Facility Name: Spring Lake Village

Continuing Care Retirement Community

Disclosure Statement

Date Prepared: __ _

Address: 5555 Montgomery Dr., Santa Rosa, CA

ZIP Code: 95409

Phone: 707-538-8400

Provider Name: Civia Communities

Facility Operator: Melody Mitchell

Related Facilities: See Attached

Religious Affiliation: Historically Episcopal

Year Opened: 1986

# of Acres: 33

Miles to Shopping Ctr: 2

Miles to Hospital: 3

Number of Units:

Residential Living

Apartments - Studio: 26

Apartments - 1 BDRM: 108

Apartments - 2 BDRM: 61

Cottages/Houses: 131

RLU Occupancy (%): 99%

Health Care

Assisted Living: 24

Skilled Nursing: 70

Special Care: 13

Description: Memory Care

Type of Ownership:

☑ Not-for-Profit

☐ For-Profit

Accredited?: ☐ Yes ☐ No

By: CARF-CCAC

Form of Contract:

☐ Continuing Care

☐ Assignment of Assets

☐ Life Care

☐ Entrance Fee

☐ Fee for Service

☐ Membership

☐ Rental

Refund Provisions: (Check all that apply)

☐ Refundable

☐ Repayable

☐ 90%

☐ 75%

☐ 50%

☐ Other: Fully Amortized

Range of Entrance Fees: $115,711 - $2,820,994

Long-Term Care Insurance Required?: ☐ Yes ☐ No

Health Care Benefits Included in Contract:

Life Care Contract; benefits included. Continuing Care Contract, fee for svc.

Entry Requirements:

Min. Age: 62

Prior Profession: Other

Resident Representative(s) to, and Resident Member(s) on, the Board:

(briefly describe provider’s compliance and residents’ roles) >

See Attachment #1

Facility Services and Amenities

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

Available

Fee for Service

Services Available

Included in Fee

For Extra Charge

Housekeeping (-4 times/month)

Meals (-1/day)

Special Diets Available

24-Hour Emergency Response

Activities Program

All Utilities Except Phone

Apartment Maintenance

Cable TV

Linens Furnished

Linens Laundered

Medication Management

Nursing/Wellness Clinic

Personal Home Care

Transportation-Personal

Transportation-Prearranged

Other: Wifi

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

St. Paul's Towers

Canterbury Woods

Los Gatos Meadows

San Francisco Towers

Webster House

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

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>(\text{Excluding amortization of entrance fee income})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$110,339,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$114,394,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$115,917,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$124,896,000</td>
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</tbody>
</table>

### LESS OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>(\text{Excluding depreciation, amortization, and interest})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$104,198,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$115,118,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$110,540,000</td>
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</tr>
<tr>
<td>2019</td>
<td>$128,453,000</td>
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</tbody>
</table>

### NET INCOME FROM OPERATIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>(\text{Excluding amortization of entrance fee income})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$6,201,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$(724,000)</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$5,377,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$(3,557,000)</td>
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</table>

### LESS INTEREST EXPENSE

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th></th>
</tr>
</thead>
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<tr>
<td>2016</td>
<td>$8,249,000</td>
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<tr>
<td>2017</td>
<td>$8,002,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$7,962,000</td>
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<tr>
<td>2019</td>
<td>$7,909,000</td>
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</tr>
</tbody>
</table>

### PLUS CONTRIBUTIONS

### PLUS NON-OPERATING INCOME (EXPENSES)

### NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION

### NET CASH FLOW FROM ENTRANCE FEES

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>(\text{Excluding extraordinary items})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$20,812,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$33,096,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$21,459,000</td>
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<tr>
<td>2019</td>
<td>$21,789,000</td>
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</table>

#### DESCRIPTION OF SECURED DEBT

<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></td>
<td>See Attachment #3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### FINANCIAL RATIOS

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Ratio</th>
<th>Debt Service Coverage Ratio</th>
<th>Days Cash on Hand Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>31.37%</td>
<td>98.83%</td>
<td>404</td>
</tr>
<tr>
<td>2018</td>
<td>30.62%</td>
<td>98.24%</td>
<td>435</td>
</tr>
<tr>
<td>2019</td>
<td>30.55%</td>
<td>96.67%</td>
<td>396</td>
</tr>
</tbody>
</table>

#### HISTORICAL MONTHLY SERVICE FEES

<table>
<thead>
<tr>
<th>Year</th>
<th>Studio</th>
<th>One Bedroom</th>
<th>Two Bedroom</th>
<th>Cottage/House</th>
<th>Assisted Living</th>
<th>Skilled Nursing</th>
<th>Special Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$3,428</td>
<td>$4,119</td>
<td>$5,150</td>
<td>$5,248</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$3,598</td>
<td>$4,323</td>
<td>$5,405</td>
<td>$5,508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$3,815</td>
<td>$4,482</td>
<td>$5,621</td>
<td>$5,728</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$3,977</td>
<td>$4,687</td>
<td>$5,860</td>
<td>$5,971</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### COMMENTS FROM PROVIDER:

> See attachment #4 for Historical Monthly Service Disclosure
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

\[
\frac{\text{Total Excess of Revenues over Expenses} + \text{Interest, Depreciation, and Amortization Expenses}}{\text{Amortization of Deferred Revenue} + \text{Net Proceeds from Entrance Fees}}.
\]

\[
\frac{\text{Annual Debt Service}}{\text{(Operating Expenses} - \text{Depreciation} - \text{Amortization})/365}
\]

DAYS CASH ON HAND RATIO

\[
\frac{\text{Unrestricted Current Cash & Investments}}{\text{Unrestricted Non-Current Cash & Investments}}.
\]

\[
\frac{(\text{Operating Expenses} - \text{Depreciation} - \text{Amortization})/365}{365}
\]

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.
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.
# Attachment #2

<table>
<thead>
<tr>
<th>SUBSIDIZED SENIOR HOUSING:</th>
<th>LOCATION (City, State)</th>
<th>PHONE (with area code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidio Gate Apartments</td>
<td>2770 Lombard Street, San Francisco, CA 94123</td>
<td>(415)567-1050</td>
</tr>
<tr>
<td>Oak Center Towers</td>
<td>1515 Market Street, Oakland, CA 94607</td>
<td>(510)465-1166</td>
</tr>
<tr>
<td>Jennings Senior Housing, Inc.</td>
<td>1080 Jennings Avenue, Santa Rosa, CA 95401</td>
<td>(707)527-5421</td>
</tr>
<tr>
<td>Lytton Gardens I</td>
<td>656 Lytton Avenue, Palo Alto, CA 94301</td>
<td>(650)328-3300</td>
</tr>
<tr>
<td>Lytton Gardens II</td>
<td>649 University Avenue, Palo Alto, CA 94301</td>
<td>(650)328-3300</td>
</tr>
<tr>
<td>Lytton Gardens IV Housing Corporation</td>
<td>330 Everett Street, Palo Alto, CA 94301</td>
<td>(650)328-3300</td>
</tr>
<tr>
<td>Bethany Center Senior Housing</td>
<td>580 Capp Street, San Francisco, CA 94110</td>
<td>(415)821-4515</td>
</tr>
<tr>
<td>Shires Memorial Center</td>
<td>180 N. 4th Street, San Jose, CA 95112</td>
<td>(844)454-2051</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>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>
Attachment #4

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%.