

Current Resident and Family Member FAQs

1. What did Edgemere announce today?

Edgemere will be embarking on a comprehensive financial restructuring to achieve a more sustainable financial structure to position the community for long-term success. To achieve this goal, Edgemere has initiated a voluntary Chapter 11 process in the U.S. Bankruptcy Court for the Northern District of Texas. Simultaneously with the bankruptcy filing, Edgemere also filed a lawsuit against its landlord, Intercity Investments Inc., and its agent, Kong Capital, alleging claims for, among other things, breach of contract, promissory fraud, tortious interference with business and contractual obligations, civil conspiracy, and equitable subordination.

2. What is Chapter 11? Does this mean that Edgemere is going out of business?

Chapter 11 is a section of the U.S. Bankruptcy Code that allows organizations to operate as usual and maintain commitments to stakeholders while addressing financial challenges. Many well-known companies and senior living communities have filed for Chapter 11 protection and emerged as healthier companies on the other side.

This process is very different from what you might think of when you hear the word “bankruptcy” – *it does not mean that Edgemere is going out of business*. The legal process of Chapter 11 offers communities like Edgemere protection to operate without interruption as we work to resolve financial challenges. This means Edgemere can maintain our industry-leading health center, unique amenities, and beautiful campus.

3. How does Edgemere intend to complete the Chapter 11 process?

Edgemere is negotiating with its other stakeholders on a financial restructuring plan that will provide the community with a healthier, more sustainable financial future. Through this process, Edgemere is confident that it will gain long-term financial flexibility and stability by achieving a permanent resolution with its financial stakeholders regarding the future of its capital structure, allowing it to serve the best interests of current and future residents.

4. Why is Edgemere filing for Chapter 11 now? Was there anything else that could have been done?

We are not the only senior living community to run into financial hardships in the past few years. Like many others, we have taken significant strides to improve upon our financial structure to be in the place for our current and future residents to enjoy a long-term sustainable community and take part in life-enriching activities they love. In early 2021, we began discussions with our stakeholders intended to reach a consensual resolution among all parties to strengthen the community’s financial position and build a sustainable future.

Last year, we entered into substantive discussions with the intention of improving our financial position. These discussions resulted in an initial forbearance agreement late last year, and on March 7, 2022, we announced a new forbearance agreement with our bondholders. The forbearance gave us some much-needed breathing room—but, ultimately, was a temporary measure. We strongly believe that by filing for Chapter 11 now, we will holistically work to strengthen our financial structure and meet all go-forward commitments to all stakeholder groups throughout the process.

5. How are sales proceeding at Edgemere? Is Edgemere getting new residents to move in?

Given occupancy remains the most important factor to Edgemere’s financial health, we have revamped our marketing and sales processes to address the growing competitive market. We continue to put all of our support behind our sales team to grow our occupancy. Edgemere led Lifespace move-ins with 48 in 2021, which we expect to continue in 2022.

6. Have other senior living communities filed for Chapter 11?

The COVID-19 pandemic hit many senior living communities hard, and Edgemere is not the only senior living community to run into financial hardships in the past few years. In the senior living

space in particular, there are many communities that have filed for Chapter 11 protection recently, including Amsterdam House (New York), the Buckingham (Texas), California-Nevada Methodist Homes (California), Henry Ford Village (Michigan), Hillside Village (New Hampshire), Inverness Village (Oklahoma), Clare Oaks Senior Living (Illinois), the Barrington of Carmel (Indiana) and AltaVita (California). Throughout their processes, each has been able to continue its resident care and experience while addressing their financial challenges, which is our goal as well.

7. Is Lifespace Communities included in Edgemere's Chapter 11 filing?

No.

8. How long will this process take? When does Edgemere expect to complete the Chapter 11 process?

We are working collaboratively with all stakeholders in our Chapter 11 case with the goal of completing this process in a timely fashion, well-positioned for long-term success and a healthier financial future.

9. Will the existing leadership team stay in place?

Edgemere does not anticipate any leadership changes as a result of this announcement.

10. Why is Edgemere taking action against Intercity Investments Inc.?

Edgemere has filed a lawsuit against Intercity Investments Inc. and its agent, Kong Capital, alleging claims related to their actions over the last year. We believe this is in the best interest of the community and all stakeholders, and we intend to pursue it vigorously. While we can't discuss claims in active litigation, the complaint is filed publicly and you can find a copy of it on the KCC website, <http://www.kccllc.net/Edgemere>, which has all the bankruptcy filings related to Edgemere.

11. What does this announcement mean for me? Will this process change anything for current residents at Edgemere?

No – nothing will change for you as a result of this process. Residents should expect to receive the same high-quality care and services they have come to expect from Edgemere through the duration of the bankruptcy case. We anticipate that by building a stronger financial foundation, we will be able to better serve residents both now and in the future. We greatly appreciate the partnership and understanding of our residents and their families as we navigate our financial restructuring process.

12. Will anything about my living situation change? Will I need to find a new place to live?

No, living situations will not change as a result of this announcement. Our residents are the backbone of our community, and we are committed to keeping your best interests top-of-mind throughout this process.

13. What does this announcement mean for entrance fees and the future of entrance fee refunds?

We understand the importance of resident agreements, and they are at the forefront of our discussions with our stakeholders as we seek to achieve a more financially sound future. Please know that Edgemere is compliant with all its contractual obligations to residents. Former residents or their families are receiving refunds pursuant to their respective entrance fee contracts.

14. I recently joined Edgemere after new entrance fees were being held in escrow. Will my entrance fee refund be impacted?

Entrance fees paid by new residents on or after September 27, 2021 are being held in an escrow account by an independent financial institution to protect the funds throughout Edgemere's restructuring process. Upon resolution from a successful restructuring, escrowed deposits will be released in accordance with the escrow agreement, and any refunds related to entrance fees held in escrow will be paid in accordance with resident agreements.

15. Will I still have access to all the amenities that Edgemere offers?

Our community will remain fully operational throughout this process. We anticipate that by building a stronger financial foundation we will be able to make material improvements that will further enrich our community, amenities, and services.

16. Will I continue to receive my care, treatment, and medications as usual? Will any of the doctors, nurses, or staff change?

Residents should see no changes in the high-quality care and services we provide. Our community will remain fully operational throughout this process.

17. Where can I find more information? How will I be kept informed of the process?

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We are committed to providing you updates as there is news to share. If you have any questions, please do not hesitate to reach out to our executive director or a member of our community's leadership team. We want to hear from you and answer the questions that are on your minds. Please submit any questions you have to AskJesse@lifespacecommunities.com. We will do our best to answer them in a timely manner. You can also find information on Edgemere's dedicated microsite <https://www.edgemedallas.com/financial-restructuring/>.

Additionally, as a contract holder with Edgemere, you will likely receive mailed legal notices from KCC, a third-party partner supporting the more administrative elements of our Chapter 11 process. We plan to share further information on some of these notices, and more information can be found at <http://www.kccllc.net/Edgemere/> You can always contact KCC by emailing EdgemereInfo@kccllc.com or calling 310-751-2669 for U.S. calls or 866-967-0269 for international calls for support regarding any related Chapter 11 process questions.