

January 10, 2025

Jennifer Houston, Manager
Continuing Care Contracts Branch
Department of Social Services
744 P Street
MS 9-14-91
Sacramento, CA 95814

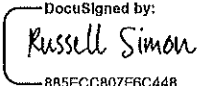
RE: Oakmont Senior Living LLC / Fountaingrove Lodge

Enclosed, please find the following, along with the annual Continuing Care Providers Fee Fund payment:

- 1 copy of:
 - Annual Report Checklist
 - Form 1-1 / Form 1-2
 - Certification of Managing Member
 - Evidence of Insurance
 - Annual Audited Financial Statement
 - Audited Reserve Reports
 - Form 7-1 and related attachments
 - Disclosure Statement

Please let us know if you have any questions or need further information.

Sincerely

DocuSigned by:

885ECC807F6C448...

Russ Simon
Authorized Representative

State of California – Health and Human Services Agency

California Department of Social Services

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 12/31/23

PROVIDER(S):

Well Oak CCRC Tenant LLC

CCRC(S):

Fountaingrove Lodge

PROVIDER CONTACT PERSON:

Russ Simon

TELEPHONE NUMBER:

419-247-2800

E-MAIL ADDRESS:

rsimon@welltower.com

A complete annual report must consist of 3 copies of all of the following:

- Annual Report Checklist.
- Annual Provider Fee in the amount of: \$7,302.28
 - If applicable, late fee in the amount of: \$1,000.00
- Certification by the provider's **Chief Executive Officer** that:
 - The reports are correct to the best of his/her knowledge.
 - Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - The provider is maintaining the required liquid reserves and, when applicable, the required refund reserve.
- Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon. (NOTE: Form 5-5 must be signed and have the required disclosures attached (H&SC section 1790(a)(2) and (3)).
- "Continuing Care Retirement Community Disclosure Statement" for **each** community.
- Form 7-1, "Report on CCRC Monthly Service Fees" for **each** community.
- Form 9-1, "Calculation of Refund Reserve Amount", if applicable.
- Key Indicators Report (signed by CEO or CFO (or by the authorized person who signed the provider's annual report)). The KIR may be submitted along with the annual report, but is not required until 30 days later.

FORM 1-1:RESIDENT POPULATION

<u>Line</u>	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	<u>90</u>
[2]	Number at end of fiscal year	<u>88</u>
[3]	Total Lines 1 and 2	<u>178</u> x.50
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	
[5]	Mean number of continuing care residents	<div style="border: 1px solid black; padding: 2px; display: inline-block;">89</div>
All Residents		
[6]	Number at beginning of fiscal year	<u>121</u>
[7]	Number at end of fiscal year	<u>120</u>
[8]	Total Lines 6 and 7	<u>241</u> x.50
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	<div style="border: 1px solid black; padding: 2px; display: inline-block;">120</div>
[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).	<div style="border: 1px solid black; padding: 2px; display: inline-block;">.74</div>

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	10,075,509.00
[a] Depreciation	207,561.00
[b] Debt Service (Interest Only)	0.00
[2] Subtotal (add Line 1a and 1b)	207,561.00
[3] Subtract Line 2 from Line 1 and enter result.	9,867,948.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	0.74
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	7,302,281.52
[6] Total Amount Due (multiply Line 5 by .001)	\$ 7,302.28

PROVIDER: Well Oak CCRC Tenant LLC

COMMUNITY: Fountaingrove Lodge

January 10, 2025

Jennifer Houston, Manager
Continuing Care Contracts Branch
Department of Social Services
744 P Street
MS 9-14-91
Sacramento, CA 95814

RE: Oakmont Senior Living LLC / Fountaingrove Lodge


I, Russ Simon, certify that the annual audit, reports and any amendments thereto submitted for December 31, 2023 for Oakmont Senior Living LLC / Fountaingrove Lodge are true and correct to the best of my knowledge.

The Oakmont Senior Living / Fountaingrove Lodge continuing care contract form in use or offered to new residents has been approved by the Department of Social Services.

Oakmont Senior Living / Fountaingrove Lodge are maintaining the required liquid reserve.

Oakmont Senior Living / Fountaingrove Lodge do not offer refundable Contracts.

Sincerely

DocuSigned by:

885ECC807F6C448...
Russ Simon
Authorized Representative



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/29/2024

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).

Table with 2 main columns: PRODUCER (MARSH USA LLC) and CONTACT NAME (Marsh | U.S. Operations). Includes fields for PHONE, FAX, E-MAIL ADDRESS, INSURER(S) AFFORDING COVERAGE, and NAIC #.

COVERAGES CERTIFICATE NUMBER: CHI-010331342-02 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.

Main table listing insurance coverages: COMMERCIAL GENERAL LIABILITY, AUTOMOBILE LIABILITY, UMBRELLA LIAB, EXCESS LIAB, WORKERS COMPENSATION AND EMPLOYERS' LIABILITY, and Professional Liability. Includes columns for INSR LTR, TYPE OF INSURANCE, POLICY NUMBER, POLICY EFF, POLICY EXP, and LIMITS.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Insured Location: Fountaingrove Lodge - Oakmont of the Terraces 4210, 4178, 4182, 4186, 4190, 4194, 4198, 4200 Thomas Lake Harris Drive, Santa Rosa, CA 95747

Table with 2 columns: CERTIFICATE HOLDER (Oakmont of the Terraces) and 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: Marsh USA Inc.)

AGENCY CUSTOMER ID: CN144565643

LOC #: Chicago



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH USA LLC.		NAMED INSURED Welltower Inc. 4500 Dorr St Toledo, OH 43615	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

2nd Excess Liability - \$10M xs \$10M

Policy Term: 5/1/24 - 5/1/25

Policy #: FN5C101055

Carrier: National Fire & Marine Insurance Company / NAIC: 20079

3rd Excess Liability - \$5M xs \$20M

Policy Term: 5/1/24 - 5/1/25

Policy #: 42-XSC-315189-04

Carrier: National Fire & Marine Insurance Company / NAIC: 20079

4th Excess Liability - \$5M xs \$25M

Policy Term: 5/1/24 - 5/1/25

Policy #: C093207/001

Carrier: Allied World Assurance Company, Ltd.

5th Excess Liability - \$10M xs \$30M

Policy Term: 5/1/24 - 5/1/25

Policy #: SCX-142247661-01

Carrier: Homesite Insurance Company of Florida / NAIC: 11156

Retro Date: As Noted in Description of Operations for \$5M xs \$30M

Retro Date: The later of 05/01/2022 or Retro Date As Noted in Description of Operations for \$5M xs \$35M

6th Excess Liability - \$5M xs \$40M

Policy Term: 5/1/24 - 5/1/25

Policy #: FN5C101056

Carrier: National Fire & Marine Insurance Company / NAIC: 20079

Retro Date: The later of 05/01/2022 or Retro Date As Noted in Description of Operations

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

Line	TOTAL
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)	\$613,361
4 TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$613,361

PROVIDER: Well Oak CCRC Tenant LLC

State of California – Health and Human Services Agency

California Department of Social Services

FORM 5-4: CALCULATION OF NET OPERATING EXPENSES

Line	Description	Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$9,347,790</u>
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	<u>0</u>	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	<u>0</u>	
c.	Depreciation	<u>\$207,561</u>	
d.	Amortization	<u>0</u>	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$4,058,303</u>	
f.	Extraordinary expenses approved by the Department	<u>0</u>	
3	Total Deductions		<u>\$4,265,864</u>
4	Net Operating Expenses		<u>\$5,081,926</u>
5	Divide Line 4 by 365 and enter the result		<u>\$13,923</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount		<u>\$1,044,231</u>

PROVIDER: Well Oak CCRC Tenant LLC

COMMUNITY: Fountaingrove Lodge

FORM 5-5: ANNUAL RESERVE CERTIFICATION

Provider Name: Well Oak CCRC Tenant LLC

Fiscal Year Ended: December 31, 2023

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended.

December 31, 2023

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	<u>613,361</u>
[2] Operating Expense Reserve Amount	<u>1,044,231</u>
[3] Total Liquid Reserve Amount:	<u>1,657,592</u>

Qualifying assets sufficient to fulfill the operating reserve and debt service requirements, based on market value at end of fiscal year were applicable, are held as follows:

Qualifying Asset Description	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	<u>613,361</u>	<u>407,726</u>
[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:	_____	_____

Qualifying assets used in these reserves are described as follow:

Total Amount of Qualifying Assests

Listed for Reserve Obligation: [11] 1,021,087 [12] 1,021,087

Reserve Obligation Amount: [13] 613,361 [14] 1,044,231

Surplus/(Deficiency): [15] _____ [16] (636,505)

Signature:

DocuSigned by:
Russell Simon
8B5ECC807FBC448...
(Authorized Representative)

Date: 1/27/2025

Authorized Representative
(Title)

FORM 7-1 REPORT ON CCRC MONTHLY CARE FEES

Complete Form 7-1 to report the monthly care fee increase (MCFI) for **each** community operated by the Provider. If no adjustments were made during the reporting period for a community, indicate by checking the box below **Line [2]**. Providers must complete a separate Form 7-1 for each of their continuing care retirement communities.

1. On **Line 1**, enter the amount of monthly care fees for each level of care at the *beginning* of the reporting period.
2. On **Line 2**, indicate the percentage(s) of increase in fees implemented during the *reporting* period.
3. On **Line 3**, indicate the date the fee increase was implemented. If more than one (1) increase was implemented, indicate the date(s) for each increase.
4. Check *each* of the appropriate boxes.
5. Provide a detailed explanation for the increase in monthly care fees including the total dollar amount for the community overall and corresponding percentage increase for each level of care in compliance with the Health and Safety Code. The explanation shall set forth the reasons, by department cost centers, for any increase in monthly care fee. It must include if the change in monthly care fees is due to any actual or projected costs related to any other CCRC community or enterprise affiliated with the provider or parent company.

The methodology used to budget future costs should align with one or more of the following factors: "projected costs, prior year per capita costs and economic indicators." Describe the methodology used for single or multiple communities. If there are multiple MCFI percentages, i.e., by level of care, a separate explanation for each MCFI will be required.

Also, if there is a positive result of operations, the provider will need to explain how the funds will be used and/or distributed consistent with disclosures made in the applicable sections of the Continuing Care Contract.

This attachment should include the data used in the Monthly Care Fee Increase meeting presentation provided to residents, which will also include actual results and an explanation of any variances.

NOTE: Providers shall retain all documents related to the development of adjusted fees at their respective communities for a period of at least three years, i.e., budgets, statements of operations, cost reports, used near the end of the prior fiscal year to develop adjustments implemented in the current reporting period. These documents must be available for review upon request by the Department.

FORM 7-1

REPORT ON CCRC MONTHLY CARE FEES

	RESIDENTIAL LIVING	ASSISTED LIVING	MEMORY CARE	SKILLED NURSING
1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)	<u>3,481-8,031</u>	<u>n/a</u>	<u>5,080-6,100</u>	<u>n/a</u>
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>7%</u>	<u>n/a</u>	<u>7%</u>	<u>n/a</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: March 5th, 2023
(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: January 4th, 2023 **Method of Notice:** Certified Letter
- 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:** January 4th, 2023
- 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 distributed the documents to all residents by [Optional - check all that apply]:
 - Emailed the documents to those residents for whom the provider had email addresses on file
 - Placed hard copies in resident cubby
 - Placed hard copies at designated locations
 - Provided hard copies to residents upon request, and/or
 - Other: [please describe] _____
 - Date of Notice:** December 19th, 2022

- The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: December 19th, 2022

 - 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: December 19th, 2022 **Location of Posting:** Library & Mail Room

 - Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the continuing care retirement community administration. The evaluation, including any policies adopted relating to cooperation with residents was made available to the resident association or its governing body, or, if neither exists, to a committee of residents at least 14 days prior to the next semiannual meeting of residents and the Provider's governing body and posted a copy of that evaluation in a conspicuous location at each facility.
Date of Posting: 11/30/22 **Location of Posting:** Letter and Zoom Meeting
5. On an attached page, provide a detailed explanation for the increase in monthly care fees including the amount of the increase and compliance with the Health and Safety Code.

PROVIDER: Well Oak CCRC Tenant LLC

COMMUNITY: Fountaingrove Lodge

State of California – Health and Human Services Agency

California Department of Social Services

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared:

Facility Name: Fountaingrove Lodge

Address: 4120 Thomad Dr Santa Rosa | Zip Code:95403 | Phone:707-576-1101

Provider Name:

Well Oak CCRC Tenant LLC

Facility Operator: Fountaingrove Lodge

Religious Affiliation: N/A

Year Opened:2013 # of Acres:10 Miles to Shopping Center:<3 Miles to Hospital:<3

Single Story Multi-Story Other:

Number of Units:

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	<u>0</u>	Assisted Living:	<u>33</u>
Apartments – 1 Bdrm:	<u>12</u>	Skilled Nursing:	<u>0</u>
Apartments – 2 Bdrm:	<u>52</u>	Special Care:	<u>0</u>
Cottages/Houses:	<u>6</u>	Description:	<u></u>

RLU Occupancy (%) at Year End:

Type of Ownership: Not for Profit
 For Profit

Accredited? Yes By:
 No

Form of Contact: Continuing Care Life Care Entrance Fee Fee for Service
(Check all that apply) Assignment of Assets Equity Membership Rental

Refund Provisions: Refundable 90% 50%
(Check all that apply) Repayable 75% Other:0%/100%

Range of Entrance Fees: \$ _____ - \$ _____

Long-Term Care Insurance Required? Yes No

Health Care Benefits Included in Contract:N/A

Entry Requirements: Min Age:60 Prior Profession:N/A Other:Physician's rpt

Resident Representative(s) to, and Resident Members on, the Board:

(briefly describe provider's compliance and residents' roles):The Governing Body Member r meets with residents and/or the resident association at lease semi-annually. Residents can convey concerns and provide input during those meetings or anytime to the resident mgmt team.

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.

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 (<u>4</u> Times/ Month at \$_____each)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Bowling Green	<input type="checkbox"/>	<input type="checkbox"/>	Meals (<u>3</u> /Day)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Special Diets Available	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chapel	<input type="checkbox"/>	<input type="checkbox"/>			
Coffee Shop	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24-Hour Emergency Response	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Craft Rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Activities Program	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Exercise Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All Utilities Except Phone	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Golf Course Access	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Apartment Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Library	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cable TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Putting Green	<input type="checkbox"/>	<input type="checkbox"/>	Linens Furnished	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Spa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool – Indoor	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Swimming Pool – Outdoor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other: <u>Ballroom</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>

Provider Name: Oakmont Senior Living / Fountaingrove Lodge

Affiliated CCRCs	Location (city, state)	Phone (with area code)
Cardinal Point at Mariner Sq	Alameda, CA	510-337-1033
Varenna at Fountaingrove	Santa Rosa, CA	707-526-1226
Segovia of Palm Desert	Palm Desert, CA	760-610-.349
Capriana	Brea, CA	714-312-3783
Fountaingrove Lodge	Santa Rosa, CA	707-576-1101

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: Oakmont Senior Living / Fountaingrove Lodge

Income and Expenses [Year]	2020	2021	2022	2023
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$49,542,300	\$46,202,600	\$49,644,405	\$38,122,874
Less Operating Expenses (Excluding depreciation, amortization, and interest)	\$53,824,700	\$44,937,400	\$51,090,555	\$40,998,480
Net Income From Operations	\$(4,282,400)	\$1,265,200	\$(1,446,150)	\$(2,875,606)
Less Interest Expense	\$(3,184,800)	\$(3,057,100)	\$(3,006,200)	\$0
Plus Contributions	\$102,730,500	\$30,231,300	\$2,421,737	\$3,928,240
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	\$64,600	\$655,500	\$700,008	\$0
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	\$95,327,900	\$29,094,900	\$(1,330,605)	\$1,052,634
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$7,673,700	\$8,460,500	\$12,041,725	\$6,489,089

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

Lender	Outstanding Balance	Interest Rate	Date of Origination	Date of Maturity	Amortization Period
N/A property is leased					

Financial Ratios (see last page for ratio formulas)

Financial Ratios [Year]	CCAC Medians 50th Percentile (optional)	2020	2021	2022
Debt to Asset Ratio		.514	.291	
Operating Ratio		.970	.855	.929
Debt Service Coverage Ratio		2.47	19.46	
Days Cash On Hand Ratio		264	206	139

Provider Name: Well Oak Tenant LLC

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2020	%	2021	%	2022	%	2023	%
Studio								
One Bedroom	\$5,484	5.0	\$5,895	7.5	\$6,101	3.5	\$6,528	7
Cottage/House	\$4,980	5.0	\$5,354	7.5	\$5,541	3.5	\$5,929	7
Assisted Living	\$4,304	5.0	\$4,627	7.5	\$4,789	3.5	\$5,124	7
Skilled Living								
Special Care								

Comments from Provider:

Assisted Living apartments consist of 33 studio apartments and historically were reported as studios. These units are revised to be reflected as Assisted Living for historical monthly service fees reporting.

Financial Ratio Formulas

Long-Term Debt to Total Assets Ratio

$$\frac{\text{Long Term Debt, less Current portion}}{\text{Total Assets}}$$

Operating Ratio

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

Debt Service Coverage Ratio

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

Days Cash On Hand Ratio

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

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.

Financial Statements

WELL Oak CCRC Tenant LLC

For the year ended December 31, 2023
With Report of Independent Auditors

WELL Oak CCRC Tenant LLC

Financial Statements

For the year ended December 31, 2023

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Report of Independent Auditors

The Member
WELL Oak CCRC Tenant LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WELL Oak CCRC Tenant LLC, which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in member's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WELL Oak CCRC Tenant LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WELL Oak CCRC Tenant LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WELL Oak CCRC Tenant LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WELL Oak CCRC Tenant LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WELL Oak CCRC Tenant LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented on pages 14 through 18 is presented for purposes of additional analysis and is not a required part of the 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 as a whole.

Moss Adams LLP

Campbell, California
November 14, 2024

WELL Oak CCRC Tenant LLC
Balance Sheet

	<u>As of</u> <u>December 31, 2023</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 8,535,298
Net accounts receivable and other assets	827,644
Due from related parties	<u>8,604,195</u>
Total current assets	17,967,137
Real estate investments:	
Land improvements	9,700
Buildings and improvements	1,219,712
Furniture, fixtures and equipment	6,984,777
Construction in progress	212,309
Less accumulated depreciation	<u>(1,822,626)</u>
Net real estate investments	6,603,872
Other assets:	
Operating lease right-of-use asset, net	<u>88,224,591</u>
TOTAL ASSETS	<u>\$ 112,795,600</u>
LIABILITIES AND MEMBER'S DEFICIT:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 6,612,438
Current portion of operating lease liability	<u>6,303,860</u>
Total current liabilities	12,916,298
Other liabilities:	
Entrance fees nonrefundable, net	35,120,183
Entrance fees subject to refund	87,283,494
Non current portion of operating lease liability	<u>83,841,863</u>
Total other liabilities	206,245,540
Members' deficit	<u>(106,366,238)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 112,795,600</u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Operations

	<u>For the year ended</u> <u>December 31, 2023</u>
REVENUES:	
Continuing care contracts	\$ 23,249,792
Noncontinuing care contracts	14,873,082
Amortization of entrance fees nonrefundable	<u>3,158,155</u>
Total revenues	<u>41,281,029</u>
OPERATING EXPENSES:	
Continuing care contract operating expenses	28,027,483
Noncontinuing care contract operating expenses	3,838,331
Management fees	2,084,941
Depreciation	1,057,124
Facility lease	<u>7,047,725</u>
Total operating expenses	<u>42,055,604</u>
NET LOSS	<u><u>\$ (774,575)</u></u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Changes in Member's Deficit

Balance At December 31, 2022	\$ (88,836,368)
Note receivable from Member (Note 3)	(14,490,801)
Contribution from Member	6,000,000
Distributions to Member	(12,468,508)
Interest earned on notes receivable from Member	4,204,014
Net loss	<u>(774,575)</u>
 Balance At December 31, 2023	 <u><u>\$ (106,366,238)</u></u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Cash Flows

	<u>For the year ended</u> <u>December 31, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (774,575)
Adjustments to reconcile net loss to net cash from operating activities:	
Depreciation	1,057,124
Lease amortization expense	1,841,313
Amortization of entrance fees nonrefundable	(3,158,155)
Proceeds from entrance fees nonrefundable	2,394,950
Change in operating assets and liabilities	
Decrease in accounts receivable and other assets	160,311
Increase in accounts payable and accrued liabilities	2,459,318
Net cash from operating activities	<u>3,980,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash expenditures on real estate investments	<u>(2,286,909)</u>
Net cash from investing activities	(2,286,909)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contribution from Member	6,000,000
Distributions to Member	(12,468,508)
Collection of interest receivable on notes receivable from Member	4,122,254
Short-term advances to related parties	(1,005,693)
Refunds of entrance fees subject to refunds	(15,387,588)
Proceeds from entrance fees subject to refunds	<u>22,146,377</u>
Net cash from financing activities	<u>3,406,842</u>
INCREASE IN CASH AND CASH EQUIVALENTS	5,100,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,435,079</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,535,298</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Operating cash flows used for operating leases	\$ 5,334,585
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION	
ROU (Right of use) assets obtained in exchange for operating lease liabilities	\$ 20,813,285
Note receivable from Member (Note 3)	14,490,801
Interest on notes receivable from Member	4,204,014

See accompanying notes to the financial statements.

WELL Oak CCRC Tenant LLC

Notes to Financial Statements

1. Description of Operations

WELL Oak CCRC Tenant LLC (the Company) was formed in April 2022 under the laws of the state of Delaware. The Company was organized to acquire assisted living facilities and to provide for the varying lifestyle needs of seniors and elderly residents. The four continuing care retirement communities (the Communities) are Segovia of Palm Desert Tenant (Segovia), Capriana at La Floesta Tenant (Capriana), Fountain Grove Tenant (Fountain Grove) and The Carlotta (Carlotta). Carlotta was acquired by the Company under a common control transaction in 2023.

CCRC TRS Holdco, LLC (CCRC TRS) is the sole member of the Company. The sole member of CCRC TRS is Welltower TRS Holdco, LLC (WELL TRS). The sole member of WELL TRS is Welltower OP LLC, which is wholly owned by Welltower Inc., a publicly traded real estate investment trust.

The Company has a management agreement with Oakmont Management Group LLC (Oakmont) to manage the Communities.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Company's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates and assumptions are used for, but not limited to, depreciation and amortization, allowance for credit losses, discount rates, imputed interest, expected life actuarial assumptions, fair value measurements, useful life estimates and other contingencies. Actual results could differ from those estimates and assumptions.

Concentration of Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents on deposit with financial institutions, the balances of which frequently exceed federally insured limits and amounts due from related parties.

If any of the financial institutions with whom the Company does business and related parties from which balances are due were to be placed into receivership, the Company may be unable to access the cash the Company has on deposit with such institutions or recover the amount due from the related parties. If the Company is unable to access its cash and cash equivalents as needed, the Company's financial position and ability to operate its business could be adversely affected.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less. Throughout the year, the Company may have cash balances in excess of federally insured amounts on deposit with various financial institutions.

WELL Oak CCRC Tenant LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Other Assets

Accounts receivable and other assets consist of receivables from tenants and prepaid expenses. Accounts receivable consists of payments owed from residents for services rendered, which does not represent concentrated credit risks to the Company. The Company provides an allowance for credit losses on its outstanding receivables balance and regularly monitors and adjusts its reserves and allowances related to these receivables based on the expected credit loss model. Accounts deemed to be uncollectible are written off only after all reasonable collection efforts are exhausted.

Investments in Real Estate

Tangible assets are depreciated on a straight-line basis over their estimated useful lives, which are 12 years for building improvements and three to five years for furniture, fixtures and equipment. Tangible assets primarily consist of building improvements and furniture and fixtures. Tangible assets are reviewed for impairment to determine if facts or circumstances suggest that the assets may be impaired or that the depreciable life may need to be changed. If external factors and the projected undiscounted cash flows of the assets over the remaining depreciation period indicate that the asset will not be recoverable, the carrying value is reduced to the estimated fair value less cost to sell. No such indicators were identified as of December 31, 2023.

Construction in progress includes project costs related to the construction of certain improvements at the Communities. These costs are capitalized upon completion of construction.

Entrance Fees

Residents pay an entrance fee to occupy a unit and pay monthly fees for housing, food and services. The Company has residency agreements that require the resident to pay an upfront entrance fee prior to joining the community that is 100% refundable within 90 days of occupancy. Certain contracts require the refundable portion of the entrance fee to be refunded only upon re-occupancy of the unit (contingently refundable). Upon re-occupancy, the Company may receive re-occupancy proceeds in the form of additional contingently refundable fees, refundable fees or nonrefundable fees. The refundable portion of a resident's entrance fee is recorded as a liability on the balance sheet.

After the initial 90 days of occupancy, the entrance fees are a combination of refundable and nonrefundable in accordance with the terms of the contracts. The nonrefundable portion of the entrance fee is recorded as an entrance fee nonrefundable liability and recognized into revenue over the estimated life of the resident. The Company uses a third party actuarial expert to determine the estimated life of each resident. The unamortized portion is classified as a liability on the balance sheet. Entrances fees nonrefundable were \$35,120,183 at December 31, 2023.

Revenue Recognition

Revenue is recorded in accordance with Accounting Standards Codification (ASC) 606. Operating revenue consists of resident fee revenue, including resident community fees. Revenue from monthly resident fees is predominantly service-based, and generally is recognized monthly as services are provided.

Rental income is recognized in revenue on a straight-line basis over the lives of the related leases when collectibility is reasonably assured. The lease terms are generally for periods of one year or less. Although there are various tasks and activities performed by the Company under the contracts, such as support services, personalized health and assisted living care, the Company has determined that all resident care services are a single performance obligation, which is satisfied over time as the services are rendered.

WELL Oak CCRC Tenant LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Obligation to provide future services - If the present value of estimated future cash flows to provide services to residents exceeds the present value of estimated future cash inflows from residents, a liability is recognized. The Company has determined that no accrual for the obligation to provide future services and use of facilities to current residents was required at December 31, 2023. The discount rate used to calculate the obligation to provide future services is 5%.

Interest-bearing Note Receivable

As further discussed in footnote 4, the Company has two notes receivable from an affiliated company Welltower Propco Group, LLC (WELL PropCo) which were issued to the Company in conjunction with the assumption of entrance fee liabilities upon the commencement of operations. The Company, in accordance with ASC 505, *Equity*, has recorded the classification of the notes receivable as a contribution in Member's Equity as the ability and intent to have the notes paid-in-full in a reasonably short period of time is not expected. Interest income due from the notes receivable is also recorded in Member's Equity.

Advertising

The Company expenses its advertising costs as they are incurred. Advertising expenses amounted to \$207,311 for the year ended December 31, 2023.

Income Taxes

No provision has been made for federal or state income taxes, since the liability for such taxes, if any, is that of the sole member of CCRC TRS. The Company has no uncertain tax positions as of December 31, 2023.

Statutory Cash Reserve Requirements

The Company is subject to a statutory cash reserve requirement. At December 31, 2023, the Company's reserves were not in compliance with such requirements as calculated in accordance with the Continuing Care Contract Statutes of the California Health and Safety Code. The Company, however, has a line of credit available from its parent company, Welltower OP LLC, that are available as needed to meet the statutory reserve requirement. The line of credit is held with a financial institution and had available funds at December 31, 2023 to meet the Company's cash needs.

Leases

The Company accounts for leases under Accounting Standards Codification (ASC) 842, Leases (ASC 842), which requires lessees to recognize assets and liabilities on their balance sheet related to the rights and obligations created by most leases, while continuing to recognize expenses on their income statements over the lease term. Right of use (ROU) assets represent the Company's right to use, or control the use of, a specified asset for the lease term. Lease liabilities are the Company's obligation to make lease payments arising from a lease and are measured on a discounted basis. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. The operating lease ROU asset includes any lease payments made. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The operating lease ROU assets are included within the Company's non-current assets and lease liabilities are included in current and non-current liabilities on the Company's balance sheet.

WELL Oak CCRC Tenant LLC

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recently issued Accounting Standards

The Company adopted ASU 2016-13, "*Financial Instruments - Credit Losses (Topic 326)*" effective January 1, 2023. The guidance applies an expected loss methodology, recognizing current expected losses for the remaining life of the accounts receivables and other assets at the time of origination.

The allowance for credit losses (ACL) is a valuation reserve that is established and maintained by charges against income and is deducted from the gross amount to be collected from accounts receivable and other assets. Accounts receivable and other assets are charged off against ACL when they are deemed uncollectible. The ACL is an estimate of expected credit losses measured over the contractual life of the accounts receivable and other assets, that considers the Company's historical loss experience, current conditions and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period. As of December 31, 2023, no allowance was necessary. The adoption of this standard did not have a significant impact on the Company's financial statements.

3. Real Estate Investments and Acquisitions

On May 1, 2023, the Company acquired the Carlotta CCRC operations as a contribution from its Member. The following table summarizes the assets and liabilities acquired in the transaction. The Company has evaluated the provisions in ASC 805 "*Business Combinations (ASC 805)*" and concluded that the contribution was a transfer of asset and a common control transaction under ASC 805, which has therefore been accounted for prospectively at historical cost.

Net real estate investments	\$ 2,598,074
Member note receivable	3,928,240
Net accounts receivable and other assets	<u>263,201</u>
Total assets acquired	<u>6,789,515</u>
Accounts payable and accrued liabilities	75,247
Entrance fees nonrefundable, net	<u>21,205,069</u>
Total liabilities assumed	<u>21,280,316</u>
Member note receivable issued	14,490,801
Cash and cash equivalents contributed	<u>6,000,000</u>
Net liabilities assumed	<u>\$ 8,490,801</u>

WELL Oak CCRC Tenant LLC

Notes to Financial Statements (continued)

4. Transactions With Affiliates

As of December 31, 2023, the Company had amounts due from related parties of \$97,193,579 which are recorded as a contribution to paid-in-capital in the member's deficit section of the balance sheet. One note receivable agreement with WELL PropCo is a non-interest bearing note receivable to the Company for \$13,965,525 for entrance fees nonrefundable assumed by the Company at closing. The other note receivable agreement with WELL PropCo is an interest bearing note receivable, with an interest rate of 4.10%, to the Company for \$79,889,351 for the refundable entrance fee liabilities assumed by the Company at closing. The balance of the related interest receivable was \$1,708,724 at December 31, 2023. For the year ended December 31, 2023, the Company recorded interest earned on the note receivable of \$4,204,014 on this note as a component of equity. Both notes receivable are payable on demand. The Company also has an accounts receivable balance due from related parties for \$5,626,858 which is recorded in the due from related parties section of the balance sheet.

The Company has two lease agreements with WELL PropCo and EPC Trevi LLC (EPC Trevi) as further described in Footnote 5.

5. Operating Leases

The Company has a lease agreement with WELL PropCo to lease the real property in Brea, California, Palm Desert, California and Santa Rosa, California. The lease agreement has an initial term of 15 years that expires on July 7, 2037 and has two renewal options of an additional five years each. The annual base rent due under the terms of the lease agreement with WELL PropCo is fixed, and cannot be revised by WELL PropCo during the first three years. As a result, rent expense in the statement of operations was recognized on a straight-line basis for the year ended December 31, 2023. Effective at the start of the 4th year of the lease, and every three years thereafter, WELL PropCo is able to revise the current rent payments to reflect the current fair market rental value.

The Company has a lease agreement with EPC Trevi to lease the real property (Carlotta) in Palm Desert, California. The lease agreement has an initial term of 15 years that expires on April, 2038 and has two renewal options of an additional ten years each. The annual base rent due under the terms of the lease agreement with EPC Trevi is fixed, and cannot be revised by EPC Trevi during the first three years. As a result, rent expense in the statement of operations was recognized on a straight-line basis for the year ended December 31, 2023. Effective at the start of the 4th year of the lease, and every three years thereafter, EPC Trevi is able to revise the current rent payments to reflect the current fair market rental value.

Rent expense was \$7,047,725 for the year ended December 31, 2023.

WELL Oak CCRC Tenant LLC

Notes to Financial Statements (continued)

5. Operating Leases (continued)

At December 31, 2023, the undiscounted future lease payments of lease liabilities are as follows:

2024	\$	7,229,652
2025		7,645,836
2026		7,718,556
2027		7,718,556
2028		7,718,556
Thereafter		<u>67,159,921</u>
Total undiscounted cash flows		105,191,077
Less: present value discount		<u>(15,045,354)</u>
Total present value		90,145,723
Less: current portion		<u>(6,303,860)</u>
Total non current portion	\$	<u><u>83,841,863</u></u>

6. Contingencies

The Company may be involved, from time to time, in legal actions relating to the ownership and operation of the Communities. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

7. Subsequent Events

The Company has reviewed subsequent events through November 14, 2024, the date the financial statements were available for issuance. There have been no events subsequent to the balance sheet date which require disclosures or adjustments in these financial statements.

WELL Oak CCRC Tenant LLC
Supplemental Information

WELL Oak CCRC Tenant LLC
Balance Sheets
December 31, 2023

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at LaFloresta Tenant	Segovia of Palm Desert Tenant	The Carlotta	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ —	\$ 1,021,087	\$ 374,477	\$ 822,183	\$ 6,317,551	\$ 8,535,298
Accounts receivable and other assets	—	117,983	202,475	174,480	332,706	827,644
Due from related parties	(90,165,987)	18,623,565	39,591,034	28,254,845	12,300,738	8,604,195
Total current assets	(90,165,987)	19,762,635	40,167,986	29,251,508	18,950,995	17,967,137
Real estate investments:						
Land improvements	—	—	—	—	9,700	9,700
Buildings and improvements	—	206,415	373,555	194,478	445,264	1,219,712
Furniture, fixtures and equipment	—	1,049,499	1,098,858	1,181,055	3,655,365	6,984,777
Construction in progress	—	1,674	95,905	114,730	—	212,309
Less accumulated depreciation	—	(295,227)	(308,197)	(321,642)	(897,560)	(1,822,626)
Net real estate investments	—	962,361	1,260,121	1,168,621	3,212,769	6,603,872
Other assets:						
Operating lease right-of-use asset, net	—	17,184,675	25,163,274	25,845,206	20,031,436	88,224,591
TOTAL ASSETS	\$ (90,165,987)	\$ 37,909,671	\$ 66,591,381	\$ 56,265,335	\$ 42,195,200	\$ 112,795,600

WELL Oak CCRC Tenant LLC
Balance Sheets (continued)
December 31, 2023

	<u>WELL Oak CCRC Tenant LLC</u>	<u>Fountain Grove Tenant</u>	<u>Capriana at LaFloesta Tenant</u>	<u>Segovia of Palm Desert Tenant</u>	<u>The Carlotta</u>	<u>Total</u>
LIABILITIES AND MEMBER'S DEFICIT:						
Current liabilities:						
Accounts payable and accrued liabilities	\$ —	\$ 1,361,241	\$ 1,414,820	\$ 2,302,691	\$ 1,533,686	\$ 6,612,438
Current portion of operating lease liability	—	1,234,438	2,014,580	2,131,125	923,717	6,303,860
Total current liabilities	—	2,595,679	3,429,400	4,433,816	2,457,403	12,916,298
Other liabilities:						
Entrance fees nonrefundable, net	—	9,502,630	2,634,269	2,274,986	20,708,298	35,120,183
Entrance fees subject to refund	—	18,898,812	38,926,276	29,458,406	—	87,283,494
Non current portion of operating lease liability	—	16,116,495	23,599,153	24,238,697	19,887,518	83,841,863
Total other liabilities	—	44,517,937	65,159,698	55,972,089	40,595,816	206,245,540
Member's deficit	(90,165,987)	(9,203,945)	(1,997,717)	(4,140,570)	(858,019)	(106,366,238)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	\$ (90,165,987)	\$ 37,909,671	\$ 66,591,381	\$ 56,265,335	\$ 42,195,200	\$ 112,795,600

WELL Oak CCRC Tenant LLC
Statements of Operations
For the year ended December 31, 2023

	<u>WELL Oak CCRC Tenant LLC</u>	<u>Fountain Grove Tenant</u>	<u>Capriana at LaFloesta Tenant</u>	<u>Segovia of Palm Desert Tenant</u>	<u>The Carlotta</u>	<u>Total</u>
REVENUES:						
Continuing care contracts	\$ —	\$ 5,208,243	\$ 5,781,519	\$ 6,813,624	\$ 5,446,406	\$ 23,249,792
Noncontinuing care contracts	—	4,058,303	5,967,048	3,275,877	1,571,854	14,873,082
Amortization of entrance fees nonrefundable	—	1,208,081	524,761	514,244	911,069	3,158,155
Total revenues	—	10,474,627	12,273,328	10,603,745	7,929,329	41,281,029
OPERATING EXPENSES:						
Continuing care contract operating expenses	—	7,108,308	6,995,555	7,171,839	6,751,781	28,027,483
Noncontinuing care contract operating expenses	—	1,508,687	1,963,808	176,673	189,163	3,838,331
Management fees	—	523,234	657,227	564,952	339,528	2,084,941
Depreciation	—	207,561	219,975	231,925	397,663	1,057,124
Facility lease	—	727,719	2,318,357	2,892,436	1,109,213	7,047,725
Total operating expenses	—	10,075,509	12,154,922	11,037,825	8,787,348	42,055,604
NET INCOME (LOSS)	\$ —	\$ 399,118	\$ 118,406	\$ (434,080)	\$ (858,019)	\$ (774,575)

WELL Oak CCRC Tenant LLC
Statements of Cash Flows
For the year ended December 31, 2023

	<u>WELL Oak CCRC Tenant LLC</u>	<u>Fountain Grove Tenant</u>	<u>Capriana at LaFloresta Tenant</u>	<u>Segovia of Palm Desert Tenant</u>	<u>The Carlotta</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	\$ —	\$ 399,118	\$ 118,406	\$ (434,080)	\$ (858,019)	\$ (774,575)
Adjustments to reconcile net income (loss) to net cash from operating activities:						
Depreciation	—	207,561	219,975	231,925	397,663	1,057,124
Lease amortization expense	—	146,143	421,008	494,364	779,798	1,841,313
Amortization of entrance fees nonrefundable	—	(1,208,081)	(524,761)	(514,244)	(911,069)	(3,158,155)
Proceeds from entrance fees nonrefundable	—	741,250	769,650	884,050	—	2,394,950
Change in operating assets and liabilities						
Decrease (increase) in accounts receivable and other assets	—	106,051	105,626	18,140	(69,506)	160,311
Increase (decrease) in accounts payable and accrued liabilities	—	304,911	(574,639)	1,270,606	1,458,440	2,459,318
Net cash from operating activities	—	696,953	535,265	1,950,761	797,307	3,980,286
CASH FLOWS FROM INVESTING ACTIVITIES:						
Cash expenditures on real estate investments	—	(279,918)	(545,584)	(449,049)	(1,012,358)	(2,286,909)
Net cash from investing activities	—	(279,918)	(545,584)	(449,049)	(1,012,358)	(2,286,909)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Contribution from Member	6,000,000	—	—	—	—	6,000,000
Distributions to Member	(10,658,849)	—	—	(1,809,659)	—	(12,468,508)
Collection of interest on notes receivable from Member	—	—	—	—	4,122,254	4,122,254
Short-term advances to related parties	4,658,849	(2,757,956)	(2,732,705)	(2,169,931)	1,996,050	(1,005,693)
Refunds of entrance fees subject to refunds	—	(870,040)	(5,431,449)	(5,603,799)	(3,482,300)	(15,387,588)
Proceeds from entrance fees subject to refunds	—	3,628,772	7,155,126	7,465,881	3,896,598	22,146,377
Net cash from financing activities	—	776	(1,009,028)	(2,117,508)	6,532,602	3,406,842
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	417,811	(1,019,347)	(615,796)	6,317,551	5,100,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	—	603,276	1,393,824	1,437,979	—	3,435,079
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ —</u>	<u>\$ 1,021,087</u>	<u>\$ 374,477</u>	<u>\$ 822,183</u>	<u>\$ 6,317,551</u>	<u>\$ 8,535,298</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW						
Operating cash flows used for operating leases	\$ —	\$ 613,361	\$ 1,942,109	\$ 2,420,783	\$ 358,332	\$ 5,334,585