

Buckingham Litigation – Engagement Letter FAQ

1. Do I have to sign the engagement letter?

No. Participation is voluntary. You may participate through the UCC, retain Baker & Associates, hire your own attorney, or take no action.

2. What is the scope of Baker’s engagement?

Baker represents clients in litigation asserting claims against UMB and others relating to entrance fee recovery and lien rights.

3. Will I be billed hourly legal fees?

No. The agreement provides for contingency-only compensation. There are no hourly fees for prosecuting the litigation.

4. Are there any circumstances where fees could be charged if I withdraw?

Only in limited circumstances after standing is granted, and only from any recovery if there is recovery above baseline amounts.

5. What is the contingency fee?

30% (35% if appeal), reduced to 20% if more than 30 clients and 15% if more than 60 clients.

6. What is the contingency fee based on?

Only recovery above the \$7.4M UCC allocation + \$12M Rent Rebate Fund.

7. Does Baker take any fee on the \$7.4M or \$12M?

No. The firm does not take any contingency fee on the \$7.4M UCC allocation + \$12M Rent Rebate Fund.

8. What does “Excess Gross Sums Recovered” mean?

It means only additional recovery above the \$7.4M UCC allocation + \$12M Rent Rebate Fund.

9. Do I owe anything if there is no additional recovery?

No. There is no fee unless additional recovery is obtained.

10. How are expenses handled?

Expenses are paid only from recovery and only if the firm is successful.

11. How is my recovery determined?

Recovery is allocated among clients based on their claims and a pro rata distributions.

12. I am an Estate. How does this affect me?

Estates do not receive rent rebate funds. Fees apply only to recovery above the \$7.4M UCC allocation + \$12M Rent Rebate.

13. Why would an Estate participate?

It may be the only path to recovery of entrance fees because the Baker motion asserts lien rights for former residents and estates.

14. What is the difference between the UCC litigation and Baker's litigation?

The UCC represents unsecured creditors generally, while Baker represents individuals and asserts individual lien rights. Whether the UCC will be allowed to represent creditors with secured claims will be determined by the bankruptcy court from the March 25 hearing.

15. Are there other sources of recovery?

Possibly

16. How will future litigation be funded?

Likely through contingency arrangements or court-approved funding, as UCC budgets are limited.

17. Does participation size matter?

Yes. More participants reduce contingency percentages and strengthen claims.

18. Is there any guarantee of recovery?

No. Litigation outcomes are uncertain. There is no guarantee of any recovery.

19. Key takeaway

The firm is paid only if it creates recovery above the \$7.4M UCC allocation + \$12M Rent Rebate.

20. What about the Proof of Claim?

Filing a Proof of Claim is critical to preserve your rights in the bankruptcy case.

21. Will Baker file my Proof of Claim?

Yes, if you request it. The firm offers an optional service to prepare and file a Proof of Claim for a flat fee of \$500 per client.

22. Is the Proof of Claim included in this engagement?

No. The contingency engagement is limited to the litigation. Proof of Claim services are handled under a separate, limited engagement agreement. If you want help with your proof of claim, contact Baker & Associates.

23. Am I required to use the firm for my Proof of Claim?

No. You may file your own Proof of Claim, use another attorney, or request the firm to handle it under the separate engagement.

24. Key takeaway regarding Proof of Claim services

The Proof of Claim service is optional, flat fee (\$500), separate from the contingency litigation, and available only if you choose to engage the firm.