

July 26, 2023

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

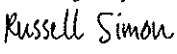
RE: Oakmont Senior Living LLC / Segovia

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

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED: 12/31/22

PROVIDER(S):

Oakmont Senior Living LLC / Segovia Operations LLC

CCRC(S):

Segovia at Palm Desert

PROVIDER CONTACT PERSON:

Russ Simon

TELEPHONE NUMBER:

419-247-1800

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: \$5,279.00
 - ☒ 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

Line	Continuing Care Residents	TOTAL
[1]	Number at beginning of fiscal year	101
[2]	Number at end of fiscal year	98
[3]	Total Lines 1 and 2	199
		x.50
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	
[5]	Mean number of continuing care residents	99
All Residents		
[6]	Number at beginning of fiscal year	139
[7]	Number at end of fiscal year	136
[8]	Total Lines 6 and 7	275
		x.50
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	138
[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).	72

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	7,514,895.00
[a] Depreciation	220,416.00
[b] Debt Service (Interest Only)	0.00
[2] Subtotal (add Line 1a and 1b)	220,416.00
[3] Subtract Line 2 from Line 1 and enter result.	7,294,479.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	72.00
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	5,278,550.00
[6] Total Amount Due (multiply Line 5 by .001)	\$ 5,279.00

PROVIDER: Oakmont Senior Living LLC / Segovia Operations LLC**COMMUNITY:** Segovia at Palm Desert

July 26, 2023

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

RE: Oakmont Senior Living LLC / Segovia

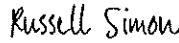
I, Russ Simon, certify that the annual audit, reports and any amendments thereto submitted for December 31, 2022 for Oakmont Senior Living LLC / Segovia are true and correct to the best of my knowledge.

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

Oakmont Senior Living / Segovia are maintaining the required liquid reserve.

Oakmont Senior Living / Segovia do not offer refundable Contracts.

Sincerely

DocuSigned by:

885ECC807F6C448...
Russ Simon
Authorized Representative



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/03/2022

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).

PRODUCER MARSH USA INC. 540 W. MADISON CHICAGO, IL 60661	CONTACT NAME: Marsh U.S. Operations
	PHONE (A/C, No, Ext): 866-966-4664 FAX (A/C, No): 212-948-0770
CN101952359-ALL-GPX-22-23	E-MAIL ADDRESS: Chicago.CertRequest@marsh.com
	INSURER(S) AFFORDING COVERAGE NAIC #
INSURED Oakmont Management Group, LLC 3 Park Plaza, Suite 1920 Irvine, CA 92614	INSURER A: Everest Indemnity Insurance Company 10851
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES

CERTIFICATE NUMBER:

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 <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$500,000 SIR, each claim <input checked="" type="checkbox"/> Retro Date: 07/07/2022 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:			SB00000007-222	05/01/2022	05/01/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 POLICY AGGREGATE \$ 10,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			SBEX000006-222	05/01/2022	05/01/2023	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 Retro Date: 07/07/2022 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input checked="" type="checkbox"/> N N/A						PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability Claims-Made Coverage Form Retro Date: 07/07/2022			SB00000007-222	05/01/2022	05/01/2023	Aggregate, per location 3,000,000 Each Claim 1,000,000 SIR, each claim 500,000

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

Insured Location: Segovia of Palm Desert - 39905 Via Scena, Palm Desert, CA 92260

The additional operator legal entities include: Segovia of Palm Desert, LLC and Segovia Operations, LLC

Transaction Effective July 7, 2022

CERTIFICATE HOLDER

CANCELLATION

Segovia of Palm Desert 39905 Via Scena Palm Desert, CA 92260	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

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ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH USA INC.		NAMED INSURED Oakmont Management Group, LLC 3 Park Plaza, Suite 1920 Irvine, CA 92614
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

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

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

Effective Date: 5/1/22

Expiration Date: 5/1/23

Policy #: FNSC101055

Carrier: National Fire & Marine Insurance Company

Retro Date: 07/07/2022

Claims-Made Coverage Form

SIR: \$0

Excess Liability - \$10M xs \$20M

Effective Date: 5/1/22

Expiration Date: 5/1/23

Policy #: 42-XSC-315189-02

Carrier: National Fire & Marine Insurance Company

Retro Date: 07/07/2022

Claims-Made Coverage Form

SIR: \$0

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

Effective Date: 5/1/22

Expiration Date: 5/1/23

Policy #: FNSC101056

Carrier: National Fire & Marine Insurance Company

Retro Date: 07/07/2022

Claims-Made Coverage Form

SIR: \$0

Excess Liability - \$10M xs \$35M

Effective Date: 5/1/22

Expiration Date: 5/1/23

Policy #: HC7AACIU0001

Carrier: Ironshore Specialty Insurance Company

Retro Date: 07/07/2022

Claims-Made Coverage Form

SIR: \$0

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

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	0
2	Total from Form 5-2 bottom of Column (e)	0
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	2,549,868
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	2,549,868

PROVIDER: Oakmont Senior Living LLC / Segovia Operations LLC

FORM 54: CALCULATION OF NET OPERATING EXPENSES

Line	Description	Amounts	TOTAL
1	Total operating expenses from financial statements		7,514,895
2	Deductions:		
a.	Interest paid on long-term debt (see instructions)	0	
b.	Credit enhancement premiums paid for long-term debt (see instructions)	0	
c.	Depreciation	220,416	
d.	Amortization	0	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	2,858,845	
f.	Extraordinary expenses approved by the Department	0	
3	Total Deductions		3,079,261
4	Net Operating Expenses		4,435,634
5	Divide Line 4 by 365 and enter the result		12,152
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount		911,432
PROVIDER: Oakmont Senior Living LLC / Segovia Operations LLC			
COMMUNITY: Segovia at Palm Desert			

State of California – Health and Human Services Agency

California Department of Social Services

Total Amount of Qualifying Assets

Listed for Reserve Obligation: [11] 3,129,267 [12] 2,028,979Reserve Obligation Amount: [13] 2,549,868 [14] 911,432Surplus/(Deficiency): [15] 579,399 [16] 1,117,547

Signature:

DocuSigned by:

Russell Simon

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(Authorized Representative)

Date: 7/26/2023AUTHORIZED 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
3,591 - 7,107	4,787 - 10,005	N/A	N/A	
3.5%	3.5%	N/A	N/A	

1. Monthly Care Fees at beginning of reporting period: (indicate range, if applicable)

2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)

☐ 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: May 1, 2022
(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: March 1, 2022 **Method of Notice:** 60 day notice 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 6, 2022

☒ 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 3, 2021

- ☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.

Date of Notice: December 3, 2021

- ☒ 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 3, 2021 **Location of Posting:** Main lobby and library

- ☒ Providers evaluated the effectiveness of consultations during the annual budget planning process at a minimum of every two years by the confining 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: December 3, 2021 **Location of Posting:** Main lobby and library

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: Oakmont Senior Living

COMMUNITY: Segovia

SEGOVIA

FORM 7-1 [5] Requirement:

Explanation of Increases in Monthly Care Fees, Fiscal YE December 31, 2022

Segovia's continuing care contract allows for monthly fees to be increased annually based on financial indicators. The Provider is responsible for reviewing financial indicators and determining the amount of increases. Increase amounts are scheduled to take place on the anniversary date of each individual contract being executed, beginning May 1, 2022.

For fiscal YE December 31, 2022, the increase in service fees for residents entering into Continuing Care Contracts was 3.5%.

The methodology for calculating the 2022 service and fee increase included review of 2021 per capita costs, then projecting 2022 costs in consideration of the following economic indicators:

Utilities expense increased around 4% over the 2021 budget.

Total payroll salaries increased 15% growth in FY 2022 over FY 2021. The minimum wage in California increased 7.5%.

The Consumer Price Index (CPI) rose 6.1% for food expenses and 2.1% for medical care.

Any positive result of operations will be retained and applied towards future capital needs.

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared: 04/25/2023

Facility Name: Segovia of Palm Desert		
Address: 39905 Via Scena, Plm Dsrt	Zip Code: 92260	Phone: 760-610-0349
Provider Name: Oakmont Senior Living / Segovia		

Facility Operator: Segovia Operations, LLC			
Religious Affiliation: N/A			
Year Opened: 2010	# of Acres: 8	Miles to Shopping Center: <1	Miles to Hospital: <1
<input type="checkbox"/> Single Story	<input type="checkbox"/> Multi-Story	<input checked="" type="checkbox"/> Other: Both	

Number of Units:

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	0	Assisted Living:	35
Apartments – 1 Bdrm:	9	Skilled Nursing:	0
Apartments – 2 Bdrm:	73	Special Care:	0
Cottages/Houses:	4	Description:	

RLU Occupancy (%) at Year End: 96.7

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: \$137,000 - \$685,500

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 meets with residents and/or the resident association at least 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/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Month at \$_____each)		
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 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 checked="" 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 –	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indoor			Personal Home Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool –	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Outdoor			Transportation – Prearranged	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>			
Other: <u>Ballroom</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Provider Name: Oakmont Senior Living / Segovia

Affiliated CCRCs	Location (city, state)	Phone (with area code)
Cardinal Point at Mariner Sq	Alameda, CA	510-337-1033
Varennna at Fountaingrove	Santa Rosa, CA	707-526-1226
Segovia of Palm Desert	Palm Desert, CA	760-610-0349
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 / Segovia

Income and Expenses [Year]	2019	2020	2021	2022
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$44,170,200	\$49,542,300	\$46,202,600	\$49,644,405
Less Operating Expenses (Excluding depreciation, amortization, and interest)	\$45,726,500	\$53,824,700	\$44,937,400	\$51,090,555
Net Income From Operations	\$(1,556,300)	\$(4,282,400)	\$1,265,200	\$(1,446,150)
Less Interest Expense	\$(3,241,100)	\$(3,184,800)	\$(3,057,100)	\$(3,006,200)
Plus Contributions	\$165,406,400	\$102,730,500	\$30,231,300	\$2,421,737
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	\$107,800	\$64,600	\$655,500	\$700,008
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	\$160,716,800	\$95,327,900	\$29,094,900	\$(1,330,605)
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$7,604,600	\$7,673,700	\$8,460,500	\$12,041,725

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		.500	.514	.291
Operating Ratio		1.084	.970	.855
Debt Service Coverage Ratio		1.04	2.47	19.46
Days Cash On Hand Ratio		219	264	206

Provider Name: Oakmont Senior Living / Segovia

Historical Monthly Service Fees (Average Fee and Change Percentage)

Residence/Service [Year]	2019	%	2020	%	2021	%	2022	%
Studio								
One Bedroom	\$4,014	5.0	\$4,154	3.5	\$4,362	5.0	\$4,515	3.5
Cottage/House	\$6,441	5.0	\$6,666	3.5	\$6,999	5.0	\$7,244	3.5
Assisted Living	\$5,225	5.0	\$5,408	3.5	\$5,678	5.0	\$5,877	3.5
Skilled Living								
Special Care								

Comments from Provider:

Assisted Living apartments consist of 7 studios, 5 one bedroom apartments and 23 two bedroom apartments and historically were reported as such. 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

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

Days Cash On Hand Ratio

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

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 period from July 7, 2022 (commencement of
operations) to December 31, 2022

With Report of Independent Auditors

WELL Oak CCRC Tenant LLC

Financial Statements

For the period from July 7, 2022 (commencement of
operations) to December 31, 2022

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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 December 31, 2022, and the related statements of operations, changes in member's deficit, and cash flows for the period from July 7, 2022 (Commencement of Operations) to December 31, 2022, 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, 2022, and the results of its operations and its cash flows for the period from Commencement of Operations to December 31, 2022 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 that collectively comprise the WELL Oak CCRC Tenant LLC basic financial statements. The supplementary information presented on pages 14 through 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Campbell, California
July 28, 2023

WELL Oak CCRC Tenant LLC
Balance Sheet

	As of December 31, 2022
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 3,435,079
Net accounts receivable and other assets	724,755
Due from related parties	3,221,982
Total current assets	<u>7,381,816</u>
Real estate investments:	
Buildings and improvements	108,788
Furniture, fixtures and equipment	2,932,830
Less accumulated depreciation	(265,605)
Net real estate investments	<u>2,776,013</u>
Other assets:	
Operating lease right-of-use asset, net	<u>72,338,290</u>
TOTAL ASSETS	<u>\$ 82,496,119</u>
LIABILITIES AND MEMBER'S DEFICIT:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 4,077,873
Current portion of operating lease liability	4,178,126
Total current liabilities	<u>8,255,999</u>
Other liabilities:	
Entrance fees nonrefundable, net	14,264,021
Entrance fees subject to refund	80,572,484
Non current portion of operating lease liability	68,239,983
Total other liabilities	<u>163,076,488</u>
Members' deficit	<u>(88,836,368)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 82,496,119</u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Operations

	For the period from July 7, 2022 (commencement of operations) to <u>December 31, 2022</u>
REVENUES:	
Continuing care contracts	\$ 8,412,842
Noncontinuing care contracts	6,100,863
Amortization of entrance fees nonrefundable	<u>1,342,714</u>
Total revenues	15,856,419
OPERATING EXPENSES:	
Continuing care contract operating expenses	9,971,719
Noncontinuing care contract operating expenses	1,604,909
Management fees	699,858
Depreciation	265,605
Facility lease	<u>2,969,256</u>
Total operating expenses	15,511,347
OTHER INCOME:	
Miscellaneous income	<u>4,435</u>
NET INCOME	<u><u>\$ 349,507</u></u>

See accompanying notes to the financial statements

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

Balance at July 7, 2022 (commencement of operations)	\$ —
Contributions from Member	3,042,037
Member notes receivable, net	(92,227,912)
Net income	<u>349,507</u>
 Balance at December 31, 2022	 <u><u>\$ (88,836,368)</u></u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Cash Flows

	For the period from July 7, 2022 (commencement of operations) to <u>December 31, 2022</u>
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES:	
Net income	\$ 349,507
Adjustments to reconcile net income to net cash provided from operating activities:	
Depreciation	265,605
Lease amortization expense	79,819
Amortization of entrance fees nonrefundable	(1,342,714)
Proceeds from entrance fees nonrefundable	1,641,210
Change in operating assets and liabilities	
Increase in accounts receivable and other assets	(724,755)
Increase in accounts payable and accrued liabilities	4,077,873
Net cash provided from operating activities	<u>4,346,545</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:	
Cash expenditures on real estate investments	(482,049)
Cash disbursed for acquisition of real estate investments	<u>(2,559,569)</u>
Net cash used in investing activities	(3,041,618)
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:	
Contributions from Member	3,042,037
Short-term advance to related party	(1,595,018)
Refunds of entrance fees subject to refunds	(8,999,757)
Proceeds from entrance fees subject to refunds	<u>9,682,890</u>
Net cash provided from financing activities	<u>2,130,152</u>
INCREASE IN CASH AND CASH EQUIVALENTS	3,435,079
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 3,435,079</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Operating cash flows used for operating lease	\$ 2,889,437
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION	
ROU assets obtained in exchange for operating lease obligations	\$ 74,371,589
Non-cash equity note receivable from Member	\$ 93,854,876
Non-cash interest on note receivable from Member	\$ 1,626,964

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 three continuing care retirement communities (the Communities) are Segovia of Palm Desert Tenant (Segovia), Capriana at La Floesta Tenant (Capriana) and Fountain Grove Tenant (Fountain Grove).

Welltower TRS Holdco, LLC (WELL TRS) is the sole member of The Company. The sole member of WELL TRS is Welltower OP Inc., 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 doubtful accounts, discount rates, imputed interest, 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 accounts receivable.

If any of the financial institutions with whom the Company does business were to be placed into receivership, the Company may be unable to access to the cash the Company has on deposit with such institutions. 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.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)**Accounts Receivable and Other Assets**

Accounts receivable and other assets consist of trade receivables, 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 doubtful accounts on its outstanding receivables balance and regularly monitors and adjusts its reserves and allowances related to these receivables. Accounts deemed to be uncollectible are written off only after all reasonable collection efforts are exhausted. At December 31, 2022, no allowance for doubtful accounts was deemed necessary.

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, 2022.

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 resale of the unit (contingently refundable). Upon resale, 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 \$14,264,021 at December 31, 2022.

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.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)**Interest-bearing Note Receivable**

As further discussed in Footnote 3, the Company has two notes receivable from WELL PropCo which were issued to the Company in conjunction with the assumption of entrance fee liabilities upon the commencement of operations. The Company believes, after reviewing ASC 505, *Equity*, the classification of the notes receivable as a contribution to paid-in-capital in Member's Equity on the balance sheet is appropriate as the ability and intent to have the notes paid-in-full in a reasonably short period of time is not expected. In addition, interest income due from the notes receivable will be recorded in Member's Equity.

Advertising

The Company expenses its advertising costs as they are incurred. Advertising expenses amounted to \$59,151 for the period from July 7, 2022 (commencement of operations) to December 31, 2022.

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 WELL TRS. The Company has no uncertain tax positions as of December 31, 2022.

Statutory Cash Reserve Requirements

The Company is subject to a statutory cash reserve requirements. At December 31, 2022, the Company's reserves were in compliance with such requirements as calculated in accordance with the Continuing Care Contract Statutes of the California Health and Safety Code.

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *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. ASC 842 also eliminates the requirement for an entity to use bright-line tests in determining lease classification. It also requires disclosures designed to give financial statement users information regarding amount, timing and uncertainty of cash flows arising from leases. The Company adopted ASC 842 as of July 7, 2022 (commencement of operations). The adoption had a material impact on the Company's balance sheet but did not have a material impact on the statement of operations. The Company has made an accounting policy election to keep short-term leases less than twelve months off the balance sheet for all classes of underlying assets.

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 continues to be 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

In 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, "*Measurement of Credit Losses on Financial Instruments*." This standard requires a new forward-looking "expected loss" model to be used for resident fee receivables. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that the standard will have on its financial statements.

3. Transactions With Affiliates

As of December 31, 2022, the Company had amounts due from related parties of \$92,227,912 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 \$1,626,964 at December 31, 2022. During the period from July 7, 2022 (commencement of operations) to December 31, 2022, the Company recorded interest earned on the note receivable of \$1,626,964 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 \$1,595,018 which is recorded in the net accounts receivable and other assets section of the balance sheet.

The Company has a lease agreement with WELL PropCo as further described in Note 4.

4. Operating Lease

The Company's lease agreement is 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, 2022. 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.

Rent expense was \$2,969,256 during the period from July 7, 2022 (commencement of operations) to December 31, 2022.

WELL Oak CCRC Tenant LLC
Notes to Financial Statements (continued)

4. Operating Lease (continued)

At December 31, 2022, the undiscounted future lease payments of lease liabilities are as follows:

2023	\$ 5,971,500
2024	5,971,500
2025	5,971,500
2026	5,971,500
2027	5,971,500
Thereafter	56,825,565
Total undiscounted cash flows	86,683,065
Less: present value discount	(14,264,956)
Total present value	72,418,109
Less: current portion	(4,178,126)
Total non current portion	<u>\$ 68,239,983</u>

5. 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.

6. Subsequent Events

The Company has reviewed subsequent events through July 28, 2023, the date the financial statements were available for issuance. Subsequent to December 31, 2022, on April 30, 2023, the sole Member of the Company distributed its 100% interest in the Company to Welltower OP, which contributed its 100% interest in the Company to CCRC TRS Holdco LLC. There have been no other events subsequent to the balance sheet date which require disclosures or adjustment in these financial statements.

WELL Oak CCRC Tenant LLC
Supplemental Information

WELL Oak CCRC Tenant LLC
Balance Sheets
December 31, 2022

ASSETS:

Current assets:

Cash and cash equivalents
Accounts receivable and other assets
Due from related parties

Total current assets

Real estate investments:

Buildings and improvements
Furniture, fixtures and equipment
Less accumulated depreciation
Net real estate investments

Other assets:

Operating lease right-of-use asset, net

TOTAL ASSETS

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at La Floresta Tenant	Segovia of Palm Desert Tenant	Total
\$	—	\$ 603,276	\$ 1,393,824	\$ 1,437,979	\$ 3,435,079
	—	224,034	308,101	192,620	724,755
	(75,586,870)	15,865,609	36,858,329	26,084,914	3,221,982
	(75,586,870)	16,692,919	38,560,254	27,715,513	7,381,816
	—	38,464	49,104	21,220	108,788
	—	939,206	973,631	1,019,993	2,932,830
	—	(87,666)	(88,223)	(89,716)	(265,605)
	—	890,004	934,512	951,497	2,776,013
	—	18,229,249	26,692,829	27,416,212	72,338,290
\$	(75,586,870)	\$ 35,812,172	\$ 66,187,595	\$ 56,083,222	\$ 82,496,119

WELL Oak CCRC Tenant LLC
Balance Sheets
December 31, 2022

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at La Floresta Tenant	Segovia of Palm Desert Tenant	Total
LIABILITIES AND MEMBER'S DEFICIT:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ —	\$ 1,056,330	\$ 1,989,458	\$ 1,032,085	\$ 4,077,873
Current portion of operating lease liabilities	—	1,052,888	1,541,728	1,583,510	4,178,126
Total current liabilities	—	2,109,218	3,531,186	2,615,595	8,255,999
Other liabilities:					
Entrance fees nonrefundable, net	—	9,969,461	2,389,380	1,905,180	14,264,021
Entrance fees subject to refund	—	15,833,602	37,199,226	27,539,656	80,572,484
Non current portion of operating lease liabilities	—	17,196,476	25,180,553	25,862,954	68,239,983
Total other liabilities	—	42,999,539	64,769,159	55,307,790	163,076,488
Members' deficit	(75,586,870)	(9,296,585)	(2,112,750)	(1,840,163)	(88,836,368)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	\$ (75,586,870)	\$ 35,812,172	\$ 66,187,595	\$ 56,083,222	\$ 82,496,119

WELL Oak CCRC Tenant LLC
Statements of Operations
For the period from July 7, 2022
(commencement of operations) to December
31, 2022

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at La Floresta Tenant	Segovia of Palm Desert Tenant	Total
REVENUES:					
Continuing care contracts	\$ —	\$ 2,516,796	\$ 2,736,487	\$ 3,159,559	\$ 8,412,842
Noncontinuing care contracts	—	1,688,795	2,805,423	1,606,645	6,100,863
Amortization of entrance fees nonrefundable	—	677,859	374,639	290,216	1,342,714
Total revenues	—	4,883,450	5,916,549	5,056,420	15,856,419
OPERATING EXPENSES:					
Continuing care contract operating expenses	—	3,312,528	3,251,977	3,407,214	9,971,719
Noncontinuing care contract operating expenses	—	624,640	974,657	5,612	1,604,909
Management fees	—	203,260	267,518	229,080	699,858
Depreciation	—	87,666	88,223	89,716	265,605
Facility lease	—	376,259	1,157,129	1,435,868	2,969,256
Total operating expenses	—	4,604,353	5,739,504	5,167,490	15,511,347
OTHER INCOME:					
Miscellaneous income	—	—	—	4,435	4,435
NET INCOME	\$ —	\$ 279,097	\$ 177,045	\$ (106,635)	\$ 349,507

WELL Oak CCRC Tenant LLC

Statements of Cash Flows

For the period from July 7, 2022
(commencement of operations) to December 31,
2022

CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES:

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at La Floresta Tenant	Segovia of Palm Desert Tenant	Total
Net income	\$ —	\$ 279,097	\$ 177,045	\$ (106,635)	\$ 349,507
Adjustments to reconcile net income (loss) to net cash provided from operating activities:					
Depreciation	—	87,666	88,223	89,716	265,605
Lease amortization expense	—	20,115	29,452	30,252	79,819
Amortization of entrance fees nonrefundable	—	(677,859)	(374,639)	(290,216)	(1,342,714)
Proceeds from entrance fees nonrefundable	—	765,160	470,850	405,200	1,641,210
Change in operating assets and liabilities					
Increase in accounts receivable and other assets	—	(224,034)	(308,101)	(192,620)	(724,755)
Increase in accounts payable and accrued liabilities	—	1,056,330	1,989,458	1,032,085	4,077,873
Net cash provided from operating activities	—	1,306,475	2,072,288	967,782	4,346,545

CASH FLOWS USED IN INVESTING ACTIVITIES:

Cash expenditures on real estate investments	—	(119,655)	(170,298)	(192,096)	(482,049)
Cash (disbursed for) received from acquisition of real estate investments	(3,042,037)	201,527	152,499	128,442	(2,559,569)
Net cash (used in) provided from investing activities	(3,042,037)	81,872	(17,799)	(63,654)	(3,041,618)

CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:

Contributions from Member	3,042,037	—	—	—	3,042,037
Short-term advance to related party	—	(765,155)	(608,565)	(221,298)	(1,595,018)
Refunds of entrance fees subject to refunds	—	(1,060,757)	(4,433,850)	(3,505,150)	(8,999,757)
Proceeds from entrance fees subject to refunds	—	1,040,841	4,381,750	4,260,299	9,682,890
Net cash provided from (used in) financing activities	3,042,037	(785,071)	(660,665)	533,851	2,130,152

INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

	—	—	—	—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 603,276	\$ 1,393,824	\$ 1,437,979	\$ 3,435,079