



**Loren B. Shook**  
President, Chief Executive Officer & Chairman

April 28, 2026

Dear Silverado Beach Cities Families,

I want to personally thank you for your continued support, engagement, and advocacy during this important time for our community. Many of you attended or followed the recent Beach Cities Health District (BCHD) Board meeting, as well as written letters and/or contacted people in positions of authority at BCHD or the City. I want to again express my appreciation for the many courageous family members who spoke out so eloquently, telling their story, and indirectly your story. It was incredibly powerful and moving for all to hear. I also want to thank our own Campbell Lee for conveying the position of our great associates and handing in a petition signed by about 60 associates.

Here is an update on where things stand now.

#### **Seismic “Risk” Claims**

During the meeting, BCHD CEO Tom Bakaly reiterated claims that our building presents a seismic risk. We strongly disagree with this assertion, and this is also contrary to Tom’s 12/23/2025 letter to all of our families four months ago, see excerpt of his letter below:

“December 23, 2025 Dear Families and Prospective Residents,

I am writing to you on behalf of Beach Cities Health District to provide clarity and reassurance regarding our intentions for the future of Silverado Memory Care at Beach Cities and our long-term plans for this site. We support Silverado’s plan to rebuild a state-of-the-art memory care building on our campus to provide the current and future residents with housing and continuity of care as the new community is completed.

*This will provide a smooth transition for Silverado residents from our current building to the new Silverado building.*

Beach Cities Health District has long been committed to supporting the health, dignity, and well-being of older adults and families in our community. As part of that mission, we value our partnership with Silverado and recognize their longstanding expertise and leadership in providing specialized memory care. I want to be very clear: Silverado remains an important and intended part of Beach Cities Health District’s long-term development plans.

*We are aligned in our desire to see Silverado rebuild and operate a new, modern memory care community on this site as soon as feasible. Any interim signage or messaging that may have caused confusion does not reflect our shared vision, and steps are being taken to ensure our communications clearly convey this alignment.”*

The argument Tom is now using to declare the building a seismic risk applies to hospital-level seismic standards (OSHDPD), which are not required for residential care communities like Silverado.

We are not a hospital, and the standards being cited are not applicable to our building. Equally important, once any redevelopment occurs, whether by Silverado or Sunrise, the new building will not be required to meet hospital seismic standards, nor will it be built to those standards, because they simply do not apply to this type of care setting and are exceptionally expensive to build. This inconsistency raises serious concerns about how this issue is being framed. In the past few years, I have served on the boards of hospitals and, as such, I am very much aware of California seismic standards, and they simply do not apply to our use.

### **Financial Value of the Proposals**

In the March board meeting, Tom maintained that Mar Ventures/Continental reduced the value of their proposal below what Sunrise promised. That is not the case.

At last week's board meeting, we challenged BCHD's financial conclusions. Our analysis, using the last 20-year average CPI of 2.54%, shows that Silverado's proposal delivers approximately \$11,558,000 more in cash payments and a higher net present value of \$914,000 to the community compared to the Sunrise proposal. This represents a change of over \$34,000,000 from what Tom presented at the March meeting. This is a significant difference, and we believe it has not been fully or accurately represented in the decision-making process. We have called for an independent review by a reputable national accounting firm that discloses the assumptions being made.

### **A Lack of Transparency from Sunrise**

Another concern raised by board members is that Sunrise has not participated in these public discussions. They have not appeared at hearings, nor have they addressed questions about their proposal, financial assumptions, or clinical outcomes. In a decision of this magnitude, transparency and accountability matter.

### **What Makes Silverado Different**

Most importantly, we reinforced what you already know, and what many family members expressed at the meeting to the board, Silverado is not interchangeable with other providers. Our residents are here because their needs could not be met elsewhere. We are a 100% specialized memory care provider, and our clinical outcomes, engagement model, and quality of life for residents consistently set the standard in our field.

Disrupting this environment is not just a change of address, it can have meaningful consequences for individuals living with dementia, where consistency, familiarity, and specialized care are essential.

### **Eviction Discussion**

We were deeply concerned to hear that BCHD is considering a change in direction from Tom's letter to families four months ago, issuing an eviction notice to Silverado before a final redevelopment decision has even been made, driven largely by the same disputed seismic claims. Granted, this is a one-year notice, however, we believe it is a blatant overreach and has no place in the discussions, as there is a path to build a new Silverado and make a smooth transfer of residents with the staff and world-class programming they are familiar with. Silverado will pay for the new construction, so it does not cost BCHD anything, and they get to keep our rent payment and BOE payments of over \$1,100,000 per year as income until the project is completed.

If such a notice is issued, it is important to understand that it does not mean it will stand. We will continue to challenge this action with facts, including that there is no greater seismic risk today or in the foreseeable future, and that the standards being cited do not apply to this building. Since its construction, it has been reported that the community has safely endured more than 1,400 earthquakes greater than magnitude 4.0 with no reported structural damage, reinforcing the strength and safety of the environment our residents call home. We will also continue to challenge any eviction action through the appropriate channels, including with the Redondo Beach City Council, whose approval will ultimately be required for any redevelopment project to move forward. This process is far from final.

**What Happens Next, And How You Can Help**

The next BCHD Board meeting on May 27 may be a pivotal moment where a final decision is made. Between now and then, your voices matter more than ever. We will need more families willing to tell their story.

We respectfully ask you to:

- Continue reaching out to BCHD Board Members
- Contact Redondo Beach City Council Members
- Share your personal experiences and why Silverado matters to your family

Your advocacy has already made a meaningful impact, and continued communication over the next three weeks is critical to ensuring that decision-makers fully understand what is at stake.

This is about more than a building or a proposal, it is about protecting our current residents by continuing our team's great care and services to your loved ones and to each of you, as well as assuring access to a truly unique model of care for families in need for years to come, just as we have served South Bay families for nearly 20 years.

We are committed to keeping you informed every step of the way and to advocating for the residents and families who depend on us.

Sincerely,



Loren B. Shook  
President, Chief Executive Officer & Chairman

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



*Live Well. Health Matters.*

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 positioned above the printed name.

Tom Bakaly  
Chief Executive Officer  
Beach Cities Health District