



*Reports of Independent Auditors on Supplementary Information and
Continuing Care Liquid Reserve Schedules with
Supplementary Schedules*

Sequoia Living, Inc.

For the Year Ended December 31, 2020



MOSSADAMS

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Report of Independent Auditors on Supplementary Information

To the Board of Directors
Sequoia Living, Inc.

We have audited the consolidated financial statements of Sequoia Living, Inc. (the “Organization”), not presented herein, as of and for the year ended December 31, 2020, and issued our report thereon dated April 30, 2021, in which we indicated the extent of our reliance on the report of other auditors.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary financial information on pages 3 through 5 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Moss Adams LLP

San Francisco, California
April 30, 2021

Financial Statements

Sequoia Living, Inc.
Details of Operations Sequoias – San Francisco
For the Year Ended December 31, 2020 (dollars in thousands)

	2020
Operating revenues and other income	
Resident fees	\$ 21,262
Amortization of entrance fees	6,388
Fees for services and other income	4,317
	<hr/>
	31,967
Support	
Contributions	551
	<hr/>
Total operating revenues, other income, and support	32,518
	<hr/>
Expenses	
Compensation and benefits	15,978
Purchased services	2,102
Medical services	841
Supplies	2,618
Repairs and maintenance	1,422
Utilities	1,223
Professional fees	823
Depreciation	4,465
Interest	965
Other operating	3,132
	<hr/>
Total expenses	33,569
	<hr/>
Deficiency of operating revenues, other income, and support over expenses	(1,051)
	<hr/>
Other changes	
Grants used for programs and facilities	253
	<hr/>
Change in net assets without donor restrictions	\$ (798)
	<hr/> <hr/>

Sequoia Living, Inc.
Details of Operations Sequoias – Portola Valley
For the Year Ended December 31, 2020 (dollars in thousands)

	2020
Operating revenues and other income	
Resident fees	\$ 18,301
Amortization of entrance fees	6,233
Fees for services and other income	4,841
	<u>29,375</u>
Support	
Contributions	1,646
	<u>31,021</u>
Expenses	
Compensation and benefits	15,602
Purchased services	1,971
Medical services	1,170
Supplies	2,044
Repairs and maintenance	1,547
Utilities	1,369
Professional fees	422
Depreciation	3,166
Interest	616
Other operating	2,832
	<u>30,739</u>
Excess of operating revenues, other income, and support over expenses	<u>282</u>
Other changes	
Grants used for programs and facilities	80
	<u>80</u>
Change in net assets without donor restrictions	<u><u>\$ 362</u></u>

Sequoia Living, Inc.
Details of Operations Sequoias - Tamalpais
For the Year Ended December 31, 2020 (dollars in thousands)

	2020
Operating revenues and other income	
Resident fees	\$ 18,526
Amortization of entrance fees	5,269
Fees for services and other income	<u>2,458</u>
	26,253
Support	
Contributions	<u>430</u>
	26,683
Expenses	
Compensation and benefits	15,288
Purchased services	917
Medical services	754
Supplies	2,201
Repairs and maintenance	917
Utilities	984
Professional fees	346
Depreciation	3,228
Interest	742
Other operating	<u>2,920</u>
	28,297
Deficiency of operating revenues, other income, and support over expenses	<u>(1,614)</u>
Other changes	
Grants used for programs and facilities	<u>306</u>
Change in net assets without donor restrictions	<u><u>\$ (1,308)</u></u>

Report of Independent Auditors

To the Board of Directors
Sequoia Living, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Sequoia Living, Inc., which comprise the continuing care liquid reserve schedules, Form 5-1 through Form 5-5, as of and for the year ended December 31, 2020, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the continuing care liquid reserve schedules Form 5-1 through Form 5-5 of Sequoia Living, Inc. as of and for the year ended December 31, 2020, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

We draw attention to the basis of accounting used to prepare the financial statements. The financial statements are prepared by Sequoia Living, Inc. on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Schedule to Form 5-1: Reconciliation to Audit Report and Supplementary Schedule to Form 5-5: Reconciliation to Audit Report, presented as supplementary schedules, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

The Supplementary Schedule – Additional Disclosures for the year ended December 31, 2020, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of Sequoia Living, Inc., and the California Department of Social Services, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

San Francisco, California
April 30, 2021

Long-Term Debt Incurred In A Prior Fiscal Year (Including Balloon Debt)

Year Ended December 31, 2020

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Principal Paid During Fiscal Year	Interest Paid During Fiscal Year	Credit Enhancement Premiums Paid in Fiscal Year	Total Paid (columns (b) + (c) + (d))
1	4/15/2015	\$1,270,000	\$2,768,275	\$0	\$4,038,275
2	6/12/2015	\$180,056	\$853,844	\$0	\$1,033,900
3	10/1/2017	\$309,311	\$981,537	\$0	\$1,290,848
4	8/7/2018	\$0	\$6,195,125	\$0	\$6,195,125
5	12/19/2019	\$0	\$1,402,589	\$0	\$1,402,589
6					
7					
8					
TOTAL:		\$1,759,367	\$12,201,370	\$0	\$13,960,737

(Transfer this amount to
Form 5-3, Line 1)**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)

Year Ended December 31, 2020

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1		\$0	\$0	0	\$0
2					
3					
4					
5					
6					
7					
8					
TOTAL:					\$0

(Transfer this amount to
Form 5-3, Line 2)**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

Sequoia Living, Inc.**Form 5-3****Calculation of Long-Term Debt Reserve Amount****Year Ended December 31, 2020**

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	<u>\$ 13,960,737</u>
2	Total from Form 5-2 bottom of Column (e)	<u>\$ -</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>\$ -</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$ 13,960,737</u></u>

Sequoia Living, Inc.
Form 5-4
Calculation of Net Operating Expenses
Year Ended December 31, 2020

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 33,569,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 965,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 4,465,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 5,430,000</u>
4	Net Operating Expenses		<u>\$ 28,139,000</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 77,093</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 5,781,975</u></u>

PROVIDER: Sequoia Living, Inc.
COMMUNITY: Sequoias - San Francisco

Sequoia Living, Inc.
Form 5-4
Calculation of Net Operating Expenses
Year Ended December 31, 2020

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 30,739,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 616,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 3,166,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 3,782,000</u>
4	Net Operating Expenses		<u>\$ 26,957,000</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 73,855</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 5,539,125</u></u>

PROVIDER: Sequoia Living, Inc.
COMMUNITY: Sequoias - Portola Valley

Sequoia Living, Inc.
Form 5-4
Calculation of Net Operating Expenses
Year Ended December 31, 2020

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$ 28,297,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 742,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 3,228,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ -</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$ 3,970,000</u>
4	Net Operating Expenses		<u>\$ 24,327,000</u>
5	Divide Line 4 by 365 and enter the result.		<u>\$ 66,649</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$ 4,998,675</u></u>

PROVIDER: Sequoia Living, Inc.
COMMUNITY: Tamalpais

Sequoia Living, Inc.
Form 5-5
Annual Reserve Certification
Year Ended December 31, 2020

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Sequoia Living, Inc.
Fiscal Year Ended: 12/31/2020


We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2020 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ 13,960,737
[2] Operating Expense Reserve Amount	\$ 16,319,775
[3] Total Liquid Reserve Amount:	\$ 30,280,512

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Debt Service Reserve</u>	<u>Amount</u> <u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ 14,617,000	\$ 10,637,000
[5] Investment Securities		\$ 4,048,000
[6] Equity Securities		\$ 108,482,000
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve (not applicable)		
[10] Other: Investment in Real Estate Fund (describe qualifying asset)		
Listed for Reserve Obligation:	[11] \$ 14,617,000	[12] \$ 123,167,000
Reserve Obligation Amount:	[13] \$ 13,960,737	[14] \$ 16,319,775
Surplus/(Deficiency):	[15] \$ 656,263	[16] \$ 106,847,225

Signature: 

(Authorized Representative)

Date: 4/30/2021

CFO

(Title)

Supplementary Schedules

Sequoia Living, Inc.
Supplementary Schedule to Form 5-1: Reconciliation to Audit Report
Year Ended December 31, 2020

Form 5-1 Reconciliation

Column (c) INTEREST PAID DURING FISCAL YEAR

Interest paid, net of amount capitalized per audited financials		\$ 6,006,245
Capitalized interest expense per audited financial statements	6,255,221	
Less: change in accrued interest payable included in capitalized interest	1,251,400	
Less: deferred financing costs included in capitalized interest expense	(1,092,617)	
Less: deferred financing costs included in change in capitalized interest payable	<u>(218,879)</u>	
Total capitalized interest expense paid		<u>6,195,125</u>
Total interest paid during fiscal year - Form 5-1 column c		<u><u>\$ 12,201,370</u></u>

Sequoia Living, Inc.
Supplementary Schedule to Form 5-5: Reconciliation to Audit Report
Year Ended December 31, 2020

Financial Statements and Footnotes Description

Cash and cash equivalents	\$ 5,761,000
Marketable securities - money market funds	<u>4,876,000</u>
	<u>10,637,000</u>
Marketable securities - U.S. government securities	1,587,000
Marketable securities - corporate fixed income securities	<u>2,461,000</u>
	<u>4,048,000</u>
Marketable securities - common stocks	14,888,000
Marketable securities - equity mutual funds	57,170,000
Marketable securities - fixed income mutual funds	<u>36,424,000</u>
	<u>108,482,000</u>
Total qualifying assets as filed for operating reserve	<u>\$ 123,167,000</u>
Limited use assets - debt service reserve fund - Revenue Bond Series 2015	\$ 4,040,000
Limited use assets - debt service reserve fund - Revenue Bond Series 2018	5,929,000
Limited use assets - principal and interest fund - Revenue Bond Series 2015	1,346,000
Limited use assets - principal and interest fund - Revenue Bond Series 2018	<u>3,302,000</u>
Total qualifying assets as filed for debt service reserve	<u>\$ 14,617,000</u>

Reconciliation to Audited Financial Statements

Cash and cash equivalents	\$ 5,761,000
Marketable securities	117,406,000
Limited use assets, current	23,465,000
Limited use assets, noncurrent	<u>74,477,000</u>
	221,109,000
Less:	
Limited use assets - project fund - Revenue Bond Series 2015	(447,000)
Limited use assets - revenue fund - Revenue Bond Series 2015	(727,000)
Limited use assets - project fund - Revenue Bond Series 2018	(26,324,000)
Limited use assets - investments held by trustee in accordance with construction loan agreement	(600,000)
Limited use assets - investments held by trustee for working capital	(18,000,000)
Limited use assets - investments held by trustee for repayment of revenue bonds	<u>(37,227,000)</u>
	<u>\$ 137,784,000</u>
Total qualifying assets as filed for operating reserve	\$ 123,167,000
Total qualifying assets as filed for debt service reserve	<u>14,617,000</u>
	<u>\$ 137,784,000</u>

Sequoia Living, Inc.
Additional Disclosures (Unaudited)
Year Ended December 31, 2020

Status Description and Amount of Reserves:

Sequoia Living's reserves consist of marketable securities, net of amounts designated for Foundation investments (restricted) of \$110,012,094. Sequoia Living invests approximately 62% of its reserves in equity investments.

Funds accumulated for specific projects and/or contingencies

Sequoia Living's reserves have not been designated for specific needs or projects. They are available to respond to contingencies; provide funding for projects which are internally financed and support Sequoia Living's efforts to grow and serve more seniors consistent with its tax-exempt purpose.

In 2020, Sequoia Living's cash flow from operations including entrance fees was not sufficient to cover its activities, so accumulated cash and marketable securities were required to fund projects. Projects in excess of \$250,000 completed in 2020 were as follows:

Sequoias Portola Valley:

Apartment renovations	\$	850,776
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Tamalpais:

Nurse call and wanderguard	\$	547,063
Apartment renovations	\$	734,258
MC/AL Construction costs	\$	561,519

Projects included in the 2021 capital budget which are greater than \$250,000 include the following:

Sequoias San Francisco:

Apartment renovations (23 units)	\$	1,000,000
HVAC for kitchen area	\$	300,000
Fire Alarm annunciators	\$	350,000
Gym and storage project	\$	375,000

Sequoias Portola Valley:

Apartment Renovations New Program	\$	1,000,000
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Tamalpais:

Residential Apartments Renovation	\$	1,000,000
Nurse Call and Wander Guard system	\$	450,000

Sequoia Living, Inc.
Note 1 to the Continuing Care Reserve Report
For the Year Ended December 31, 2020

The continuing care reserve report included in Part 5 has been prepared in accordance with the report preparation provisions of the California Health and Welfare Code (the Code), Section 1792.

Section 1792 of the Code indicates that Sequoia Living, Inc. should maintain at all times qualifying assets as a liquid reserve in an amount that equals or exceeds the sum of the following:

- The amount the provider is required to hold as a debt service reserve under Section 1792.3
- The amount the provider must hold as an operating expense reserve under Section 1792.4.

In accordance with the Code, Sequoia Living, Inc. has computed its liquid reserve requirement as of and for the year ended December 31, 2020, Sequoia Living, Inc.'s most recent fiscal year end, and the reserve is based on audited financial statements for the period.

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	292
[2]	Number at end of fiscal year	283
[3]	Total Lines 1 and 2	575
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	287.5
All Residents		
[6]	Number at beginning of fiscal year	311
[7]	Number at end of fiscal year	298
[8]	Total Lines 6 and 7	609
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	304.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.94

FORM 1-2
ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	\$30,929,020
[a] Depreciation	\$3,165,701
[b] Debt Service (Interest Only)	\$616,167
[2] Subtotal (add Line 1a and 1b)	\$3,781,868
[3] Subtract Line 2 from Line 1 and enter result.	\$27,147,152
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	94%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$25,631,547
	x .001
[6] Total Amount Due (multiply Line 5 by .001)	\$25,632

PROVIDER	Sequoia Living, Inc
COMMUNITY	Sequoias – Portola Valley

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	337
[2]	Number at end of fiscal year	321
[3]	Total Lines 1 and 2	658
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	329
All Residents		
[6]	Number at beginning of fiscal year	351
[7]	Number at end of fiscal year	331
[8]	Total Lines 6 and 7	682
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	341
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.96

FORM 1-2
ANNUAL PROVIDER FEE

Line		TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$34,145,474
[a]	Depreciation	\$4,464,889
[b]	Debt Service (Interest Only)	\$965,286
[2]	Subtotal (add Line 1a and 1b)	\$5,430,175
[3]	Subtract Line 2 from Line 1 and enter result.	\$28,715,299
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	96%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$27,704,790
		x .001
[6]	Total Amount Due (multiply Line 5 by .001)	\$27,705

PROVIDER	Sequoia Living, Inc
COMMUNITY	Sequoias - San Francisco

FORM 1-1
RESIDENT POPULATION

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	298
[2]	Number at end of fiscal year	283
[3]	Total Lines 1 and 2	581
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	290.5
All Residents		
[6]	Number at beginning of fiscal year	303
[7]	Number at end of fiscal year	286
[8]	Total Lines 6 and 7	589
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	294.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.99

FORM 1-2
ANNUAL PROVIDER FEE

Line		TOTAL
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$28,477,104
[a]	Depreciation	\$3,227,860
[b]	Debt Service (Interest Only)	\$741,979
[2]	Subtotal (add Line 1a and 1b)	\$3,969,839
[3]	Subtract Line 2 from Line 1 and enter result.	\$24,507,265
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	99%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$24,174,399
		x .001
[6]	Total Amount Due (multiply Line 5 by .001)	\$24,174

PROVIDER Sequoia Living, Inc
COMMUNITY Tamalpais

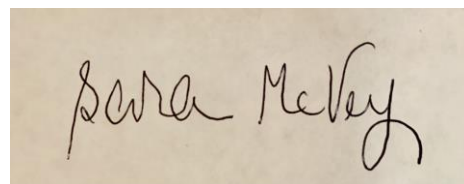
Part 2

**SEQUOIA LIVING, INC.
CERTIFICATION BY CHIEF EXECUTIVE OFFICER**

December 31, 2020

I hereby certify to the best of my knowledge and belief that:

1. The information included within this annual report is correct.
2. Each continuing care contract form now in use for new residents has been approved by the Department.
3. As of the date of this certification Sequoia Living is maintaining the required liquid reserve and refund reserve.

A rectangular box containing a handwritten signature in dark ink. The signature appears to read "Sara McVey" in a cursive script.

Sara McVey

President & CEO

Title

April 30, 2021

Date

Part 3

DECLARATIONS

Policy Number: 8167-4988

FEDERAL INSURANCE COMPANY

A stock insurance company, incorporated under the laws of Indiana, herein called the Company

Capital Center, 251 North Illinois, Suite 1100
Indianapolis, IN 46204-1927

THE EXECUTIVE LIABILITY, ENTITY LIABILITY, AND EMPLOYMENT PRACTICES LIABILITY, FIDUCIARY LIABILITY, AND OUTSIDE DIRECTORSHIP LIABILITY COVERAGE SECTIONS (WHICHEVER ARE PURCHASED) PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY EXTENDED REPORTING PERIOD. THE APPLICABLE LIMIT(S) OF LIABILITY TO PAY "LOSS" WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE COSTS" UNLESS OTHERWISE SPECIFIED HEREIN. "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT(S) OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.

Item 1. **Parent Organization:** Sequoia Living, Inc.

Principal Address: 1525 Post Street
San Francisco, CA 94109

Item 2. **Policy Period:** From 12:01 A.M. on April 5, 2020
To 12:01 A.M. on March 5, 2021
Local time at the address shown in Item 1.

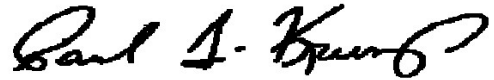
Item 3. **Coverage Summary**
Description of Coverage(s) purchased:

Executive Liability and:	X
Optional Entity Coverage	X
Optional Employment Practices Liability Coverage	X
Optional Third Party Liability Coverage	X
Outside Directorship Liability Coverage	
Fiduciary Liability Coverage	X
Crime Coverage	X
Kidnap/Ransom and Extortion Coverage	

Item 4. **Termination of Prior Bonds or Policies:** 8167-4988 (Mar 5, 2019 - Apr. 5, 2020)

In Witness Whereof, the Company issuing this policy has caused this policy to be signed by its Authorized Officers, but it shall not be valid unless also signed by a duly Authorized Representative of the Company.

FEDERAL INSURANCE COMPANY

Secretary

President

Authorized Representative

05/27/2020

Date

Part 6

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 4/28/2021

FACILITY NAME: The Sequoias - Portola Valley

ADDRESS: 501 Portola Road, Portola Valley, California

ZIP CODE: 94028

PHONE: 650-851-1501

PROVIDER NAME: Sequoia Living, Inc.

FACILITY OPERATOR: Sequoia Living, Inc.

RELATED FACILITIES: Six related facilities

RELIGIOUS AFFILIATION: None

YEAR # OF ☒ SINGLE ☐ MULTI-

MILES TO SHOPPING CTR: 4

OPENED: 1961 ACRES: 42 STORY STORY ☐ OTHER: _____

MILES TO HOSPITAL: 6.2

NUMBER OF UNITS:

RESIDENTIAL LIVING

APARTMENTS — STUDIO: 21

APARTMENTS — 1 BDRM: 108

APARTMENTS — 2 BDRM: 68

COTTAGES/HOUSES: 2

RLU OCCUPANCY (%) AT YEAR END: 93.1%

HEALTH CARE

ASSISTED LIVING: 26

SKILLED NURSING: 43

SPECIAL CARE: 18

DESCRIPTION: > Memory Care

TYPE OF OWNERSHIP: ☒ NOT-FOR-PROFIT ☐ FOR-PROFIT

ACCREDITED?: ☒ YES ☐ NO BY: CARF-CCAC

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) ☒ 90% ☒ 75% ☐ 50% ☒ FULLY AMORTIZED ☐ OTHER: _____

RANGE OF ENTRANCE FEES: \$ 105,900 - \$ 1,736,900 LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT:

For Lifecare contracts, exclusions include Rx, dental, glasses, podiatry, psychiatry, and specified others, for Continuing care contracts health care benefits are available for an additional fee

ENTRY REQUIREMENTS: MIN. AGE: 65

PRIOR PROFESSION: N/A

OTHER: N/A

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

> Per H&SC section 1771.8(i), there is one resident representative for each CCRC on the Sequoia Living board, in addition, each CCRC has a resident association.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (<u>4</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (<u>1-3</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Medical Supplies</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u>Resident Garden</u>	<input checked="" type="checkbox"/>	<input 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: Sequoia Living, Inc.

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

Sequoias - San Francisco

San Francisco, California

415-922-9700

Sequoias - Portola Valley

Portola Valley, California

650-851-1501

Tamalpais

Greenbrae, California

415-461-2300

Viamonte

Walnut Creek, California

925-621-6600

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)

Western Park Apartments

San Francisco, California

415-922-5436

Eastern Park Apartments

San Francisco, California

415-776-0114

Town Park Towers

San Jose, California

408-288-8750

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

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	83,087	90,840	100,697	104,156
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	83,879	87,518	93,779	99,039
NET INCOME FROM OPERATIONS	(792)	3,322	6,918	5,117
LESS INTEREST EXPENSE	5,049	9,699	4,531	6,878
PLUS CONTRIBUTIONS	2,611	1,907	2,479	1,160
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	8,549	(11,474)	11,083	11,472
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	5,319	(15,944)	13,562	9,356
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	22,898	16,374	19,821	30,997

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CHFFA	61,719,877	2.00-5.00%	2015	2044	30 years
Citibank	14,777,779	5.81%	2015	2045	30 years
Citibank	22,397,720	4.41%	2017	2034	15 years

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50 th Percentile <i>(optional)</i>	2018	2019	2020
DEBT TO ASSET RATIO		52.17 %	51.11%	49.09%
OPERATING RATIO		104.84%	95.76%	91.37%
DEBT SERVICE COVERAGE RATIO		5.28	3.93	3.71
DAYS CASH ON HAND RATIO		326	401	435

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO	\$3,941	4.5%	\$4,117	4.5%	\$4,319	4.9%	\$4,531	4.9%
ONE BEDROOM	\$4,838	4.5%	\$5,054	4.5%	\$5,302	4.9%	\$5,564	4.95%
TWO BEDROOM	\$8,870	4.4%	\$8,914	4.4%	\$9,360	5.0%	\$9,828	5.0%
COTTAGE/HOUSE	\$10,967	0.0%	\$10,967	0.0%	\$11,519	5.0%	\$12,098	5.0%
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: >

>

>

PROVIDER NAME: Sequoia Living, Inc.

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)				
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)				
NET INCOME FROM OPERATIONS				
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)				

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CSCDA	184,307,829	3.66%	2018	2047	30 Years
JP Morgan Chase	37,659,307	3.47%	2019	2048	30 Years

FINANCIAL RATIOS *(see next page for ratio formulas)*

	2017 CCAC Medians 50 th Percentile <i>(optional)</i>	2018	2019	2020
DEBT TO ASSET RATIO				
OPERATING RATIO				
DEBT SERVICE COVERAGE RATIO				
DAYS CASH ON HAND RATIO				

HISTORICAL MONTHLY SERVICE FEES *(Average Fee and Change Percentage)*

	2017	%	2018	%	2019	%	2020	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

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

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

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.

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 4/25/2021

FACILITY NAME: The Sequoias - San Francisco

ADDRESS: 1400 Geary Boulevard, San Francisco, California

ZIP CODE: 94109

PHONE: 415-922-9700

PROVIDER NAME: Sequoia Living, Inc.

FACILITY OPERATOR: Sequoia Living, Inc.

RELATED FACILITIES: Six related facilities

RELIGIOUS AFFILIATION: None

YEAR # OF ☐ SINGLE ☒ MULTI-

MILES TO SHOPPING CTR: <1

OPENED: 1969 ACRES: 5 STORY STORY ☐ OTHER: _____

MILES TO HOSPITAL: 1

NUMBER OF UNITS:

RESIDENTIAL LIVING

APARTMENTS — STUDIO: 53

APARTMENTS — 1 BDRM: 143

APARTMENTS — 2 BDRM: 65

COTTAGES/HOUSES: 3

RLU OCCUPANCY (%) AT YEAR END: 92.9%

HEALTH CARE

ASSISTED LIVING: 18

SKILLED NURSING: 50

SPECIAL CARE: 19

DESCRIPTION: > Memory Care

TYPE OF OWNERSHIP: ☒ NOT-FOR-PROFIT ☐ FOR-PROFIT

ACCREDITED?: ☒ YES ☐ NO BY: CARF-CCAC

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) ☒ 90% ☒ 75% ☐ 50% ☐ FULLY AMORTIZED ☐ OTHER: Fully Amortized

RANGE OF ENTRANCE FEES: \$ 156,400 - \$ 1,605,400

LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☐ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT:

For Lifecare contracts, exclusions include Rx, dental, glasses, podiatry, and specified others, for Continuing care contracts health care benefits are available for an additional fee, onsite c

ENTRY REQUIREMENTS: MIN. AGE: 65

PRIOR PROFESSION: N/A

OTHER: N/A

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

> Per H&SC section 1771.8(i), there is one resident representative for each CCRC on the Sequoia Living board, in addition, each CCRC has a resident association.

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input type="checkbox"/>	HOUSEKEEPING (4 TIMES/MONTH)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (___/DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER <u>Medical Supplies</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OTHER <u>Library, Art Gallery</u>	<input checked="" type="checkbox"/>	<input 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: _____

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

Sequoias - San Francisco

San Francisco, California

415-922-9700

Sequoias - Portola Valley

Portola Valley, California

650-851-1501

Tamalpais

Greenbrae, California

415-461-2300

Viamonte

Walnut Creek, California

925-621-6600

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)

Western Park Apartments

San Francisco, California

415-922-5436

Eastern Park Apartments

San Francisco, California

415-776-0114

Town Park Towers

San Jose, California

408-288-8750

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

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	83,087	90,840	100,697	104,156
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	83,879	87,518	93,779	99,039
NET INCOME FROM OPERATIONS	(792)	3,322	6,918	5,117
LESS INTEREST EXPENSE	5,049	9,699	4,531	6,878
PLUS CONTRIBUTIONS	2,611	1,907	2,479	1,160
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	8,549	(11,474)	11,083	11,472
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	5,319	(15,944)	13,562	9,356
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	22,898	16,374	19,821	30,997

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CHFFA	61,719,877	2.00-5.00%	2015	2044	30 years
Citibank	14,777,779	5.81%	2015	2045	30 years
Citibank	22,397,720	4.41%	2017	2034	15 years

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50 th Percentile <i>(optional)</i>	2018	2019	2020
DEBT TO ASSET RATIO		52.17 %	51.11%	49.09
OPERATING RATIO		104.84%	95.76%	91.37
DEBT SERVICE COVERAGE RATIO		5.28	3.93	3.71
DAYS CASH ON HAND RATIO		326	401	435

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO	\$4,355	3.4%	\$4,501	3.7%	\$4,668	3.7%	\$4,901	5.0%
ONE BEDROOM	\$4,903	3.3%	\$5,063	3.8%	\$5,255	3.8%	\$5,517	5.0%
TWO BEDROOM	\$8,252	3.5%	\$8,540	3.8%	\$8,866	3.8%	\$9,307	5.0%
COTTAGE/HOUSE	\$10,253	3.6%	\$10,624	3.8%	\$11,033	3.8%	\$11,583	5.0%
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: > _____
 > _____
 > _____

PROVIDER NAME: Sequoia Living, Inc.

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)				
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)				
NET INCOME FROM OPERATIONS				
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)				

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CSCDA	184,307,829	3.66%	2018	2047	30 Years
JP Morgan Chase	37,659,307	3.47%	2019	2048	30 Years

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50 th Percentile <i>(optional)</i>	2018	2019	2020
DEBT TO ASSET RATIO				
OPERATING RATIO				
DEBT SERVICE COVERAGE RATIO				
DAYS CASH ON HAND RATIO				

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: >

>

>

>

PROVIDER NAME: _____

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.

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: _____

FACILITY NAME: _____
ADDRESS: _____ ZIP CODE: _____ PHONE: _____
PROVIDER NAME: _____ FACILITY OPERATOR: _____
RELATED FACILITIES: _____ RELIGIOUS AFFILIATION: _____
YEAR _____ # OF ☐ SINGLE ☐ MULTI- MILES TO SHOPPING CTR: _____
OPENED: _____ ACRES: _____ STORY STORY ☐ OTHER: _____ MILES TO HOSPITAL: _____

NUMBER OF UNITS: **RESIDENTIAL LIVING** **HEALTH CARE**
APARTMENTS — STUDIO: _____ ASSISTED LIVING: _____
APARTMENTS — 1 BDRM: _____ SKILLED NURSING: _____
APARTMENTS — 2 BDRM: _____ SPECIAL CARE: _____
COTTAGES/HOUSES: _____ DESCRIPTION: > _____
RLU OCCUPANCY (%) AT YEAR END: _____ > _____

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) ☐ 90% ☐ 75% ☐ 50% ☐ FULLY AMORTIZED ☐ OTHER: _____

RANGE OF ENTRANCE FEES: \$ _____ - \$ _____ **LONG-TERM CARE INSURANCE REQUIRED?** ☐ YES ☐ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: _____

ENTRY REQUIREMENTS: MIN. AGE: _____ PRIOR PROFESSION: _____ OTHER: _____

RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD (briefly describe provider's compliance and residents' role): > _____
> _____

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

OTHER CCRCs

LOCATION (City, State)

PHONE (with area code)

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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: _____

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)				
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)				
NET INCOME FROM OPERATIONS				
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)				

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD

FINANCIAL RATIOS (see next page for ratio formulas)

2017 CCAC Medians
50th Percentile
(optional)

	2018	2019	2020
DEBT TO ASSET RATIO			
OPERATING RATIO			
DEBT SERVICE COVERAGE RATIO			
DAYS CASH ON HAND RATIO			

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: > _____
> _____
> _____

PROVIDER NAME: Sequoia Living, Inc.

	2017	2018	2019	2020
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)				
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)				
NET INCOME FROM OPERATIONS				
LESS INTEREST EXPENSE				
PLUS CONTRIBUTIONS				
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)				
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION				
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)				

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

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGINATION	DATE OF MATURITY	AMORTIZATION PERIOD
CSCDA	184,307,829	3.66%	2018	2047	30 Years
JP Morgan Chase	37,659,307	3.47%	2019	2048	30 Years

FINANCIAL RATIOS (see next page for ratio formulas)

	2017 CCAC Medians 50 th Percentile <i>(optional)</i>	2018	2019	2020
DEBT TO ASSET RATIO				
OPERATING RATIO				
DEBT SERVICE COVERAGE RATIO				
DAYS CASH ON HAND RATIO				

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2017	%	2018	%	2019	%	2020	%
STUDIO								
ONE BEDROOM								
TWO BEDROOM								
COTTAGE/HOUSE								
ASSISTED LIVING								
SKILLED NURSING								
SPECIAL CARE								

COMMENTS FROM PROVIDER: > _____
 > _____
 > _____

PROVIDER NAME: _____

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.

Part 7

FORM 7-1
REPORT ON CCRC MONTHLY CARE FEES

- | | <u>RESIDENTIAL
LIVING</u> | <u>ASSISTED
LIVING</u> | <u>SKILLED
LIVING</u> |
|---|-------------------------------|----------------------------|---------------------------|
| [1] Monthly Care Fees at beginning of reporting period:
(indicate range, if applicable) | _____ | _____ | _____ |
| [2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable) | _____ | _____ | _____ |
| <input type="checkbox"/> Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.) | | | |
| [3] Indicate the date the fee increase was implemented: _____
(If more than one (1) increase was implemented, indicate the dates for each increase.) | | | |
| [4] Check each of the appropriate boxes: | | | |
| <input type="checkbox"/> Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators. | | | |
| <input type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: _____ Method of Notice: _____ | | | |
| <input type="checkbox"/> At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. Date of Meeting: _____ | | | |
| <input type="checkbox"/> At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase. | | | |
| <input type="checkbox"/> The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. Date of Notice: _____ | | | |
| <input type="checkbox"/> The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. Date of Posting: _____
Location of Posting: _____ | | | |
| [5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code. See <u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u> in the Annual Report Instruction booklet for further instructions. | | | |

PROVIDER: _____
COMMUNITY: _____

FORM 7-1
REPORT ON CCRC MONTHLY CARE FEES

- | | RESIDENTIAL
LIVING | ASSISTED
LIVING | SKILLED
LIVING |
|---|-------------------------------|----------------------------|---------------------------|
| [1] Monthly Care Fees at beginning of reporting period:
(indicate range, if applicable) | \$4,901 - \$11,583 | \$4,901 - \$8,265 | \$4,901 - \$15,810 |
| [2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable) | 5.0% | 5.0% | 5.0% |
| <p><input type="checkbox"/> Check here if monthly care fees at this community were <u>not</u> increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)</p> | | | |
| [3] Indicate the date the fee increase was implemented: <u>4/1/2020</u>
(If more than one (1) increase was implemented, indicate the dates for each increase.) | | | |
| [4] Check each of the appropriate boxes: | | | |
| <p><input checked="" type="checkbox"/> Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.</p> <p><input checked="" type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. Date of Notice: <u>2/26/2020</u> Method of Notice: <u>Placed in residents inboxes</u></p> <p><input checked="" type="checkbox"/> At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. Date of Meeting: <u>2/18/2020</u></p> <p><input checked="" type="checkbox"/> At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.</p> <p><input checked="" type="checkbox"/> The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. Date of Notice: <u>1/8/2020</u></p> <p><input checked="" type="checkbox"/> The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. Date of Posting: <u>1/8/2020</u>
Location of Posting: <u>A level wall outside of the resident mail room, memo to residents and in Sequoia ne</u></p> | | | |
| [5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code. See <u>PART 7 REPORT ON CCRC MONTHLY CARE FEE</u> in the Annual Report Instruction booklet for further instructions. | | | |

PROVIDER: Sequoia Living, Inc.
COMMUNITY: Sequoia San Francisco

FORM 7-1
REPORT ON CCRC MONTHLY CARE FEES

- | | <u>RESIDENTIAL
LIVING</u> | <u>ASSISTED
LIVING</u> | <u>SKILLED
LIVING</u> |
|--|--------------------------------------|-----------------------------------|----------------------------------|
| [1] Monthly Care Fees at beginning of reporting period:
(indicate range, if applicable) | <u>\$4,457 - \$14,274</u> | <u>\$4,457 - \$10,000</u> | <u>\$4,457 - \$15,392</u> |
| [2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable) | <u>4.9%-5.0%</u> | <u>4.9%-5.0%</u> | <u>4.9%-5.0%</u> |
- ☐ Check here if monthly care fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)
- [3] Indicate the date the fee increase was implemented: 4/1/2020
(If more than one (1) increase was implemented, indicate the dates for each increase.)
- [4] Check each of the appropriate boxes:
- ☒ Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
 - ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice:** 12/17/2019 **Method of Notice:** Letter to residents
 - ☒ At least 30 days prior to the increase in fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting:** 2/18/2020
 - ☒ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
 - ☒ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice:** 1/18/2020
 - ☒ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting:** 1/18/2020
Location of Posting: Resident communication board
- [5] On an attached page, provide a concise explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code. See **PART 7 REPORT ON CCRC MONTHLY CARE FEE** in the **Annual Report Instruction** booklet for further instructions.

PROVIDER: Sequoia Living, Inc.
COMMUNITY: The Tamalpais

Sequoia Portola Valley (SPV)

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)

ANNUAL REPORTING FISCAL YEAR (F/Y) 2020

Line Fiscal Years

1 F/Y 2018 Operating Expenses¹

2 F/Y 2019 Operating Expenses² (Adjustments if any, Explained Below)

3 Projected F/Y 2020 Results of Operations (Adjustments³ Explained Below)

4 F/Y 2020 Anticipated MCF Revenue² Based on Current and Projected Occupancy and Other⁴ without a MCFI

5 Projected F/Y 2020 (Net) Operating Results² without a MCFI (Line 3 plus Line 4)

6 Projected F/Y 2020 Anticipated Revenue Based on Current and Projected Occupancy and Other⁴ with MCFI 5.0%

7 Grand Total - Projected FY 2020 Net Operating Activity After 5.0% MCFI (Line 3 plus Line 6)

Dollar Amounts in Thousands

	2018	2019	2020
\$	24,945		
		\$ (25,167)	
			\$ (26,174)
			\$ 24,612
			\$ (1,561)
			\$ 25,843
			\$ (331)

Monthly Care Fee Increase in 2020: 5.0%

Adjustments Explained:

> Amounts in lines 1, 2, & 3 have been adjusted for Depreciation & Interest expenses (i.e. no depr. And Interest Exp included)

Line 3

Use the results from Line 2 to project operating costs for F/Y 2020. Provide a full narrative description of the methodology used. See "Part 7 - REPORT ON CCRC MONTHLY CARE FEES" line 5, in the Annual Report

> Methodology used to project operating costs for FY 2020: [Used 4% increase in 2020 from 2019 as per the '2020 SPV Budget'](#)

Line 4

Calculate anticipated MCF revenue for F/Y 2020- enter the result in the column labelled F/Y 2020. (Entrance fees are not allowed)

> [Occupancy in 2020 compared to 2019 is expected to increase by 1.41%](#)

Sequoia San Francisco (SSF)

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)

ANNUAL REPORTING FISCAL YEAR (F/Y) 2020

Line	Fiscal Years
1	F/Y 2018 Operating Expenses ¹
2	F/Y 2019 Operating Expenses ² (Adjustments if any, Explained Below)
3	Projected F/Y 2020 Results of Operations (Adjustments ³ Explained Below)
4	F/Y 2020 Anticipated MCF Revenue- Based on Current and Projected Occupancy and Other ⁴ without a MCFI
5	Projected F/Y 2020 (Net) Operating Results ² without a MCFI (Line 3 plus Line 4)
6	Projected F/Y 2020 Anticipated Revenue Based on Current and Projected Occupancy and Other ⁴ with MCFI 5.0%
7	Grand Total - Projected FY 2020 Net Operating Activity After 5.0% MCFI (Line 3 plus Line 6)

Dollar Amounts in Thousands

	2018	2019	2020
\$	(25,550)		
		\$ (26,842)	
			\$ (27,916)
			\$ 25,275
			\$ (2,640)
			\$ 26,539
			\$ (1,377)

Monthly Care Fee Increase in 2020: 5.0%

Adjustments Explained:

> Amounts in lines 1, 2, & 3 have been adjusted for Depreciation & Interest expenses (i.e. no depr. And Interest Exp included)

Line 3

Use the results from Line 2 to project operating costs for F/Y 2020. Provide a full narrative description of the methodology used. See "Part 7 - REPORT ON CCRC MONTHLY CARE FEES" line 5, in the Annual Report

> Methodology used to project operating costs for FY 2020: [Used 4% increase in 2020 from 2019 as per the '2020 SSF Budget'](#)

Line 4

Calculate anticipated MCF revenue for F/Y 2020- enter the result in the column labelled F/Y 2020. (Entrance fees are not allowed)

> [Occupancy in 2020 compared to 2019 is expected to increase by 0.16%](#)

Tamalpais (TAM)

FORM 7-1 MONTHLY CARE FEE INCREASE (MCFI)
ANNUAL REPORTING FISCAL YEAR (F/Y) 2020

Line Fiscal Years

1 F/Y 2018 Operating Expenses¹

2 F/Y 2019 Operating Expenses² (Adjustments if any, Explained Below)

3 Projected F/Y 2020 Results of Operations (Adjustments³ Explained Below)

4 F/Y 2020 Anticipated MCF Revenue² Based on Current and Projected Occupancy and Other⁴ without a MCFI

5 Projected F/Y 2020 (Net) Operating Results² without a MCFI (Line 3 plus Line 4)

6 Projected F/Y 2020 Anticipated Revenue Based on Current and Projected Occupancy and Other⁴ with MCFI 5%

7 Grand Total - Projected FY 2020 Net Operating Activity After 5% MCFI (Line 3 plus Line 6)

Dollar Amounts in Thousands		
2018	2019	2020
\$ (22,368)		
	\$ (24,686)	
		\$ (24,874)
		\$ 22,018
		\$ (2,856)
		\$ 23,119
		\$ (1,755)

Monthly Care Fee Increase in 2020: 5.0%

Adjustments Explained:

> Amounts in lines 1, 2, & 3 have been adjusted for Depreciation & Interest expenses (i.e. no depr. And Interest exp included)

Line 3
Use the results from Line 2 to project operating costs for F/Y 2020. Provide a full narrative description of the methodology used. See "Part 7 - REPORT ON CCRC MONTHLY CARE FEES" line 5, in the Annual Re
> Methodology used to project operating costs for FY 2020: [Used .76% increase in 2020 from 2019 as per the '2019 TAM Budget'](#)

Line 4
Calculate anticipated MCF revenue for F/Y 2020- enter the result in the column labelled F/Y 2020. (Entrance fees are not allowed)
> [Occupancy in 2020 compared to 2019 is expected to decrease by .66%](#)

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

Summary Narrative: Sequoias Portola Valley

The average monthly fee increase at SPV will be 4.9% beginning April 1, 2020. The monthly fee for your community is based on projected expenses at SPV including services from the home office that support SPV. On the revenue side, the monthly fee is affected by the projected census during the year and the amount of private pay and Medicare revenue generated from excess capacity in the health center.

Overall budgeted Operating Revenues for 2020 are projected to increase by 4.0% over the 2019 actual revenues due to projected improvement in occupancy and census. Operating Expenses are projected overall to increase by 4% in 2020 over the 2019 estimated actual expenses, these is mainly due to an increase in Food service expenses which were expected to increase by 3%. Clinical expenses are projected to increase significantly by 18% from salaries increases and additional staff requirements. Marketing costs are also expected to increase by 20% due to additional marketing campaigns to boost occupancy numbers. Memory Care departmental expenses are also expected to increase by 11% due to Salaries and other cost increases.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

Summary Narrative: Sequoias San Francisco

The average monthly fee increase at SSF will be 5% beginning April 1, 2020. The monthly fee is based on projected expenses including employee wages and benefits and home office support services. On the revenue side, the monthly fee is affected by the projected occupancy during the year and the amount of private pay and Medicare revenue generated from the health center. We are committed to looking for ways we can better control costs while retaining quality services and staffing. Inflation in the Bay Area and the consumer price index (CPI) for the San Francisco – Oakland metropolitan continue to exceed national averages. As many know, Bay Area economic forces differ markedly from the national trends that influence social security Cost of Living Adjustments (COLA.).

Overall budgeted Operating Revenues for 2020 are projected to increase by 6.0% over the 2019 actual revenues due to projected increase in occupancy and census. Operating Expenses are projected overall to increase by 4% in 2020 over the 2019 estimated actual expenses, these is mainly due to an increase in Food service expenses which were expected to increase by 5%. Assisted Living and Memory Care departmental expenses are also expected to increase by 15% and 11%, respectively due to Salaries and other cost increases. Medical departmental expenses are also expected to increase by 5% due to Salary COLA & merit adjustments.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

Summary Narrative: Tamalpais

The average monthly fee increase at TAM will be 5% beginning April 1, 2020. The monthly fee is based on projected expenses including employee wages and benefits and home office support services. On the revenue side, the monthly fee is affected by the projected occupancy during the year and the amount of private pay and Medicare revenue generated from the health center. We are committed to looking for ways we can better control costs while retaining quality services and staffing. Inflation in the Bay Area and the consumer price index (CPI) for the San Francisco – Oakland metropolitan continue to exceed national averages. As many know, Bay Area economic forces differ markedly from the national trends that influence social security Cost of Living Adjustments (COLA.).

Overall budgeted Operating Revenues for 2020 are projected to increase by 6.6% over the 2019 actual revenues even though occupancy is expected to fall slightly by 0.6%. The increase is expected to offset the increase in expenses to reduce the operating deficit. Operating Expenses are projected overall to increase by 0.8% in 2020 over the 2019 estimated actual expenses, these is mainly due to an increase in Food service expenses which were expected to increase by 2.4%. Assisted Living departmental expenses are also expected to increase by 12% due to salaries increases and additional staff requirements. Housekeeping and Maintenance departmental expenses are also expected to increase by 4.4% due to salary COLA increases.

Part 8

KEY INDICATORS REPORT

Chief Financial Officer Signature

Date Prepared: 6/4/2021

Chief Financial Officer Signature

Sequoia Living

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

OPERATIONAL STATISTICS

1. Average Annual Occupancy by Site (%)

See next page

MARGIN (PROFITABILITY) INDICATORS

2. Net Operating Margin (%)

-0.46% 0.95% -3.66% -6.87% -4.91% 0.90% 1.25% 1.95% 2.63% 3.32%

↑

3. Net Operating Margin - Adjusted (%)

21.62% 20.86% 18.37% 22.19% 26.72% 36.71% 33.91% 31.92% 29.91% 30.31%

↓

LIQUIDITY INDICATORS

4. Unrestricted Cash and Investments (\$000)

\$103,740 \$105,331 \$94,982 \$118,039 \$123,167 \$125,000 \$128,750 \$132,613 \$136,591 \$140,689

↑

5. Days Cash on Hand (Unrestricted)

498 482 438 478 481 509 523 528 532 536

↑

CAPITAL STRUCTURE INDICATORS

6. Deferred Revenue from Entrance Fees (\$000)

\$135,559 \$141,853 \$141,480 \$141,409 \$192,255 \$200,000 \$210,000 \$220,500 \$231,525 \$243,101

N/A

7. Net Annual E/F proceeds (\$000)

\$21,571 \$22,898 \$16,374 \$19,821 \$30,997 \$40,000 \$30,000 \$25,000 \$20,000 \$20,000

N/A

8. Unrestricted Net Assets (\$000)

-\$277 \$32,811 \$24,871 \$41,124 \$38,669 \$40,000 \$40,000 \$40,000 \$40,000 \$40,000

N/A

9. Annual Capital Asset Expenditure (\$000)

\$15,008 \$29,274 \$33,590 \$40,031 \$79,224 \$40,000 \$40,000 \$40,000 \$40,000 \$40,000

N/A

10. Annual Debt Service Coverage Revenue Basis (x)

-0.35 -0.08 0.81 1.54 1.13 2.12 2.40 2.51 2.63 2.75

↑

11. Annual Debt Service Coverage (x)

4.44 4.46 2.50 5.88 5.64 5.68 5.05 4.70 4.36 4.46

↓

12. Annual Debt Service/Revenue (%)

5.64% 6.08% 10.68% 4.53% 6.60% 9.78% 9.59% 9.40% 9.22% 9.04%

↓

13. Average Annual Effective Interest Rate (%)

4.49% 5.04% 3.45% 1.45% 2.07% 3.21% 3.30% 3.40% 3.51% 3.62%

↓

14. Unrestricted Cash & Investments/ Long-Term Debt (%)

103.49% 105.08% 33.82% 37.59% 37.09% 35.71% 37.54% 39.45% 41.46% 43.58%

↑

15. Average Age of Facility (years)

14.91 14.70 14.38 13.27 13.63 14.92 14.78 14.63 14.49 14.35

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KEY INDICATORS REPORT

Sequoia Living

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

OPERATIONAL STATISTICS

1. Average Annual Occupancy by Site (%)

Sequoias - San Francisco

94% 93% 97% 96% 96% 89% 90% 92% 93% 95%

↑

Sequoias - Portola Valley

98% 99% 97% 96% 96% 87% 90% 92% 93% 95%

↑

Tamalpais

94% 91% 94% 96% 93% 85% 87% 89% 91% 95%

↑