



## **May 22 - All Residents Memo**

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**May 22, 2025**

**Subject: Important Update & Coming Town Hall**

Dear Residents,

I want to provide you with an update regarding our ongoing efforts to strengthen and sustain The Buckingham for each of you, your families and our associates. We are also scheduling a town hall on June 9 to discuss this in greater detail.

**We have made great progress in recent years, surpassing sales and occupancy goals, and I know we all feel a well-earned sense of pride in that positive momentum.**

The Buckingham senior leadership team and Board of Directors take our responsibility seriously to identify and evaluate opportunities to maintain and build on that momentum for years to come.

In keeping with this responsibility, and after careful deliberation, **we have entered into a new forbearance agreement that will provide us with more flexibility to evaluate – and leverage – The Buckingham’s increasing value to benefit past, current and future residents.**

One important aspect of this new forbearance agreement will allow our Board and senior leaders, with the support of our bondholders, to explore all our strategic options, including a sale of The Buckingham. It’s important to note that a sale is not a foregone conclusion.

As the Board of Directors and senior leaders continue in this purposeful, structured effort, **our decisions will be guided by these beliefs:**

- » The Buckingham is a not-for-profit community.
- » We fulfill our obligations.
- » We maintain responsible transparency with our residents, families, associates and partners.

Leading up to – and beyond – the forthcoming town hall, **I hope you will email me your questions about this process at [communication@buckinghamhouston.com](mailto:communication@buckinghamhouston.com).**



**I recognize you will have questions as we begin this process.** While we may not have all the answers right away, we will share updates as more information becomes available over the course of this careful process.

**Importantly, please know that you will continue to enjoy the same care and services that you expect and deserve.**

Please be on the lookout for town hall details, and do not hesitate to send your questions and comments.

Sincerely,

Philip Jacob  
Executive Director  
The Buckingham



## **Additional Information & Town Hall Reminder**

May 23, 2025

Dear Residents,

**Thank you for your thoughtful questions and comments regarding yesterday's forbearance announcement.** I appreciate your patience at this point in the conversation when it may feel like there are more questions than answers.

**Your feedback will help us tailor the conversation at the June 9 resident town hall.** In the meantime, leading up to June 9, you can expect weekly updates as this careful process moves forward. Our Board of Directors will be present at the town hall meeting.

**Below, we have provided answers to a few common questions we've received.** Please be on the lookout for town hall details, and do not hesitate to continue sharing your questions and comments with me.

**1. What is the August 15 deadline referenced on EMMA, and what happens next?**

Strategic options review generally takes place in phases and August 15 is the estimated date for the end of the first phase of our review. **It is not the deadline for a sale.** Our efforts to explore, receive and evaluate sale options will likely last into the fall or longer, and if there was a sale, finalizing that process would require additional time. We will provide status updates throughout this process.

**2. Why is this happening?**

Our new forbearance agreement allows us to pursue opportunities to better serve current residents, attract future residents, and fulfill current obligations through greater access to liquidity.

**3. How will this process affect day-to-day operations?**

This process will not affect our daily operations or our dedication to our residents. We will continue to provide the same outstanding care and services to our residents and community. Our priority is to ensure that residents enjoy the caring, responsive, high-quality experience you have come to expect from The Buckingham.

**4. Will I continue to receive information about the process?**

The Buckingham will keep residents, families, associates, and others updated throughout the process. If anyone has questions, they can contact me directly or email [communication@buckinghamhouston.com](mailto:communication@buckinghamhouston.com).

Sincerely,

Philip Jacob  
Executive Director  
The Buckingham



June 11, 2025

## HIGHLIGHTS FROM JUNE 9 TOWN HALL MEETING

### I. Overview of the process for a sale of the community

- Our Board of Directors, in collaboration with the bond holders, continues to work thoughtfully through this process with a commitment to the well-being and long-term strength of our community.
- As part of this process, the forbearance agreement has been extended through August 15, 2025.
  - This date should be viewed as a checkpoint, not a deadline or final determination date.
  - It is a point at which the Board and the bond holders will review developments and evaluate the appropriate next steps.
- While we are actively exploring the possibility of a sale, no final decision has been made, and a sale is not a forgone conclusion. We will continue to explore any and all potential options with the bond holders.
- This marks a phase in what will be an evolving process. As has occurred in the past, it is possible this timeline may be extended if all parties agree that additional time would support a more thoughtful and successful outcome.
- Both the Board and I remain fully committed to navigating this journey with care, transparency, and urgency. We understand how important it is to keep you informed and will continue to do so.

### II. Who makes the final decision and how long will this process take?

- The Board, after consultation with the bond holders and other key stakeholders, will select what it considers the best path moving forward.
- While every transaction timeline is different, in the event a sale is pursued, we should generally expect a sale process to take approximately six months. We will continue to keep you apprised of any timing developments as they become available to the public.

### III. Is there a commitment from the Board members to protect the residents?

- The Board remains steadfast in its commitment to providing current and prospective residents with the most pertinent and accurate information regarding the success of The Buckingham as a Life Care community and the long-term value it provides to our residents.
- While we acknowledge that specific outcomes cannot be guaranteed, the Board is dedicated to ensuring open, honest, and transparent communication throughout this process. We continue to honor our commitments to our residents, vendors, and other key stakeholders.



- We deeply value the trust our residents place in us and will continue to engage in meaningful dialogue as we work together to uphold the high standards and financial strength that define The Buckingham. We intend to continue to be transparent with current and prospective residents.

#### **IV. Future Developments and Financial Information**

We understand that there are important questions to all that we are unable to answer at this time. We are, however, committed to keeping our residents informed of new developments throughout the process as news becomes available for public disclosure.

If you would like more information on the community's financial disclosures, the EMMA documents are available in the Wall Street Room by the library.

# The Buckingham's Strategic Future

**From:** Shannon Schmidt

*Sent: Monday, November 17 at 9:59 AM*

**To:** Residents of The Buckingham

**From:** Philip Jacob, Executive Director

**Re:** **The Buckingham's Strategic Future**

Date: November 17, 2025

I want to update you on some important news about our efforts to strengthen The Buckingham and ensure its future service to residents, associates and the community. We will also discuss this update together at the Resident Town Hall, which is scheduled for today at 10:30 am at Windsor.

Like many continuing care retirement communities, The Buckingham has faced challenging operational and financial headwinds in recent years. These include increased competition, a difficult real estate market, making it harder for retirees to sell their homes, and lingering economic impacts from the pandemic. Despite our best efforts to strengthen our operations and financial performance, we need to take additional action.

Earlier this year, we shared with you that The Buckingham had entered into a new forbearance agreement with our bondholders to allow us to thoughtfully conduct a strategic review of our options to strengthen our community for the long-term. That process included evaluating a possible sale of The Buckingham.

After completing this review, the Board of Directors, in coordination with the bondholders, has decided that a sale to a new owner is the most viable path forward for The Buckingham. This type of sale is facilitated through a voluntary Chapter 11 bankruptcy filing.

The court papers that we filed today to begin this process include an initial bid from a potential new owner. The court-supervised process will include an opportunity for additional bids to be submitted. While we may receive additional bids, we believe that the initial bid, if ultimately approved by the court, would provide the stability and experienced oversight needed to help us meet our goal to emerge as a stronger, healthier company poised to meet resident and community needs far into the future.

What does this mean for you?

**The Buckingham remains committed to the same high-quality services and care our residents have come to expect.** We continue to welcome new residents to our community, and we will continue offering our existing services to you, the residents, while in bankruptcy.

**You do not need to take any action today.** The sale process will likely be completed sometime in early-mid 2026. We will keep you informed about any actions or decisions residents will need to address once the sale is completed.

**In the coming weeks, we will work with residents** to help you understand the sale process and its potential impacts. Please see the attached FAQ for more information.

Each resident is uniquely important to us at The Buckingham. For more than 20 years, we have provided a premier continuing care retirement living experience to our community. Our goal is to sustain and strengthen that legacy today and into the years ahead. We understand that this is a significant change, and we recognize that you will have questions about what this means for you and the future of The Buckingham. We encourage you to review the attached FAQ, and to attend the Resident Town Hall scheduled for today at 10:30 am at Windsor, where you can learn more about today's announcement from Buckingham leaders.

**We are committed to answering your questions as completely as possible.** We do not have all the answers now because the court process is not complete, but we will keep you informed as the process moves forward.

I want to personally thank you for your continued trust in those providing your care and services at The Buckingham. We are embarking on a new chapter for our community, and I am deeply grateful for your support and understanding as we move forward.

## **Resident FAQs**

*These FAQs are meant to provide additional information to Buckingham residents about our sale and bankruptcy filing. Because this process is ongoing, we may not have definitive answers to all questions. We are committed to answering all your questions and will continue to communicate with you as the process moves forward.*

### **1. What is happening to The Buckingham and can you explain the process?**

The Buckingham's Board of Directors, in conjunction with the Bondholders, has decided to proceed with a sale of The Buckingham to a strategic partner who can secure our commitment to high-quality care and helping residents live their best lives. The sale will be facilitated through a voluntary Chapter 11 bankruptcy filing and will be overseen by the court. We anticipate the sale process will be completed in early-mid 2026. The court papers that we filed Nov. 17 to begin this process include an initial bid from a potential new owner. The court-supervised process will include an opportunity for additional bids to be submitted. While we may receive additional bids, we believe that the initial bid, if ultimately approved by the court, would provide the stability and experienced oversight

needed to help us meet our goal to emerge as a stronger, healthier company poised to meet resident and community needs far into the future

## **2. What can you tell me about the initial bidder?**

The bidder, Focus Healthcare Partners, is a Chicago-based investment firm specializing exclusively in senior living properties and brings extensive experience addressing challenges similar to those faced by The Buckingham in other high quality senior living communities across America. The firm is well-capitalized and does not plan to utilize any debt as part of their process. Combined with their long-term ownership approach, this positions The Buckingham for a strong and stable financial future. The firm has a proven track record of enhancing the resident experience in continuing care retirement communities and adapting business models to ensure long-term sustainability. They plan to invest in both the building and the team, strengthening and elevating the high standard of service residents have come to expect.

## **3. Will existing residents get their entrance fees back as part of the sale?**

- The purchase agreement with the initial bidder calls for those with entrance fees remaining in escrow to receive their full entrance fees back on the date the sale closes.
- For those current residents whose entrance fees are not being held in escrow, the purchase agreement provides for a partial recovery, in the total amount of \$12 million to be paid out over a 12-month period starting 25 months after the closing of the transaction, only to current residents who meet certain conditions.
- The purchase agreement does not provide for any recoveries for former residents in the pre- and post- queues. Until we go through the entire sale process, however, we will not know the exact outcome for former residents.

No action is required of residents today. When our sale is complete, we will connect individually with impacted residents to review details and conditions of this process.

**4. Will a sale and bankruptcy affect levels of service The Buckingham offers?**

We will continue to operate our levels of service as usual during this process. The initial bidder is planning to shift to a pure rental model and discontinue the Entrance Fee contracts. After a final buyer has been determined, we will have more information to share about any changes in offerings.

**5. Will I be able to stay at The Buckingham after the sale?**

Yes. Current residents will have the option to sign a new Residency Agreement on a rental basis, according to the current purchase agreement with the initial bidder. The Residency Agreements will be at base rental rates equivalent to residents' current monthly service fees under their existing Residency Agreements. The new Residency Agreements will limit any future increases to existing residents' base rental rates to 5% per year, so long as those existing residents remain in the facility in their current unit and service level.

**6. What will happen to my Life Care Benefit?**

Because the initial bidder's purchase agreement contemplates a shift to a pure rental model, the Life Care Benefit would be discontinued if the initial bidder is the ultimate buyer. Credits in an aggregate value for the community of \$750,000 will be provided to current residents whose Residency Agreement provided a Life Care Benefit and who sign new Residency Agreements.

**7. Are there any requirements from the residents as part of the sale?**

The purchase agreement with the initial bidder provides that residents who wish to remain at The Buckingham must sign new leases at the completion of the sale, which we anticipate will take place in early-mid 2026. Details will be communicated as they become available.

**8. How did we get here when *The Buckingham* went through bankruptcy earlier?**

The Buckingham arrived at this decision after a complex series of circumstances. Coming out of our prior bankruptcy, we took many actions to improve our operations and financial stability. While those were helpful, we continued to face significant challenges from changing competitive, market, and economic conditions that require us to pursue a sale and financial restructuring.

**9. When do we anticipate a final decision on the sale?**

The Buckingham's Chapter 11 filing process began on Nov. 17 and we expect the process to take several months. Pending closing conditions and court approvals, the process could be completed in early-mid 2026.

For more information, please visit the Chapter 11 website at <https://dm.epiq11.com/Buckingham>. You may also call a hotline that has been established to address questions related to this process at 877-873-9197 (Toll free in U.S. & Canada) or 503-406-1463 (International callers)