

Prospective Team 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



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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. Will this announcement impact the hiring process?

No. Our community is continuing to look for qualified, compassionate candidates for our open positions.

12. Why is now a good time to come work for Edgemere?

We expect this process will ultimately make our community stronger and better positioned to serve its residents and be a great employer for many years to come. We have a strong, resilient team that has adapted to the new reality we are facing with the COVID-19 pandemic and has continued to engage our residents in creative and safe ways. Regardless of our restructuring process, now is a great time to join our team.

13. I recently applied to work at Edgemere. How does this announcement impact the hiring process?

This announcement will not impact the hiring process. If you have any questions about your application, please reach out to our executive director.

14. Will I be paid less if I start working at Edgemere during the bankruptcy process?

We are continuing to operate and pay team members as usual. This means that any new team members who join our community will receive compensation and benefits in line with existing practices.

15. Does Edgemere anticipate any layoffs during this process that could impact open positions?

Edgemere does not anticipate any layoffs as a result of this announcement. We are continuing to hire for open positions as usual.

16. Who should I reach out to with additional questions?

Please reach out to our executive director with any outstanding questions.