Continuing Care Retirement Community
Disclosure Statement

FACILITY NAME: CANTERBURY WOODS
ADDRESS: 651 SINEX AVE., PACIFIC GROVE, CA
PROVIDER NAME: COVIA COMMUNITIES
RELATIONSHIP: Continuing Care Retirement Community

DISCLOSURE STATEMENT
Date Prepared: __

ADDRESS: 651 SINEX AVE., PACIFIC GROVE, CA
ZIP CODE: 93950
PHONE: 831-373-3111

PROVIDER NAME: COVIA COMMUNITIES
FACILITY OPERATOR: ELVYRA ABARE
RELIGIOUS AFFILIATION: Historically Episcopalian

YEAR OPENED: 1965
# OF STORY STORY OTHER:
ACRES: 7
MILES TO SHOPPING CTR: __.07_
MILES TO HOSPITAL: __3.5_

NUMBER OF UNITS:
RESIDENTIAL LIVING
APARTMENTS — STUDIO: 53
APARTMENTS — 1 BDRM: 49
APARTMENTS — 2 BDRM: 18
COTTAGES/HOUSES: 13
RLU OCCUPANCY (% AT YEAR END: 94%

HEALTH CARE
ASSISTED LIVING: 18
SKILLED NURSING: 24
SPECIAL CARE: 
DESCRIPTION: 

TYPE OF OWNERSHIP: ☐ NOT-FOR-PROFIT ☐ FOR-PROFIT
ACREDITED?: ☐ YES ☐ NO

FORM OF CONTRACT: ☐ CONTINUING CARE
☐ ASSIGNMENT OF ASSETS
☐ LIFE CARE
☐ EQUITY
☐ ENTRANCE FEE
☐ MEMBERSHIP
☐ RENTAL

REFUND PROVISIONS: (Check all that apply)
☐ Refundable
☐ Repayable
☐ 90% ☐ 75% ☐ 50% ☐ OTHER: Fully Amortized

RANGE OF ENTRANCE FEES: $ n/a

LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☐ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT:

ENTRY REQUIREMENTS:
MIN. AGE: 62
PRIOR PROFESSION: 

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:
See Attached #1

COMMON AREA AMENITIES
BEAUTY/BARBER SHOP ☐
BILLIARD ROOM ☐
BOWLING GREEN ☐
CARD ROOMS ☐
CHAPEL ☐
COFFEE SHOP ☐
CRAFT ROOMS ☐
EXERCISE ROOM ☐
GOLF COURSE ACCESS ☐
LIBRARY ☐
PUTTING GREEN ☐
SHUFFLEBOARD ☐
SPA ☐
SWIMMING POOL-INDOOR ☐
SWIMMING POOL-OUTDOOR ☐
TENNIS COURT ☐
WORKSHOP ☐
OTHER: Parking ☐

FACILITY SERVICES AND AMENITIES

SERVICE AVAILABLE
BEAUTY/BARBER SHOP ☐
BILLIARD ROOM ☐
BOWLING GREEN ☐
CARD ROOMS ☐
CHAPEL ☐
COFFEE SHOP ☐
CRAFT ROOMS ☐
EXERCISE ROOM ☐
GOLF COURSE ACCESS ☐
LIBRARY ☐
PUTTING GREEN ☐
SHUFFLEBOARD ☐
SPA ☐
SWIMMING POOL-INDOOR ☐
SWIMMING POOL-OUTDOOR ☐
TENNIS COURT ☐
WORKSHOP ☐
OTHER: Parking ☐

SERVICE AVAILABLE
HOUSEKEEPING ( _4_ TIMES/MONTH) ☐
MEALS ( _3_ /DAY) ☐
SPECIAL DIETS AVAILABLE ☐
24-HOUR EMERGENCY RESPONSE ☐
ACTIVITIES PROGRAM ☐
ALL UTILITIES EXCEPT PHONE ☐
APARTMENT MAINTENANCE ☐
CABLE TV ☐
LINENS FURNISHED ☐
LINENS LAUNGER ☐
MEDICATION MANAGEMENT ☐
NURSING/WELLNESS CLINIC ☐
PERSONAL HOME CARE ☐
TRANSPORTATION-PERSONAL ☐
TRANSPORTATION-PREARRANGED ☐
OTHER _WiFi_________ ☐

INCLUDED IN FEE FOR EXTRA CHARGE

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.
OTHER CCRCs

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Paul's Towers</td>
<td>510-835-4700</td>
</tr>
<tr>
<td>Los Gatos Meadows</td>
<td>408-354-0211</td>
</tr>
<tr>
<td>Spring Lake Village</td>
<td>707-538-8400</td>
</tr>
<tr>
<td>San Francisco Towers</td>
<td>415-776-0500</td>
</tr>
<tr>
<td>Webster House</td>
<td>650-327-4333</td>
</tr>
</tbody>
</table>

ALL LIFE PLAN COMMUNITIES HAVE RESIDENTS WITH LIFE CARE CONTRACTS.
ALL OFFER CONTINUING CARE CONTRACTS WITH THE EXCEPTION OF LOS GATOS MEADOWS AND CANTERBURY WOODS AS OF JANUARY 01, 2014.
SEE ATTACHMENT #4 FOR ADDITIONAL DETAILS ON COMMUNITY OFFERINGS

MULTI-LEVEL RETIREMENT COMMUNITIES

FREE-STANDING SKILLED NURSING

SUBSIDIZED SENIOR HOUSING

See Attached #2

NOTE: PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.
INCOME FROM ONGOING OPERATIONS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>OPERATING INCOME</th>
<th>LESS OPERATING EXPENSES</th>
<th>NET INCOME FROM OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$110,339,000</td>
<td>$104,198,000</td>
<td>$6,201,000</td>
</tr>
<tr>
<td>2017</td>
<td>$114,394,000</td>
<td>$115,118,000</td>
<td>$(724,000)</td>
</tr>
<tr>
<td>2018</td>
<td>$115,917,000</td>
<td>$110,540,000</td>
<td>$5,377,000</td>
</tr>
<tr>
<td>2019</td>
<td>$124,896,000</td>
<td>$128,453,000</td>
<td>$(3,557,000)</td>
</tr>
</tbody>
</table>

Net Cash Flow From Entrance Fees

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NET CASH FLOW FROM ENTRANCE FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$20,812,000</td>
</tr>
<tr>
<td>2017</td>
<td>$33,096,000</td>
</tr>
<tr>
<td>2018</td>
<td>$21,459,000</td>
</tr>
<tr>
<td>2019</td>
<td>$21,789,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>LENDER</th>
<th>OUTSTANDING BALANCE</th>
<th>INTEREST RATE</th>
<th>DATE OF ORIGINATION</th>
<th>DATE OF MATURITY</th>
<th>AMORTIZATION PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Attachment #3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FINANCIAL RATIOS (see next page for ratio formulas)

<table>
<thead>
<tr>
<th>RATIO</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Asset Ratio</td>
<td>31.37%</td>
<td>30.62%</td>
<td>30.55%</td>
</tr>
<tr>
<td>Operating Ratio</td>
<td>98.83%</td>
<td>98.24%</td>
<td>96.67%</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>3.74</td>
<td>3.03</td>
<td>3.23</td>
</tr>
<tr>
<td>Days Cash On Hand Ratio</td>
<td>404</td>
<td>435</td>
<td>396</td>
</tr>
</tbody>
</table>

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$3,983</td>
<td>4.75</td>
<td>$4,180</td>
<td>4.95</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>$5,130</td>
<td>4.75</td>
<td>$5,384</td>
<td>4.95</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$6,378</td>
<td>4.75</td>
<td>$6,694</td>
<td>4.95</td>
</tr>
<tr>
<td>Cottage/House</td>
<td>$6,592</td>
<td>4.75</td>
<td>$6,918</td>
<td>4.95</td>
</tr>
</tbody>
</table>

COMMENTS FROM PROVIDER:

>
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.
Attachment #1:

RESIDENT REPRESENTATIVE AND RESIDENT MEMBERS ON THE BOARD

California Continuing Care Statutes require that a multi-facility organization have at least one non-voting Resident Representative for every three communities and one resident as a voting member of the provider’s governing body. The Covia Communities Board, in its role as the governing body currently has a designated Resident Director as a voting member. In addition, two current Board Members are residents. The Covia Communities Board has invited each community to have one non-voting Resident Representative. At the present time, Covia has Six (6) Resident Representatives more than what is required, which would be two (2) Representatives.

These Representatives participate as non-voting members, attend Board meetings and receive all the same written and electronic notice of meetings, packets, minutes and other materials provided to Covia Communities Board members.

The Representatives participate in the Board meetings and are asked to provide a perspective and comments at each Board meeting. As a matter of practice, they retain confidential information and share the appropriate knowledge and information they gain at the Board meetings with residents at their respective communities.

Representatives are selected by their peers within their respective community, based on criteria determined by the residents of their community. Each serves a term, typically one year, but that length of term varies by community. An alternate is typically selected as well.
## SUBSIDIZED SENIOR HOUSING:

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone (with area code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidio Gate Apartments</td>
<td>(415) 567-1050</td>
</tr>
<tr>
<td>Oak Center Towers</td>
<td>(510) 465-1166</td>
</tr>
<tr>
<td>Jennings Senior Housing, Inc.</td>
<td>(707) 527-5421</td>
</tr>
<tr>
<td>Lytton Gardens I</td>
<td>(650) 328-3300</td>
</tr>
<tr>
<td>Lytton Gardens II</td>
<td>(650) 328-3300</td>
</tr>
<tr>
<td>Lytton Gardens IV Housing Corporation</td>
<td>(650) 328-3300</td>
</tr>
<tr>
<td>Bethany Center Senior Housing</td>
<td>(415) 821-4515</td>
</tr>
<tr>
<td>Shires Memorial Center</td>
<td>(844) 454-2051</td>
</tr>
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</tr>
</thead>
<tbody>
<tr>
<td>ABAG FINANCE AUTH</td>
<td>55,415,000</td>
<td>3.0%-6.125%</td>
<td>10/1/11</td>
<td>07/01/41</td>
<td>30 YEARS</td>
</tr>
<tr>
<td>ABAG FINANCE AUTH</td>
<td>68,835,000</td>
<td>5.00%</td>
<td>12/20/12</td>
<td>07/01/47</td>
<td>35 YEARS</td>
</tr>
<tr>
<td>ABAG FINANCE AUTH</td>
<td>10,410,000</td>
<td>2.00%-5.00%</td>
<td>12/20/12</td>
<td>07/01/25</td>
<td>13 YEARS</td>
</tr>
<tr>
<td>CSCOA held by JPMorgan Chase</td>
<td>8,000,000</td>
<td>variable</td>
<td>6/05/15</td>
<td>07/01/40</td>
<td>25 YEARS</td>
</tr>
</tbody>
</table>
HISTORICAL MONTHLY SERVICE FEE DISCLOSURE:

Effective January 01, 2014, Covia Communities (fka) Episcopal Senior Communities, began offering incoming residents Lifetime and Classic Continuing Care contracts with the exception of Los Gatos Meadows and Canterbury Woods, both of which offer new residents the Monthly Agreement only.

St Paul's Towers, San Francisco Towers, Spring Lake Village and Webster House communities have modified contract offerings over the years and the historical monthly service fee comparison provided is intended to represent the current fees for 2016, 2017 & 2018 that are based on the current choices of a Lifetime Contract and a Classic Continuing Care contract. The 2015 fees shown reflect similar contracts offered at that time, which are known as Type A and Type C.

It is noted that average monthly fees reflect Community pricing adjustments. Fees are averaged based on a variety of apartment styles and sizes within the apartment type. Also, the four communities offering continuing care contracts presently offer a repayable contract option in both Lifetime and Classic Continuing Care. The rate of refund ability has been adjusted over time and is currently established at 75%.