Company: **-***4364

4. Notice Addresses.

If to Company at:

LANDIS HOMES RETIREMENT COMMUNITY
1001 East Oregon Road
Lititz, PA 17543
ATTENTION: Corey Hamilton, VP of Finance and CFO
Facsimile: (___) ___-____
Phone (717)381-3532

If to the Escrow Agent at:

Fulton Bank, National Association, as Escrow Agent
Corporate Trust Services
One Penn Square
Lancaster, PA 17602
Attention: Stuart Juppenlatz
Fax (717) 393-9786
Phone (717) 291-2562

Gardens & Meadows Reservation Agreement

Name(s): _____

Number and Type: _____

1. **Reservation Fee.**
The Reservation fee is ten percent (10%) of the entrance fee which is $_____. If you have already paid a $1,000 priority deposit, that amount is credited toward the Reservation Fee. The current amount due is $_____. You will have the opportunity to select finishes for your new home and any upgrades will be an additional cost.

2. **Reservation of Preferred Residence**.
Landis Homes hereby acknowledges receipt of the Reservation Fee that will be applied toward the entrance fee at the time of occupancy. This reservation may not be assigned to someone else.

3. **Occupancy**.
This Reservation Agreement is not a guarantee of future residency at Landis Homes. The Articles of Occupancy must be met as outlined in the resident handbook. The remaining balance or (90%) is due and the monthly fees will begin at the time of move-in or sixty (60) days after the home is available for occupancy, whichever occurs first.

4. **Priority Status**.
The Reservation Agreement will not change your position on the list of people interested in residential living accommodations already constructed at Landis Homes, if applicable. However, once the option Selection Phase begins, you will be removed from all other priority lists.

5. **Refund.**
You may terminate this Reservation Agreement at any time for any reason prior to occupancy and receive a full refund of the Reservation fee less a $2,500 cancellation fee and the costs of any upgrades. The $2,500 is waived for those who no longer meet the Articles of Occupancy. If reserving an existing accommodation at Landis Homes, the $2,500 may be applied to that entrance fee.

Construction of the Gardens and Meadows neighborhoods depends on factors such as governmental approvals and financing arrangements. The proposed construction may be modified in size and scope based on these factors; therefore, Landis Homes cannot guarantee the availability of the residence noted in this Reservation Agreement. The Reservation Fee, less any upgrade costs will be refunded if Landis Homes does not build the selected residence. Landis Homes' liability under this agreement is otherwise limited to the Reservation Fee.

I, We _____ agree to the terms and conditions indicated herein.

_____	_____
Future Resident	Date
_____	_____
Future Resident	Date
_____	_____
Landis Homes Representative	Date

EXHIBIT "C"

PRO FORMA

Gradens and Meadows Expansion	2026	2027	2028	2029	2030
Add: Revenue	3,252,783	3,350,367	3,450,878	3,554,404	3,661,036
Less: Expense	1,575,372	1,622,633	1,671,312	1,721,452	1,773,095
Less: Debt Payments	1,638,835	1,638,835	1,638,835	1,638,835	1,638,835
Operating Cashflow	**38,576**	**88,899**	**140,731**	**194,118**	**249,106**
Add: Cash from Entrance Fees	77,812	273,387	480,626	700,053	932,214
Less: Capital Additions	21,750	44,805	69,224	95,067	122,399
Less: Replacement Reserve	66,153	136,275	210,545	289,148	372,278
Final Cashflow	**28,485**	**181,205**	**341,588**	**509,955**	**686,642**
Cashflow Before Debt Service	1,755,223	2,001,120	2,260,191	2,533,006	2,820,155
Debt Service Coverage Ratio	**1.07**	**1.22**	**1.38**	**1.55**	**1.72**

Landis Homes currently has an operating budget of nearly $58,000,000 and a balance sheet approaching $180,000,000. The current resident population fluctuates between 850 and 900. The experience on our existing campus was used in developing the pro-forma assumptions.

These expansion projects will add approximately 125 residents to campus, $3,500,000 in revenue, along with $65,000,000 in assets and liabilities. The projects are large enough to be accretive to the organization but not large enough to substantially impact the overall financial picture.