

**CERTIFICATE**

**Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.**

**For the Facility Known As:**

**Brookdale Northridge**

State of WISCONSIN)  
SS:  
County of MILWAUKEE)

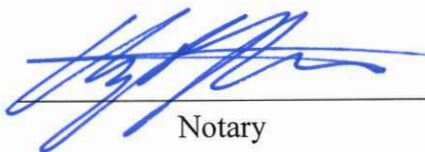
The enclosed Annual Report for Emeritus Corporation, EmeriCare, Inc., and Brookdale Senior Living, Inc., and any amendments thereto are correct to the best of my knowledge and belief.

The continuing care contract form in use or offered to new residents at Brookdale Northridge has been approved by the Department.

As of the date of this certification, Emeritus Corporation, EmeriCare, Inc., and Brookdale Senior Living, Inc., maintain the required liquid reserve for Brookdale Northridge.

  
\_\_\_\_\_  
Joanne Leskiewicz  
Senior Vice President

Sworn and subscribed to before me,  
a Notary Public, this 4th day  
of May, 2020

  
\_\_\_\_\_  
Notary



My commission expires: 2-27-22

**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	109
[2]	Number at end of fiscal year	104
[3]	Total Lines 1 and 2	213
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x.50
[5]	Mean number of continuing care residents	106.5
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	138
[7]	Number at end of fiscal year	133
[8]	Total Lines 6 and 7	271
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x.50
[10]	Mean number of all residents	135.5
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of all residents (Line 10) and enter the result (round to two decimal places).	78.60%

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>	<u>TOTAL</u>
[1] Total Operating Expenses (including depreciation and debt service- interest only)	\$ 17,039,000
[a] Depreciation	\$ 2,717,000
[b] Debt Service (Interest Only)	\$ 3,821,000
[2] Subtotal (add Line 1a and 1b)	\$ 6,538,000
[3] Subtract Line 2 from Line 1 and enter result.	\$ 10,501,000
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	78.60%
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$ 8,254,000
[6] Total Amount Due (multiply Line 5 by .001)	x .001
	\$ 8,254

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge  
**COMMUNITY:** Brookdale Northridge



# CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2

DATE (MM/DD/YYYY)

01/03/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis Towers Watson Midwest, Inc. fka Willis of Illinois, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA		<b>CONTACT NAME:</b> Willis Towers Watson Certificate Center <b>PHONE (A/C, No, Ext):</b> 1-877-945-7378 <b>FAX (A/C, No):</b> 1-888-467-2378 <b>E-MAIL ADDRESS:</b> certificates@willis.com	
<b>INSURED</b> Brookdale Senior Living, Inc. 111 Westwood Place Suite 400 Brentwood, TN 37027		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Underwriters at Lloyd's London <b>INSURER B:</b> Continental Casualty Company <b>INSURER C:</b> American Casualty Company of Reading Penns <b>INSURER D:</b> National Union Fire Insurance Company of P <b>INSURER E:</b> Evanston Insurance Company <b>INSURER F:</b>	
		<b>NAIC #</b> 15792 20443 20427 19445 35378	

**COVERAGES****CERTIFICATE NUMBER:** W15149328**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			SB-LTCA-01813-19	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 2,250,000
	<input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input checked="" type="checkbox"/> Professional Liability						MED EXP (Any one person) \$ 0
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:						PERSONAL & ADV INJURY \$ 2,250,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,250,000 SIR \$ Per Written Contract
B	<b>AUTOMOBILE LIABILITY</b>			5082521525	01/01/2020	01/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$
	<b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$						\$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>			5082521444	01/01/2020	01/01/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N					E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	No	N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Crime			03-981-91-79	12/31/2019	12/31/2020	Limit \$5,000,000
							Deductible \$50,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Professional Liability is included in General Liability Insurance.

RE: Policy Number 5082521444 - Policy only applies to the following state - CA

SEE ATTACHED

**CERTIFICATE HOLDER****CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Andrea Paris*

© 1988-2016 ACORD CORPORATION. All rights reserved.



AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_

**ADDITIONAL REMARKS SCHEDULE**Page 2 of 2

<b>AGENCY</b> Willis Towers Watson Midwest, Inc. fka Willis of Illinois, Inc.		<b>NAMED INSURED</b> Brookdale Senior Living, Inc. 111 Westwood Place Suite 400 Brentwood, TN 37027	
<b>POLICY NUMBER</b> See Page 1			
<b>CARRIER</b> See Page 1	<b>NAIC CODE</b> See Page 1	<b>EFFECTIVE DATE:</b> See Page 1	

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Crime Coverage Includes: Inside/Outside Premises; Money Orders and Counterfeit Paper Currency; Depositors Forgery Coverage and Computer Coverage; Loss of Client Assets.

Insured Location(s): EmeriCare, Inc. dba Brookdale Northridge, 17650 Devonshire St, Northridge, CA 91325

INSURER AFFORDING COVERAGE: Underwriters at Lloyd's London

NAIC#: 15792

POLICY NUMBER: SB-LTCA-01813-19 EFF DATE: 12/31/2019 EXP DATE: 12/31/2020

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Ex. Auto Liab. & Employer Liab.	Each Claim	\$2,000,000
	Aggregate	\$10,000,000

INSURER AFFORDING COVERAGE: Evanston Insurance Company

NAIC#: 35378

POLICY NUMBER: MKLV6XL30000198 EFF DATE: 01/01/2020 EXP DATE: 01/01/2021

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Excess Business Auto	See Below	

**ADDITIONAL REMARKS:**

Excess Business Auto applies to vehicles in the state of CA only.

Limit: \$2,000,000

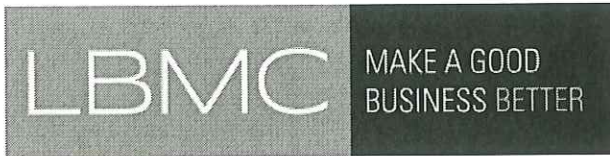
Underlying Limit 1: \$2,000,000 - Policy Number SB-LTCA-01813-19

Underlying Limit 2: \$1,000,000 - Policy Number 5082521525

**CONTINUING CARE  
RESERVE REPORT  
PART 5**

**LBMC**

MAKE A GOOD  
BUSINESS BETTER



## **INDEPENDENT AUDITORS' REPORT**

Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. d/b/a Brookdale Northridge:

We have audited the accompanying continuing care reserve report Forms 5-1 through 5-5 (the "Reports") of Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. d/b/a Brookdale Northridge (the "Company"), as of December 31, 2019. The Reports have been prepared by management using the report preparation provisions of California Health and Safety Code Section 1792.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Reports 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 Reports are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Reports. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company'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 Reports.

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 Reports present fairly, in all material respects, the liquid reserve requirements of the Company as of December 31, 2019, in conformity with the report preparation provisions of California Health and Safety Code Section 1792.

**Basis of Accounting**

The accompanying Reports were prepared in accordance with the report preparation provisions 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. The Reports are not intended to be a complete presentation of the Company's assets, liabilities, revenues and expenses. Our opinion is not modified with respect to this matter.

**Restriction on Use**

Our report is intended solely for the information and use of the Company and for filing with the California Department of Social Services and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*LBMC, PC*

Brentwood, Tennessee  
April 29, 2020

**FORM 5-1**  
**LONG-TERM DEBT INCURRED IN A PRIOR FISCAL YEAR**  
**(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b)+ (c)+ (d))
1					
2					
3					
4					
5					
6					
7					
8					
<b>TOTAL:</b>			\$0.00	\$0.00	\$0.00

*(Transfer this amount to  
Form 5-3, Line 1)*

**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge



**FORM 5-2**  
**LONG-TERM DEBT INCURRED DURING FISCAL YEAR**  
**(Including Balloon Debt)**

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					
2					
3					
4					
5					
6					
7					
8					
<b>TOTAL:</b>		\$0.00	\$0.00	\$0.00	\$0.00

*(Transfer this amount to  
Form 5-3, Line 2)*

**NOTE:** For column (b), do not include voluntary payments made to pay down principal.

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA  
Brookdale Northridge

**FORM 5-3****CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**

<b>Line</b>		<b>TOTAL</b>
1	Total from Form 5-1 bottom of Column (e)	\$ -
2	Total from Form 5-2 bottom of Column (e)	\$ -
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	\$ 3,821,000
4	<b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:</b>	<b>\$ 3,821,000</b>

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge

**FORM 5-4**  
**CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 17,039,000
2	Deductions		
a	Interest paid on long-term debt (see instructions)	\$ 3,821,000	
b	Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
c	Depreciation	\$ 2,717,000	
d	Amortization	\$ -	
e	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 6,556,000	
f	Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions	.	\$ 13,094,000
4	Net Operating Expenses		\$ 3,945,000
5	Divide Line 4 by 365 and enter the result.		\$ 10,808
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve		\$ 811,000

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.  
DBA Brookdale Northridge

**COMMUNITY:** Brookdale Northridge

**FORM 5-4 CALCULATION OF NET OPERATING EXPENSES RECONCILIATION OF LINE 2E**

Total Resident Revenue, per Income Statement	\$ 14,246,000
Less: Accounts Receivable at 12/31/19	(887,000)
Plus Accounts Receivable at 12/31/18	35,000
Total Resident Revenue, cash basis	<u>\$ 13,394,000</u>

**Cash received for Resident Revenue is allocated between total revenues received from residents and revenues received from persons who did not have a continuing care contract (based on direct admittance into the SNF).**

Total Resident Revenue, cash basis	\$ 13,394,000
Less: Revenues received from residents with continuing care contracts	5,255,000
Revenues received from continue care services (total skilled revenue)	<u>\$ 8,139,000</u>

Non Continuing Care resident population	<u>80.56%</u>
-----------------------------------------	---------------

Revenues received during the fiscal year for services to persons who did not have a continuing care contract ( <b>Line 2E</b> )	<u>\$ 6,556,000</u>
---------------------------------------------------------------------------------------------------------------------------------	---------------------



FORM 5-5  
ANNUAL RESERVE CERTIFICATION

Provider Name: Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge

Fiscal Year Ended: December 31, 2019

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/19 and are in compliance with those requirements.

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

	Amount
[1] Debt Service Reserve Amount	\$ 3,821,000
[2] Operating Expense Reserve Amount	\$ 811,000
[3] Total Liquid Reserve Amount:	\$ 4,632,000

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

Qualifying Asset Description	Amount (market value at end of quarter)	
	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	\$ 3,821,000	\$ 811,000
[5] Investment Securities		
[6] Equity Securities		
[7] Unused/Available Lines of Credit		
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve		(not applicable)
[10] Other: _____		

(describe qualifying asset)

Cash reserve account held at bank. See attached year end statement.

Total Amount of Qualifying Assets

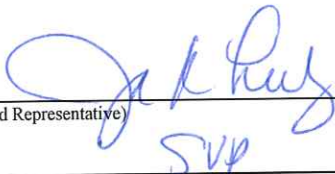
Listed for Liquid Reserve:

Total Amount Required:

Surplus/(Deficiency):

[11] \$ 3,821,000	[12] \$ 811,000
[13] \$ 3,821,000	[14] \$ 811,000
[15] \$ -	[16] \$ -

Signature:



(Authorized Representative)

Date:

5/4/20

(Title)

#### **Note 1 to the Continuing Care Reserve Report (Part 5)**

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 the Company 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, the Company has computed its liquid reserve requirement as of December 31, 2019, its most recent fiscal year end, and the reserve is based on Brookdale Senior Living, Inc.'s consolidated audited financial statements for that period.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-32641

**BROOKDALE SENIOR LIVING INC.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**20-3068069**

(I.R.S. Employer Identification No.)

**111 Westwood Place, Suite 400,                      Brentwood, Tennessee**  
(Address of principal executive offices)

**37027**  
(Zip Code)

Registrant's telephone number including area code

**(615) 221-2250**

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value Per Share	BKD	New York Stock Exchange

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:**

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company

Emerging growth company

Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.  
d/b/a Brookdale Northridge  
Reconciliation Schedule

**Income Statement**

Operating Expenses	10,501,000	
Debt Service	3,821,000	A
Depreciation	2,717,000	
Total operating expense	17,039,000	
All Other Brookdale Senior Living Communities	4,084,547,000	
<b>Brookdale Senior Living Total Operating Expense</b>	<b>4,101,586,000</b>	

A The master lease that governs these communities was signed in 2014. At the beginning of 2015, we exercised a purchase option on nine communities in the lease. The capital lease liability was reallocated among the remaining communities as a result of the purchase. Hence the difference between the amortized schedule and the IS.

The following is a copy of the selected financial information from Brookdale Senior Living Inc's Form 10-K which is available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/1332349/000133234920000045/bkd10k12312019.htm>

	For the Years Ended December 31,		
	2019	2018	2017
<i>(in thousands, except per share and other operating data)</i>			
Total revenue	\$ 4,057,088	\$ 4,531,426	\$ 4,747,116
Facility operating expense	2,390,495	2,453,328	2,602,155
General and administrative expense	219,289	259,475	278,019
Facility operating lease expense	269,666	303,294	339,721
Depreciation and amortization	379,433	447,455	482,077
Goodwill and asset impairment <sup>(1)</sup>	49,266	489,893	409,782
Loss (gain) on facility lease termination and modification, net	3,388	162,001	14,276
Costs incurred on behalf of managed communities	790,049	1,010,229	891,131
Total operating expense	4,101,586	5,125,673	5,017,161
Income (loss) from operations	(44,498)	(594,249)	(270,045)
Interest income	9,859	9,846	4,623
Interest expense	(248,341)	(280,269)	(326,154)
Debt modification and extinguishment costs	(5,247)	(11,677)	(12,409)
Equity in earnings (loss) of unconsolidated ventures	(4,544)	(8,804)	(14,827)
Gain (loss) on sale of assets, net	7,245	293,246	19,273
Other non-operating income (loss)	14,765	14,099	11,418
Income (loss) before income taxes	(270,761)	(577,808)	(588,121)
Benefit (provision) for income taxes	2,269	49,456	16,515
Net income (loss)	(268,492)	(528,352)	(571,606)
Net (income) loss attributable to noncontrolling interest	561	94	187
Net income (loss) attributable to Brookdale Senior Living Inc. common stockholders	\$ (267,931)	\$ (528,258)	\$ (571,419)
Basic and diluted net income (loss) per share attributable to Brookdale Senior Living Inc. common stockholders	\$ (1.44)	\$ (2.82)	\$ (3.07)
Weighted average shares of common stock used in computing basic and diluted net income (loss) per share	185,907	187,468	186,155
<b>Other Operating Data:</b>			
Number of communities operated and managed (at end of period)	763	892	1,023
Total units operated and managed:			
Period end	72,267	84,279	100,582
Average	77,270	94,562	101,779
RevPAR <sup>(2)</sup>	\$ 4,106	\$ 3,972	\$ 3,890
Owned/leased communities occupancy rate (weighted average)	83.9%	84.3%	85.0%
RevPOR <sup>(3)</sup>	\$ 4,893	\$ 4,712	\$ 4,578



**24673-Brookdale Northridge**  
**Statements of Cash Flows**  
**For the year ended December 31, 2019**  
**(in thousands)**

	<u><b>2019</b></u>
Cash flows from operating activities:	
Cash received from residents	\$ 13,394,000
Cash paid to suppliers and employees	(9,999,000)
Cash paid for lease obligation	(3,822,000)
Net cash provided by operating activities	<u>(427,000)</u>
Cash flows from investing activities:	
Change in property and equipment	<u>(1,708,000)</u>
Net cash used in investing activities	<u>(1,708,000)</u>
Cash flows from financing activities	
Member Contributions	<u>2,139,000</u>
Net cash used in financing activities	<u>2,139,000</u>
Net change in cash	4,000
Cash at beginning of period	<u>3,040,000</u>
Cash at end of period	<u><u>\$ 3,044,000</u></u>
Reconciliation of net loss to net cash used in operating activities:	
Net loss	\$ (1,599,000)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	2,717,000
Capital lease obligation	(1,194,000)
Provision for doubtful accounts	64,000
(Increase) decrease in:	
Accounts receivable	(916,000)
Other current assets	(8,000)
Increase (decrease) in:	
Accounts payable and accrued expenses	604,000
Deferred revenue	(95,000)
Net cash used in operating activities	<u><u>\$ (427,000)</u></u>

**FORM 7-1**  
**REPORT ON CCRC MONTHLY SERVICE FEES**

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable) _____	N/A	\$4,886	\$9,751
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable) _____	N/A	2.8%	3.2%
<input type="checkbox"/> Check here if monthly service 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: <u>1/1/19</u> (If more than 1 increase was implemented, indicate the dates for each increase.)			
[4] Check each of the appropriate boxes: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.</li> <li><input checked="" type="checkbox"/> All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.</li> <li><input checked="" type="checkbox"/> At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.</li> <li><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.</li> <li><input checked="" type="checkbox"/> The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.</li> <li><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.</li> </ul>			
[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.			
PROVIDER: <u>Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge</u>			
COMMUNITY: <u>Brookdale Northridge</u>			

Form 7-1 Note

[5] Monthly service fees increased due to rate changes from annual increases from both billing and market rate adjustments of 2.9-3.2%. Additional factors affecting average for the year include new or burning off incentives, resident turnover, and market evaluations.

**Continuing Care Retirement Community  
Disclosure Statement**

Date Prepared: 5/4/20

FACILITY NAME: Brookdale Northridge  
ADDRESS: 17650 Devonshire Street, Northridge, CA ZIP CODE: 91325 PHONE: (818) 8861616  
PROVIDER NAME: Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. FACILITY OPERATOR: Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.  
RELATED FACILITIES: Please see below for other CCRCs RELIGIOUS AFFILIATION: None  
YEAR 2001 # OF ☐ SINGLE ☒ MULTI- MILES TO SHOPPING CTR: 1  
OPENED: 2001 ACRES: 6.08 STORY        STORY ☐ OTHER:        MILES TO HOSPITAL: 4

**NUMBER OF UNITS:**

**RESIDENTIAL LIVING**

APARTMENTS — STUDIO: 0  
APARTMENTS — 1 BDRM: 0  
APARTMENTS — 2 BDRM: 0  
COTTAGES/HOUSES: 0  
RLU OCCUPANCY (%) AT YEAR END: 0

**HEALTH CARE**

ASSISTED LIVING: 90 beds  
SKILLED NURSING: 45 beds  
SPECIAL CARE: 25 beds  
DESCRIPTION: > Dementia Care

OVERALL CCRC 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) ☐ Refundable ☐ Repayable ☐ 90% ☐ 75% ☐ 50% ☐ OTHER:       

RANGE OF ENTRANCE FEES: \$ 0 - \$ 0 LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: None

ENTRY REQUIREMENTS: MIN. AGE: 60 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' roles) >       

> A resident representative meets with a representative of the governing body periodically to discuss budgeting and other resident matters.

**FACILITY SERVICES AND AMENITIES**

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (___ TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input 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 type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EXERCISE ROOM	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	OTHER <u>      </u>	<input type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>			
OTHER <u>      </u>	<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:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.

<b><u>OTHER CCRCs</u></b>	<b><u>LOCATION (City, State)</u></b>	<b><u>PHONE (with area code)</u></b>
<u>Brookdale Camarillo</u>	<u>Camarillo, CA</u>	<u>(805) 388-8086</u>
<u>Brookdale Carlsbad</u>	<u>Carlsbad, CA</u>	<u>(760) 720-9898</u>
<u>Brookdale Carmel Valley</u>	<u>San Diego, CA</u>	<u>(858) 259-2222</u>
<u>Brookdale Northridge</u>	<u>Northridge, CA</u>	<u>(818) 886-1616</u>
<u>Brookdale Rancho Mirage</u>	<u>Rancho Mirage, CA</u>	<u>(760) 340-5999</u>
<u>Brookdale Riverwalk</u>	<u>Bakersfield, CA</u>	<u>(661) 587-0221</u>
<u>Brookdale San Dimas</u>	<u>San Dimas, CA</u>	<u>(909) 394-0304</u>
<u>Brookdale San Juan Capistrano</u>	<u>San Juan Capistrano, CA</u>	<u>(949) 248-8855</u>
<u>Brookdale Yorba Linda</u>	<u>Yorba Linda, CA</u>	<u>(714) 777-9666</u>

<b><u>MULTI-LEVEL RETIREMENT COMMUNITIES</u></b>	<b><u>LOCATION (City, State)</u></b>	<b><u>PHONE (with area code)</u></b>
<u>N/A</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

<b><u>FREE-STANDING SKILLED NURSING</u></b>	<b><u>LOCATION (City, State)</u></b>	<b><u>PHONE (with area code)</u></b>
<u>N/A</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

<b><u>SUBSIDIZED SENIOR HOUSING</u></b>	<b><u>LOCATION (City, State)</u></b>	<b><u>PHONE (with area code)</u></b>
<u>N/A</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

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

**PROVIDER:** Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc. DBA Brookdale Northridge

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

	2016	2017	2018	2019
<b>INCOME FROM ONGOING OPERATIONS OPERATING INCOME</b> (Excluding amortization of entrance fee income)	13,309,000	14,457,000	13,801,000	14,246,000
<b>LESS OPERATING EXPENSES</b> (Excluding depreciation, amortization, and interest)	9,438,000	9,454,000	10,224,000	10,501,000
<b>NET INCOME FROM OPERATIONS</b>	3,871,000	5,003,000	3,577,000	3,745,000
<b>LESS INTEREST EXPENSE</b>	3,914,000	3,446,000	2,718,000	3,821,000
<b>PLUS CONTRIBUTIONS</b>	-	-	(458,000)	2,139,000
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b> (excluding extraordinary items)	-	-	-	-
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	(43,000)	1,557,000	401,000	2,063,000
<b>NET CASH FLOW FROM ENTRANCE FEES</b> (Total Deposits Less Refunds)	-	-	-	-

\*\*\*\*\*

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

LENDER	OUTSTANDING	INTEREST	DATE OF	DATE OF	AMORTIZATION

\*\*\*\*\*

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

	2016	2017	2018	2019
<b>DEBT TO ASSET RATIO</b>	1.15	1.12	1.21	1.27
<b>OPERATING RATIO</b>	1.01	0.87	0.94	1.01
<b>DEBT SERVICE COVERAGE RATIO</b>	1.9	1.89	0.32	0.29
<b>DAYS CASH ON HAND RATIO</b>			84.06	77.58

\*\*\*\*\*

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

	2016	%	2017	%	2018	%	2019
STUDIO							
ONE BEDROOM							
TWO BEDROOM							
COTTAGE/HOUSE							
ASSISTED LIVING	4,745	-1.0%	4,710	0.90%	4,751	2.8%	4,886
SKILLED NURSING	8,674	3.3%	8,962	5.5%	9,452	3.2%	9,751
SPECIAL CARE	5,085	6.9%	5,435	4.8%	5,698	3.4%	5,891

\*\*\*\*\*

**COMMENTS FROM PROVIDER:** >

>

>

PROVIDER NAME: Emeritus Corporation, EmeriCare, Inc., Brookdale Senior Living, Inc.

**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.

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

EVP, Chief Accounting Officer

Senior Vice President

signature required

	Projected					Forecast					Preferred Trend Indicator
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<b>OPERATIONAL STATISTICS</b>											
1. Average Annual Occupancy by Site (%)	79.0%	81.0%	83.7%	81.7%	76.7%	80.0%	80.0%	80.0%	80.0%	80.0%	↓
<b>MARGIN (PROFITABILITY) INDICATORS</b>											
2. Net Operating Margin (%)	30%	29%	35%	26%	26%	19%	19%	19%	19%	19%	N/A
3. Net Operating Margin-Adjusted (%)	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	N/A
<b>LIQUIDITY INDICATORS</b>											
4. Unrestricted Cash and Investments (\$000)	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	N/A
5. Days Cash on Hand (Unrestricted)	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	N/A
<b>CAPITAL STRUCTURE INDICATORS</b>											
6. Deferred Revenue from Entrance Fees (\$000)	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	N/A
7. Net Annual E/F proceeds (\$000)	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	NA1	N/A
8. Unrestricted Net Assets (\$000)	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	NA2	N/A
9. Annual Capital Asset Expenditure (\$000)	\$1,749	\$304	\$233	\$133	\$1,708	\$1,708	\$1,708	\$1,708	\$1,708	\$1,708	↓
10. Annual Debt Service Coverage Revenue Basis (x)	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	N/A
11. Annual Debt Service Coverage (x)	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	N/A
12. Annual Debt Service/Revenue (%)	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	N/A
13. Average Annual Effective Interest Rate (%)	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	N/A
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	NA3	N/A
15. Average Age of Facility (years)	1	3.5	4.5	4.2	1.7	2.7	3.7	4.7	5.7	6.7	↓

NA1  
NA2  
NA3

Community does not charge Entrance Fees.  
Community is not separately incorporated. Brookdale Senior Living, Inc. holds all cash.  
Community holds no debt and is one of a portfolio of communities comprising a Master Lease Agreement.