

MEADOW RIDGE

November 17, 2020

Current Events

Beginning in late 2019, a novel strain of Coronavirus (“COVID-19”) began to spread throughout the world, including the United States. In efforts to reduce the spread of the COVID-19 pandemic, federal, state and local governments have implemented various measures, including restrictions on normal daily activities, travel bans, quarantines, “shelter-in-place” orders requiring individuals to remain in their homes other than to conduct essential services or activities, as well as business limitations and shutdowns. These health and safety measures have resulted in material changes to The Community’s normal day-to-day operations. The pandemic is a rapidly evolving situation that changes daily. None of the financial projections contained in the Disclosure Statement have been updated to reflect the impact or potential impact of the COVID-19 pandemic on The Community’s operations or operating revenues and expenses. The Community is continuing to monitor the COVID-19 pandemic and to follow guidance from the Centers for Disease Control and Prevention and state and local governmental authorities, and we will continue to take actions to address the evolving situation.

Despite the day-to-day uncertainties we are all experiencing as a result of the pandemic, we have encouraging news expected to benefit the Community and its residents. We expect to close on a refinancing of our existing matured mortgage debt and a recapitalization of the Community by the end of the year. These transactions will fund our planned expansion of our continuum of care by adding 20 assisted living apartments in the first two floors of one of the Spruce wings, followed by the creation of a dedicated memory care program in our current assisted living space. The new lender (Truist, previously SunTrust) will replace our current lender with a new loan. Although we expect to successfully complete this refinancing, we have an alternate plan in place with our current lender holding the matured first mortgage should the refinancing not occur. This plan has the current lender extending the maturity date of the first mortgage for two years, with two additional one-year extensions. At the same time, we plan to have Benchmark Senior Living (www.BenchmarkSeniorLiving.com) purchase an approximate 15% interest in Redding Life Care, LLC providing a portion of the new equity capital vital to Meadow Ridge’s future. Redding Life Care LLC is the company that owns Meadow Ridge, which the current majority owner (through various affiliated companies), David Reis, will continue to control. As part of this investment, Benchmark will replace Life Care Services as the third-party manager of the Community. Benchmark is the owner and operator of Edgehill in Stamford along with over 60 other senior housing communities in the Northeast. We anticipate very few changes to the lives of residents and staff under this new structure.

As mentioned above, we anticipate these transactions will be finalized by the end of December; however, there are a number of tasks that must be completed that could potentially impact the timing. We will keep the Community and its residents informed of our progress and if there are any questions concerning these matters please contact us so we can provide additional details responsive to any questions.