

**Continuing Care Retirement Community
Disclosure Statement**

Date Prepared: 7/31/20__

FACILITY NAME: Spring Lake Village
 ADDRESS: 5555 Montgomery Dr., Santa Rosa, CA ZIP CODE: 95409 PHONE: 707-538-8400
 PROVIDER NAME: Covia Communities FACILITY OPERATOR: Michael Cataldo
 RELATED FACILITIES: See Attached RELIGIOUS AFFILIATION: Historically Episcopalian
 YEAR 1986 # OF SINGLE MULTI- MILES TO SHOPPING CTR: 2
 OPENED: ACRES: 33 STORY STORY OTHER: MILES TO HOSPITAL: 3

NUMBER OF UNITS:

RESIDENTIAL LIVING	HEALTH CARE
APARTMENTS — STUDIO: <u>26</u>	ASSISTED LIVING: <u>24</u>
APARTMENTS — 1 BDRM: <u>108</u>	SKILLED NURSING: <u>70</u>
APARTMENTS — 2 BDRM: <u>61</u>	SPECIAL CARE: <u>13</u>
COTTAGES/HOUSES: <u>131</u>	DESCRIPTION: > <u>Memory Care</u>
RLU OCCUPANCY (%) AT YEAR END: <u>93.9%</u>	

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

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

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

RANGE OF ENTRANCE FEES: \$ 110,201 - \$ 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					
<u>COMMON AREA AMENITIES</u>	<u>AVAILABLE</u>	<u>FEE FOR SERVICE</u>	<u>SERVICES AVAILABLE</u>	<u>INCLUDED IN FEE</u>	<u>FOR EXTRA CHARGE</u>
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>1</u> /DAY)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Wifi</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
OTHER <u>Parking</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			

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: Covia Communities

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

St. Paul's Towers

100 Bay Place, Oakland, CA 94610

510-835-4700

Canterbury Woods

**651 Sinex Ave, Pacific Grove, CA
93590**

831-373-3111

San Francisco Towers

**1661 Pine Street, San Francisco, CA
94109**

415-776-0500

Webster House

**401 Webster St., Palo Alto, CA
94301**

650-327-4333

ALL LIFE PLAN COMMUNITIES HAVE RESIDENTS WITH LIFE CARE
CONTRACTS.

ALL OFFER CONTINUING CARE CONTRACTS WITH THE EXCEPTION OF

CANTEBURY WOODS AS OF JANUARY 01, 2014.

SEE ATTACHMENT #4 FOR ADDITIONAL DETAILS ON COMMUNITY
OFFERINGS

MULTI-LEVEL RETIREMENT COMMUNITIES

LOCATION (City, State)

PHONE (with area code)

FREE-STANDING SKILLED NURSING

LOCATION (City, State)

PHONE (with area code)

SUBSIDIZED SENIOR HOUSING

LOCATION (City, State)

PHONE (with area code)

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

PROVIDER NAME: Covia Communities (See Attachment #4)

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME (Excluding amortization of entrance fee income)	114,394,000	115,917,000	124,896,000	112,247,000
LESS OPERATING EXPENSES (Excluding depreciation, amortization, and interest)	115,118,000	110,540,000	128,453,000	110,132,000
NET INCOME FROM OPERATIONS	(724,000)	5,377,000	(3,557,000)	2,115,000
LESS INTEREST EXPENSE	8,002,000	7,962,000	7,909,000	8,112,000
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES) (excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	(8,726,000)	(2,585,000)	(11,466,000)	(5,997,000)
NET CASH FLOW FROM ENTRANCE FEES (Total Deposits Less Refunds)	33,096,000	21,459,000	21,789,000	20,736,260

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
See Attachment #3					

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50 th Percentile (optional)	2018	2019	2020
DEBT TO ASSET RATIO		30.62%	30.55%	31.69%
OPERATING RATIO		98.24%	96.67%	102.65%
DEBT SERVICE COVERAGE RATIO		3.03	3.23	3.08
DAYS CASH ON HAND RATIO		435	396	397

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO	\$3,598	4.95	\$3,815	4.00	\$3,977	4.25	\$4,146	4.25
ONE BEDROOM	\$4,323	4.95	\$4,482	4.00	\$4,687	4.25	\$4,886	4.25
TWO BEDROOM	\$5,405	4.95	\$5,621	4.00	\$5,860	4.25	\$6,109	4.25
COTTAGE/HOUSE	\$5,508	4.95	\$5,728	4.00	\$5,971	4.25	\$6,225	4.25
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

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

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

DEBT SERVICE COVERAGE RATIO

$$\frac{\begin{array}{l} \text{Total Excess of Revenues over Expenses} \\ + \text{ Interest, Depreciation, and Amortization Expenses} \\ \text{Amortization of Deferred Revenue} + \text{ Net Proceeds from Entrance Fees} \end{array}}{\text{Annual Debt Service}}$$

DAYS CASH ON HAND RATIO

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

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, another current Board Member is a resident. The Covia Communities Board has invited each community to have one non-voting Resident Representative. At the present time, Covia has five (5) 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 resident representatives are permitted to attend meetings of Covia Communities Board and there is an elected Resident Representative that serves on the Covia Communities Finance and Investment Committee that reviews the annual budget of the organization and recommends increases in the monthly fees.

The Representatives are asked to provide a report 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

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

Attachment #3

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

<u>LENDER</u>	<u>OUTSTANDING BALANCE</u>	<u>INTEREST RATE</u>	<u>DATE OF ORIGINATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>
ABAG FINANCE AUTH	54,200,000	3.0%-6.125%	10/1/11	07/01/41	30 YEARS
ABAG FINANCE AUTH	68,835,000	5.00%	12/20/12	07/01/47	35 YEARS
ABAG FINANCE AUTH	8,865,000	2.00%-5.00%	12/20/12	07/01/25	13 YEARS
CSCOA held by JPMorgan Chase	7,739,000	variable	6/05/15	07/01/40	25 YEARS

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. Since the closing of Los Gatos Meadows, Canterbury Woods is the only community to 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%.