Continuing Care Retirement Community
Disclosure Statement
General Information

FACILITY NAME: The Terraces of Los Gatos
ADDRESS: 800 Blossom Hill Road, Los Gatos, CA
ZIP CODE: 95032
PHONE: 408-356-1006
PROVIDER NAME: HumanGood California Obligated Group
RELIGIOUS AFFILIATION: Nonsectarian
RELATED FACILITIES: HumanGood
FACILITY OPERATOR: HumanGood California Obligated Group

YEAR OPENED: 1992
# OF ACRES: 9
# OF APARTMENTS: 10
# OF COTTAGES/HOUSES: 10
MILES TO SHOPPING CTR: 0.25
MILES TO HOSPITAL: 1

RESIDENTIAL LIVING
APARTMENTS — STUDIO: 10
APARTMENTS — 1 BDRM: 73
APARTMENTS — 2 BDRM: 82
COTTAGES/HOUSES: 10
RLU OCCUPANCY (%) AT YEAR END: 98.3%

HEALTH CARE
ASSISTED LIVING: 45
SKILLED NURSING: 59
SPECIAL CARE: 16
DESCRIPTION: Memory Care

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

FORM OF CONTRACT: □ CONTINUING CARE □ LIFE CARE □ ENTRANCE FEE □ FEE FOR SERVICE
□ ASSIGNMENT OF ASSETS □ EQUITY □ MEMBERSHIP □ RENTAL

REFUND PROVISIONS: □ 90% □ 75% □ 50% □ FULLY AMORTIZED □ OTHER:

RANGE OF ENTRANCE FEES: $240,800 - $1,520,100

LONG-TERM CARE INSURANCE REQUIRED? □ YES □ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Dependent on when contract signed (permanent transfer credits)

ENTRY REQUIREMENTS: MIN. AGE: 62 PRIOR PROFESSION: N/A

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider’s compliance and residents’ rights):

> Resident Council Presidents from each of the CCRCs are invited to attend all meetings of the HumanGood Board and are provided with the related board materials in advance.

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 (1-2 /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 Chapel, Gift Shop √ □

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.
<table>
<thead>
<tr>
<th>OTHER CCRCs</th>
<th>LOCATION (City, State)</th>
<th>PHONE (with area code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piedmont Gardens</td>
<td>Oakland, CA</td>
<td>510-654-7172</td>
</tr>
<tr>
<td>Terraces at Los Altos</td>
<td>Los Altos, CA</td>
<td>650-948-8291</td>
</tr>
<tr>
<td>Plymouth Village</td>
<td>Redlands, CA</td>
<td>909-793-1233</td>
</tr>
<tr>
<td>Valle Verde</td>
<td>Santa Barbara, CA</td>
<td>805-687-1571</td>
</tr>
<tr>
<td>Rosewood</td>
<td>Bakersfield, CA</td>
<td>661-834-0620</td>
</tr>
<tr>
<td>Terraces of Los Gatos</td>
<td>Los Gatos, CA</td>
<td>408-356-1006</td>
</tr>
<tr>
<td>Terraces at San Joaquin Gardens</td>
<td>Fresno, CA</td>
<td>559-439-4770</td>
</tr>
<tr>
<td>Grand Lake Gardens</td>
<td>Oakland, CA</td>
<td>510-893-8897</td>
</tr>
</tbody>
</table>

*Please see additional CCRCs listed on the following page.*

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**MULTI-LEVEL RETIREMENT COMMUNITIES**

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**FREE-STANDING SKILLED NURSING**

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**SUBSIDIZED SENIOR HOUSING**

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**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.
<table>
<thead>
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<th>OTHER CCRCs</th>
<th>LOCATION (City, State)</th>
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<tbody>
<tr>
<td>Westminster Gardens</td>
<td>Duarte, CA</td>
<td>626-358-2569</td>
</tr>
<tr>
<td>White Sands La Jolla</td>
<td>La Jolla, CA</td>
<td>858-454-4201</td>
</tr>
<tr>
<td>Redwood Terrace</td>
<td>Escondido, CA</td>
<td>760-747-4306</td>
</tr>
<tr>
<td>Windsor</td>
<td>Glendale, CA</td>
<td>818-244-7219</td>
</tr>
<tr>
<td>Royal Oaks</td>
<td>Bradbury, CA</td>
<td>626-359-9371</td>
</tr>
<tr>
<td>Regents Point</td>
<td>Irvine, CA</td>
<td>949-854-9500</td>
</tr>
</tbody>
</table>

**MULTI-LEVEL RETIREMENT COMMUNITIES**

<table>
<thead>
<tr>
<th>LOCATION (City, State)</th>
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</table>

**FREE-STANDING SKILLED NURSING**

<table>
<thead>
<tr>
<th>LOCATION (City, State)</th>
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</table>

**SUBSIDIZED SENIOR HOUSING**

<table>
<thead>
<tr>
<th>LOCATION (City, State)</th>
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</tr>
</thead>
</table>

**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.
## Income from Ongoing Operations Operating Income
(Excluding amortization of entrance fee income)  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>247,979,000</td>
<td>259,033,000</td>
<td>260,661,000</td>
<td>267,457,000</td>
</tr>
</tbody>
</table>

## Less Operating Expenses
(Excluding depreciation, amortization, and interest)  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>235,387,000</td>
<td>245,565,000</td>
<td>246,893,000</td>
<td>260,942,000</td>
</tr>
</tbody>
</table>

## Net Income from Operations  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,592,000</td>
<td>13,468,000</td>
<td>13,768,000</td>
<td>6,515,000</td>
</tr>
</tbody>
</table>

## Less Interest Expense  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19,095,000</td>
<td>17,411,000</td>
<td>12,946,000</td>
<td>11,288,000</td>
</tr>
</tbody>
</table>

## Plus Contributions  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,361,000</td>
<td>1,184,000</td>
<td>1,361,000</td>
<td>1,142,000</td>
</tr>
</tbody>
</table>

## Plus Non-Operating Income (Expenses) (excluding extraordinary items)  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(4,317,000)</td>
<td>24,986,000</td>
<td>20,567,000</td>
<td>13,881,000</td>
</tr>
</tbody>
</table>

## Net Income (Loss) Before Entrance Fees, Depreciation and Amortization  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9,459,000)</td>
<td>22,227,000</td>
<td>22,750,000</td>
<td>10,250,000</td>
</tr>
</tbody>
</table>

## Net Cash Flow from Entrance Fees (Total Deposits Less Refunds)  
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54,839,000</td>
<td>53,656,000</td>
<td>35,186,000</td>
<td>55,564,000</td>
</tr>
</tbody>
</table>

## Description of Secured Debt (as of most recent fiscal year end)

### Lender
- **OUTSTANDING BALANCE**
  - [InfoCal Series 2015]
    - $43,092,000
    - $41,862,000
  - [InfoCal Series 2015]
    - $6,075,000
    - $6,084,000
  - [Series 2016 Construction Loan]
    - $6,084,000
  - [Series 2019]
    - $90,000,000
    - $122,000,000

### Interest Rate
- [0.7% to 1.5%]
- [0.7% to 1.5%]

### Date of Origination
- [12/19/2015]
- [09/10/2015]
- [12/10/2016]
- [10/10/2020]

### Date of Maturity
- [2026]
- [2027]
- [2023]
- [2024]
- [2024]
- [2025 to 2027]
- [16 to 21 years]
- [14 to 20 years]

### Amortization Period
- [10 years]
- [20 years]
- [7 years]
- [25 years]

## Financial Ratios (see next page for ratio formulas)

### 2017 CCAC Medians 50th Percentile (optional)

### Debt to Asset Ratio
- 96.53%
- 98.39%
- 97.17%
- 99.77%

### Operating Ratio
- 40.31%
- 39.39%
- 44.29%

### Debt Service Coverage Ratio
- 2.56
- 3.02
- 2.67
- 3.91

### Days Cash on Hand Ratio
- 337
- 401
- 427
- 484

## Historical Monthly Service Fees (Average Fee and Change Percentage)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>3,606</td>
<td>3.75%</td>
<td>3,748</td>
<td>4.75%</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>4,175</td>
<td>3.75%</td>
<td>4,340</td>
<td>4.75%</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>5,460</td>
<td>3.75%</td>
<td>5,741</td>
<td>4.75%</td>
</tr>
<tr>
<td>Cottage/House</td>
<td>7,033</td>
<td>3.75%</td>
<td>7,309</td>
<td>4.75%</td>
</tr>
<tr>
<td>Assisted Living</td>
<td>8,115</td>
<td>3.75%</td>
<td>6,405</td>
<td>4.75%</td>
</tr>
<tr>
<td>Skilled Nursing</td>
<td>396/day</td>
<td>3.75%</td>
<td>415/day</td>
<td>4.75%</td>
</tr>
<tr>
<td>Special Care</td>
<td>9,144</td>
<td>3.75%</td>
<td>9,578</td>
<td>4.75%</td>
</tr>
</tbody>
</table>

## Comments from Provider:
- Financial data is taken from the supplementary information in the audited combined financial statements of the HumanGood California Obligated Group.
- Assisted Living and Memory Care includes a care component. Rates disclosed are actual averages for our contracted resident population.
FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

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

OPERATING RATIO

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

DEBT SERVICE COVERAGE RATIO

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

DAYS CASH ON HAND RATIO

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

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.