

April 24, 2026

Dear Residents and Families,

We'd like to take the opportunity to provide families with an update on Beach Cities Health District's (BCHD) Healthy Living Campus Project. Throughout the project, transparency has been at the heart of our communication to the community.

When the BCHD Board of Directors initially opened negotiations for our project with Mar Ventures / Continental Development, the proposed plan included Silverado Senior Living. We were optimistic that our longstanding partnership with Silverado would continue into the next phase of the campus.

At that time, Silverado requested that BCHD help reassure families during this process. Silverado drafted a letter for BCHD to send to Silverado families and prospective residents, and BCHD shared that letter on December 23, 2025. In addition, BCHD's large first floor campus signage was updated at Silverado's request. The full signage message states: "The 514 building is slated to be vacated in 2027 – where feasible, we are working to accommodate existing tenants."

Our letter reflected our understanding that we were working toward an agreement with the development team that would allow Silverado to redevelop and operate in a new building on the BCHD campus. Our intent was to reassure families and prospective residents that access to care remains at the forefront of BCHD's efforts. At that time, we expected that negotiations would progress with Silverado, and all of our communications reflected that good-faith expectation.

Since December 2025, however, circumstances have changed. After carefully evaluating the full scope of the redevelopment project, assessing the status of negotiations, and consulting with a citizen working group, BCHD made the decision to sign a Letter of Intent with Sunrise Senior Living, who will likely be the redevelopment partner and operator of the campus. This decision reflects our responsibility to ensure safety, long-term sustainability for the District, and our ongoing ability to serve the needs of our community well into the future.

We recognize that this decision reflects a change since last year's letter, and we want to acknowledge that openly. Our original message was based on the most accurate information available at the time, and our intentions were sincere.

We understand that families eventually will need to move loved ones, and that may cause uncertainty. BCHD will continue working closely with Silverado to support its residents and families with compassion during times of transition. BCHD is deeply committed to communicating regular updates regarding the



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redevelopment project, and we will share timely updates regarding the role of Sunrise Senior Living, plans for the campus and project timelines.

In health,

A handwritten signature in black ink, appearing to read "Tom Bakaly", is written over a light blue horizontal line.

Tom Bakaly
Chief Executive Officer
Beach Cities Health District