



FOCUS HEALTHCARE PARTNERS

The Buckingham – Frequently Asked Questions

What can you tell us about Focus Healthcare Partners?

Focus is a small, Chicago-based investment firm with 17 employees that specializes exclusively in senior living. The firm takes a hands-on approach and has successfully turned around numerous communities in situations similar to The Buckingham. Founded in 2010 by two individuals that have spent the vast majority of their careers in the industry, Focus' senior management team brings more than 100 years of combined senior living experience. After the sale, The Buckingham will be owned and licensed by affiliates of Focus Healthcare Partners ("Focus").

Does Focus have plans to renovate the physical plant?

Yes, Focus plans to make a significant investment, totaling tens of millions of dollars, to upgrade and enhance what is already a beautiful community. Common area amenities will be refreshed and worn or dated finishes will be elevated to a level consistent with what residents deserve.

In addition, Focus plans to introduce new indoor and outdoor amenities that do not currently exist at the community. In similar properties, Focus has added features such as indoor golf simulators, enhanced bistro and wine bars, spas, and pickleball courts. While final plans will be completed with its designers over the next several months, the overarching goal is to meaningfully enhance the amenity offering beyond what exists today, with no additional cost to existing residents.

By way of example, Focus's 2019 acquisition of The Virginian demonstrates the quality of finishes and amenities the firm intends to deliver at The Buckingham. You can view The Virginian at <https://liveatthevirginian.com/gallery>.

Does Focus have plans to improve the service offerings?

Yes, Focus plans to increase what is already a great service offering at the Buckingham. As an example, for no additional cost, Focus will increase the meal plan from one meal per day to a plan that allows for two. This will give residents more flexibility and optionality when deciding to join for meals in the dining room. Additionally, Focus will work with the on-site staff to increase activity offerings and outings.

Is there some assurance that all of the services we are currently receiving will continue and be covered by the monthly rent? Will things like food and transportation, for example, be an extra cost?

All services and amenities that are currently included in your monthly rent will continue to be included after the ownership transition. Nothing that is included today, such as meals,

transportation, or other core services, will become an extra charge. In fact, Focus plans to offer more services than are included in your currently monthly rent, as mentioned above. Any optional services that are currently offered for an additional fee will remain available on the same basis.

What will happen to skilled nursing and assisted living? We heard that Focus closed the skilled nursing center in New York?

Under Focus's ownership, The Buckingham will continue to operate all existing levels of care, and the healthcare center will remain open. This includes skilled nursing, assisted living, and memory care.

Focus did not close the healthcare center at the Harborside in New York, the seller did. The situation was unique given the circumstances. The state health department was unable to process approvals for the license in time for the closing of the real estate transaction, a challenge faced by any potential buyer, not just Focus. As a result, the seller closed the healthcare wing prior to Focus purchasing the facility. Focus has since re-engaged with the state and intends to reopen the healthcare center in the coming months at that community.

What will happen to the staff? We were told that Focus will come in and change the staff to get lower wages or different people.

All existing employees at The Buckingham will have the opportunity to continue employment at their existing wage/salary.

What will rental rates be for the new residents coming in?

The new market rates will be priced appropriately based on what nearby competitors charge for similar product in the market.

What happens if I don't enter into a New Residency Agreement and Agreement to Enter into New Residency Agreement and Release of Claims Pursuant to the Sale Order?

If a current resident does not sign the New Residency Agreement and Agreement to Enter into New Residency Agreement and Release of Claims Pursuant to the Sale Order, they will no longer be able to reside at the community as of the closing of the sale and will not be entitled to any partial refund of their entrance fee from the Bankruptcy Trustee. If a sufficient number of existing residents do not enter into a lease, Focus does not have to close on the acquisition of the community and The Buckingham will essentially need to restart the Bankruptcy process.

We understand that Focus will guarantee no greater than a 5% monthly service increase for us current residents, but what prevents them from doing more than one increase per year at 5% or less. Will they guarantee that there will only be a single 5% maximum increase per year?

Residents who sign the New Residency Agreement and Agreement to Enter into New Residency Agreement and Release of Claims Pursuant to the Sale Order will not receive more than one rate increase per calendar year and the rate increase will never be greater than 5%. In the history of Focus, the firm has never increased rates on its current residents more than once in any calendar year period.

Will I need to move out of my unit?

No, all residents will have an opportunity to sign the New Residency Agreement and Agreement to Enter into New Residency Agreement and Release of Claims Pursuant to the Sale Order that will allow you to continue living in your unit at the same monthly rate you are paying today. For as long as you stay in your unit, your annual rate increases will be capped at a maximum of 5% per year.

How will the new ownership ensure that another bankruptcy will not occur?

Focus has successfully transitioned several entrance-fee communities to rental across the country, completing significant renovations and rebuilding occupancy. Focus will apply the same proven approach to ensure that another bankruptcy will not occur. A large reason for the past two bankruptcies had to do with too much debt and an entrance fee model that is struggling across the country, The Buckingham is one of many communities that had to file for bankruptcy. Focus in its history and across 40 plus buildings, has never filed for bankruptcy.