FISCAL YEAR ENDED: 12 / 31 / 14

ANNUAL REPORT CHECKLIST

PROVIDER(S): Stoneridge Creek Pleasanton CCRC, LLC

CCRC(S): Stoneridge Creek Pleasanton

CONTACT PERSON: Caroline Yeo

TELEPHONE NO.: (925) 474-1220 EMAIL: yeoc@stoneridgecreek.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: $ 14,099.00
  - ☐ 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.
- ☑ Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for ***each*** community.
- ☐ Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable.

The Key Indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report, but may be submitted at the same time as the annual report.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	360
[2]	Number at end of fiscal year	487
[3]	Total Lines 1 and 2	847
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	423.5
	All Residents	
[6]	Number at beginning of fiscal year	360
[7]	Number at end of fiscal year	487
[8]	Total Lines 6 and 7	847
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of *all* residents	423.5
[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).	1.00

FORM 1-2
ANNUAL PROVIDER FEE

Line			TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)		$21,871,325
[a]	Depreciation	$7,380,982	
[b]	Debt Service (Interest Only)	$390,984	
[2]	Subtotal (add Line 1a and 1b)		$7,771,966
[3]	Subtract Line 2 from Line 1 and enter result.		$14,099,359
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)		100%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)		$14,099,359
			x .001
[6]	**Total Amount Due** (multiply Line 5 by .001)		$14,099

PROVIDE Stoneridge Creek Pleasanton CCRC, LLC
COMMUN Stoneridge Creek Pleasanton

STONERIDGE CREEK PLEASANTON
A CONTINUING LIFE® RETIREMENT COMMUNITY

STATEMENT OF CHIEF EXECUTIVE OFFICER

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES ANNUAL REPORT

STONERIDGE CREEK PLEASANTON CCRC, LLC

The undersigned does attest the 2014 Annual Report is correct; the contract in use for new residents has been approved by the Department, and is maintaining liquid and refund reserves pursuant to requirements of the California Health and Safety Code.

Ryan Currie

Chief Executive Officer

4-28-14

Date

3300 Stoneridge Creek Way, Pleasanton, CA 94588
tel 925-227-6810 fax 925-249-9435
stoneridgecreek.com

EQUAL HOUSING OPPORTUNITY

CONTLIFE

ACORD™ EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY): 04/22/2015

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS
PHONE (A/C, No, Ext): 253.310.4079

Propel Insurance
Tacoma Commercial Insurance
1201 Pacific Ave, Suite 1000
Tacoma, WA 98402

FAX (A/C, No): 866.577.1326
E-MAIL ADDRESS: slw@propelinsurance.com

CODE:
SUB CODE:
AGENCY CUSTOMER ID #: 114921

NAMED INSURED AND ADDRESS
Continuing Life LLC
1940 Levante Street
Carlsbad, CA 92009

ADDITIONAL NAMED INSURED(S)

COMPANY NAME AND ADDRESS
Continental Casualty Company

NAIC NO: 20443

IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH

POLICY TYPE

LOAN NUMBER

POLICY NUMBER: RMP5087064868

EFFECTIVE DATE: 06/30/2014
EXPIRATION DATE: 06/30/2015
☐ CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION (Use REMARKS on Page 2, if more space is required)

☐ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION/DESCRIPTION
Location #: 90 3292 Stoneridge Creek Way Pleasanton, CA 94588
Building #: 1 Stoneridge Creek-Guard House

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 EVIDENCE OF PROPERTY INSURANCE 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.

COVERAGE INFORMATION

PERILS INSURED: ☐ BASIC ☐ BROAD ☒ SPECIAL ☐

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: $ 515,719,381 Building DED: $10,000

	YES	NO	N/A		
☒ BUSINESS INCOME ☐ RENTAL VALUE	X			If YES, LIMIT: $45,000,000	Actual Loss Sustained; # of months 12
BLANKET COVERAGE Combined Bldg & Per	X			If YES, indicate value(s) reported on property identified above: $	
TERRORISM COVERAGE	X			Attach Disclosure Notice / DEC	
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		X			
IS DOMESTIC TERRORISM EXCLUDED?		X			
LIMITED FUNGUS COVERAGE	X			If YES, LIMIT: $100,000	DED: $10,000
FUNGUS EXCLUSION (IF "YES", specify organization's form used)		X			
REPLACEMENT COST	X				
AGREED VALUE	X				
COINSURANCE	X	X		If Yes, 100 % Building	
EQUIPMENT BREAKDOWN (If Applicable)	X			If YES, LIMIT:	DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg	X			If YES, LIMIT: Included	DED:
- Demolition Costs	X			If YES, LIMIT: SEEBELOW	DED:
- Incr. Cost of Construction	X			If YES, LIMIT: SEEBELOW	DED:
EARTH MOVEMENT (If Applicable)	X			If YES, LIMIT: SEEBELOW	DED:
FLOOD (If Applicable)	X			If YES, LIMIT: 10000000	DED:
WIND/HAIL (If Subject to Different Provisions)	X			If YES, LIMIT:	DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					

CANCELLATION

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

ADDITIONAL INTEREST

☐ MORTGAGEE ☐ CONTRACT OF SALE
☐ LENDERS LOSS PAYABLE ☐

NAME AND ADDRESS
Evidence of Insurance

LENDER SERVICING AGENT NAME AND ADDRESS

AUTHORIZED REPRESENTATIVE

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SLW00

*** Commercial Property Location Specific Coverages ***

Amount of Insurance: 190,000
Subject of Insurance: Building
Valuation: Replacement Cost
Deductible: $10,000

Amount of Insurance: 5,000,000
Subject of Insurance: Business Personal Property
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Amount of Insurance: 5,000,000
Subject of Insurance: Business Income With Extra Expense
Blanket Limit: 45,000,000
Blanket #: 2
Blanket Coverage: Business Income (Value)
Valuation: Replacement Cost
Limit: 5,000,000
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)

Location #: 91 3300 Stoneridge Creek Way Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Clubhouse
Amount of Insurance: 17,400,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 92 3441 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-ILU1 (79 Units) Tahoe
Amount of Insurance: 14,000,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)

Deductible: $10,000

Location #: 93 3417 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creel- ILU2 (92 units) Eldorado
Amount of Insurance: 15,500,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 94 3309 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-ILU 3 (83 units) Mendocino
Amount of Insurance: 1,350,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 95 3273 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-ILU4 (48 units) Shasta
Amount of Insurance: 7,500,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 96 3304 Stoneridge Creek Way Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Pool
Amount of Insurance: 2,500,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes

Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 97 3348 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Workshop
Amount of Insurance: 100,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 98 3551 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Garden Terrace C (8 Units)
Amount of Insurance: 1,900,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 99 3539 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Garden Terrace D (8 units)
Amount of Insurance: 1,900,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 100 3479 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Garden Terrace A (8 units)
Amount of Insurance: 1,900,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1

Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 101 3467 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Garden Terrace B (8 units)
Amount of Insurance: 1,900,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 102 3491 Streamside Circle Pleasanton, CA 94588

Building #: 1 Garden Terrace E (2 units)
Amount of Insurance: 488,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 103 3352 Streamside Circle Pleasanton, CA 94588

Building #: 1 Stoneridge Creek-Facilities/Maintenance
Amount of Insurance: 3,500,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 104 Trailside Circle Pleasanton, CA

Building #: 1 41 Villas
Amount of Insurance: 9,225,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1

Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

Location #: 105 Streamside Circle Pleasanton, CA

Building #: 1 37 Villas
Amount of Insurance: 8,300,000
Subject of Insurance: Building
Blanket Limit: 515,719,381
Blanket #: 1
Blanket Coverage: Combined Bldg & Per Prop
Incl. In Blk No. 1
Valuation: Replacement Cost
Replacement Cost: Yes
Coinsurance: 100%
Cause of Loss: Special (Including Theft)
Deductible: $10,000

****** Description of Operations ******
RE: Stoneridge Creek Pleasanton CCRC LLC DBA Stoneridge Creek

Ordinance or Law Coverage B&C- Combined Limit of $5,000,000

Blanket Earthquake Amt: $1,000,000 Ded: $10,000
Cause of Loss: Earthquake Sprinkler Leakage
Valuation: Replacement Cost
Agreed Amount Applies

Flood Amt: $18,300,000 Ded: $10,300,000
Cause of Loss: Flood
Valuation: Replacement Cost Agreed Amount Applies
Stoneridge Creek

STONERIDGE CREEK PLEASANTON CCRC, LLC

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2014

WITH INDEPENDENT AUDITORS' REPORT

STONERIDGE CREEK PLEASANTON CCRC, LLC
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DECEMBER 31, 2014

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WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Members of
Stoneridge Creek Pleasanton CCRC, LLC
Pleasanton, California

We have audited the accompanying financial statements of Stoneridge Creek Pleasanton CCRC, LLC (a Delaware limited liability company) (the "Company") which comprise the balance sheet as of December 31, 2014, and the related statements of operations, changes in members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2875 Michelle Drive, Suite 300, Irvine, CA 92606 • Tel: 714.978.1300 • Fax: 714.978.7893

Offices located in Orange and San Diego Counties

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stoneridge Creek Pleasanton CCRC, LLC as of December 31, 2014, 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.

White Nelson Diehl Evans LLP

Irvine, California
April 27, 2015

STONERIDGE CREEK PLEASANTON CCRC, LLC
BALANCE SHEET
DECEMBER 31, 2014

ASSETS

Current Assets:	
Cash and cash equivalents	$ 6,531,745
Accounts receivable	48,928
Inventories	30,074
Prepaid expenses	240,782
Total Current Assets	6,851,529
Property and Equipment:	
Land	41,618,578
Land improvements	28,565,612
Buildings and improvements	127,109,119
Furniture, fixtures and equipment	5,514,374
Computer equipment and systems	1,830,336
Construction in process	19,961
Total Property and Equipment, at Cost	204,657,980
Less: Accumulated depreciation	(9,301,532)
Property and Equipment, at Net Book Value	195,356,448
Other Assets:	
Restricted funds	939,151
Deposits	25,000
Deferred entrance fees receivable	19,151,234
Costs of acquiring initial continuing care contracts, net of accumulated amortization of $498,417	5,311,135
Total Other Assets	25,426,520
Total Assets	$ 227,634,497

The accompanying notes are an integral part of these financial statements.

STONERIDGE CREEK PLEASANTON CCRC, LLC
BALANCE SHEET (CONTINUED)
DECEMBER 31, 2014

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Current Liabilities:	
Accounts payable	$ 680,675
Accrued expenses	1,933,868
Note payable for surplus property	10,124,030
Total Current Liabilities	12,738,573
Long-Term Liabilities:	
Note payable to Master Trust	211,267,061
Deferred revenue from unamortized deferred entrance fees, net	14,461,972
Total Long-Term Liabilities	225,729,033
Total Liabilities	238,467,606
Members' Equity (Deficit)	(10,833,109)
Total Liabilities and Members' Equity (Deficit)	$ 227,634,497

The accompanying notes are an integral part of these financial statements.

STONERIDGE CREEK PLEASANTON CCRC, LLC
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2014

Revenues:	
Resident services	$ 16,220,796
Amortization of deferred entrance fees	4,059,048
Deferred entrance fees on terminated contracts	143,244
Non-resident services	145,962
Total Revenues	20,569,050
Operating Expenses:	
Resident care	598,778
Food and beverage services	2,715,544
Environmental services	830,499
Plant facility operating costs	2,757,072
General and administrative expenses	7,189,716
Depreciation and amortization	7,779,716
Total Operating Expenses	21,871,325
Loss from Operations	(1,302,275)
Other Income (Expense):	
Interest and dividend income	376
Interest expense	(390,984)
Total Other Income (Expense)	(390,608)
Net Loss	$ (1,692,883)

The accompanying notes are an integral part of these financial statements.

STONERIDGE CREEK PLEASANTON CCRC, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2014

	Capital			
	Class A	Class B	Accumulated Deficit	Total Members' Equity (Deficit)
Balance at December 31, 2013	$ 23,547,894	$ (1,298,148)	$ (11,923,228)	$ 10,326,518
Distributions	(16,164,232)	(3,302,512)	-	(19,466,744)
Net loss	-	-	(1,692,883)	(1,692,883)
Balance at December 31, 2014	$ 7,383,662	$ (4,600,660)	$ (13,616,111)	$ (10,833,109)

The accompanying notes are an integral part of these financial statements.

STONERIDGE CREEK PLEASANTON CCRC, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

Cash Flows from Operating Activities:	
Cash received from residents	$ 16,331,521
Interest and dividend income	376
Interest expense	(390,984)
Reimbursements for services to non-residents	145,962
Cash paid to suppliers and employees	(19,581,404)
Net Cash Used in Operating Activities	(3,494,529)
Cash Flows from Investing Activities:	
Payments made on purchases of property and equipment	(788,111)
Net Cash Used in Investing Activities	(788,111)
Cash Flows from Financing Activities:	
Proceeds from note payable to Master Trust	62,137,978
Payments on construction note payable	(35,312,282)
Distributions	(19,466,744)
Net Cash Provided by Financing Activities	7,358,952
Net Increase in Cash and Cash Equivalents	3,076,312
Cash and Cash Equivalents, Beginning of Year	3,455,433
Cash and Cash Equivalents, End of Year	$ 6,531,745

The accompanying notes are an integral part of these financial statements.

STONERIDGE CREEK PLEASANTON CCRC, LLC
STATEMENTS OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

Reconciliation of Net Loss to Net Cash Used in Operating Activities:	
Net Loss	$ (1,692,883)
Non-Cash Items Included in Net Loss:	
Depreciation and amortization	7,779,716
Amortization of deferred entrance fees	(4,059,048)
Deferred entrance fees on terminated contracts	(143,244)
Accrued interest on surplus property note payable	124,030
Changes In:	
Accounts receivable	(39,576)
Inventories	(30,074)
Prepaid expenses	(209,201)
Other receivables	422,400
Deposits	9,113
Restricted funds	(375)
Deferred entrance fees receivable	150,676
Accounts payable	(7,336,071)
Accrued expenses	1,530,008
Net Cash Used in Operating Activities	$ (3,494,529)
Supplemental Disclosure of Non-Cash Investing and Financing Activities:	
Deferred entrance fees receivable and deferred revenue from unamortized deferred entrance fees recorded to reflect additional amounts due from resident contributions	$ 14,222,277

The accompanying notes are an integral part of these financial statements.

Note 1: Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Stoneridge Creek Pleasanton CCRC, LLC ("the Company") owns and operates a multi-use continuing care retirement community located in Pleasanton, California.

Limited Liability Company Agreement

The following represents a summary of significant financial terms of the Company's Operating Agreement. The Operating Agreement should be referred to for more specific terms.

The Company has two types of members - Class A and Class B - and one appointed Manager, who is responsible for the management of the day-to-day business and affairs of the Company. The Manager is granted the authority to act on behalf of the Company, except for those actions requiring a Class A Majority in Interest Vote or the unanimous approval of the Class A Members, as designated in the Company's Operating Agreement. Class A Members also have the authority to remove or replace the Manager.

One of the Class A members is designated as the financing member. No member other than the financing member is required to contribute capital to the Company at any time. The capital contributions shall earn a cumulative preferred return of 8 percent. As of December 31, 2014, 85 percent of the Company is owned by Class A members and 15 percent of the Company is owned by Class B members.

The members' liability to general creditors is limited to their investments in the Company. In accordance with the Operating Agreement, the Company will continue until dissolved pursuant to the terms of the Agreement.

Profits and losses for financial statement purposes, distributable cash from operations and profits and losses for tax purposes are allocated and distributed to the members in accordance with the Operating Agreement. The Operating Agreement also provides for priority distributions, plus an allowance for interest.

Basis of Presentation

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). References to the "ASC" hereafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board ("FASB") as the source of authoritative U.S. GAAP.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include the operating cash account of the Company, money market accounts, time deposits, certificates of deposit, and all highly-liquid debt instruments with original maturities of three months or less.

Note 1: Nature of Business and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consist of amounts due from residents for monthly service fees and other ancillary services. These services and fees are primarily due upon receipt of invoice. Receivables are reviewed weekly and are considered past due 14 days after issuance of monthly statements. Accounts for which no payments have been received for 30 days are considered delinquent and customary collection efforts are initiated. Uncollectible accounts are written-off at the advice of a collection attorney and with the approval of ownership.

The Company provides an allowance for doubtful accounts, as needed, for accounts deemed uncollectible. No allowance was necessary at December 31, 2014.

Inventories

Inventories consist of food and supplies used in the operations and are valued at the lower of cost or market on a first-in, first-out basis.

Property and Equipment

Property and equipment are stated at cost. Major improvements and betterments are capitalized. Maintenance and repairs are expensed as incurred. Property and equipment are depreciated over the estimated useful lives of the respective assets. Depreciation for property and equipment is computed on the straight-line method for book purposes.

The estimated useful lives of the related assets are as follows:

Land improvements	20 years
Buildings and improvements	10-40 years
Furniture, fixtures and equipment	10 years
Computer equipment and systems	5-10 years

Depreciation expense for the year ended December 31, 2014, totaled $7,380,982.

Long-Lived Assets

The Company accounts for impairment and disposition of long-lived assets in accordance with ASC 360-10, "*Property, Plant, and Equipment*". ASC 360-10 requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows are not sufficient to recover the assets' carrying amount. There was no impairment of value of such assets for the year ended December 31, 2014.

Note 1: Nature of Business and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue from resident and non-resident services is accounted for on the accrual basis of accounting as earned. See Note 9 for a description of the revenue recognition policy of deferred entrance fees.

Revenue and Expenses

In accordance with the Residence and Care Agreement, future monthly fees due from residents for maintenance and operating expenses may be adjusted with appropriate notice as specified in the individual agreements.

Income Taxes

The Company is taxed as a Partnership for federal tax purposes and accordingly, pays no federal taxes. For California purposes, the Company pays an $800 Limited Liability Company tax plus a fee based on its total revenue. The taxable income or loss is recognized on the individual income tax returns of the members.

Advertising and Promotional Costs

Advertising and promotional costs are charged to operations when incurred. For the year ended December 31, 2014, advertising and promotional costs totaled $769,229, and are included in general and administrative expenses in the accompanying statement of operations.

Use of Estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Recently Adopted Accounting Guidance

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "*Revenue from Contracts with Customers (Topic 606)*". As compared to existing guidance on revenue recognition, ASU 2014-09 will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The ASU core principal is to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services.

The guidance in ASU 2014-09 also improves U.S. GAAP by reducing the number of requirements to which an entity must consider in recognizing revenue, as well as requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized.

Note 1: Nature of Business and Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Guidance (Continued)

ASU 2014-09 is effective for annual periods beginning after December 15, 2017. Early adoption is permitted but no earlier than periods beginning after December 15, 2016.

The Company is currently evaluating the impact of the provisions of ASU 2014-09 on the presentation of its financial statements.

Note 2: Concentrations, Risks, and Uncertainties

The Company maintains cash balances with one financial institution. At December 31, 2014, accounts at the institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.

Note 3: Restricted Funds

As a condition of development, the Company entered into an agreement with the City of Pleasanton, California, whereby the Company will provide a certain number of independent living units that will be affordable to households of lower incomes as specified in the agreement. The agreement also calls for the Company to establish an annuity for the purpose of providing ongoing subsidies to specific households for future periods. At December 31, 2014, amounts established totaled $939,151, and the Company was in compliance with all terms of the agreement.

Note 4: Costs of Acquiring Initial Continuing Care Contracts

Costs of acquiring initial continuing care contracts were capitalized since they were expected to be recovered from future contract care revenues. Initial continuing-care contracts are defined as the resident contracts entered into within one year of the opening of the facility. These costs were amortized using a straight-line method over the average expected remaining lives of the residents under contract or the contract term, if shorter. The annual amortization related to these costs for the year ended December 31, 2014, was $398,734.

The following table represents the total estimated amortization of costs of acquiring initial continuing care contracts assets for each of the succeeding years:

2015	$ 398,734
2016	398,734
2017	398,734
2018	398,734
2019	398,734
Thereafter	3,317,465
	$ 5,311,135

Note 5: Surplus Property Note Payable

The Company has a promissory note payable to the Surplus Property Authority of Alameda County for consideration of a specific lot of land. At December 31, 2014, the outstanding balance of this note payable was $10,000,000, and accrued and unpaid interest totaled $124,030. The interest, which is adjusted annually on the anniversary of the note, is calculated as the highest Local Agency Investment Fund apportionment rate for the 3 month period prior to such anniversary. At December 31, 2014, the applicable interest rate was 0.26 percent. The principal plus all accrued and unpaid interest are due on the earlier of either (i) the seventh anniversary date of the promissory note, or (ii) no later than 5 days prior to the date construction commences on the first buildings and improvements on the specified lot of land. Management intends to commence construction on the lot during 2015 and accordingly, the principal amount of $10,000,000, together with accrued interest amounting to $124,030, is presented as a current liability on the accompanying balance sheet.

Note 6: Residence and Care Agreement

Each new resident enters into a contract with the Company called the Residence and Care Agreement. The form of the agreement is in conformity with the statutes of the State of California Department of Social Services Continuing Care Contracts Branch. The provisions of the agreement include, but are not limited to, such items as the unit to be occupied, initial monthly fee, amount of contribution to the Master Trust (see Note 7), and methods of cancellation and refunds or contingent repayments subject to resale of the units.

Prior to actual occupancy by the resident, a contribution is required to be deposited with the Master Trust pursuant to the Residence and Care Agreement (the "Residence Agreement").

Under the Residence Agreement, the contribution received will be repayable under the following terms and conditions:

(1) Cancellation During The Trial Residence Period - Under California law, there is a probationary period of 90 days after the date of the signed agreement during which either the Company or the resident may cancel the agreement with or without cause. Death of the resident during the period will cancel the agreement. In the event of cancellation, the resident shall be entitled to a refund in accordance with California law which states that the Company may deduct from the contribution amount a reasonable fee to cover costs and any charges incurred but not paid.

(2) Cancellation After 90 Days - A resident may cancel his or her agreement at any time after the trial residence period for any reason by giving the Company 90 days written notice. Death of the resident will cancel the agreement. However, if an agreement applies to more than one resident, it will remain in effect after the death of one of the residents and be adjusted as described in the agreement. The Company may cancel the agreement at any time after the trial residence period for good cause, upon 90 days written notice to the resident. Examples of good cause are defined in the Residence Agreement.

Note 6: Residence and Care Agreement (Continued)

Upon termination of the Residence Agreement, the resident or his or her estate will be entitled to a repayment of the contribution less a predetermined percentage and any charges incurred but not paid, as determined by the terms and conditions of the individual agreements.

Note 7: Note Payable to Master Trust and Trust Agreement

The Stoneridge Creek Pleasanton Master Trust was established to provide protection to the residents of the community by providing them with a vehicle through which they obtain a secured interest in the real property of the Company. New residents join in and become grantors under the trust agreement. At December 31, 2014, the balance outstanding on the Master Trust note payable was $211,267,061.

A contribution amount, as specified in the Residence Agreement, is made to the Master Trust by the grantor (see Note 6). The trustee of the Master Trust is directed to invest virtually all of the funds in the form of an interest-free loan to the Company.

The loan which currently may not exceed $361,000,000 is secured by the following:

(1) A first priority deed of trust on the Company's real property and improvements thereon.

(2) Security agreement creating a first security interest in the Company's current and hereafter acquired equity in all of the improvements, fixtures, personal property, and intangible property associated and used in connection with the real property described in the deed of trust.

(3) First priority assignment of contracts including, but not limited to, any residence and care agreement and any management agreement entered into in conjunction with the operation of Stoneridge Creek Pleasanton.

The security also includes any income generated from and any insurance proceeds recovered from the loss of any property serving as collateral for this loan.

Repayments of principal will be made in annual amounts for a period of forty years with final commencing on the earlier of January 1, 2025, or the January 1 next following the Company's maintaining (i) a minimum of 95 percent occupancy for 6 consecutive months for all planned units or (ii) an average of 95 percent occupancy for 12 consecutive months for all planned units, with final payment due December 31, 2061. Each annual payment or series of payments made during the year shall be equal to or greater than the amount of principal advanced on December 15 next preceding the payment due date divided by forty years. The Company had not yet met the minimum occupancy requirement as of December 31, 2014; therefore, no principal payment was due.

Note 8: Commitments and Contingencies

Obligation to Provide Future Services

The Company annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the present value of monthly service fees and the unamortized deferred revenue from deferred entrance fees. If the present value of the net cost of future services and use of facilities exceeds the monthly service fees and deferred revenue from deferred entrance fees, a liability is recorded.

Using a discount rate at December 31, 2014 of 6.0 percent, the anticipated revenues are estimated to exceed the cost of future services by $82,234,327. Therefore, no liability was accrued.

Reservations and Designations

At December 31, 2014, the Company maintains cash reserves in the amount of $2,785,205 for operating expense contingencies in accordance with requirements of the California Health and Safety Code under the State of California Department of Social Services. These reserves are included in cash and cash equivalents on the accompanying balance sheet.

Litigation

The Company experiences routine litigation in the normal course of its business. Management does not believe that any pending or threatened litigation will have a material adverse effect on its financial statements.

Note 9: Deferred Revenue from Unamortized Deferred Entrance Fees

At December 31, 2014, deferred revenue from unamortized deferred entrance fees consists of the following:

Deferred entrance fees before repayment	$ 19,151,234
Less: Accumulated amortization of deferred entrance fees	(4,689,262)
Deferred Revenue from Unamortized Deferred Entrance Fees, Net	$ 14,461,972

The deferred entrance fees are amortized to income using the straight-line method over future periods based on the estimated life of the resident in accordance with ASC 954-430, "*Health Care Entities - Deferred Revenue*". The period of amortization is adjusted annually based on the actuarially determined estimated remaining life expectancy of each individual or joint and last survivor life expectancy of each pair of residents occupying the same unit.

During 2014, the deferred entrance fees amortized into income were $4,059,048, based on total deferred entrance fees of $61,064,261.

Note 10: Related Party Transactions

The Company has a formal service agreement with a related company concerning the provision of administrative and operational oversight services, including use of brand, transaction processing, benefit and insurance administration, among others. The service agreement calls for a predetermined service fee, payable in equal monthly installments, commencing on January 1, 2014 for an initial term of one year and automatically renews annually thereafter unless cancelled. For the year ended December 31, 2014, services paid under this agreement totaled $313,000. The service agreement also provides for additional fees for supplemental services and out-of-pocket expenses, as needed. For the year ended December 31, 2014, the additional fees paid under this agreement totaled $130,681. Furthermore, the service agreement also provides for insurance premiums to be paid to a related company. Insurance premiums paid under this agreement for the year ended December 31, 2014 totaled $351,377.

During the year ended December 31, 2014, the Company paid $50,000, for management services rendered to an affiliated entity owned by the financing member. These expenses are included in the general and administrative expenses in the accompanying statement of operations.

Note 11: Employee Benefit Plan

The Company sponsors a qualified 401(k) plan (the "Plan") for all eligible employees. Employees may contribute up to 100 percent of their yearly compensation, up to the maximum amount prescribed by law. Effective January 1, 2014, the Company will make a safe harbor matching contribution equal to 100 percent of the first 3 percent of the participant's compensation and 50 percent of the next 2 percent of the participant's compensation which is deferred as an elective deferral. For the year ended December 31, 2014, employer contributions to the Plan totaled $72,876, with corresponding plan administrative expenses totaling $102. Both expenses are included in general and administrative expenses in the accompanying statement of operations.

Note 12: Subsequent Events

Events occurring after December 31, 2014, have been evaluated for possible adjustment to the financial statements or disclosure as of April 27, 2015, which is the date the financial statements were available to be issued. There were no adjustments to the financial statements or additional disclosures as a result of this evaluation.

SUPPLEMENTARY INFORMATION

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Members of
Stoneridge Creek Pleasanton CCRC, LLC
Pleasanton, California

We have audited the financial statements of Stoneridge Creek Pleasanton CCRC, LLC (the "Company") as of and for the year ended December 31, 2014, and our report thereon dated April 27, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the accompanying schedules of Form 5-1 through Form 5-5 and Form 7-1 has been prepared for filing with the State of California, Department of Social Services, in accordance with Section 1792 of the California Health and Safety Code, and is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole and presents fairly in all material respects the continuing care reserve requirements of the Company at December 31, 2014, in conformity with the report preparation provisions of the California Health and Safety Code Section 1792.

This report is intended solely for the information and use of the members and management of the Company and for filing with the California Department of Social Services and should not be used for any other purposes. However, this report is a matter of public record and its distribution is not limited.

White Nelson Diehl Evans LLP

Irvine, California
April 27, 2015

2875 Michelle Drive, Suite 300, Irvine, CA 92606 • Tel: 714.978.1300 • Fax: 714.978.7893

Offices located in Orange and San Diego Counties

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	05/02/11	$0	$0	$0	$0
2	08/25/11	$0	$0	$0	$0
3	11/28/11	$0	$0	$0	$0
4					$0
5					$0
6					$0
7					$0
8					$0
		TOTAL:	$0	$0	$0

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

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

Note: Long-term Debt Obligation 1 was fully paid in 2014. Total Principal paid in 2014 was $35,312,282 and Interest paid in 2014 was $266,954

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC

May 16, 2015

Ms. Allison Nakatomi
Continuing Care Contracts Branch
Department of Social Services
744 P Street, MS 10-90
Sacramento, CA 95814

RE: DSS request for information about $10 million note on Stoneridge Creek balance sheet

Dear Allison,

The $10 million note on the Stoneridge Creek balance sheet will be paid when we begin construction on the North phase, which we expect will be in late 2015 or early 2016 depending on the time it takes for approval from the City of Pleasanton (and, of course, the Department). We already have 155 Waitlist deposits, most of which we expect will become Residents in this upcoming expansion.

We will retire this $10 million at that time through a combination of equity and a construction loan. At the end of March, Stoneridge Creek held $15 million in cash and continues to generate significant cash every month from the sale of unsold units. While we continue to redirect excess cash to increasing our reserves and paying down equity, we have enormous financial strength and flexibility to pay down this note. We could do so now, but it does not make financial sense.

When we embark on the North phase, we expect to handle the Master Trust situation just as we did when we expanded La Costa Glen (with a separate Master Trust).

Please let me know if you need anything more. Thank you for moving the COA forward.

Sincerely,

W E Spieker

Warren Spieker
Continuing Life
Managing Partner

cc Fran Rodgers

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 5) (columns (c) x (d))
1					$0
2					$0
3					$0
4					$0
5					$0
6					$0
7					$0
8					$0
	TOTAL:	$0	$0	0	$0

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

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

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	$0
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)	
4	**TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:**	$0

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		$21,871,325
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	$390,984	
	b. Credit enhancement premiums paid for long-term debt (see instructions)		
	c. Depreciation	$7,380,982	
	d. Amortization	$398,734	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	$145,962	
	f. Extraordinary expenses approved by the Department		
3	Total Deductions		$8,316,662
4	Net Operating Expenses		$13,554,663
5	Divide Line 4 by 365 and enter the result.		$37,136
6	**Multiply Line 5 by 75 and enter the result.** This is the provider's operating expense reserve amount.		$2,785,205

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC
COMMUNITY: Stoneridge Creek Pleasanton

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES
Supporting Explanation for Line 2e

Line 2e is made up of the following lines from the audited statement of cash flows:

Cash received from community services Reimbursements for services to non-residents	145,962
Revenues received during the fiscal year for services to residents who did not have a continuing care contract	

Categories included in the above revenues:

$	11,031	Employee Meal Income
	43,776	Guest Meals
	5,740	Catering
	26,755	Processing Fees
	58,660	Guest Room
$	145,962	

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC
COMMUNITY: Stoneridge Creek Pleasanton

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Stoneridge Creek Pleasanton CCRC, LLC
Fiscal Year Ended: 12/31/2014

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2014 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year 12/31/2014 are as follows:

		Amount
[1]	Debt Service Reserve Amount	$0
[2]	Operating Expense Reserve Amount	$2,785,205
[3]	**Total Liquid Reserve Amount:**	$2,785,205

Qualifying assets sufficient to fulfill the above requirements are held as follows:

	Qualifying Asset Description	Amount (market value at end of quarter) Debt Service Reserve	Operating Reserve
[4]	Cash and Cash Equivalents		$6,531,745
[5]	Investment Securities		
[6]	Equity Securities		
[7]	Unused/Available Lines of Credit		
[8]	Unused/Available Letters of Credit		
[9]	Debt Service Reserve		(not applicable)
[10]	Other: (describe qualifying asset)		

Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11]	$0	[12]	$6,531,745
Reserve Obligation Amount:	[13]	$0	[14]	$2,785,205
Surplus/(Deficiency):	[15]	$0	[16]	$3,746,540

Signature: [signature]
(Authorized Representative)

Date: 4/27/15

Member
(Title)

FORM 5-5
Description of Reserves under SB 1212

Total Qualifying Assets as Filed:

Cash and Cash Equivalents	$	6,531,745
Investment Securities	$	-
Total Qualifying Assets as Filed:	$	6,531,745

Reservations and Designations:

Reserved for Operating Expenses	$	2,785,205
Total Reservations and Designations:	$	-
Remaining Liquid Reserves	$	3,746,540

Per Capita Cost of Operations

Operating Expenses (Form 5-4 line # 1)	$	21,871,325
Mean # of CCRC Residents (Form 1-1 line 10)		423.5
Per Capita Cost of Operations	$	51,644

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC
COMMUNITY: Stoneridge Creek Pleasanton

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

		RESIDENTIAL LIVING	ASSISTED LIVING	SKILLED NURSING
[1]	Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	$2,675 - $5,075	N/A	N/A
[2]	Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	0.00%	N/A	N/A

☐ Check here if monthly service 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: No increase in 2014
(If more than 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.

☒ At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.

☒ 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 provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

☒ 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.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC
COMMUNITY: Stoneridge Creek Pleasanton

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES
Supporting Explanation for Line 5

There was no increase in monthly fees in the year 2014.

PROVIDER: Stoneridge Creek Pleasanton CCRC, LLC
COMMUNITY: Stoneridge Creek Pleasanton

Continuing Care Retirement Community
Disclosure Statement
General Information

Date Prepared: 4/23/2015

FACILITY NAME: Stoneridge Creek Pleasanton CCRC, LLC

ADDRESS: 3300 Stoneridge Creek Way, Pleasanton ZIP CODE: 94582 PHONE: 925-201-4000

PROVIDER NAME: Stoneridge Creek Pleasanton CCRC, LLC FACILITY OPERATOR: Life Care Services, Inc

RELATED FACILITIES: Creekview HC LLC RELIGIOUS AFFILIATION: N/A

YEAR OPENED: 2013 # OF ACRES: 46 ☑ SINGLE STORY ☑ MULTI-STORY ☐ OTHER: MILES TO SHOPPING CTR: less than 2miles MILES TO HOSPITAL: 2.2

NUMBER OF UNITS:

RESIDENTIAL LIVING

APARTMENTS – STUDIO: 9
APARTMENTS – 1 BDRM: 122/1 bdrm
APARTMENTS – 2 BDRM: 155/2bdrm; 50 w/den
COTTAGES/HOUSES: 78
RLU OCCUPANCY (%) AT YEAR END: 78.5%

HEALTH CARE

ASSISTED LIVING:
SKILLED NURSING:
SPECIAL CARE:
DESCRIPTION: >
>

TYPE OF OWNERSHIP: ☐ NOT-FOR-PROFIT ☑ FOR- PROFIT ACCREDITED?: ☐ YES ☐ NO BY:

FORM OF CONTRACT: *(Check all that apply)*
☑ CONTINUING CARE ☐ LIFE CARE ☑ ENTRANCE FEE ☐ FEE FOR SERVICE
☐ ASSIGNMENT OF ASSETS ☐ EQUITY ☐ MEMBERSHIP ☐ RENTAL

REFUND PROVISIONS: *(Check all that apply)* ☐ 90% ☑ 75% ☑ 50% ☐ FULLY AMORTIZED ☑ OTHER: 25%

RANGE OF ENTRANCE FEES: $ 269,000 - $ 1,599,000 **LONG-TERM CARE INSURANCE REQUIRED?** ☐ YES ■ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Assisted Living & Skilled Nursing Facility

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: N/A OTHER: N/A

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > Two resident representatives from the Resident Council are involved in the montly
> meetings to serve as the liaison between the Resident Council and management and to provide input and suggestions to management and ownership from the resident perspective.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	☑	☑	HOUSEKEEPING (2 TIMES/MONTH)	☑	☐
BILLIARD ROOM	☑	☐	MEALS (1 /DAY)	☑	☐
BOWLING GREEN	☑	☐	SPECIAL DIETS AVAILABLE	☑	☐
CARD ROOMS	☑	☐			
CHAPEL	☐	☐	24-HOUR EMERGENCY RESPONSE	☑	☐
COFFEE SHOP	☐	☐	ACTIVITIES PROGRAM	☑	☐
CRAFT ROOMS	☑	☐	ALL UTILITIES EXCEPT PHONE	☑	☐
EXERCISE ROOM	☑	☐	APARTMENT MAINTENANCE	☑	☐
GOLF COURSE ACCESS	☐	☐	CABLE TV	☐	☑
LIBRARY	☑	☐	LINENS FURNISHED	☐	☑
PUTTING GREEN	☑	☐	LINENS LAUNDERED	☑	☐
SHUFFLEBOARD	☐	☐	MEDICATION MANAGEMENT	☐	☑
SPA	☑	☐	NURSING/WELLNESS CLINIC	☑	☐
SWIMMING POOL-INDOOR	☑	☐	PERSONAL HOME CARE	☐	☑
SWIMMING POOL-OUTDOOR	☐	☐	TRANSPORTATION-PERSONAL	☐	☑
TENNIS COURT	☐	☐	TRANSPORTATION-PREARRANGED	☑	☐
WORKSHOP	☐	☐	OTHER	☐	☐
OTHER	☐	☐			

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.

PROVIDER NAME: Stoneridge Creek Pleasanton CCRC, LLC

OTHER CCRCs	LOCATION (City, State)	PHONE (with area code)
N/A		

MULTI-LEVEL RETIREMENT COMMUNITIES	LOCATION (City, State)	PHONE (with area code)
N/A		

FREE-STANDING SKILLED NURSING	LOCATION (City, State)	PHONE (with area code)
N/A		

SUBSIDIZED SENIOR HOUSING	LOCATION (City, State)	PHONE (with area code)
N/A		

NOTE: PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME: Stoneridge Creek Pleasanton CCRC, LLC

	2011	2012	2013	2014
INCOME FROM ONGOING OPERATIONS OPERATING INCOME (Excluding amortization of entrance fee income)				16,510,002
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)				14,091,609
NET INCOME FROM OPERATIONS				2,418,393
LESS INTEREST EXPENSE				-390,984
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)				376
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				2,027,785
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)				53,508,228

DESCRIPTION OF SECURED DEBT *(as of most recent fiscal year end)*

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
Stoneridge Creek Pleasanton Master Trust	211,267,061	0%	11/30/2011	12/31/2061	40 years

FINANCIAL RATIOS (see next page for ratio formulas)

	2013 CCAC Medians 50th Percentile *(optional)*	2012	2013	2014
DEBT TO ASSET RATIO				0%
OPERATING RATIO				85.37
DEBT SERVICE COVERAGE RATIO				0%
DAYS CASH ON HAND RATIO				169.18

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2011	%	2012	%	2013	%	2014
STUDIO					2,675	0%	2,675
ONE BEDROOM					3,200	0%	3,200
TWO BEDROOM					3,875	0%	3,875
COTTAGE/HOUSE					4,756	0%	4,756
ASSISTED LIVING							
SKILLED NURSING							
SPECIAL CARE							

COMMENTS FROM PROVIDER: > Stoneridge Creek Master Trust has a first priority deed of trust against Stoneridge Creek Pleasanton CCRC, LLC
> which provides the residents collateral protection. The $211,267,061 recorded on the books as a Note Payable to the Master Trust is repayable to the residents or their estate
> upon termination of their contracts and resale of their units, per the contracts.

PROVIDER NAME: Stoneridge Creek Pleasanton CCRC, LLC

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

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

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

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.