

Vendor 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. How does this announcement impact Edgemere's relationships with its vendors?

Edgemere is committed to maintaining ongoing positive relationships with our vendors throughout this process. The steps we are taking now seek to best position our community for long-term success, and that is good for our partners too.

12. Why should my company continue doing business with Edgemere?

We value our vendors and are committed to maintaining ongoing positive relationships with those who continue to support us throughout this process. We hope to be a stronger partner for you in the future as a result of the actions we are taking.

Please know, the U.S. Bankruptcy Code requires that you continue providing goods and services in accordance with any existing contracts.

13. I am owed for goods and services delivered before Edgemere's Chapter 11 filing. When will I get paid?

Unpaid charges for goods and services delivered prior to the filing date, April 14, 2022 will be addressed through the Chapter 11 process and are considered "pre-petition" claims. We cannot pay any outstanding "pre-petition" claims without specific approval from the Bankruptcy Court. If you delivered goods or services to our Company before the filing date of April 14, 2022 and do not receive payment, you may have a pre-petition claim that will need to be filed with the Bankruptcy Court. You will be notified soon about the process and the date by which you need to submit a claim.

You can find proof-of-claim forms online at <http://www.kccllc.net/Edgemere> and forms will also be mailed. Please note that not all vendors will have a claim and receiving this form does not necessarily mean that you do. If you have any questions throughout this process, please visit <http://www.kccllc.net/Edgemere>, email EdgemereInfo@kccllc.com, or call 310-751-2669 for U.S. calls or 866-967-0269 for international calls.

14. How can I ensure that I will be paid for goods and services delivered after the filing and moving forward?

We intend to pay vendors in the normal course of business for all goods and services delivered to our Company on or after April 14, 2022, the day of our Chapter 11 filing. This is referred to as the “post-petition” period. To help fund and protect its operations during the Chapter 11 process, Edgemere is seeking court approval for debtor-in-possession (“DIP”) financing provided by UMB Bank, as indenture trustee allowing us to fund our financial obligations during the Chapter 11 process.

15. I would like to receive cash on delivery for my services. How can I go about that process?

Please be assured that we intend to pay vendors in the normal course of business for all goods and services delivered to our Company on or after April 14, 2022, the day of our Chapter 11 filing. To help fund and protect its operations during the Chapter 11 process, Edgemere is seeking court approval for debtor-in-possession (“DIP”) provided by UMB Bank, as indenture trustee allowing us to fund our financial obligations during the Chapter 11 process.

16. How do I know if my claim is pre- or post-petition? What is the difference?

Goods or services delivered prior to April 14, 2022 are considered pre-petition claims, whereas anything delivered on or after April 14, 2022 is considered a post-petition claim. In accordance with the U.S. Bankruptcy Code, pre-petition claims are settled as a part of the Chapter 11 case. If you have any questions about outstanding payments specific to your account, please reach out to your usual contact or email EdgemereInfo@kccllc.com.

17. Are there any additional forms I will need to fill out or any action to take if I believe I am owed money?

If you believe you are owed payment for goods or services delivered prior to April 14, 2022, you may need to file a claim as part of the Chapter 11 case. Forms to file this claim, called “proof-of-claim forms,” will be available online at <http://www.kccllc.net/Edgemere> and will be mailed to all vendors. Receiving this form does not necessarily mean you have a claim.

18. What does this mean for my current contract with Edgemere? What should I do if I want to change the terms of my contract?

There is no reason for you to change your contract terms with Edgemere. We fully intend to pay for all goods and services delivered on or after April 14, 2022, the day of our Chapter 11 filing, as required by the U.S. Bankruptcy Code.

19. Where can I find more information? How will I be kept informed of this process?

We will continue to provide updates as there is news to share. If you have additional questions, please reach out to your usual company contact, email EdgemereInfo@kccllc.com, or call 310-751-2669 for U.S. calls or 866-967-0269 for international calls.