

**HumanGood National Obligated Group  
(HumanGood Arizona, Inc.  
dba Terraces of Phoenix,  
and HumanGood Washington,  
dba Judson Park)  
(Members of HumanGood Cornerstone)**

Report on Compliance in Accordance with the  
Second Amended and Restated Master Trust Indenture  
Dated as of April 1, 2018

December 31, 2020

**HumanGood National Obligated Group  
(HumanGood Arizona, Inc., dba Terraces of Phoenix,  
and HumanGood Washington, dba Judson Park)  
(Members of HumanGood Cornerstone)**

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Table of Contents  
December 31, 2020

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Calculation of Debt Service Coverage Ratio</b>	2
<b>Calculation of Days Cash on Hand</b>	3

## Independent Auditors' Report

To the Boards of Directors of  
HumanGood National Obligated Group  
(HumanGood Arizona, Inc., dba Terraces of Phoenix,  
and HumanGood Washington, dba Judson Park)  
(Members of HumanGood Cornerstone)

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the HumanGood National Obligated Group (National Obligated Group or NOG), which comprise the combined balance sheet as of December 31, 2020, and the related combined statements of operations and changes in net deficit, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated April 30, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that NOG failed to comply with the terms, covenants, provisions, or conditions of Article III, Section 3.12, as further defined in Sections 3.8 and 3.10 of the Second Amended and Restated Master Trust Indenture dated as of April 1, 2018, between NOG and U.S. Bank National Association, as Master Trustee, as indicated in the accompanying calculations of debt service coverage ratio and days cash on hand, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding NOG's noncompliance with the above-referenced terms, covenants, provisions, or conditions of Article III, Section 3.12, as further defined in Sections 3.8 and 3.10 of the Second Amended and Restated Master Trust Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the boards of directors and management of NOG, and U.S. Bank National Association, as Master Trustee and is not intended to be and should not be used by anyone other than these specified parties.

*Baker Tilly US, LLP*

Philadelphia, Pennsylvania  
April 30, 2021

**HumanGood National Obligated Group  
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Debt Service Coverage Ratio as defined in Section 3.8 of the Second Amended and Restated Master Trust Indenture dated as of April 1, 2018  
Year Ended December 31, 2020  
(In Thousands)

**Income Available for Debt Service**

Income from operations	\$	124
Add:		
Depreciation		5,018
Mortgage interest		2,553
Entrance fees received, net		1,259
Less:		
Unrealized gains on investments		(274)
Amortization of entrance fees		<u>(3,721)</u>
Income available for debt service	\$	<u>4,959</u>
<b>Annual Debt Service</b>	<b>\$</b>	<b><u>4,004</u></b>
<b>Debt Service Coverage Ratio</b>		<b><u>1.24</u></b>
<b>Debt Service Coverage Ratio Required</b>		<b><u>1.20</u></b>

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Days Cash on Hand as defined in Section 3.10 of the Second Amended and Restated Master Trust  
Year Ended December 31, 2020  
(In Thousands)

**Unrestricted Cash and Investments**

Cash and cash equivalents	\$ 4,485
Investments	<u>21,452</u>

Unrestricted cash and investments	<u><u>\$ 25,937</u></u>
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**Expenses**

Operating expenses	41,917
Mortgage interest	<u>2,553</u>

Expenses	<u><u>\$ 44,470</u></u>
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<b>Number of Days in the Fiscal Year</b>	<u><u>366</u></u>
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<b>Daily Expenses</b>	<u><u>122</u></u>
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<b>Days Cash on Hand</b>	<u><u>213</u></u>
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<b>Days Cash on Hand Required</b>	<u><u>150</u></u>
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