

June 30th, 2025

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

RE: WELL Oak CCRC Tenant LLC / Carlotta

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: 12/31/24

PROVIDER(S):

WELL Oak CCRC Tenant LLC

CCRC(S):

The Carlotta

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: \$8,433.92
 - ☐ If applicable, late fee in the amount of: \$ _____
- ☒ 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	181
[2]	Number at end of fiscal year	159
[3]	Total Lines 1 and 2	340 x.50
[4]	Multiply Line 3 by “.50” and enter result on Line 5.	
[5]	Mean number of continuing care residents	170
All Residents		
[6]	Number at beginning of fiscal year	213
[7]	Number at end of fiscal year	186
[8]	Total Lines 6 and 7	399 x.50
[9]	Multiply Line 8 by “.50” and enter result on Line 10.	
[10]	Mean number of <i>all</i> residents	200
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.85

FORM 1-2: ANNUAL PROVIDER FEE

Line	TOTAL
[1] Total Operating Expenses (including depreciation and debt service - interest only)	10,679,615.00
[a] Depreciation	757,356.00
[b] Debt Service (Interest Only)	0.00
[2] Subtotal (add Line 1a and 1b)	757,356.00
[3] Subtract Line 2 from Line 1 and enter result.	9,922,259.00
[4] Percentage allocated to continuing care residents (Form 1-1, Line 11)	85.00
[5] Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	8,433,920.15
[6] Total Amount Due (multiply Line 5 by .001)	\$ 8,433.92

PROVIDER: WELL Oak CCRC Tenant**COMMUNITY:** Carlotta

June 30th, 2025

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

RE: WELL Oak CCRC Tenant LLC / Carlotta

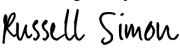
I, Russ Simon, certify that the annual audit, reports and any amendments thereto submitted for December 31, 2024 for WELL Oak CCRC Tenant LLC / Carlotta are true and correct to the best of my knowledge.

The WELL Oak CCRC Tenant / Carlotta continuing care contract form in use or offered to new residents has been approved by the Department of Social Services.

WELL Oak CCRC Tenant / Carlotta are maintaining the required liquid reserve.

WELL Oak CCRC Tenant / Carlotta 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).

PRODUCER MARSH USA LLC. 155 N. WACKER, SUITE 1200 CHICAGO, IL 60661	CONTACT NAME: Marsh U.S. Operations PHONE (A/C, No. Ext): 866-966-4664 E-MAIL ADDRESS: Chicago.CertRequest@marsh.com	FAX (A/C, No): 212-948-0770
	INSURER(S) AFFORDING COVERAGE	
INSURED Welltower Inc. 4500 Dorr St Toledo, OH 43615	INSURER A: Everest Indemnity Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
INSURER F:		NAIC # 10851

COVERAGES

CERTIFICATE NUMBER:

CHI-010330317-03

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 type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			SB00000007-244	05/01/2024	05/01/2025	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"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <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			SBEX000006-244	05/01/2024	05/01/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability Claims-Made Coverage Form			SB00000007-244	05/01/2024	05/01/2025	Aggregate, per location 3,000,000 Each Claim 1,000,000

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

Re : Insured Location: Carlotta Ivy Signature Living Community 41505 Carlotta Dr, Palm Desert, CA 92211

General Liability Retro Date: 05/01/2023 Professional Liability Retro Date: 05/01/2023

General Liability Retention: \$500,000 Professional Liability Retention: \$500,000

Additional Named Insureds: Oakmont Management Group, LLC; Ivy Living LLC; WELL Oak CCRC Tenant LLC; Welltower TRS Holdco LLC; EPC Trevi LLC; CCRC TRS Holdco LLC; 1450 Post Street CA PropCo LLC; 1450 Post Street CA OpCo LLC; and Sunrise Carlisle GP LLC.

CERTIFICATE HOLDER

CANCELLATION

 Carlotta Ivy Signature Living Community
 41505 Carlotta Dr
 Palm Desert, CA 92211

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.

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AGENCY CUSTOMER ID: CN144565643

LOC #: Chicago



ADDITIONAL REMARKS SCHEDULE

AGENCY MARSH USA LLC.		NAMED INSURED Welltower Inc. 4500 Dorr St Toledo, OH 43615
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

2nd Excess Liability - \$10M xs \$10M
Policy Term: 5/1/24 - 5/1/25
Policy #: FNSC101055
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 #: FNSC101056
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 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)	3,144-4,893	4,549-5,715		
2. Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	8%	8%	N/A	N/A

☐ 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: 3/31/2024
(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: 1/31/2024 **Method of Notice:** 3/31/2024

☒ 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:** 1/09/2024

☒ 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:** 1/31/2024

☒ The Provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
Date of Notice: 12/15/2023

☐ The governing body of the Provider, or the designated representative of the Provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

Date of Posting: _____ **Location of Posting:** _____

☐ 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: _____ **Location of Posting:** _____

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:** The Carlotta

State of California – Health and Human Services Agency

California Department of Social Services

CONTINUING CARE RETIREMENT COMMUNITY DISCLOSURE STATEMENT

Date Prepared:

Facility Name: The Carlotta

Address: 41505 Carlotta Dr Palm Dsr

Zip Code: 92211

Phone: 760-565-5991

Provider Name:

Well Oak Tenant LLC

Facility Operator:

Religious Affiliation: N/A

Year Opened: 1985

of Acres: 20

Miles to Shopping Center: 1

Miles to Hospital: 5

☐ Single Story☐ Multi-Story☒ Other: Both**Number of Units:**

Residential Living	Number of Units	Health Care	Number of Units
Apartments – Studio:	0	Assisted Living:	36
Apartments – 1 Bdrm:	22	Skilled Nursing:	46
Apartments – 2 Bdrm:	88	Special Care:	0
Cottages/Houses:	64	Description:	

RLU Occupancy (%) at Year End: 96.9

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:** \$100,000 - \$275,000**Long-Term Care Insurance Required?** ☐ Yes ☒ No**Health Care Benefits Included in Contract:** 10 Lifecare Days in Skilled Nursing**Entry Requirements:** Min Age: 60 Prior Profession: N/A Other: N/A**Resident Representative(s) to, and Resident Members on, the Board:**

(briefly describe provider's compliance and residents' roles): A meeting was held with the residents at least 60 days prior to the annual rate change. Significant factors relating to budgets and methods used to determine the rate increase were discussed.

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 type="checkbox"/>	<input checked="" type="checkbox"/>	Housekeeping (<u>2</u> Times/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Billiard Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Month at \$_____each)		
Bowling Green	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Meals (<u>1</u> /Day)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Card Rooms	<input 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 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 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 type="checkbox"/>	<input type="checkbox"/>
Shuffleboard	<input type="checkbox"/>	<input type="checkbox"/>	Linens Laundered	<input type="checkbox"/>	<input type="checkbox"/>
Spa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Medication Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool – Indoor	<input type="checkbox"/>	<input type="checkbox"/>	Nursing/Wellness Clinic	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Swimming Pool – Outdoor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personal Home Care	<input type="checkbox"/>	<input type="checkbox"/>
Tennis Court	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Personal	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>	Transportation – Prearranged	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	<input type="checkbox"/>	<input type="checkbox"/>

Provider Name: Well Oak Tenant LLC

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	760-610-0349
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: Well Oak Tenant LLC

Income and Expenses [Year]	2021	2022	2023	2024
Income from Ongoing Operations				
Operating Income (Excluding amortization of entrance fee income)	\$46,202,600	\$49,644,405	\$38,122,874	\$44,424,668
Less Operating Expenses (Excluding depreciation, amortization, and interest)	\$44,937,400	\$51,090,555	\$40,998,480	\$45,458,819
Net Income From Operations	\$1,265,200	\$(1,446,150)	\$(2,875,606)	\$(1,034,151)
Less Interest Expense	\$(3,057,100)	\$(3,006,200)	\$0	\$0
Plus Contributions	\$30,231,300	\$2,421,737	\$0	\$0
Plus Non-Operating Income (Expenses) (Excluding extraordinary items)	\$655,500	\$700,008	\$1,119,933	\$2,570,967
Net Income (Loss) Before Entrance Fees, Depreciation And Amortization	\$29,094,900	\$(1,330,605)	\$(1,755,673)	\$1,536,816
Net Cash Flow From Entrance Fees (Total Deposits Less Refunds)	\$8,460,500	\$12,041,725	\$6,758,789	\$695,492

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)	2022	2023	2024
Debt to Asset Ratio		.291		
Operating Ratio		.855	.929	1.02
Debt Service Coverage Ratio		19.46		
Days Cash On Hand Ratio		206	139	150.66

Provider Name: Well Oak Tenant LLC**Historical Monthly Service Fees** (Average Fee and Change Percentage)

Residence/Service [Year]	%	2022	%	2023	%	2024	%
Studio							
One Bedroom		3024	5	3266	8	3462	6
Cottage/House		4090	5	4417	8	4682	6
Assisted Living		4315	5	4660	8	4940	6
Skilled Living		11730	5	12668	8	13429	6
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

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

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.

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)
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE: 1,680,811

PROVIDER: WELL Oak CCRC Tenant LLC

FORM 5-4: CALCULATION OF NET OPERATING EXPENSES

Line	Description	Amounts	TOTAL
1	Total operating expenses from financial statements		10,679,615
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	757,356	
d.	Amortization	0	
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	2,507,610	
f.	Extraordinary expenses approved by the Department	0	
3	Total Deductions		3,264,966
4	Net Operating Expenses		7,414,649
5	Divide Line 4 by 365 and enter the result		20,314
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount		1,523,558

PROVIDER: WELL Oak CCRC Tenant LLC**COMMUNITY:** The Fountains at Carlotta

Total Amount of Qualifying Assests

Listed for Reserve Obligation: [11] 7,619,323 [12] 11,765,835Reserve Obligation Amount: [13] 7,619,323 [14] 4,342,004Surplus/(Deficiency): [15] 0 [16] 7,342,831

Signature:

DocuSigned by:
Russell Simon
885ECC807F6C448...

Date: 5/19/2025

(Authorized Representative)

Authorized Signatory

(Title)

Financial Statements

WELL Oak CCRC Tenant LLC

For the year ended December 31, 2024

With Report of Independent Auditors

WELL Oak CCRC Tenant LLC

Financial Statements

For the year ended December 31, 2024

Report of Independent Auditors 1

Financial Statements

Balance Sheet 4

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Statement of Member's Deficit 6

Statement of Cash Flows 7

Notes to Financial Statements 8

Supplementary Information

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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, 2024, 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, 2024, 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 17 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.

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

Campbell, California
April 29, 2025

WELL Oak CCRC Tenant LLC

Balance Sheet

	As of
	December 31, 2024
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 18,764,344
Net accounts receivable and other assets	712,069
Due from related parties	9,125,554
Total current assets	28,601,967
Real estate investments:	
Land improvements	15,462
Buildings and improvements	2,901,717
Furniture, fixtures and equipment	8,464,997
Construction in progress	361,066
Less accumulated depreciation	(3,433,165)
Net real estate investments	8,310,077
Other assets:	
Operating lease right-of-use assets, net	82,790,923
TOTAL ASSETS	\$ 119,702,967
LIABILITIES AND MEMBER'S DEFICIT:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 9,084,673
Current portion of operating lease liabilities	5,860,269
Total current liabilities	14,944,942
Other liabilities:	
Entrance fees nonrefundable, net	24,204,866
Entrance fees subject to refund	101,019,500
Non current portion of operating lease liabilities	78,229,731
Total other liabilities	203,454,097
Members' deficit	(98,696,072)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	\$ 119,702,967

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Operations

	For the year ended December 31, 2024
REVENUES:	
Continuing care contracts	\$ 27,716,259
Noncontinuing care contracts	16,708,409
Amortization of entrance fees nonrefundable	4,601,277
Total revenues	<u>49,025,945</u>
OPERATING EXPENSES:	
Continuing care contract operating expenses	31,430,242
Noncontinuing care contract operating expenses	3,797,116
Management fees	2,612,138
Depreciation	1,610,538
Facility lease	7,619,323
Total operating expenses	<u>47,069,357</u>
NET INCOME	<u><u>\$ 1,956,588</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, 2023	\$ (106,366,238)
Contributions from Member	2,018,022
Interest earned on notes receivable from Member	3,695,556
Net income	<u>1,956,588</u>
 Balance At December 31, 2024	 <u><u>\$ (98,696,072)</u></u>

See accompanying notes to the financial statements

WELL Oak CCRC Tenant LLC
Statement of Cash Flows

	<u>For the year ended December 31, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 1,956,588
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation	1,610,538
Lease amortization expense	(622,055)
Amortization of entrance fees nonrefundable	(4,601,277)
Proceeds from entrance fees nonrefundable	6,726,475
Change in operating assets and liabilities	
Decrease in accounts receivable and other assets	115,575
Increase in accounts payable and accrued liabilities	2,472,235
Net cash from operating activities	<u>7,658,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash expenditures on real estate investments	<u>(3,316,743)</u>
Net cash from investing activities	(3,316,743)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from Member	2,018,022
Collection of interest receivable on notes receivable from Member	4,898,086
Short-term advance to related party	(1,723,890)
Refunds of entrance fees subject to refunds	(15,784,051)
Proceeds from entrance fees subject to refunds	<u>16,479,543</u>
Net cash from financing activities	<u>5,887,710</u>
 INCREASE IN CASH AND CASH EQUIVALENTS	 10,229,046
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 <u>8,535,298</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u><u>\$ 18,764,344</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Operating cash flows used for operating lease	\$ 6,998,510
 SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION	
Interest on notes receivable from Member	\$ 3,695,556

See accompanying notes to the financial statements.

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).

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 accounts receivable.

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 to 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.

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. 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, 2024.

Construction in progress includes project costs related to the construction of certain improvements at the Communities. These costs are allocated to the Community 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 resale 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 \$24,204,866 at December 31, 2024.

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)

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, 2024. The discount rate used to calculate the obligation to provide future services is 5%.

Interest-bearing Note Receivable

As further discussed in footnote 3, 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 recorded in Member's Equity.

Advertising

The Company expenses its advertising costs as they are incurred. Advertising expenses amounted to \$253,588 for the year ended December 31, 2024.

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, 2024.

Statutory Cash Reserve Requirements

The Company is subject to a statutory cash reserve requirement. At December 31, 2024, 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

The Company accounts for leases under Accounting Standards Update (ASU) 2016-02, Leases (ASDC 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.

Notes to Financial Statements (continued)

3. Transactions With Affiliates

As of December 31, 2024, the Company had amounts due from related parties of \$101,405,950 which are recorded as a contribution to paid-in-capital in the member's deficit section of the balance sheet. The components of this balance is detailed below.

The Company has a note receivable agreement with WELL PropCo and is a non-interest bearing note receivable to the Company for \$13,965,525 representing entrance fees nonrefundable assumed by the Company at closing. A second 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. Both notes receivable are payable on demand. Interest receivable on this note is \$2,058,949 at December 31, 2024.

The Company has an accounts receivable balance due from related parties for \$5,492,126 which is recorded in the due from related parties section of the balance sheet.

For the year ended December 31, 2024, the Company recorded interest earned on the note receivable of \$3,695,556 on this note as a component of equity.

The Company has two lease agreements with WELL PropCo and EPC Trevi LLC (EPC Trevi) as further described in Footnote 4.

4. 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, 2024. 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, 2024. 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 \$7,619,323 for the year ended December 31, 2024.

Notes to Financial Statements (continued)

4. Operating Leases (continued)

At December 31, 2024, the undiscounted future lease payments of lease liabilities are as follows:

2025	\$ 7,645,836
2026	7,718,556
2027	7,718,556
2028	7,718,556
2029	7,718,556
Thereafter	<u>59,441,365</u>
Total undiscounted cash flows	97,961,425
Less: present value discount	<u>(13,871,425)</u>
Total present value	84,090,000
Less: current portion	<u>(5,860,269)</u>
Total non current portion	<u><u>\$ 78,229,731</u></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 April 29, 2025, 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, 2024

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at LaFloesta Tenant	Segovia of Palm Desert Tenant	The Carlotta	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ —	\$ 7,111,152	\$ 1,216,659	\$ 4,014,733	\$ 6,421,800	\$ 18,764,344
Net accounts receivable and other assets	—	351,961	160,753	151,832	47,523	712,069
Due from related parties	(85,052,408)	15,201,032	38,891,105	27,479,219	12,606,606	9,125,554
Total current assets	(85,052,408)	22,664,145	40,268,517	31,645,784	19,075,929	28,601,967
Real estate investments:						
Land improvements	—	—	—	5,762	9,700	15,462
Buildings and improvements	—	520,521	899,108	400,774	1,081,314	2,901,717
Furniture, fixtures and equipment	—	1,307,362	1,421,418	1,611,277	4,124,940	8,464,997
Construction in progress	—	—	—	—	361,066	361,066
Less accumulated depreciation	—	(550,434)	(611,983)	(615,832)	(1,654,916)	(3,433,165)
Net real estate investments	—	1,277,449	1,708,543	1,401,981	3,922,104	8,310,077
Other assets:						
Operating lease right-of-use asset, net	—	16,113,008	23,594,048	24,233,453	18,850,414	82,790,923
TOTAL ASSETS	\$ (85,052,408)	\$ 40,054,602	\$ 65,571,108	\$ 57,281,218	\$ 41,848,447	\$ 119,702,967

WELL Oak CCRC Tenant LLC
Balance Sheets
December 31, 2024

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at LaFloesta Tenant	Segovia of Palm Desert Tenant	The Carlotta	Total
LIABILITIES AND MEMBER'S DEFICIT:						
Current liabilities:						
Accounts payable and accrued liabilities	\$ —	\$ 2,071,057	\$ 2,482,683	\$ 1,328,155	\$ 3,202,778	\$ 9,084,673
Current portion of operating lease liabilities	—	1,107,771	1,622,093	1,666,673	1,463,732	5,860,269
Total current liabilities	—	3,178,828	4,104,776	2,994,828	4,666,510	14,944,942
Other liabilities:						
Entrance fees nonrefundable, net	—	10,179,205	2,910,796	3,668,957	7,445,908	24,204,866
Entrance fees subject to refund	—	19,303,478	38,419,326	32,067,256	11,229,440	101,019,500
Non current portion of operating lease liabilities	—	15,008,723	21,977,060	22,572,644	18,671,304	78,229,731
Total other liabilities	—	44,491,406	63,307,182	58,308,857	37,346,652	203,454,097
Members' deficit	(85,052,408)	(7,615,632)	(1,840,850)	(4,022,467)	(164,715)	(98,696,072)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	\$ (85,052,408)	\$ 40,054,602	\$ 65,571,108	\$ 57,281,218	\$ 41,848,447	\$ 119,702,967

WELL Oak CCRC Tenant LLC
Statements of Operations
For the year ended December 31, 2024

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at LaFloesta Tenant	Segovia of Palm Desert Tenant	The Carlotta	Total
REVENUES:						
Continuing care contracts	\$ —	\$ 5,562,564	\$ 6,163,246	\$ 7,601,612	\$ 8,388,837	\$ 27,716,259
Noncontinuing care contracts	—	4,385,680	6,337,588	3,477,531	2,507,610	16,708,409
Amortization of entrance fees nonrefundable	—	1,780,317	801,373	462,304	1,557,283	4,601,277
Total revenues	—	11,728,561	13,302,207	11,541,447	12,453,730	49,025,945
OPERATING EXPENSES:						
Continuing care contract operating expenses	—	6,981,036	7,836,657	7,438,792	9,173,757	31,430,242
Noncontinuing care contract operating expenses	—	1,559,930	1,927,030	109,762	200,394	3,797,116
Management fees	—	616,356	759,510	688,164	548,108	2,612,138
Depreciation	—	255,207	303,785	294,190	757,356	1,610,538
Facility lease	—	727,719	2,318,357	2,892,436	1,680,811	7,619,323
Total operating expenses	—	10,140,248	13,145,339	11,423,344	12,360,426	47,069,357
NET INCOME (LOSS)	\$ —	\$ 1,588,313	\$ 156,868	\$ 118,103	\$ 93,304	\$ 1,956,588

WELL Oak CCRC Tenant LLC
Statements of Cash Flows
For the year ended December 31, 2024

	WELL Oak CCRC Tenant LLC	Fountain Grove Tenant	Capriana at LaFloesta Tenant	Segovia of Palm Desert Tenant	The Carlotta	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	\$ —	\$ 1,588,313	\$ 156,868	\$ 118,103	\$ 93,304	\$ 1,956,588
Adjustments to reconcile net income (loss) to net cash provided from operating activities:						
Depreciation	—	255,207	303,785	294,190	757,356	1,610,538
Lease amortization expense	—	(162,772)	(445,355)	(518,752)	504,824	(622,055)
Amortization of entrance fees nonrefundable	—	(1,780,317)	(801,373)	(462,304)	(1,557,283)	(4,601,277)
Proceeds from entrance fees nonrefundable	—	2,461,800	1,077,900	1,856,275	1,330,500	6,726,475
Change in operating assets and liabilities						
Decrease (increase) in accounts receivable and other assets	—	(233,978)	41,722	22,648	285,183	115,575
Increase (decrease) in accounts payable and accrued liabilities	—	709,816	1,067,864	(974,536)	1,669,091	2,472,235
Net cash from operating activities	—	2,838,069	1,401,411	335,624	3,082,975	7,658,079
CASH FLOWS FROM IN INVESTING ACTIVITIES:						
Cash expenditures on real estate investments	—	(570,295)	(752,207)	(527,549)	(1,466,692)	(3,316,743)
Net cash provided from investing activities	—	(570,295)	(752,207)	(527,549)	(1,466,692)	(3,316,743)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Contributions from Member	1,418,022	—	—	—	600,000	2,018,022
Collection of interest receivable on notes receivable from Member	—	3,422,533	699,928	775,625	—	4,898,086
Short-term advance to related party	(1,418,022)	—	—	—	(305,868)	(1,723,890)
Refunds of entrance fees subject to refunds	—	(4,064,935)	(6,985,750)	(2,206,050)	(2,527,316)	(15,784,051)
Proceeds from entrance fees subject to refunds	—	4,464,693	6,478,800	4,814,900	721,150	16,479,543
Net cash from financing activities	—	3,822,291	192,978	3,384,475	(1,512,034)	5,887,710
INCREASE IN CASH AND CASH EQUIVALENTS	—	6,090,065	842,182	3,192,550	104,249	10,229,046
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	—	1,021,087	374,477	822,183	6,317,551	8,535,298
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ —</u>	<u>\$ 7,111,152</u>	<u>\$ 1,216,659</u>	<u>\$ 4,014,733</u>	<u>\$ 6,421,800</u>	<u>\$ 18,764,344</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Operating cash flows used for operating lease	\$ —	\$ 736,033	\$ 2,330,531	\$ 2,904,320	\$ 1,027,626	\$ 6,998,510