

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 12/31/2024

PROVIDER(S):

Pacific Grove Senior Living LLC

CCRC(S):

PROVIDER CONTACT PERSON:

John Cunningham

TELEPHONE NUMBER:

619-296-9000 x157

E-MAIL ADDRESS:

JCunningham@ Pacificacompanies.com

A complete annual report must consist of 3 copies of all of the following:

- ☒ Annual Report Checklist.
- ☒ Annual Provider Fee in the amount of: \$499.44
 - ☐ If applicable, late fee in the amount of: \$
- ☒ Certification by the provider's **Chief Executive Officer** that:
 - ☒ The reports are correct to the best of his/her knowledge.
 - ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - ☒ The provider is maintaining the required liquid reserves and, when applicable, the required refund reserve.
- ☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- ☒ "Continuing Care Retirement Community Disclosure Statement" for **each** community.
- ☒ Form 7-1, "Report on CCRC Monthly Service Fees" for **each** community.
- ☒ Form 9-1, "Calculation of Refund Reserve Amount", if applicable.
- ☒ Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

FORM 1-1:RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	15
[2]	Number at end of fiscal year	9
[3]	Total Lines 1 and 2	24 x.50
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	
[5]	Mean number of continuing care residents	12
All Residents		
[6]	Number at beginning of fiscal year	76
[7]	Number at end of fiscal year	74
[8]	Total Lines 6 and 7	150 x.50
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	75
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	16

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	5,255,501.00
[a] Depreciation	1,265,778.00
[b] Debt Service (Interest Only)	868,214.00
[2] Subtotal (add Line 1a and 1b)	2,133,992.00
[3] Subtract Line 2 from Line 1 and enter result.	3,121,509.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	16.00
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	499,441.44
[6] Total Amount Due (multiply Line 5 by .001)	\$ 499.44

PROVIDER: Pacific Grove Senior Living LLC

COMMUNITY:



Certification of Truth, Accuracy and Completeness

Facility Name: Pacific Grove Senior Living LLC

Reporting Period: 12/31/2024

Responsible Official:

Name: Deepak Israni

Title: President and CEO

Address: 1775 Hancock Street Suite 200 San Diego, CA 92110

Telephone: (619) 296-9000

Email: disrani@pacificacompanies.com

The Responsible Official must sign this statement after the applicable report form is completed

I certify, under penalty of law, based on information and belief formed after reasonable inquiry, that the statements and information contained in these documents are true, accurate and complete.

Signature of Responsible Official:

Date:

A handwritten signature in black ink, appearing to read "Deepak Israni", is written over a horizontal line.

A horizontal line for the date.

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/24/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Alliant Insurance Services, Inc.
701 B St., 6th Floor
San Diego CA 92101

License#: 0C36861

CONTACT NAME: Karina Rivero

PHONE (A/C, No, Ext):

FAX (A/C, No):

E-MAIL ADDRESS: Karina.Rivero@alliant.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Hudson Excess Insurance Compan

14484

INSURER B: Hartford Fire Insurance Compan

19682

INSURER C:

INSURER D:

INSURER E:

INSURER F:

INSURED

* See below for entity name.
c/o Pacifica Companies
1775 Hancock St., Suite 200
San Diego CA 92110

COVERAGES

CERTIFICATE NUMBER: 429644807

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. *LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE INCLUSIVE OF AMOUNTS REQUESTED BY THE CERTIFICATE HOLDER AND MAY NOT REFLECT POLICY LIMIT AMOUNTS IN EXCESS OF THOSE REQUESTED. *Not Applicable in WY

INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSD WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC ☐ OTHER		HFF100200-2405	10/1/2024	10/1/2025	EACH OCCURRENCE \$5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$0 PERSONAL & ADV INJURY \$5,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COM/OP AGG \$5,000,000 \$
B	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY		72ABOI4322	9/1/2024	9/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y/N ☐ N/A If yes, describe under DESCRIPTION OF OPERATIONS below					PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability Coverage		HFF100200-2405	10/1/2024	10/1/2025	Each Occurrence \$5,000,000 General Aggregate \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Terrorism is included on the GL/PL Policies.

*10 day notice of cancellation for non-payment of premium; *30 days all other

This certificate does not amend, alter or extend coverages afforded by this policy

*Named Insured: Pacific Grove Senior Living LLC. Location: 551 Gibson Avenue, Pacific Grove, CA 93950.

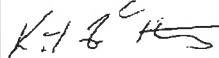
CERTIFICATE HOLDER

CANCELLATION

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ACORD 25 (2025/12)

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PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Financial Statements and Independent Auditor's Report
for the Year Ended December 31, 2024

4669 Murphy Canyon Road
Suite 130
San Diego, CA 92123

858.467.4770
Fax 858.467.4779

PACIFIC GROVE SENIOR LIVING, LLC

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LING & BOUMAN, LLP
Certified Public Accountants
4669 Murphy Canyon Road, Suite 130
San Diego, California 92123
Tel. (858) 467-4770 Fax (858) 467-4779

Independent Auditor's Report

To the Members of Pacific Grove Senior Living, LLC

Report on the Financial Statements

Opinion

We have audited the financial statements of Pacific Grove Senior Living, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Pacific Grove Senior Living, LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pacific Grove Senior Living, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pacific Grove Senior Living, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pacific Grove Senior Living, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pacific Grove Senior Living, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ling & Bourman, LLP

San Diego, CA
August 25, 2025

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Balance Sheet

As of December 31, 2024

	2024
<u>Assets</u>	
Current assets	
Cash	\$ 358,719
Related Party Receivable	200,000
Prepaid expenses	138,663
Total current assets	<u>697,382</u>
Property and equipment, net	20,073,872
Due from members	<u>4,699</u>
Total assets	<u><u>\$ 20,775,953</u></u>
<u>Liabilities and Member's Equity</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 102,917
Entrance fees	1,468,607
Deposits	31,252
Total current liabilities	<u>1,602,776</u>
Long-term liabilities	
Long-term debt, net of loan fees	11,572,846
Due to related parties	358,241
Total long-term liabilities	<u>11,931,087</u>
Total liabilities	<u>13,533,863</u>
Member's equity	<u>7,242,090</u>
Total liabilities and member's equity	<u><u>\$ 20,775,953</u></u>

See accompanying notes to financial statements.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Operations
For the Year Ended December 31, 2024

	<u>2024</u>
Revenues	
Tenant Lease income	\$ 3,877,617
Master Tenant Lease Income	\$ 200,000
Commercial Rental Income	219,235
Interest Rate Swap Income	199,250
Interest Income	<u>30,233</u>
 Total revenues	 <u>4,526,335</u>
 Expenses	
Payroll	1,366,904
Depreciation	1,265,778
Interest	868,214
Utilities	516,063
Resident care	353,245
Repairs & Maintenance	256,669
Property taxes	183,651
Professional fees and other administrative	159,186
Insurance	101,785
Management fees	98,583
Marketing	72,890
Income tax expense	<u>12,533</u>
 Total expenses	 <u>5,255,501</u>
 Net Loss	 <u><u>\$ (729,166)</u></u>

See accompanying notes to financial statements.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Changes in Member's Equity
For the Year Ended December 31, 2024

Balance, December 31, 2023	\$ 7,821,256
Contributions	150,000
Distributions	-
Net Loss	(729,166)
Balance, December 31, 2024	<u><u>\$ 7,242,090</u></u>

See accompanying notes to financial statements.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024
Cash flows from operating activities:	
Cash received from residents & customers	4,155,068
Cash paid to suppliers and employees	(3,329,429)
Interest paid	(835,705)
Income taxes paid	(12,532)
SWAP Income	199,250
Interest received	30,233
Cash paid to residents for entrance fees	(918,572)
Net cash used in operating activities	<u>(711,687)</u>
Cash flows from investing activities:	
Notes receivable-related parties	27,790
Contributions	150,000
Purchases of property and equipment	(220,360)
Net cash provided by investing activities	<u>(42,570)</u>
Cash flows from financing activities:	
Net cash provided by financing activities	<u>-</u>
Net change in cash and cash equivalents	(754,257)
Cash and cash equivalents at beginning of year	<u>1,112,976</u>
Cash and cash equivalents at end of year	<u><u>358,719</u></u>
Supplemental disclosure of cash flow information:	
Reconciliation of net income to net cash used in operating activities	
Net loss	(729,166)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,265,778
Amortization of debt issuance costs	32,509
Change in operating assets and liabilities, net of the effects of acquisitions and contributions:	
Accounts receivable	(77,092)
Prepaid expenses	(9,182)
Accounts payable and accrued liabilities	(211,271)
Entrance Fees	(918,572)
Prepaid Rent & Deposits	(64,691)
Net cash used in operating activities	<u>(711,687)</u>

See accompanying notes to financial statements.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Cash Flows
For the Year Ended December 31, 2024

	<u>2024</u>
Cash flows from operating activities:	
Net loss	(729,166)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,265,778
Amortization of debt issuance costs	32,509
Change in operating assets and liabilities, net of the effects of acquisitions and contributions:	
Accounts receivable	(77,092)
Prepaid expenses	(9,182)
Accounts payable and accrued liabilities	(211,271)
Entrance Fees	(918,572)
Prepaid Rent & Deposits	(64,691)
Net cash used in operating activities	<u>(711,687)</u>
Cash flows from investing activities:	
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Net cash provided by investing activities	<u>(42,570)</u>
Cash flows from financing activities:	
Net cash provided by financing activities	<u>-</u>
Net change in cash and cash equivalents	(754,257)
Cash and cash equivalents at beginning of year	<u>1,112,976</u>
Cash and cash equivalents at end of year	<u><u>358,719</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Interest	<u>835,705</u>
Income taxes	<u><u>12,533</u></u>

See accompanying notes to financial statements.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1 – Organization

Description of Business

Pacific Grove Senior Living, LLC is a California Limited Liability Company that was formed on February 22, 2022 (the “Company”). The special purpose for which the Company was formed was to acquire a 138 unit independent/assisted living and skilled nursing senior living facility licensed by the State of California, commonly known as Pacific Grove Senior Living (“Pacific Grove”). The Pacific Grove acquisition was completed by the Company on December 6, 2022 (“Acquisition Date”).

The Company is owned 98.47383% by Pacifica Host, Inc. and 1.52617% by four (4) individuals.

The term of the Company shall dissolve on December 31, 2060, as provided by the laws of the State of California, unless terminated sooner as provided in the Limited Liability Company Operating Agreement, as defined (the “Operating Agreement”).

Allocations - Net profits, losses and cash flows from the operations of Pacific Grove, sale of Pacific Grove, or liquidation, refinancing, or any other change in the Company are allocated to the members as provided in the Operating Agreement.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The financial statements have been prepared using the accrual method in conformity with United States Generally Accepted Accounting Principles (“GAAP”).

Cash and Cash Equivalents – The Company considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

Accounts Receivable – Management is of the opinion that accounts receivables are fully collectable, therefore no allowance for doubtful accounts has been provided in 2024. Accounts receivable as of December 31, 2023 was \$127,607.

Fair Value of Financial Instruments and Concentrations of Credit Risk – The following disclosure of estimated fair value was determined by available market information and appropriate valuation methodologies. However, considerable judgment is necessary to interpret market data and develop the related estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

realized upon disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Accounts receivable – related party, prepaid expenses, accounts payable and accrued expenses carrying cost reasonably approximates their fair value because of the short maturities of these instruments.

From time to time the Company maintains cash balances at certain institutions in excess of the Federal Depository Insurance Corporation (“FDIC”) limit. Management has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Marketing and Advertising – Marketing and advertising expenses consist of media, production, and other costs related to digital advertising, catalog mailings and other direct marketing activities. All advertising costs are expensed as incurred, or upon the release of the initial advertisement, and are presented on the Statement of Operations under Marketing expense.

Property and Equipment – Property and equipment are carried at cost. Depreciation is computed using the straight-line methods of depreciation over the assets’ estimated useful lives of 5 to 40 years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items are sold or retired in normal business operations, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is normally included in operations.

Revenues – Revenues are recognized as earned. Lease income is recognized as amounts become due on the first of the month.

Debt Issuance Costs – Debt issuance costs are amortized over the term of the loan and are presented net of amortization as a direct reduction of the associated note payable. The net loan origination fees included as a reduction of notes payable was \$41,764 for the year ended December 31, 2024. Accumulated amortization of debt issuance costs totaled \$55,764 for the year ended December 31, 2024. Amortization of debt issuance costs totaling \$32,509 is recorded as interest expense for the year ended December 31, 2024.

Lease Income – Income from the leases of the Skilled Nursing Wing, cell phone tower and Master tenant lease are recorded on a monthly basis as earned, over the terms of leases, in accordance with FASB ASC 840, *Leases*.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Income Taxes – In accordance with the provisions of the Internal Revenue Code, the Company is taxed as a partnership and is not subject to the payment of federal and California income taxes, and no provision, therefore, is required to be made herein. The Company accounts for income taxes in accordance with the Income Taxes Topics of the FASB ASC 948 and 950 (“Income Taxes Topics”). No tax returns of the Company are under audit examination. Tax returns are subject to audits by federal and state taxing authorities for calendar years dating back to December 31, 2022.

The Company has adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109*, codified under ASC 740, Income Taxes. ASC 740 clarifies the accounting for uncertainty in income taxes recognized, and prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As of December 31, 2024, the Company did not have any liabilities for uncertain tax positions that it believes should be recognized in its accompanying financial statements.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impairment of Real Estate – The Company monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate may not be recoverable or realized. When indicators of potential impairment suggest that the carrying value of real estate may not be recoverable, the Company will assess the recoverability by estimating whether the Company will recover the carrying value of the real estate through its undiscounted future cash flows and its eventual disposition. If, based on this analysis, the Company does not believe that it will be able to recover the carrying value of the real estate, the Company would record an impairment loss to the extent that the carrying value exceeds the estimated fair value of the real estate. The Company did not record any impairment loss on its real estate during the year ended December 31, 2024.

Recent Accounting Pronouncements – The FASB codifies the various sources of GAAP into the ASC. Any updates to the ASC are communicated through Accounting Standards Updates (“ASU”). In 2024 and 2025 up to the date of the independent auditor’s report, the FASB has issued various ASU’s for which the majority are not pertinent to the operations of the Company. Those ASU’s that are pertinent have been adopted or will be adopted in future years in accordance with the update provisions and are not expected to have any impact on the financial condition, results of operations or cash flows of the Company.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Date of Managements Review – Subsequent events were evaluated through August 25, 2025 which is the financial statement issuance date.

Note 3 – Property and Equipment, Net

Property and equipment, consists of the following at December 31, 2024:

Land	\$ 1,050,225
Buildings & improvements	17,482,102
Furnishings & Fixtures	<u>4,060,529</u>
	22,592,856
Less accumulated depreciation	<u>(2,518,984)</u>
	<u>\$ 20,073,872</u>

Depreciation expense recorded in the accompanying statement of operations under depreciation expense totaled \$1,265,778 for the year ended December 31, 2024.

Note 4 – Long-Term Debt

Long-term debt consisted of the following as of:

December 31,
2024

Deed of Trust Note from a bank dated March 1, 2023;
Initial advance of \$11,615,000, interest at 1.85% above
the SOFR index, adjusted monthly. Interest rate of
7.20% as of December 31, 2023.

Payable in monthly installments of interest only on
the first of each month until April 1, 2030 when all
remaining principal and interest are due and payable;
prepayment allowed with certain conditions as defined
in the agreement.

("Deed of Trust Note")	\$11,614,610
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PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Less current portion	<u>-</u>
Long-term debt net of current portion	<u>11,614,610</u>
Reduction of long term debt for unamortized debt issuance costs	<u>(41,764)</u>
Total long-term debt - net	<u><u>\$11,572,846</u></u>

Principal payments required for the years ending December 31 are as follows:

2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	<u>11,614,610</u>
Total	<u><u>\$ 11,614,610</u></u>

Substantially all of the assets of the Company are pledged as security for the Deed of Trust Note. Additionally, the loan is personally guaranteed by Ashok Israni, who is a related party.

The Deed of Trust Note contains several Financial Covenants in which the Company must maintain specific ratios as well as covenants pertaining to the personal guarantors' financial standing, as defined. The Company was in compliance with the covenants at December 31, 2024.

Note 5 – Entrance Fees

Prior to the purchase of the property previous residents would enter into a residency agreement that required the payment of a one-time entrance fee. The residents then pay monthly fees for housing, food and services. These entrance fees are refundable as defined in each separate residency agreement. Upon purchase of the facility the Company assumed the liability of these agreements in the amount of \$5,985,251. As of December 31, 2023 \$2,387,179 of liability remained. During the year ended December 31, 2024 amounts refunded or otherwise earned by the company was \$918,572. The remaining liability for the refundable portion of the entrance fees at December 31, 2024 was \$1,468,607.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Note 6 – Related Party Transactions

Due to Related Party

As of December 31, 2024, the Company owes Pacifica Enterprises \$330,000 for amounts advanced for a deposit on the original purchase as well as initial funding of the operations disbursement account and is included in due to related parties on the balance sheet. The amount is expected to be fully repaid.

Management Fees

Management of Pacific Grove Senior Living is handled by California Senior Living Management, LLC, a Delaware limited liability company and a related party (“CSLM”). The Company pays management fees to CSLM for their services per the company Operating Agreement. Total Management fees paid was \$98,583 for the year ended December 31, 2024. Management fees are based upon a percentage of gross revenue as defined in the agreement. As of December 31, 2024 the company owed CSLM \$450.

Lease – Related Party

The Company has entered into a lease with a related party operating company “Operating Company” to lease the Grove Senior Living facilities, effective October 1, 2024 (the “Commencement Date”) on a month to month basis. The Operating Company is provided all operational control of Grove Senior Living’s property so long as they are in compliance with the operating agreement. Lease payments are due monthly on the first of each month. Monthly lease payments are equal to \$100,000. The Operating Company is responsible for payment of all operating expenses of Pacific Grove, as defined in the Lease-Related Party, and for all property taxes, insurance and maintenance.

Amounts due from the Operating Company for lease payments and reimbursement of property taxes and insurance total \$200,000 and \$0 as of December 31, 2024 and 2023, respectively.

Additionally, as a result of the transfer of operations to the Operating Company, certain amounts are payable to the Operating Company. As of December 31, 2024 the amount payable was \$27,289 and is included in due to related parties on the balance sheet.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Note 7 – Leases

The Company leases the Skilled Nursing portion of the facility to 551 Gibson Ave SNF, LLC, an unrelated entity. The lease was entered into on April 1, 2022 for a term of twelve (12) years. The lease had an initial base rent of \$15,600 per month with annual increases of 3% on the anniversary date of the lease. Lease revenues included in the Statement of Operations under Commercial rental income totaled \$177,216 for the year ended December 31, 2024.

Future minimum lease payments receivable under the leasing arrangement at December 31 are as follows:

2025	\$ 203,069
2026	209,161
2027	215,436
2028	221,899
Thereafter	<u>1,278,217</u>
Total	<u>\$ 2,127,782</u>

The company leases a portion of their building to a telecommunications provider for the operation of a cell phone tower. The lease was assumed as part of the initial purchase of the property and was extended on January 31, 2023 for a term of 5 years with three (3) additional 5 year extensions available to the tenant. The initial base rent is \$3,250 per month. Annually the rent will increase to 102.5% of the immediately preceding year's base rent. The tenant may cancel the lease for any or no reason upon thirty (30) days written notice. If cancelled the tenant is required to pay the Company a sum equal to six (6) months of the then current rent. Lease revenues included in the Statement of Operations under Commercial rental income totaled \$42,019 for the year ended December 31, 2024.

Future minimum lease payments receivable under the leasing arrangement at December 31 are as follows:

2025	\$ 40,891
2026	41,913
2027	42,961
2028	<u>3,587</u>
Total	<u>\$ 129,352</u>

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Notes to Financial Statements
For the Year Ended December 31, 2024

Note 8 – Interest Rate Swap Agreement

The Company uses interest rate swap agreements to convert a portion of its interest rate exposure from floating rates to fixed rates to streamline cash expenditures for interest on its long term debt. The Company has \$11,615,000 of notional amount of interest rate swap agreements expiring on April 1, 2030. Under the Swap Agreement, the Company pays a fixed rate of interest of 3.54% and receives a variable rate of the one month SOFR rate. At December 31, 2024, the SOFR rate was 4.49%.

Note 9 – Commitments and Contingencies

The Company's commitments and contingencies include the usual obligations incurred by real estate owners in the normal course of business. In the opinion of management, these matters will not have a material adverse effect on the Company's financial position or results of operations.

Although there can be no assurance, the Company is not aware of any material environmental liability that could have a material adverse effect on its financial condition or results of operations. However, changes in applicable environmental laws and regulations, the uses and conditions of properties in the vicinity of the property, the activities of its tenants and other environmental conditions of which the Company is unaware with respect to the property could result in future environmental liabilities.

FORM 5-1: LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR (INCLUDING BALLOON DEBT)

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	3/1/2023	0	868,214	-199,250	668,964
2					
3					
4					
5					
6					
7					
8					
		TOTAL:		868,214	668,964

(Transfer this amount to Form 5-3, Line 1)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Pacific Grove Senior Living LLC

FORM 5-2: LONG-TERM DEBT INCURRED DURING FISCAL YEAR (INCLUDING BALLOON DEBT)

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments Over Next 12 Months	(e) Reserve Requirement (see instruction Part 5) (columns (c) x (d))
1	N/A	N/A	N/A	N/A	N/A
2					
3					
4					
5					
6					
7					
8					
TOTAL:		N/A	N/A	N/A	N/A

(Transfer this amount to Form 5-3, Line 2)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Pacific Grove Senior Living LLC

FORM 5-3: CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	668,964
2	Total from Form 5-2 bottom of Column (e)	0
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	0
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	668,964

PROVIDER: Pacific Grove Senior Living LLC

FORM 5-4: CALCULATION OF NET OPERATING EXPENSES

Line	Description	Amounts	TOTAL
1	Total operating expenses from financial statements		5,255,501
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	868,214	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	-199,250	
c.	Depreciation	1,265,778	
d.	Amortization	0	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	3,257,198	
f.	Extraordinary expenses approved by the Department	0	
3	Total Deductions		5,191,940
4	Net Operating Expenses		63,561
5	Divide Line 4 by 365 and enter the result		174
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount		13,060

PROVIDER: Pacific Grove Senior Living LLC**COMMUNITY:**

PACIFIC GROVE SENIOR LIVING, LLC
FOR THE YEAR ENDED 12/31/2024

FORM 5-4: RECONCILIATION OF 2(a) INTEREST

1	Interest per Form 5-4 Line 2(a)	868,214
2	Interest Expense per "Statement of Operations" (per Audited Financial Statements)	868,214
5	Difference (s/b zero)	<u><u>-</u></u>

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Operations
For the Year Ended December 31, 2024

	<u>2024</u>
Revenues	
Tenant Lease income	\$ 3,877,617
Master Tenant Lease Income	\$ 200,000
Commercial Rental Income	219,235
Interest Rate Swap Income	199,250
Interest Income	<u>30,233</u>
Total revenues	<u>4,526,335</u>
Expenses	
Payroll	1,366,904
Depreciation	1,265,778
Interest	868,214
Utilities	516,063
Resident care	353,245
Repairs & Maintenance	256,669
Property taxes	183,651
Professional fees and other administrative	159,186
Insurance	101,785
Management fees	98,583
Marketing	72,890
Income tax expense	<u>12,533</u>
Total expenses	<u>5,255,501</u>
Net Loss	<u>\$ (729,166)</u>

PACIFIC GROVE SENIOR LIVING, LLC
FOR THE YEAR ENDED 12/31/2024

FORM 5-4: RECONCILIATION OF 2(e) REVENUE RECEIVED FOR SERVICES TO PERSONS WHO DID NOT HAVE A CONTINUING CARE CONTRACT

1	Revenues received during the fiscal year for services to persons who did not have a continuing care contract per Form 5-4 Line 2(e)	3,257,198
2	Total tenant lease revenue per "Statement of Operations" (per Audited Financial Statements)	3,877,617
3	Percentage allocated to continuing care residents (see Form 1-1 and Form 1-2)	<u>16.00%</u>
4	Revenues allocated to continuing care residents	<u>620,418.72</u>
5	Revenues allocated as received for services to persons who did not have a continuing care contract	<u>3,257,198</u>
5	Difference (s/b zero)	<u><u>-</u></u>

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)
Statement of Operations
For the Year Ended December 31, 2024

	<u>2024</u>
Revenues	
Tenant Lease income	\$ 3,877,617
Master Tenant Lease Income	\$ 200,000
Commercial Rental Income	219,235
Interest Rate Swap Income	199,250
Interest Income	<u>30,233</u>
 Total revenues	 <u>4,526,335</u>
 Expenses	
Payroll	1,366,904
Depreciation	1,265,778
Interest	868,214
Utilities	516,063
Resident care	353,245
Repairs & Maintenance	256,669
Property taxes	183,651
Professional fees and other administrative	159,186
Insurance	101,785
Management fees	98,583
Marketing	72,890
Income tax expense	<u>12,533</u>
 Total expenses	 <u>5,255,501</u>
 Net Loss	 <u>\$ (729,166)</u>

FORM 1-1: RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	15
[2]	Number at end of fiscal year	9
[3]	Total Lines 1 and 2	24
		x.50
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	
[5]	Mean number of continuing care residents	12
	All Residents	
[6]	Number at beginning of fiscal year	76
[7]	Number at end of fiscal year	74
[8]	Total Lines 6 and 7	150
		x.50
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	
[10]	Mean number of all residents	75
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).	16

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	5,255,501.00
[a] Depreciation	1,265,778.00
[b] Debt Service (Interest Only)	868,214.00
[2] Subtotal (add Line 1a and 1b)	2,133,992.00
[3] Subtract Line 2 from Line 1 and enter result.	3,121,509.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	16.00
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	499,441.44
[6] Total Amount Due (multiply Line 5 by .001)	\$ 499.44
PROVIDER: Pacific Grove Senior Living LLC	
COMMUNITY:	

FORM 5-5: ANNUAL RESERVE CERTIFICATIONProvider Name: Pacific Grove Senior Living LLCFiscal Year Ended: 2024

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended.
12/31/2024

and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>668,964</u>
[2] Operating Expense Reserve Amount	<u>13,060</u>
[3] Total Liquid Reserve Amount:	<u>682,024</u>

Qualifying assets sufficient to fulfill the operating reserve and debt service requirements, based on market value at end of fiscal year were applicable, are held as follows:

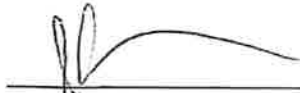
Qualifying Asset Description	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	<u>345,659</u>	<u>13,060</u>
[5] Investment Securities	<u>0</u>	<u>0</u>
[6] Equity Securities	<u>0</u>	<u>0</u>
[7] Unused/Available Lines of Credit	<u>0</u>	<u>0</u>
[8] Unused/Available Letters of Credit	<u>0</u>	<u>0</u>
[9] Debt Service Reserve	<u>0</u>	(not applicable)
[10] Other:	<u>0</u>	<u>0</u>

Qualifying assets used in these reserves are described as follow:

Total Amount of Qualifying Assests

Listed for Reserve Obligation: [11] 345,659 [12] 13,060Reserve Obligation Amount: [13] 668,964 [14] 13,060Surplus/(Deficiency): [15] (323,305) [16] 0

Signature:

Date: 9/14/26

(Authorized Representative)

CFC

(Title)

PACIFIC GROVE SENIOR LIVING, LLC
FOR THE YEAR ENDED 12/31/2024

FORM 5-5: ANNUAL RESERVE CERTIFICATION (Attachment Disclosing Cash per Capita Costs of Operation)

1	Costs of Operation (excludes Depreciation/Amortization)	3,989,723
2	Percentage allocated to continuing care residents	16%
3	Costs of operation allocated to continuing care residents	638,356
4	Number of CCRC Residents	9
5	Per capita costs of operation	<u><u>70,928</u></u>

FORM 1-1:RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	15
[2]	Number at end of fiscal year	9
[3]	Total Lines 1 and 2	24
		x.50
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	
[5]	Mean number of continuing care residents	12
All Residents		
[6]	Number at beginning of fiscal year	76
[7]	Number at end of fiscal year	74
[8]	Total Lines 6 and 7	150
		x.50
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	75
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	16

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	5,255,501.00
[a] Depreciation	1,265,778.00
[b] Debt Service (Interest Only)	868,214.00
[2] Subtotal (add Line 1a and 1b)	2,133,992.00
[3] Subtract Line 2 from Line 1 and enter result.	3,121,509.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	16.00
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	499,441.44
[6] Total Amount Due (multiply Line 5 by .001)	\$ 499.44

PROVIDER: Pacific Grove Senior Living LLC

COMMUNITY:

PACIFIC GROVE SENIOR LIVING, LLC
FOR THE YEAR ENDED 12/31/2024

FORM 5-5: ANNUAL RESERVE CERTIFICATION (Attachment Disclosing Status, Description and Amounts of Reserves)

Cash totaling \$358,719 as of 12/31/2024; split between 4 accounts in two banks (see below).

<u>Balances as of 12/31/2024:</u>		
**	US Bank Depository Account	(1,575)
**	US Bank Disbursement Account	24,695
**	California Bank & Trust Depository Account	320,598.91
**	US Bank Payroll Account	<u>15,000.00</u>
		<u><u>358,718.75</u></u>

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 06/15/2026

Facility Name: Pacific Grove		
Address: 551 Gibson Ave	Zip Code: 93950	Phone: 831-657-5200
Provider Name: Pacific Grove Senior Living LLC		

Facility Operator: Pacific Grove Senior Living LLC			
Religious Affiliation: None			
Year Opened: 1926	# of Acres: 3.5	Miles to Shopping Center: .1	Miles to Hospital: 3.4
☐ Single Story ☒ Multi-Story ☐ Other:			

Number of Units: 112

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	34	Assisted Living:	18
Apartments – 1 Bdrm:	41	Skilled Nursing:	
Apartments – 2 Bdrm:	29	Special Care:	
Cottages/Houses:	8	Description:	

RLU Occupancy (%) at Year End: 66.07%

Type of Ownership: ☐ Not for Profit
☒ For Profit

Accredited? ☐ Yes By:
☐ No

Form of Contact: ☒ Continuing Care ☐ Life Care ☐ Entrance Fee ☒ Fee for Service
 (Check all that apply) ☐ Assignment of Assets ☐ Equity ☐ Membership ☒ Rental

Refund Provisions: ☒ Refundable ☐ 90% ☐ 50%
 (Check all that apply) ☐ Repayable ☐ 75% ☒ Other:

Range of Entrance Fees: \$No new CCRC - \$

Long-Term Care Insurance Required? ☐ Yes ☒ No

Health Care Benefits Included in Contract: _____

Entry Requirements: Min Age: 55 Prior Profession: _____ Other: _____

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles):

See attached "LIC 9273 - Disclosure (Resident Members on Board)"

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

Facility Services and Amenities

Common Area Amenities	Available	Fee for Service	Services Available	Included in Fee	For Extra Charge
Beauty/Barber Shop	☒	☐	Housekeeping (___Times/	☒	☒
Billiard Room	☒	☐	Month at \$_____each)		
Bowling Green	☐	☐	Meals (3_/Day)	☒	☒
Card Rooms	☐	☐	Special Diets Available	☒	☐
Chapel	☐	☐			
Coffee Shop	☒	☐	24-Hour Emergency Response	☒	☐
Craft Rooms	☒	☐	Activities Program	☒	☐
Exercise Room	☒	☐	All Utilities Except Phone	☒	☒
Golf Course Access	☐	☐	Apartment Maintenance	☒	☒
Library	☒	☐	Cable TV	☒	☐
Putting Green	☐	☐	Linens Furnished	☐	☐
Shuffleboard	☐	☐	Linens Laundered	☒	☒
Spa	☐	☐	Medication Management	☐	☒
Swimming Pool – Indoor	☐	☐	Nursing/Wellness Clinic	☒	☒
Swimming Pool – Outdoor	☐	☐	Personal Home Care	☒	☐
Tennis Court	☐	☐	Transportation – Personal	☐	☒
Workshop	☒	☐	Transportation – Prearranged	☐	☒
Other: _____	☐	☐	Other: _____	☐	☐

Provider Name: Pacific Grove Senior Living LLC

Affiliated CCRCs	Location (city, state)	Phone (with area code)
N/A	N/A	N/A

Multi-Level Retirement Communities	Location (city, state)	Phone (with area code)
N/A	N/A	N/A

Free-Standing Skilled Nursing	Location (city, state)	Phone (with area code)
N/A	N/A	N/A

Subsidized Senior Housing	Location (city, state)	Phone (with area code)
N/A	N/A	N/A

NOTE: Please indicate if the facility is a life care facility.

Provider Name: Pacific Grove Senior Living LLC

Income and Expenses [Year]	2023	2024		
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	4,715,521	4,296,852		
Less Operating Expenses (Excluding depreciation, amortization, and interest)	4,762,876	3,108,976		
Net Income From Operations	-47,355	1,187,876		
Less Interest Expense	537,742	868,214		
Plus Contributions	0	0		
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	170,339	216,950		
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	-414,758	536,612		
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	-3,598,072	-918,572		

Description of Secured Debt (as of most recent fiscal year end)

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
California Bank	11,614,610	7.20%	03/01/2023	04/01/2030	360 (Indexed %

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2023	2024	
Debt to Asset Ratio	N/A	.52	.56	
Operating Ratio	N/A	1.08	.88	
Debt Service Coverage Ratio	N/A	-8.64	.43	
Days Cash On Hand Ratio	N/A	76.60	32.82	

Provider Name: Pacific Grove Senior Living LLC**Historical Monthly Service Fees** (Average Fee and Change Percentage)

Residence/Service [Year]	2023	%	2024	%	%	%	%	%
Studio	N/A	N/A	N/A					
One Bedroom	N/A	N/A	N/A					
Cottage/House	N/A	N/A	N/A					
Assisted Living	1,890	13%	2,150					
Skilled Living	N/A	N/A	N/A					
Special Care	N/A	N/A	N/A					

Comments from Provider:

Does not include Rent or Ancillary Charges. Only Resident Care. Increases are due to labor cost increases, insurance increases, and support increases.

Financial Ratio Formulas**Long-Term Debt to Total Assets Ratio**

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

$$\frac{\text{Total Operating Expenses - Depreciation Expense - Amortization Expense}}{\text{Total Operating Revenues - Amortization of Deferred Revenue}}$$

Debt Service Coverage Ratio

$$\frac{\text{Total Excess of Revenues Over Expenses} + \text{Interest, Depreciation, and Amortization Expenses} + \text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}{\text{Annual Debt Service}}$$

Days Cash On Hand Ratio

$$\frac{\text{Unrestricted Current Cash \& Investments} + \text{Unrestricted Non-Current Cash and Investments}}{(\text{Operating Expenses - Depreciation - Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

**PACIFIC GROVE SENIOR LIVING LLC
FOR THE YEAR ENDED 12/31/2024**

LIC 9263 - DISCLOSURE STATEMENT (Resident Members on Board)

Briefly describe provider's compliance and residents' roles:

Executive Board - Group of residents elected by the residents to serve in an administrative capacity for special requests and projects (Robert Sadler was President of the governing board).

Community Resident Council - All community residents wanting to be involved in community related issues.

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete **Form 7-1** to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: "projected costs, prior year per capita costs and economic indicators." Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1
REPORT ON CCRC MONTHLY CARE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	N/A	\$1,000	N/A	N/A
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	N/A	N/A	N/A	N/A

☒ Check here if monthly care fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

3. Indicate the date the fee increase was implemented: _____
 (If more than one (1) increase was implemented, indicate the dates for each increase.)

4. Check each of the appropriate boxes:

- ☐ Each fee increase is based on the Provider's projected costs, prior year per capita costs, and economic indicators.
- ☐ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.

Date of Notice: _____ **Method of Notice:** _____

- ☐ At least 30 days prior to the increase in fees, the designated representative of the Provider convened a meeting that all residents were invited to attend. **Date of Meeting:** _____
- ☐ At the meeting with residents, the Provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- ☐ The Provider distributed the documents to all residents by [Optional - check all that apply]:
- ☐ Emailed the documents to those residents for whom the provider had email addresses on file
- ☐ Placed hard copies in resident cubby
- ☐ Placed hard copies at designated locations
- ☐ Provided hard copies to residents upon request, and/or
- ☐ Other: [please describe] _____

☐ **Date of Notice:** _____

- ☐ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

Date of Notice: _____

- ☐ The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

Date of Posting: _____ **Location of Posting:** _____

- ☐ Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.

Date of Posting: _____ **Location of Posting:** _____

5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: Pacific Grove Senior Living LLC

COMMUNITY: _____

PACIFIC GROVE SENIOR LIVING LLC
FOR THE YEAR ENDED 12/31/2024

LIC 9270 - Form 7-1 (Narrative Explaining Monthly Care Fee Increases)

There were no increases in monthly care fees in 2024.

**PACIFIC GROVE SENIOR LIVING, LLC
FOR THE YEAR ENDED 12/31/2024**

FORM 5-5: ANNUAL RESERVE CERTIFICATION (Plan to Eliminate Deficiency)

		Debt Service Reserve	Operating Reserve	Total Reserve
1	Listed for Reserve Obligation	345,659	13,060	358,719
2	Reserve Obligation Amount	668,964	13,060	682,024
5	Surplus/(Deficiency)	(323,305)	-	(323,305)

Ownership will eliminate the deficiency by the following:

- 1 Collect the \$200,000 "Related Party Receivable".
- 2 Collect the \$4,699 "Due from members".
- 3 The remaining Deficiency of \$118,606 will be eliminated with a capital contribution.
- 4 All of these actions will be completed on or before the current year end.

PACIFIC GROVE SENIOR LIVING, LLC
(A California Limited Liability Company)

Balance Sheet

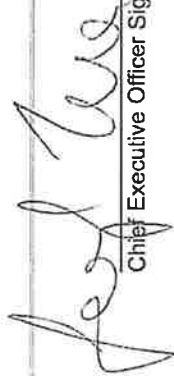
As of December 31, 2024

	<u>2024</u>
<u>Assets</u>	
Current assets	
Cash	\$ 358,719
Related Party Receivable	200,000
Prepaid expenses	138,663
Total current assets	<u>697,382</u>
Property and equipment, net	20,073,872
Due from members	<u>4,699</u>
Total assets	<u><u>\$ 20,775,953</u></u>
<u>Liabilities and Member's Equity</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 102,917
Entrance fees	1,468,607
Deposits	31,252
Total current liabilities	<u>1,602,776</u>
Long-term liabilities	
Long-term debt, net of loan fees	11,572,846
Due to related parties	358,241
Total long-term liabilities	<u>11,931,087</u>
Total liabilities	<u>13,533,863</u>
Member's equity	<u>7,242,090</u>
Total liabilities and member's equity	<u><u>\$ 20,775,953</u></u>

KEY INDICATORS REPORT

Date Prepared: 06/15/2026

Provider Name: Pacific Grove Senior Living LLC

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.


Chief Executive Officer Signature

	2023		2024		Projected	Forecast			Preferred Trend Indicator
OPERATIONAL STATISTICS									
1. Average Annual Occupancy by Site (%)									
MARGIN (PROFITABILITY) INDICATORS									
2. Net Operating Margin (%)									
3. Net Operating Margin - Adjusted (%)									
LIQUIDITY INDICATORS									
4. Unrestricted Cash and Investments (\$000)									
5. Days Cash on Hand (Unrestricted)									
CAPITAL STRUCTURE INDICATORS									
6. Deferred Revenue from Entrance Fees (\$000)									
7. Net Annual E/F proceeds (\$000)									
8. Unrestricted Net Assets (\$000)									
9. Annual Capital Asset Expenditure (\$000)									
10. Annual Debt Service Coverage Revenue Basis (x)									
11. Annual Debt Service Coverage (x)									
12. Annual Debt Service/Revenue (%)									
13. Average Annual Effective Interest Rate (%)									
14. Unrestricted Cash & Investments/ Long-Term Debt (%)									
15. Average Age of Facility (years)									