East Ridge
at Cutler Bay
A SantaFe Senior Living Community

April 2022
Status Report

Dated: June 10, 2022

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I. INTRODUCTION

Pursuant to the requirements of the Master Trust Indenture ("MTI") between East Ridge Retirement Village, Inc. ("ERRV") and UMB Bank (the "Trustee"), ERRV is pleased to provide this summary of certain financial and operating information as of and for the year-to-date period ended April 30, 2022.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, and present fairly the financial condition of ERRV and result of its operations, subject to year-end adjustments.

Statements made in this report which are not historical facts contain "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties and are subject to change at any time. Although ERRV believes the expectations reflected in such forward-looking statements are reasonable assumptions, it can give no assurance that its expectations will be attained. ERRV assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

The COVID-19 pandemic has significantly disrupted Operations, Marketing and Sales of the community. The extent to which the pandemic will impact the community's operations and finances will depend on future developments which are highly uncertain and cannot be predicted or estimated at this time. We have properly disclosed this uncertainty and are committed to reporting upon adverse effects of the pandemic as more is known.

II. CURRENT OPERATIONS

April 2022

Financial Results

April Year-to-date (YTD) Operating Revenues are $8.5 million, a $696 thousand unfavorable variance from the aggressive budget plan of $9.2 million. Operating Expenses are $8.5 million, a $407 thousand favorable variance from the budget of $8.9 million. Net Operating Loss is $72 thousand, a $289 thousand unfavorable variance from the budget of $216 thousand.

East Ridge filed its 2021 Continuing Care Annual Report with the Florida Department of Insurance Regulation (OIR) on April 29, 2022. The report indicated that East Ridge just missed maintaining an average annual overall occupancy above 80% and did not maintain a Statutory Debt Service Coverage Ratio of 1.20:1 or better. Not meeting these two thresholds resulted in a Regulatory Action Level Event, as provided in F.S. 651.011(25). Management has filed the required Corrective Action Plan with the OIR and awaits their review and response.

Historical Debt Service Coverage Ratio (HDSCR)

As previously reported, the Historical Debt Service Coverage Ratio was just below 1.0:1 for the twelve-month periods ended December 2021 and December 2020. Not achieving an Historical Debt Service Coverage Ratio of at least 1.0:1 constitutes an Event of Default as defined in Section 4.11(g) of the MTI.

Management and bondholders, via a restricted group of largest bondholders, have reached a forbearance agreement covering through June 30, 2023. We are awaiting one bondholder signature to put this into motion. Specifics will be forthcoming once the last party has signed.

For the twelve months ended April 30, 2022, the Historical Debt Service Coverage Ratio is 1.11:1. This is below the covenant target of 1.20:1 for December 31, 2022, as specified in section 4.11 of the MTI.

As of April 30, 2022, there is one Lifecare contract awaiting move-in. There is $1,591,288 to be received on Deferred Entrance Fee contracts (7 contracts) and four entrance fees awaiting refund of $683,477.

Historical Debt Service Coverage Ratio Calculation
Fiscal Year ended April 30, 2022

Total Revenues	$ 28,349,349
Earnings from escrow accounts	13,229
Entrance Fee amortization income	(2,896,516)
Change in Deferred Resident Incentives	(117,991)
Net Entrance Fees received	4,086,546
Total Revenues for DSC calculation	$ 29,434,617
Total Expenses	$ 30,764,865
Interest on funded indebtedness	(4,234,614)
Depreciation expense	(3,383,871)
Change in Contract Acquisition costs	(31,597)
Change in Future Service Obligation	1,923,000
Deferred management fees	(1,117,700)
Interest on deferred management fees	(140,651)
Total Expenses for DSC calculation	$ 23,779,432
Income available for debt service	$ 5,655,185
Debt service requirement	$ 5,099,988
Historical Debt Service Coverage Ratio	1.11

Liquidity Covenant

The Liquidity Covenant target is a Days Cash on Hand (DCOH) of at least 180 days at June 30 and December 31, as specified in Section 4.20 of the MTI. As of April 30, 2022, DCOH is 106 days, 74 days below the 180 DCOH required by the MTI covenant. This is primarily related to continued lower net turnover of entrance fees, COVID impacted operational performance and occupancy.

Management is closely monitoring refurbishment activity to be sure some units are move-in ready while reserving most such funds until identified move-ins are known in an effort to improve DCOH. In addition, management is contracting with an actuarial firm to evaluate its pricing, both monthly service fees and entry fees as it reviews forward pricing relative to costs in today's high-inflation world. Furthermore, as part of its promise related to the forbearance agreement, management has already sent out RFP's for an in-depth market study and analysis that will further assist us in appropriate pricing as well as determining next steps for a long-term viable future.

Summary of Days Cash on Hand Calculation
4/30/22

Cash and Investments	$ 8,077,680
Trailing 12 months Total Expenses	30,764,865
Future Service Obligation	1,923,000
Amortization	(127,765)
Depreciation	(3,383,871)
Deferred management fees	(1,117,700)
Interest on deferred management fees	(140,651)
Expenses, as adjusted	$ 27,917,878
Daily cash expenses	$ 76,487
Days Cash on Hand	105.6

III. OCCUPANCY STATUS

Lead and deposit activity were a challenge during the COVID pandemic. Along with other specific changes designed to increase occupancy, management has worked with the marketing team to revise a very targeted, approach toward obtaining serious and qualified leads. Much of this is up-to-date digital. As reported in previous months, much of our sales efforts have primarily been internet and telephone outreach and restrictions

on admissions were partially self-imposed periodically due to staffing shortages to assure resident and associate safety. We have now opened the campus to in-person tours and are seeing sales results improving as activity picks up. Results of the new initiatives and other changes began having an impact in February.

Existing Independent Living Units

Occupancy in all existing Independent Living units is 79.2% (175/221) as of April 30, 2022. This is 2 occupied units above the quarterly covenant of 173 units (78.0%) as specified in section 4.21 of the MTI. Also note that some of these units (denominator) are not actually available at this time.

Phase I Assisted Living Center Units

The Phase I Assisted Living Center consists of 90 assisted living units and 31 memory care units. Together, the assisted living units and the memory care units are referred to as the "Phase I Assisted Living Center."

As of April 30, 2022, occupancy in the assisted living units is 77.8% (70/90) and occupancy in the memory care units is 77.4% (24/31). When combined for covenant measuring purposes, occupancy in the Phase I Assisted Living Center is 77.7% (94/121) as of April 30, 2022. This is 13 occupied units below the quarterly occupancy target of 107 units (88.0%) as specified in section 4.24 of the MTI.
Management is currently considering converting 15 AL apartments of one wing on the first floor of the AL building to Independent Living.

Phase I Nursing Beds

Occupancy in the Phase I Nursing Beds is 90.5% (67/74) as of April 30, 2022. This is 4 beds above the quarterly occupancy target of 63 beds (85.0%) as specified in section 4.25 of the MTI.

Payor Mix in the Phase I Nursing Beds

April 30, 2022, YTD the average payor mix in the Phase I Nursing Beds is as follows:

Skilled Nursing Payor Mix	Average Beds Occupied	Percentage Mix
Private Pay	7.5	12.7%
Life Care	9.3	15.8%
Medicare	11.4	19.3%
Medicaid	17.7	30.0%
Other	13.1	22.2%
Total	59.0	100.0%

Appendix

Unaudited Financial Statements for the Month and Year-to-Date Ended April 30, 2022

EAST RIDGE RETIREMENT VILLAGE, INC.
COMPARATIVE BALANCE SHEETS
AS OF APRIL 30, 2022 AND DECEMBER 31, 2021

UNAUDITED

	2022 April	2021 December	Variance
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,756,023	$ 1,963,900	$ (207,877)
Investments	1,757,511	843,728	913,783
Current portion of assets limited as to use	2,211,200	498,230	1,712,970
Accounts receivable - net	1,976,021	1,838,683	137,338
Accounts receivable - entrance fees	1,591,288	1,069,447	521,841
Inventories	199,439	236,515	(37,076)
Prepaid expenses and other current assets	1,455,743	390,401	1,065,342
Total current assets	10,947,225	6,840,904	4,106,321
ASSETS LIMITED AS TO USE, less current portion	10,056,841	10,405,895	(349,054)
PROPERTY AND EQUIPMENT - NET	61,305,674	62,036,859	(731,185)
CONTRACT COSTS - NET	595,168	567,062	28,106
OTHER ASSETS	109,439	109,439	-
BENEFICIAL INTEREST IN NET ASSETS OF SFSLF	4,470,645	5,099,523	(628,878)
TOTAL ASSETS	$ 87,484,992	$ 85,059,682	$ 2,425,310
LIABILITIES AND NET ASSETS (DEFICIT)			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	$ 2,467,891	$ 2,521,330	$ (53,439)
Reservation deposits	30,250	49,302	(19,052)
Accrued bond interest payable	1,885,119	514,123	1,370,996
Current portion of:			
Due to related organizations	3,577,879	1,563,392	2,014,487
Deferred income - entrance fees	2,156,789	2,015,966	140,823
Refundable - entrance fees	1,750,477	1,214,287	536,190
Other liabilities	71,514	71,514	-
Long-term debt	990,000	990,000	-
Total current liabilties	12,929,919	8,939,914	3,990,005
DUE TO RELATED ORGANIZATIONS	4,551,299	4,109,260	442,039
DEFERRED INCOME - ENTRANCE FEES	13,178,271	12,575,102	603,169
REFUNDABLE ENTRANCE FEES	6,897,148	6,799,908	97,240
LONG-TERM DEBT - NET	63,795,174	63,763,118	32,056
OTHER LIABILITIES	37,098	37,098	-
Total liabilities	101,388,909	96,224,400	5,164,509
NET ASSETS (DEFICIT):			
Without donor restrictions	(18,374,562)	(16,264,241)	(2,110,321)
With donor restrictions:			
Temporarily restricted	4,338,795	4,978,892	(640,097)
Permanently restricted	131,850	120,631	11,219
Total net assets (deficit)	(13,903,917)	(11,164,718)	(2,739,199)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 87,484,992	$ 85,059,682	$ 2,425,310

EAST RIDGE RETIREMENT VILLAGE, INC.
STATEMENTS OF OPERATIONS - NET OPERATING INCOME
FOR THE MONTH AND YTD ENDED APRIL 30, 2022

UNAUDITED

	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
OPERATING REVENUES:						
Resident Services Revenue	$ 2,118,581	$ 2,315,257	$ (196,676)	$ 8,460,707	$ 9,156,435	$ (695,728)
Total Operating Revenues	2,118,581	2,315,257	(196,676)	8,460,707	9,156,435	(695,728)
OPERATING EXPENSES:						
Salaries & Benefits	1,160,324	1,251,358	91,034	4,964,881	5,020,223	55,342
Supplies	207,885	163,179	(44,706)	783,160	663,453	(119,707)
Purchased Services	163,784	179,161	15,377	517,286	775,562	258,276
Utilities	110,200	101,562	(8,638)	426,104	402,448	(23,656)
Other Operating	465,204	525,138	59,934	1,841,608	2,078,356	236,748
Total Operating Expenses	2,107,397	2,220,398	113,001	8,533,039	8,940,042	407,003
Net Operating Income (Loss)	**11,184**	**94,859**	**(83,675)**	**(72,332)**	**216,393**	**(288,725)**
INVESTMENT AND OTHER INCOME-NET	10,013	17,885	(7,872)	26,418	65,465	(39,047)
NON-OPERATING EXPENSE	(825)	(2,083)	1,258	(10,076)	(11,033)	957
INTEREST EXPENSE	(364,695)	(364,877)	182	(1,455,491)	(1,456,419)	928
Income (Loss) Before Non-Cash Items	**(344,323)**	**(254,216)**	**(90,107)**	**(1,511,481)**	**(1,185,594)**	**(325,887)**
AMORTIZATION OF ENTRANCE FEES	214,493	172,933	41,560	930,895	691,732	239,163
MARKETING INCENTIVES-NET	1,258	2,003	(745)	29,379	8,012	21,367
RESIDENT CONTRACT ACQUISITION COSTS-NET	3,732	(5,127)	8,859	(1,273)	(20,508)	19,235
DEPRECIATION AND AMORTIZATION	(280,315)	(292,202)	11,887	(1,117,090)	(1,159,571)	42,481
GAIN/LOSS ON PROPERTY AND EQUIPMENT	(32,912)	-	(32,912)	(119,893)	-	(119,893)
Net Income (Loss)	**(438,067)**	**(376,609)**	**(61,458)**	**(1,789,463)**	**(1,665,929)**	**(123,534)**
CHANGE IN UNREALIZED GAIN/LOSS ON EQUITY INVESTMENTS	-	-	-	4,221	-	4,221
CHANGE IN NET UNREALIZED GAINS/LOSSES ON DEBT SECURITIES	(116,995)	-	(116,995)	(388,258)	-	(388,258)
EQUITY TRANSFERS FROM (TO) AFFILIATES - NET	3,500	-	3,500	63,179	-	63,179
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	$ (551,562)	$ (376,609)	$ (174,953)	$ (2,110,321)	$ (1,665,929)	$ (444,392)

East Ridge at Cutler Bay
A SantaFe Senior Living Community

EAST RIDGE RETIREMENT VILLAGE, INC.
STATEMENTS OF OPERATIONS - Net Operating Income by Product Line
FOR THE MONTH AND YTD ENDED APRIL 30, 2022

UNAUDITED

	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	% Month Variance	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	% YTD Variance
Operating Revenue								
Independent Living	$ 868,744	$ 904,604	(35,860)	*-4.0%*	$ 3,395,617	$ 3,532,209	(136,592)	*-3.9%*
Assisted Living	342,284	421,801	(79,517)	*-18.9%*	1,351,980	1,637,183	(285,203)	*-17.4%*
Memory Support	144,101	133,046	11,055	*8.3%*	598,691	547,906	50,785	*9.3%*
Skilled Nursing	576,447	671,249	(94,802)	*-14.1%*	2,321,770	2,654,837	(333,067)	*-12.5%*
Community Home Health	187,005	184,557	2,448	*1.3%*	792,649	784,300	8,349	*1.1%*
Total Operating Revenue	2,118,581	2,315,257	(196,676)	*-8.5%*	8,460,707	9,156,435	(695,728)	*-7.6%*
Operating Expenses								
General and Administration	482,908	609,802	126,894	*20.8%*	1,925,254	2,532,775	607,521	*24.0%*
Marketing	109,076	106,525	(2,551)	*-2.4%*	411,890	428,443	16,553	*3.9%*
Resident Services	40,612	61,052	20,440	*33.5%*	199,205	235,153	35,948	*15.3%*
Plant	263,676	252,992	(10,684)	*-4.2%*	1,013,962	1,014,425	463	*0.0%*
Environmental Services	117,655	107,927	(9,728)	*-9.0%*	498,488	431,603	(66,885)	*-15.5%*
Dining Services	285,106	239,086	(46,020)	*-19.2%*	1,120,811	949,133	(171,678)	*-18.1%*
Assisted Living	118,919	143,916	24,997	*17.4%*	522,069	557,157	35,088	*6.3%*
Memory Support	52,967	60,881	7,914	*13.0%*	222,352	230,914	8,562	*3.7%*
Skilled Nursing	505,323	490,276	(15,047)	*-3.1%*	2,043,832	1,962,260	(81,572)	*-4.2%*
Community Home Health	131,155	134,349	3,194	*2.4%*	575,176	543,264	(31,912)	*-5.9%*
Vitality/Wellness	-	13,592	13,592		-	54,915	54,915	
Total Operating Expense	2,107,397	2,220,398	113,001	*5.1%*	8,533,039	8,940,042	407,003	*4.6%*
Net Operating Income (Loss)	**11,184**	**94,859**	**(83,675)**	*-88.2%*	**(72,332)**	**216,393**	**(288,725)**	*-133.4%*
Operating Margin %	**0.5%**	**4.1%**		**(3.6)**	**-0.9%**	**2.4%**		**(3.3)**
Other Revenue								
Amortization of Entrance Fees	214,493	172,933	41,560	*24.0%*	930,895	691,732	239,163	*34.6%*
Investment Income	10,013	17,885	(7,872)	*-44.0%*	26,418	65,465	(39,047)	*-59.6%*
Deferred Marketing Incentives - Net	1,258	2,003	(745)	*-37.2%*	29,379	8,012	21,367	*266.7%*
Gain/Loss on Property and Equipment	(32,912)	-	(32,912)		(119,893)	-	(119,893)	
Total Other Revenue	192,852	192,821	31	*0.0%*	866,799	765,209	101,590	*13.3%*
Other Expenses								
Depreciation and Amortization	280,315	292,202	11,887	*4.1%*	1,117,090	1,159,571	42,481	*3.7%*
Resident Contract Acquisition Costs - Net	(3,732)	5,127	8,859	*172.8%*	1,273	20,508	19,235	*93.8%*
Non-Operating Expense	825	2,083	1,258	*60.4%*	10,076	11,033	957	*8.7%*
Interest Expense	364,695	364,877	182	*0.0%*	1,455,491	1,456,419	928	*0.1%*
Total Other Expenses	642,103	664,289	22,186	*3.3%*	2,583,930	2,647,531	63,601	*2.4%*
Income (Loss)	**(438,067)**	**(376,609)**	**(61,458)**	*-16.3%*	**(1,789,463)**	**(1,665,929)**	**(123,534)**	*7.4%*
%	**-20.7%**	**-16.3%**		**(4.4)**	**-21.2%**	**-18.2%**		**(3.0)**

EAST RIDGE RETIREMENT VILLAGE, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR TO DATES ENDED APRIL 30, 2022 AND DECEMBER 31, 2021

UNAUDITED

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporarily Restricted	Permanently Restricted	
NET ASSETS (DEFICIT) - DECEMBER 31, 2020	**$ (13,250,613)**	**$ 4,789,748**	**$ 26,307**	**$ (8,434,558)**
Deficiency of unrestricted revenue, gains, and other support over expenses	(2,858,261)	-	-	(2,858,261)
Change in net unrealized gains/losses on investments	(192,260)			(192,260)
Change in beneficial interest - SFSLF	-	226,037	94,324	320,361
Equity transfer from affiliate	36,893	(36,893)	-	-
Change in net assets (deficit)	(3,013,628)	189,144	94,324	(2,730,160)
NET ASSETS (DEFICIT) - DECEMBER 31, 2021	**(16,264,241)**	**4,978,892**	**120,631**	**(11,164,718)**
Deficiency of unrestricted revenue, gains, and other support over expenses	(1,785,242)	-	-	(1,785,242)
Change in net unrealized gains/losses on debt securities	(388,258)			(388,258)
Change in beneficial interest - SFSLF	-	(576,918)	11,219	(565,699)
Equity transfer from affiliate	63,179	(63,179)	-	-
Change in net assets (deficit)	(2,110,321)	(640,097)	11,219	(2,739,199)
NET ASSETS (DEFICIT) - APRIL 30, 2022	**$ (18,374,562)**	**$ 4,338,795**	**$ 131,850**	**$ (13,903,917)**

EAST RIDGE RETIREMENT VILLAGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATES ENDED APRIL 30, 2022 AND DECEMBER 31, 2021

UNAUDITED

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (deficit)	$ (2,739,199)	(2,730,160)
Adjustments to reconcile changes in net assets (deficit) to net cash provided by operating activities:		
Amortization of deferred income - entrance fees	(1,067,290)	(2,916,476)
Depreciation	1,117,090	3,403,064
Amortization of premium (discount) on investments and assets limited as to use	2,126	13,617
Amortization of bond discount and costs of issuance	32,056	96,168
Amortization of contract costs	37,724	109,268
Net realized and unrealized gain/loss on investments and assets limited as to use	389,195	244,110
Change in accruals included in investments and ALATU	2,082	(313)
Transfer assets to (from) affiliates	(63,179)	-
(Gain)/loss on disposal of property and equipment	119,893	198,454
Change in future service obligation	-	(1,923,000)
Change in beneficial interest in net assets of SFSLF	628,878	(283,468)
Expenses paid by SantaFe Senior Living	389,600	1,092,700
Accrued interest on subordinated debt	52,439	122,570
Entrance fees received	2,206,094	3,215,592
Changes in assets and liabilities:		
Accounts receivable	(138,273)	(134,760)
Prepaid expenses and other current assets	(1,028,266)	26,562
Contract costs	(65,830)	(171,970)
Accounts payable and accrued expenses	1,317,557	53,251
Reservation deposits	(19,052)	20,626
Other assets and liabilities	-	3,353
Due to related organizations	2,014,487	1,257,697
Net cash provided by operating activities	3,188,132	1,696,885
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(510,798)	(1,122,891)
Proceeds from sale of property and equipment	5,000	-
Cash transfers from (to) investment account	(1,112,272)	7,916
Sales and maturities of investments and assets limited	727,076	3,811,285
Purchases of investments and assets limited as to use	(618,521)	(1,273,878)
Net cash provided by (used in) investing activities	(1,509,515)	1,422,432
CASH FLOWS FROM FINANCING ACTIVITIES		
Entrance fees refunded	(282,288)	(307,529)
Payments on long-term debt	-	(940,000)
Transfer assets from (to) affiliates	63,179	-
Net cash used in financing activities	(219,109)	(1,247,529)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,459,508	1,871,788
CASH AND CASH EQUIVALENTS—Beginning of year	7,083,765	5,211,977
CASH AND CASH EQUIVALENTS—End of year	$ 8,543,273	$ 7,083,765
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ -	$ 4,159,988
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Application of refundable entrance fees to accounts receivable	$ 935	$ 27,749