

***BEDFORD COURT***

**2025 DISCLOSURE STATEMENT**

THE ISSUANCE OF A CERTIFICATE OF REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT OF THE FACILITY BY THE MARYLAND DEPARTMENT OF AGING, NOR IS IT EVIDENCE OF, OR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET OUT IN THE DISCLOSURE STATEMENT.

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# **BEDFORD COURT**

## **DISCLOSURE STATEMENT**

### **SECTION 1. INTRODUCTION AND DESCRIPTION OF THE COMMUNITY**

#### **A. Introduction**

This Disclosure Statement is intended to provide certain information about Bedford Court, a senior living community located at 3701 International Drive, Silver Spring, Maryland (the “Community”). This document is only a summary of certain aspects of the structure and operation of the Community, and is not intended to be a complete description. PLEASE READ ALL AGREEMENTS VERY CAREFULLY BEFORE MAKING A DECISION TO MOVE INTO THE COMMUNITY.

Pursuant to Human Services Article, Title 10, Subtitle 4 of the Annotated Code of Maryland (the “Continuing Care Act”) Section 10-424, a disclosure statement containing the information contained herein is required to be given (i) to all prospective subscribers of the Community before payment of any part of the entrance fee or execution of a continuing care agreement, and (ii) annually to all residents of the Community upon request. This Disclosure Statement contains the information required in Section 10-425 of the Continuing Care Act.

#### **B. Description of the Facility**

The Community is a full service, senior living community, which qualifies as a “continuing care retirement community” under Maryland law. The Community opened on February 17, 1992. The Community consists of 219 independent living apartments and a Health Center consisting of 76 licensed assisted living beds and 60 licensed comprehensive care beds (“Health Center”).

The Community is located at 3701 International Drive, Silver Spring, Maryland, on a 6.33-acre parcel of land. The location is just off Georgia Avenue, adjacent to Leisure World.

The real property and improvements which comprise the Community are owned by Welltower PropCo Group LLC (“Welltower PropCo”). Welltower PropCo leases the Community to Welltower CCRC OpCo LLC, which is the continuing care provider of the Community (the “Provider”). The lease became effective on May 18, 2018, when SPTMRT Properties Trust, the previous owner of the real property comprising the Community, sold the real property to Welltower PropCo. Under the terms of the lease with Welltower PropCo, the Provider has exclusive possession and control of the Community for an initial term of fifteen (15) years with options to renew thereafter for one 10-year renewal term and one 5-year renewal term, provided that certain conditions are satisfied.

Sunrise Senior Living Management, Inc. (“SSLMI”), whose address is 7902 Westpark Drive, McLean, Virginia 22102, manages the Community on behalf of the Provider pursuant to a long term management agreement. For more information about SSLMI, please refer to Section 12

of this Disclosure Statement.

The independent living apartments are furnished with a modern kitchen, carpeting, window treatments, and emergency call system and smoke alarms. The Community Center features such amenities as a library, a barber/beauty shop, arts and crafts studio, exercise room, multi-purpose room and dining rooms.

The Health Center houses the Assisted Living units and Comprehensive Care beds, and is staffed twenty-four (24) hours a day with nursing and other personnel. The Health Center participates in the Medicare and Medicaid Programs, and Community residents have priority access to the Health Center.

The Bedford Court Continuing Care Agreement (the “Agreement”) is a Type C Agreement that provides for resident access to the continuum of care available at the Community. Under the Type C (fee-for-services) Agreement, health services are NOT included in the resident’s entrance fee and basic monthly fee but are paid for on a fee-for-service basis.

## **SECTION 2. ORGANIZATIONAL STRUCTURE AND MANAGEMENT OF THE PROVIDER**

The Provider, whose address is 4500 Dorr Street, Toledo, Ohio 43615, was formed in the State of Delaware and is qualified to do business in the State of Maryland. The Provider is a for-profit limited liability company and is not exempt from the payment of income taxes under the U.S. Internal Revenue Code of 1986. The Provider is governed by its sole member, Welltower OpCo Group LLC. The Provider does not have a chief executive officer. Welltower OpCo Group LLC is a wholly owned subsidiary of Welltower TRS HoldCo LLC. Welltower TRS HoldCo LLC is a wholly owned subsidiary of Welltower OP LLC, which, in turn, is >99% owned by Welltower Inc., a publicly traded real estate investment trust.

## **SECTION 3. STATEMENT REGARDING AFFILIATION**

The Provider is not affiliated with any religious or charitable organizations, and no such organizations shall be responsible for any financial or contractual obligations of the Provider.

## **SECTION 4. DESCRIPTION OF FEES**

### **A. Residents of the Community pay the following fees:**

1. **Entrance Fee:** Prior to assuming residency in the Community, each resident pays an Entrance Fee which is currently \$13,500. This Entrance Fee is refundable, with interest, upon the termination or cancellation of the resident’s Continuing Care Agreement in accordance with the repayment provisions of the Continuing Care Agreement and the Continuing Care Bond which is issued by the Provider in conjunction with its receipt of the Entrance Fee. The entrance fees are not held in trust or escrow. **CAREFULLY READ THE CONTINUING CARE AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE THE PROVIDER IS REQUIRED TO PAY THE ENTRANCE FEE REFUND.**

2. Monthly Fee: Residents who maintain an independent living apartment pay a Monthly Fee to the Provider, based on the size and location of their apartments, in return for services provided under the Continuing Care Agreement. The Monthly Fee is adjustable at most annually. Independent living residents receive thirty (30) days written notice prior to any such adjustment, and Assisted Living and Comprehensive Care residents receive forty-five (45) days' notice prior to any such adjustment.

3. Health Center Fee: Residents who move to the Comprehensive Care beds in the Health Center execute separate Comprehensive Care Admission Agreements. Care is provided in the Health Center on a fee for service basis in accordance with a Health Center per diem fee and ancillary charge schedule. Payment of Health Center Fees is separate from the Monthly Fee described above.

B. Fee Changes:

A description of the fee changes over the past five (5) years is appended hereto as Exhibit A.

## **SECTION 5. OPERATING RESERVES**

The Provider's calculation of operating reserves is prepared in accordance with the provisions of Section 10-420 of Human Services Article, *Operating Reserves – in general* of the Annotated Code of Maryland. That section requires that the Provider maintain a reserve equal to 25% of the Community's net operating expenses for the most recent fiscal year for which a certified financial statement is available. The required reserve is maintained in a dedicated, interest-bearing and federally insured account in a Maryland bank. The Investment Policy for the Provider's bank obligations (which include restricted cash accounts) is reviewed annually by the Provider and by the Treasurer and Chief Financial Officer of Sunrise Senior Living, LLC ("Sunrise"), which is the parent company of SSLMI. A monthly report is prepared reflecting account balances and where the funds are invested. In addition, the operating reserves are reviewed on an annual basis by the Provider's independent public accountants, as part of their annual audits.

## **SECTION 6. FINANCIAL STATEMENTS**

A copy of the Provider's certified financial statement is appended hereto as Exhibit B.

## **SECTION 7. LONG TERM FINANCING FOR THE FACILITY**

The Community is not subject to any long term financing.

## **SECTION 8. FINANCIAL FEASIBILITY STUDY**

Because the Community has been in operation for over ten (10) years, this statutory disclosure requirement, which is primarily for start-up facilities, is not applicable to the Community.

## **SECTION 9. CASH FLOW FORECAST STATEMENT**

A cash flow forecast statement for the current and the next two fiscal years is appended hereto as Exhibit C.

## **SECTION 10. OFFICERS OF THE PROVIDER**

The Provider is governed by its sole member, Welltower OpCo Group LLC. The Provider does not have any officers or directors. The following individuals are members of the Provider's Management Committee:

<u>Name</u>	<u>Occupation</u>
Christina Bernstein	General Manager of the Community

## **SECTION 11. CERTAIN AFFILIATIONS WITH OFFICERS AND DIRECTORS OF THE PROVIDER**

The Provider obtains food and other supplies through Sunrise's procurement and distribution system and, therefore, is able to take advantage of the considerable economies and savings afforded by Sunrise's status as a large-scale purchaser of goods. The annual dollar value of food and supplies purchased in this fashion is estimated to be about \$1,121,543.00.

## **SECTION 12. THE MANAGER OF THE COMMUNITY**

### Business Experience

The Provider has contracted with SSLMI to provide day-to-day management of the Community. SSLMI is a wholly owned subsidiary of Sunrise. As of April 28, 2025, SSLMI also operated or managed approximately 238 other senior living communities in about 32 states, including Maryland, Florida, Georgia, Illinois, North Carolina, New Jersey, Connecticut, Ohio, Kansas, Michigan, Pennsylvania, and Virginia.

Sunrise, through its operating subsidiaries, has extensive experience in the senior living business. Sunrise offers assisted living, Alzheimer's care, skilled nursing and independent living units at senior living communities throughout the United States and internationally. As of April 30, 2025, Sunrise affiliates and communities employed approximately 22,074 people to service 255 communities in the United States and Canada.

### **SECTION 13. INFORMATION REGARDING OFFICERS AND OWNERS OF THE PROVIDER**

Neither the Provider, Welltower OpCo Group LLC, Welltower TRS HoldCo LLC, Welltower OP LLC, Welltower Inc., nor any person identified above has been convicted of a felony or pleaded nolo contendere to a felony charge, if the felony involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

Neither the Provider, Welltower OpCo Group LLC, Welltower TRS HoldCo LLC, Welltower OP LLC, Welltower Inc., nor any person identified above has been held liable or enjoined in a civil action by final judgment if the civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary.

Neither the Provider, Welltower OpCo Group LLC, Welltower TRS HoldCo LLC, Welltower OP LLC, Welltower Inc., nor any person identified above is currently the subject of an effective injunctive or restrictive order of a court of record or, within the past 10 years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency, arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

### **SECTION 14. FORM OF GOVERNANCE OF THE PROVIDER**

Welltower CCRC OpCo LLC is a limited liability company whose sole member is Welltower OpCo Group LLC. Welltower OpCo Group LLC manages the business and affairs of Welltower CCRC OpCo LLC.

The Provider will satisfy the requirements of Human Services Article Section 10-426 of the Annotated Code of Maryland, which requires the Provider to conduct an annual meeting open to all subscribers and to select a committee to meet with facility residents. The Provider will also satisfy the requirements of Human Services Article Section 10-427 of the Annotated Code of Maryland, which requires the Provider to appoint a select committee of its representatives to meet at least twice a year with the Resident Association to address concerns of the subscribers and to ensure that the opinions of subscribers are relayed to the Provider.

### **SECTION 15. CERTIFICATE OF REGISTRATION**

The Provider has been issued a Certificate of Registration by the Maryland Department of Aging.

### **SECTION 16. SERVICES PROVIDED TO RESIDENTS**

The following facilities and services are included under the Monthly Fee under the terms of the Continuing Care Agreements for Independent Living:

X      30 or 31 meals per month (depending on the number of days in the month) and



- room service if requested by your physician;
- X Continental breakfast (Monday – Saturday);
- X Weekly housekeeping, including vacuuming, light dusting, cleaning bathroom fixtures, kitchen and entry floors, counters, appliance faces and sink;
- X Weekly laundering of sheets and towels;
- X Window washing, oven cleaning, carpet shampooing and other similar heavy cleaning will be done annually;
- X Security personnel as the Provider deems appropriate;
- X Maintenance of building and appliances in living units;
- X Groundskeeping and landscaping;
- X Property taxes, utilities (including gas and electric) and garbage collection;
- X Satellite television, basic service only (enhanced service cost \$50.00 per month);
- X Scheduled transportation to shopping and other locations in the surrounding areas;
- X Emergency call system in each living unit;
- X Full use of Community Center;
- X Uncovered parking space for resident registered vehicle;
- X Recreational Activities;
- X Priority access to the Health Center.

There are additional charges for services, not included under the Monthly Fee including, but not limited to:

- X Room service in the absence of physician authorization;
- X Guest meals;
- X Extra meals in the dining facility;
- X Extra housekeeping or maintenance services;
- X Barber shop/beauty parlor;
- X Guest room.

\*\*\* Telephone and internet services are not available through Bedford Court and must be contracted directly with an outside vendor.

In addition to providing the residents with independent living units, the Provider will furnish the residents with licensed assisted living care and licensed comprehensive care services as needed.

The following services are included under the Monthly Fee under the terms of the Continuing Care Agreements for Assisted Living:

- X Three meals per day and room service if requested;
- X Weekly housekeeping, including vacuuming, light dusting, cleaning bathroom fixtures, kitchen and entry floors, counters, appliance faces and sink;
- X Weekly laundering of sheets and towels;
- X Window washing, carpet shampooing and other similar heavy cleaning will be done annually;

- X Basic ADL care as determined by health assessment;
- X Security personnel as the Provider deems appropriate;
- X Maintenance of building and appliances in living units;
- X Groundskeeping and landscaping;
- X Property taxes, utilities (including gas and electric) and garbage collection;
- X Satellite television;
- X Scheduled transportation to shopping and other locations in the surrounding areas;
- X Emergency call system in each living unit;
- X Full use of Community Center;
- X Uncovered parking space for resident registered vehicle;
- X Priority access to the Health Center.

There are additional charges for services, not included under the Monthly Fee including, but not limited to:

- X Enhanced levels of care (full mechanical lift for transfers, full dining support, and alternate pharmacy coordination);
- X Medication management;
- X Incontinence management;
- X Guest meals;
- X Extra housekeeping or maintenance services;
- X Barber shop/beauty parlor;
- X Telephone service;
- X Guest room.

\*\*\* Internet services are not available through Bedford Court and must be contracted directly with an outside vendor.

Payment for care in the Health Center is separate from the Monthly Fee under a supplemental Health Center per diem fee and ancillary charge schedule.

## **SECTION 17. AMENDMENTS TO DISCLOSURE STATEMENT**

The Provider shall amend this Disclosure Statement if, at any time, in the opinion of the Provider or the Maryland Department of Aging, an amendment is necessary to prevent this Disclosure Statement from containing any material misstatement of fact, or omission of a material fact, required by Section 10-425 of the Continuing Care Act to be stated herein.

## **SECTION 18. RENOVATIONS AND EXPANSIONS**

In 2021, the Community renovated nine independent living laundry rooms and replaced emergency call system in both independent living and assisted living. Assisted living dining room furnishings were replaced and the entire Community parking lot was resurfaced and re-stripped in 2021.

In 2022, the community replaced several commercial kitchen equipment and kitchen wall

coverings. In 2023, the community replaced both main and back-up water boiler and roof top unit in the independent living building. Community has also completed renovation of Skilled Nursing Rehabilitation gym and major renovation of 24 IL apartments. Additionally, Independent Living hallways were renovated, including the installation of new carpet and new paint, lighting, signage, artwork, and furniture.

In 2024, the Community refreshed the assisted living neighborhood in the Healthcare building, which was completed around November 2024. The refreshment included new carpet, painting, flooring, ceilings, lighting, and artwork. These renovations have been budgeted as a capital expenditure for the 2024.

There are currently no planned renovations or expansion activities in the skilled nursing or independent living neighborhoods for 2025.

## **SECTION 19. RESIDENT COUNCIL AND RESIDENT ASSOCIATION**

Bedford Court has a Resident Council made up of 7 residents. The Resident Council consists of a President, Vice President, Treasurer, Secretary, and 3 At Large Members. The members of the Resident Council, all of which are independent living residents of Bedford Court, are elected by the Resident Association (through an annual vote) to serve 2 year terms, alternating the years of election so that not more than half of the members are elected annually. The President of the Resident Council serves as a member of the Provider's Management Committee with respect to matters affecting Bedford Court only.

Bedford Court also maintains a Residents Association. According to its Bylaws, the purpose of the Association is to promote, preserve and protect the general interests and welfare of its members, and receive and act upon members' complaints and suggestions which are of general interest. The Resident Council acts as an intermediary between the Association and Community Management on matters of general interest to the members. An annual meeting is held each year.

The dates of the Resident Council meetings for each neighborhood occurred on the following dates:

Assisted Living: 4/15/2024, 5/23/2024, 6/28/2024, 10/31/2024, 12/19/2024

Skilled Nursing: 9/25/2024, 10/23/2024, 11/20/2024, 12/18/2024

Independent Living: 10/08/2024, 11/13/2024, 12/10/2024

## **SECTION 20. GRIEVANCE PROCEDURE**

Bedford Court has established an internal grievance procedure to address any grievances of a resident or group of residents. A resident or a group of residents collectively may submit a grievance in writing to the Executive Director. The Executive Director will send a written acknowledgment to the resident or group of residents within 5 days after receipt of the written grievance. The Executive Director will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance is entitled to a meeting with management within 30 days, in order to present the grievance. The Executive Director will provide a written response

within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after the Executive Director provides a written response to the grievance, a resident, a group of residents or the Provider may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents or the Provider seeks mediation under the preceding sentence, then the mediation shall be nonbinding.

## **SECTION 21. OTHER INFORMATION**

Welltower OP LLC, a direct subsidiary of Welltower Inc., guarantees the Provider's obligations to the residents of Bedford Court, including its obligation to repay the Continuing Care Bonds, in the event that the Provider is unable to perform its obligations under the continuing care agreements. On October 1, 2018, Welltower Inc. and the Provider executed an Agreement of Undertaking, which applies to all existing and future continuing care agreements. Welltower OP LLC assumed Welltower Inc.'s obligations under the Agreement of Undertaking effective April 1, 2022. A copy of the Agreement of Undertaking is attached hereto as Exhibit D. Additionally, Marriott International is secondarily liable for continuing care agreement obligations, including repayment of Continuing Care Bonds, with regard to continuing care agreements that were in effect before March 28, 2003.

## **SECTION 22. ASSISTED LIVING CONTINUING CARE CONTRACT**

Under Human Services Article Section 10-425 of the Maryland Code, if you are considering entering into an Assisted Living Continuing Care contract, the following information must be provided. There have been no material changes in the assisted living program.

A. The name, address and a description of each facility that the provider operates: A list of all such facilities is attached as Exhibit E.

B. A statement regarding the relationship of the provider to other providers or services if the relationship affects the care of the resident: Not applicable.

C. A description of any special programming, staffing, and training provided by the program for individuals with particular needs or conditions such as cognitive impairment: All staff are required to participate in the Sunrise Alzheimer's and Dementia Care training. This training is an eight hour program that addresses basics of dementia, the disease process and how to care for cognitively impaired residents. Each staff member also completes a practicum to demonstrate the skills he or she has acquired through the training.

D. Notice of:

- i. The availability of locks for storage: The resident's door is equipped with a lock. A lock box is available upon request. Entrances to the Community will be secured during non-business hours, permitting only controlled entry as approved by Community staff.

- ii. The availability of locks, if any, for the subscriber's room: Please refer to Section 22.D.i of this Disclosure Statement.
- iii. The security procedures which the provider shall implement to protect the subscriber and the subscriber's property: Please refer to Section 22.D.i of this Disclosure Statement.
- iv. The provider's right, if any, to enter a subscriber's room: The Provider's employees may enter a resident's room at any reasonable time to perform Provider's obligations under the Continuing Care Agreement, to perform inspection and maintenance functions, and at any time to respond to a medical alert system, fire alert system or other emergency. The Provider recognizes the resident's right to privacy and the Provider's responsibility to limit entry only to situations such as those described above or where Provider deems it advisable in the best interest of the resident or the Community. The Community's employees and agents shall knock on the resident's door before entering unless they know that the resident is asleep.

E. A statement of the obligations of the provider, the subscriber, or the subscriber's agent as to:

- i. Arranging for or overseeing medical care: The resident or the resident's legal representative is responsible for arranging for the resident's medical care.
- ii. Monitoring the health status of the subscriber: The Community shall monitor each resident's health status.
- iii. Purchasing or renting essential or desired equipment and supplies: The resident or the resident's legal representative is responsible for arranging and contracting for services not covered by Continuing Care Agreement. The Community will provide whatever assistance it can in arranging for additional services.
- iv. Ascertaining the cost of and purchasing durable medical equipment: Should the resident require any equipment or supplies not listed in the Continuing Care Agreement, the Community will assist in obtaining cost information and procuring the items.

F. An explanation of the assisted living program's complaint or grievance procedure:

- i. PURPOSE: It is the policy of the Bedford Court Healthcare Center to provide residents and/or their families/responsible parties with a method of expressing and resolving any grievance.

- ii. RESPONSIBLE PERSONNEL: The Social Service Consultant or designee will provide each resident with a copy and explanation of the Grievance Policy and a Grievance form upon admission.
- iii. RESIDENTS' RIGHTS: The rights of residents are posted on the bulletin board along with the phone numbers of the regulatory agencies and the Ombudsman. In addition, the Resident Association promotes, preserves and protects the general interests and welfare of its members, and receives and acts upon members' complaints and suggestions which are of general interest.
- iv. PROCEDURE:
  - a. On admission, the Social Service Consultant will provide each resident and/or their family/guarantor with a copy and explanation of the Grievance Policy and Grievance form.
  - b. The resident and/or family member/guarantor will provide a staff person with the completed grievance form.
  - c. The staff person will bring the completed grievance form to the Director of Health Services or Administrator.
  - d. The Director of Health Services and/or Administrator will respond/resolve the grievance within three working days.
  - e. If deemed appropriate, the facility's Ombudsman will be invited to participate in the resolution of any grievance.

***EXHIBIT A***

**FEE CHANGES**

**BEDFORD COURT ASSISTED LIVING**

<b>LEVEL OF CARE</b>	<b><u>2025</u></b>		<b><u>2024</u></b>		<b><u>2023</u></b>		<b><u>2022</u></b>		<b><u>2021</u></b>		<b><u>2020</u></b>	
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
Level 1	6,357.08	11,467.08	5,931.25	9,125.00	5,931.25	9,125.00	5,049.17	7,786.67	4,864.00	7782.40	4,866.67	7,786.67
Level 2	7,330.42	12,440.42	7,117.50	10,365.00	7,117.50	10,311.25	6,113.75	8,851.25	6657.60	9450.00	5,718.33	8,638.33
Level 3	8,881.67	13,991.64	8,132.35	11,326.00	8,060.42	11,254.17	6,995.83	9,733.33	7752.00	10670.40	6,448.33	9,368.33
Level 4	10,554.58	15,664.58	9,620.25	12,814.00	9,307.50	12,501.25	8,121.25	10,858.75	9059.20	11820.00	7,482.50	10,402.50
Level 5	11,071.67	16,181.62	11,046.25	14,240.00	10,493.75	13,687.50	9,216.25	11,953.75	9900.00	12950.40	8,395.00	11,315.00
Enhanced Plus	13,444.17	18,554.11	13,505.00	16,698.75	10,767.25	13,961.00	9,915.84	12,835.84	10080.00	13132.80	8,577.50	12,775.00
Respite Care			+30/day		285/day		285/day		285/day		285/day	
Second Person Fee			875/month		875/month		875/month		875/month		875/month	
Entrance Fee	13,500		13,500		13,500		13,500		13,500		13,500	

### BEDFORD COURT INDEPENDENT LIVING

UNIT TYPE	<u>2025</u>		<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>	
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
One Bedroom	3,650.00	4,775.00	4,410	4,623	4,105	4,485	3,675	3,825	3,675	3,825	3,675	3,825
Deluxe One Bedroom	4,724.00	4,928.00	4,623	5,049	4,485	4,610	3,775	4,275	3,775	4,275	3,775	4,275
Two Bedroom	5,780.00	6,874.00	6,448	6,692	5,100	5,700	4,500	5,175	4,500	5,175	4,500	5,175
Deluxe Two Bedroom	6,570.00	7,884.00	6,692	7,026	5,800	6,000	5,275	5,425	5,275	5,425	5,275	5,425
Premier Two Bedroom	7,280.00	7,998.00	7,029	7,209	6,440	6,440	5,650	5,750	5,650	5,750	5,650	5,750
Second Person Fee	875/month 13,500		875/month 13,500		875/month 13,500		875/month 13,500		875/month 13,500		875/month 13,500	
Entrance Fee												
Respite Stay	\$140/day		+30/day		\$135/day		\$135/day		\$135/day		\$135/day	

### BEDFORD COURT SKILLED NURSING

UNIT TYPE	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Private	644	613	530	485	465	449
Semi Private	588	560	483	442	425	409



***EXHIBIT B***

**CERTIFIED FINANCIAL STATEMENT**

# **Welltower CCRC OpCo, LLC**

Financial Statements and  
Supplementary Information

December 31, 2024 and 2023

**Welltower CCRC OpCo, LLC**

Bedford Court

## Statement of Cash Flows

	<b>2025 Forecast</b>	<b>2026 Forecast</b>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 2,053,850	\$ 1,881,301
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,527,984	1,905,100
Provision for bad debts	221,386	228,027
Changes in operating assets and liabilities:		
Accounts receivable, residents, net	(248,858)	(256,323)
Due to (from) affiliates	-	-
Due to (from) management company, net	347,517	903,710
Prepaid expenses and other current assets	(17,353)	(17,874)
Other assets, net	1,554	1,554
Accounts payable and accrued expenses	17,588	18,116
Construction payable	7,975	8,214
Deferred revenue	3,783	3,897
Security and reservation deposits	344	354
Net cash provided by operating activities	<u>3,915,770</u>	<u>4,676,076</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	<u>(3,771,170)</u>	<u>(4,615,576)</u>
Net cash used in investing activities	<u>(3,771,170)</u>	<u>(4,615,576)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from refundable entrance fees	1,031,400	1,031,400
Refunds of deposits and refundable fees	<u>(936,900)</u>	<u>(936,900)</u>
Net cash provided by (used) financing activities	<u>94,500</u>	<u>94,500</u>
Net increase in cash and restricted cash	239,100	155,000
<b>Cash and Restricted Cash, Beginning</b>	<u>5,793,914</u>	<u>6,033,014</u>
<b>Cash and Restricted Cash, Ending</b>	<u><u>\$ 6,033,014</u></u>	<u><u>\$ 6,188,014</u></u>
<b>Reconciliation of Cash and Restricted Cash</b>		
Cash	\$ -	\$ -
Restricted cash:		
Bedford Court working capital reserves	6,031,533	6,186,533
Other restricted cash	<u>1,481</u>	<u>1,481</u>
Total cash and restricted cash	<u><u>\$ 6,033,014</u></u>	<u><u>\$ 6,188,014</u></u>

# Welltower CCRC OpCo, LLC

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December 31, 2024 and 2023

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## Independent Auditors' Report

To the Member of  
Welltower CCRC OpCo, LLC

### Opinion

We have audited the financial statements of Welltower CCRC OpCo, LLC, (the Organization), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in members' equity and cash flows for the years 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 the Organization as of December 31, 2024 and 2023, and the results of its operations, changes in its member's equity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 GAAP, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' 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 auditors' 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 the Organization'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 the Organization'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15 through 20 is presented for the purposes of additional analysis rather than to present the financial position, results of operations and changes in members' equity and cash flows of the individual entities and is not a required part of the financial statements. The supplementary information 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 audits 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.

*Baker Tilly US, LLP*

Philadelphia, Pennsylvania  
April 22, 2025

**Welltower CCRC OpCo, LLC**

## Balance Sheets

December 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 10,900	\$ 11,116
Accounts receivable, residents, net	3,069,789	3,139,025
Prepaid expenses and other current assets	717,336	767,138
Total current assets	3,798,025	3,917,279
<b>Restricted Cash</b>		
Bedford Court working capital reserves	5,781,533	5,612,458
Other restricted cash	1,481	1,806
<b>Property and Equipment, Net</b>	28,351,720	24,481,254
<b>Right-of-Use Asset</b>	7,917,707	17,012,146
<b>Other Assets, Net</b>	39,681	44,076
Total assets	<u>\$ 45,890,147</u>	<u>\$ 51,069,019</u>
<b>Liabilities and Members' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,302,174	\$ 1,685,447
Construction payable	546,131	-
Due to management company	285,952	773,100
Due to affiliate	11,583,198	13,624,104
Deferred revenue	148,033	212,870
Lease obligations	7,917,707	9,094,440
Security and reservation deposits	308,735	236,535
Refundable entrance fees and deposits, current	938,283	1,262,769
Total current liabilities	24,030,213	26,889,265
<b>Refundable Entrance Fees and Deposits</b>	2,266,717	2,366,431
<b>Deferred Revenue From Advances Fees</b>	12,874,996	10,057,029
<b>Lease Obligations, Long-Term</b>	-	7,917,706
Total liabilities	39,171,926	47,230,431
<b>Members' Equity</b>	6,718,221	3,838,588
Total liabilities and members' equity	<u>\$ 45,890,147</u>	<u>\$ 51,069,019</u>

See notes to financial statements

**Welltower CCRC OpCo, LLC**

Statements of Operations and Changes in Members' Equity  
Years Ended December 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Resident fees	\$ 41,244,862	\$ 35,522,817
Healthcare revenue	12,146,347	11,424,176
Amortization of entrance fees	2,326,054	2,123,266
COVID-19 grant revenue	-	32,206
Interest income	66,852	60,188
Total revenue	55,784,115	49,162,653
<b>Expenses</b>		
Salaries, benefits and payroll taxes	20,265,012	19,574,760
Lease expense	10,866,692	10,744,328
Ancillary	2,991,337	2,640,787
Management fees	3,509,368	2,868,972
Repairs and maintenance	1,653,660	1,618,746
General and administrative	2,199,335	1,967,872
Food	1,838,298	1,629,458
Depreciation	4,296,662	3,083,451
Utilities	1,677,731	1,527,382
Real estate taxes	1,210,053	1,180,407
Insurance	1,024,010	1,083,084
Professional fees and contracted services	386,709	877,319
COVID-19 expense	2,270	61,551
Other nonoperating expenses	676,280	417,661
Interest	143,636	79,464
Provision for (recovery of) bad debts	163,429	(860)
Total expenses	52,904,482	49,354,382
Net income (loss)	2,879,633	(191,729)
<b>Members' Equity, Beginning</b>	3,838,588	2,120,518
Equity contributions from Welltower, Inc.	-	1,909,799
<b>Members' Equity, Ending</b>	\$ 6,718,221	\$ 3,838,588

See notes to financial statements



**Welltower CCRC OpCo, LLC**

## Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities</b>		
Net income (loss)	\$ 2,879,633	\$ (191,729)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	4,296,662	3,083,451
Amortization of entrance fees	(2,326,054)	(2,123,266)
Proceeds under nonrefundable entrance fee plans	5,144,021	4,602,228
Other changes in prepaid rent	-	758,140
Provision for (recovery of) bad debts	163,429	(860)
Changes in operating assets and liabilities:		
Accounts receivable, residents, net	(94,193)	(255,093)
Due to (from) affiliates	(2,040,906)	2,776,499
Due to management company, net	(487,148)	(83,351)
Prepaid expenses and other current assets	49,802	123,359
Other assets, net	4,395	4,393
Accounts payable and accrued expenses	616,727	(78,847)
Construction payable	546,131	-
Deferred revenue	(64,837)	134,438
Security and reservation deposits	72,200	41,285
Net cash provided by operating activities	<u>8,759,862</u>	<u>8,790,647</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	<u>(8,167,128)</u>	<u>(8,198,973)</u>
Net cash used in investing activities	<u>(8,167,128)</u>	<u>(8,198,973)</u>
<b>Cash Flows From Financing Activities</b>		
Contributions from member	-	1,909,799
Proceeds from refundable entrance fees	1,113,750	939,600
Refunds of deposits and refundable fees	<u>(1,537,950)</u>	<u>(1,480,589)</u>
Net cash (used in) provided by financing activities	<u>(424,200)</u>	<u>1,368,810</u>
Net increase in cash and restricted cash	168,534	1,960,484
<b>Cash and Restricted Cash, Beginning</b>	<u>5,625,380</u>	<u>3,664,896</u>
<b>Cash and Restricted Cash, Ending</b>	<u><u>\$ 5,793,914</u></u>	<u><u>\$ 5,625,380</u></u>
<b>Reconciliation of Cash and Restricted Cash</b>		
Cash	\$ 10,900	\$ 11,116
Restricted cash:		
Bedford Court working capital reserves	5,781,533	5,612,458
Other restricted cash	<u>1,481</u>	<u>1,806</u>
Total cash and restricted cash	<u><u>\$ 5,793,914</u></u>	<u><u>\$ 5,625,380</u></u>

See notes to financial statements

## Welltower CCRC OpCo LLC

Notes to Financial Statements  
December 31, 2024 and 2023

### 1. Nature of the Business

Welltower CCRC OpCo, LLC (Welltower CCRC) was formed January 11, 2018 to be identified as the provider of services for two continuing care retirement communities, Bedford Court and The Colonnades, (the Communities). Bedford Court is regulated by the Maryland Department of Aging (MDOA), the continuing care laws for the State of Maryland. The Colonnades is regulated by the Virginia Bureau of Insurance.

Welltower OpCo Group, LLC (Welltower OG) is the sole member of Welltower CCRC. The sole member of Welltower OG is Welltower TRS HoldCo, LLC. The sole member of Welltower TRS HoldCo, LLC is Welltower OP Inc., which is majority owned by Welltower Inc., a publicly traded real estate investment trust.

The Communities offer a variety of services as follows:

	<b>Bedford Court</b>	<b>The Colonnades</b>
Location	Silver Spring, Maryland	Charlottesville, Virginia
Opening year	1992	1991
Ownership status	Leased	Leased
Services:		
Independent Living	218 (units)	218 (units)
Assisted Living	76 (units)	41 (units)
Assisted Living Memory Support	-	16 (beds)
Nursing	60 (beds)	34 (beds)
Total units/beds	354	309
Type of contract	Type C - fee-for-service	Type C - fee-for-service

The real property and improvements which comprise the Communities are owned by Welltower PropCo Group, LLC (Welltower PropCo). Welltower PropCo leases the real property of the Communities to Welltower CCRC.

Sunrise Senior Living Management, Inc. (SSLMI), manages the Communities pursuant to management agreements with Welltower CCRC.

### 2. Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Restricted Cash

Restricted cash includes \$5,781,533 and \$5,612,458 as of December 31, 2024 and 2023, respectively, of statutory reserves which are to meet the requirement by the State of Maryland for Bedford Court.

The MDOA requires providers of continuing care to maintain certain operating reserves that equal 25% of the facility's net operating expenses, as defined by the state, relating to continuing care contracts.

## Welltower CCRC OpCo LLC

Notes to Financial Statements  
December 31, 2024 and 2023

Welltower CCRC has fully funded the reserve as of December 31, 2024 which is calculated as follows:

Total operating expenses for fiscal year ended December 31, 2024	\$ 24,537,127
Less depreciation	<u>(1,573,892)</u>
Net operating expense	22,963,235
Required reserves percentage	<u>25%</u>
Required reserves at December 31, 2024	<u>\$ 5,740,809</u>
Actual reserves at December 31, 2024	<u>\$ 5,781,533</u>

Restricted cash reserve funds were \$5,781,533 at December 31, 2024, which exceeded the minimum statutory operating reserve requirement.

Beginning January 1, 2023, the reserve requirement changed from 15% to 25% and the required funding needed to meet the increased reserve of 25% was provided by its parent, Welltower Inc. On April 17, 2023, Welltower Inc. funded \$1,909,799 to meet the 2023 funding requirement, as noted in the statement of operations and changes in members' equity.

Restricted cash also includes escrow deposits for prospective residents for The Colonnades.

### Accounts Receivable, Residents, Net

Welltower CCRC assesses collectability on all resident accounts prior to providing services. Residents are not required to provide collateral for the services rendered. Payment for services is required upon receipt of an invoice. Accounts are written off through bad debt expense when Welltower CCRC has exhausted all collection efforts and accounts are deemed impaired.

### Contract Balances

Contract assets represent Welltower CCRC's right to consideration in exchange for goods or services that Welltower CCRC has transferred to a resident when that right is conditioned on something other than the passage of time (for example, Welltower CCRC's future performance). Contract liabilities represent Welltower CCRC's obligation to transfer goods or services to a resident for which Welltower CCRC has received consideration (or the amount is due) from the resident.

Welltower CCRC's beginning and ending contract assets and liabilities are separately presented on the balance sheets as of December 31, 2024 and 2023. Contracts assets and liabilities as of December 31, 2022 are as follows:

Accounts receivable, residents, net	\$ 2,883,072
Refundable entrance fees and deposits	4,170,189
Deferred revenue from advances fees	7,578,067

### Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**Impairment of Long-Lived Assets**

Welltower CCRC reviews its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, if Welltower CCRC determines the estimated future net cash flows are less than the carrying value of the asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the asset. No impairment losses were recognized in 2024 or 2023.

**Leases**

Welltower CCRC evaluates at contract inception whether a lease exists and recognizes a lease obligation and right-of-use (ROU) asset for all leases with a term greater than 12 months. Leases are classified as either financing or operating. All lease liabilities are measured as the present value of the future lease payments using a discount rate. The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain of being exercised, if applicable. Future lease payments for optional renewal periods that are not reasonably certain of being exercised are excluded from the measurement of the lease liability. For all leases, the ROU asset is initially derived from the measurement of the lease liability and adjusted for certain items, such as initial direct costs and lease incentives received. ROU assets are subject to long-lived impairment testing.

Operating lease expense is recognized on a straight-line basis over the lease term and is included within lease expense in the statements of operations and changes in members' equity. The lease term is determined based on the date Welltower CCRC acquires control of the leased premises through the end of the lease term. Optional renewal periods are initially not included in the lease term unless they are deemed to be reasonably certain of being exercised at lease commencement.

**Revenue Recognition and Deferred Revenue**

Operating revenue consists of resident fee revenue, which is recognized monthly as services are provided. Agreements with residents are generally for a term of one year and are cancelable by residents with 30 to 90 days' notice. The Communities bill the residents one month in advance of the services being rendered, and therefore, cash payments received for services are recorded as deferred revenue until the services are rendered and the revenue is earned.

Healthcare revenue is recorded at established rates with contractual adjustments deducted to arrive at net healthcare revenue. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Healthcare services rendered to Medicare beneficiaries are paid on a Prospective Payment System (PPS). Fee amounts are determined annually and are based on the acuity level of the resident. As a result, the PPS does not have estimated annual settlements. Medicaid payment methodologies vary by state. Most state Medicaid programs will perform desk reviews of all submitted cost reports and audit only selected providers. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. There are no receivables for estimated Medicare or Medicaid settlements as of December 31, 2024 and 2023.

**Net Resident Service Revenues**

Net resident service revenues are reported at the amount that reflects the consideration Welltower CCRC expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of the following revenue streams:

**Independent Living** - Independent living revenues are derived from providing housing services to residents at a stated monthly fee. Independent living revenues are recognized on a month-to-month basis. Welltower CCRC has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

**Healthcare** - Healthcare revenues are derived from providing housing services to residents at a stated daily fee, net of any contractual adjustments from third-party payors. Healthcare revenues are recognized on a daily basis as services are rendered. Welltower CCRC has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

**Assisted Living** - Assisted living revenues are derived from providing housing services to residents at a stated daily fee. Assisted living revenues are recognized on a daily basis as services are rendered. Welltower CCRC has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

**Reminiscence** - Reminiscence revenues are derived from providing housing services to residents at a stated daily fee. Reminiscence revenues are recognized on a daily basis as services are rendered. Welltower CCRC has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over annually adjusted estimated remaining life expectancies of the residents which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. The unamortized portion is classified as deferred revenues from entrance fees in the balance sheets. Amortization of nonrefundable entrance fees was \$2,326,054 in 2024 and \$2,123,266 in 2023.

Payment terms and conditions for Welltower CCRC's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Net resident service fee revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service fee revenues for ancillary services are generally billed monthly in arrears. Welltower CCRC applies the practical expedient in accordance with generally accepted accounting principles, and therefore, does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

Welltower CCRC has agreements with third-party payors that provide for payments to Welltower CCRC at amounts different from its established rates. Welltower CCRC receives revenue for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are included in the determination of the estimated transaction price for providing services. Welltower CCRC estimates the transaction price based on the terms of the contract and correspondence with the third-party payor and historical payment trends, and retroactive adjustments are recognized in future periods as final settlements are determined.

In the opinion of management, actual adjustments, if any, will not be materially different from the amounts recorded.

## Welltower CCRC OpCo LLC

### Notes to Financial Statements

December 31, 2024 and 2023

Net resident service revenues consist of the following at December 31, 2024 and 2023:

	2024					
	Independent Living	Healthcare	Assisted Living	Reminiscence	Other Resident Services	Total
Private pay	\$ 26,839,477	\$ 1,908,830	\$ 11,498,952	\$ 1,998,836	\$ 903,609	\$ 43,149,704
Medicare	-	7,646,386	-	-	-	7,646,386
Medicaid	-	2,360,671	-	-	3,807	2,364,478
Other	-	230,460	-	-	181	230,641
Endowment amortization	-	-	-	-	2,326,054	2,326,054
Total	<u>\$ 26,839,477</u>	<u>\$ 12,146,347</u>	<u>\$ 11,498,952</u>	<u>\$ 1,998,836</u>	<u>\$ 3,233,651</u>	<u>\$ 55,717,263</u>

	2023					
	Independent Living	Healthcare	Assisted Living	Reminiscence	Other Resident Services	Total
Private pay	\$ 22,570,603	\$ 1,945,158	\$ 10,200,667	\$ 1,965,690	\$ 665,350	\$ 37,347,468
Medicare	-	7,424,106	-	-	-	7,424,106
Medicaid	-	1,921,162	-	-	2,177	1,923,339
Other	-	133,750	-	-	118,330	252,080
Endowment amortization	-	-	-	-	2,123,266	2,123,266
Total	<u>\$ 22,570,603</u>	<u>\$ 11,424,176</u>	<u>\$ 10,200,667</u>	<u>\$ 1,965,690</u>	<u>\$ 2,909,123</u>	<u>\$ 49,070,259</u>

### Future Service Obligation on Continuing Care Agreement

Nonrefundable portions of entrance fees are deferred and recognized as revenue using the straight-line method over the actuarially determined expected term of each resident's contract.

When the present value of estimated costs to be incurred under a continuing care agreement (Care Agreement) exceeds the present value of estimated revenues, the present value of such excess costs is accrued. The calculation is performed annually and assumes a future increase in the monthly revenue commensurate with the monthly costs. The calculation, which uses a 6% discount rate, results in a positive net present value of cash flow and, as such, no liability was recorded as of December 31, 2024 and 2023.

### COVID-19 Grant Revenue

COVID-19 grant revenue consists of amounts received from federal funding sources related to the COVID-19 pandemic. The Communities account for this funding in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions, and accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Communities comply with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund to provide financial support for hospitals and other healthcare providers. The Communities received \$0 in the year ended December 31, 2024 and \$32,206 in the year ended December 31, 2023, related to this funding. In accordance with the terms and conditions, the Communities could apply the funding against lost revenue and eligible expenses, which the Communities' methodology for calculating lost revenues was the difference between budgeted revenue compared to actual revenue in 2023.

The Communities' COVID-19-related lost revenues and eligible expenses were sufficient to allow the Communities to keep and recognize the full amount of the Provider Relief Fund funding received in 2023, which was included in COVID-19 grant revenue in the accompanying statements of operations and changes in members' equity for the year ended December 31, 2023.

Noncompliance with the terms and conditions could result in repayment of some or all of the support, which can be subject to government review and interpretation. The Department of Health and Human Services (HHS) has indicated Provider Relief Fund payments are subject to future reporting and audit requirements. These matters could cause reversal or claw-back of amounts previously recognized; however, an estimate of the possible effects cannot be made as of the date these financial statements were issued. In addition, it's unknown whether there will be further developments in the regulatory guidance.

### 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 Welltower CCRC.

### Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the current year presentation. Total net assets have not changed.

## 3. Continuing Care Agreements

Residents of the Communities are required to sign a Care Agreement with the Communities. The Care Agreement stipulates, among other things, the amount of all entrance fees and monthly fees, the type of residential unit being provided and the Communities' obligation to provide both healthcare and nonhealthcare services. In addition, the Care Agreement provides Welltower CCRC with the right to increase future monthly fees. The Care Agreement is terminated upon the receipt of written termination notice from the resident or the death of the resident.

The components of the entrance fees for the Communities are as follows:

- a. Refundable Entrance Fees** - This component is refundable to the resident or the resident's estate upon termination or cancellation of the Care Agreement. For The Colonnades, the refundable entrance fees are also refundable upon conversion from an entrance fee plan to a straight monthly fee plan. The refundable entrance fees for The Colonnades are primarily noninterest bearing while the refundable entrance fees for Bedford Court bear interest. Depending on the type of plan, refundable entrance fees are equal to either 100%, 95%, 90% or 50% of the total entrance fee, less any additional occupant refundable entrance fees. Since these obligations are considered security deposits, interest is not imputed on these obligations in accordance with ASC 835, *Imputation of Interest*. There is an automatic rescission of the Care Agreement if the resident is precluded from moving in by illness, injury or death, in which case the refundable entrance fees would be refunded.
- b. Nonrefundable Entrance Fees** - This component is nonrefundable and equals the total entrance fee, less the refundable component and any additional occupant fee.
- c. Additional Occupant Fee** - This is a nonrefundable fee for each additional occupant in a residential unit.

Nonrefundable portions of entrance fees are deferred and recognized as revenue using the straight-line method over the actuarially determined expected term of each resident's contract.

## Welltower CCRC OpCo LLC

Notes to Financial Statements  
December 31, 2024 and 2023

### 4. Property and Equipment

A summary of property and equipment follows:

	2024	2023
Land improvements	\$ 966,713	\$ 916,144
Building improvements	18,418,688	13,359,619
Furniture, fixtures and equipment	16,709,516	14,944,085
Construction in progress	5,965,489	4,725,321
Total cost	42,060,406	33,945,169
Less accumulated depreciation	(13,708,686)	(9,463,915)
Property and equipment, net	<u>\$ 28,351,720</u>	<u>\$ 24,481,254</u>

Depreciation expense was \$4,296,662 and \$3,083,451 for the years ended December 31, 2024 and 2023, respectively.

### 5. Lease Agreements

Welltower CCRC leases the real property comprising the Communities from Welltower PropCo, under three-year lease agreements through 2025, with renewal periods through 2037. The minimum lease payments over the first three years of the lease are fixed, then are considered variable after the third year and are excluded from the calculation of ROU assets and lease liabilities.

ROU assets represent Welltower CCRC's right to use an underlying asset for the lease term, while lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Welltower CCRC estimated a lease end date based on the required length of usage of the property and calculated a ROU asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the ROU asset and lease liability, Welltower CCRC uses an incremental borrowing rate of 4.78%.

The following table summarizes the lease ROU asset and lease liability as of December 31:

	2024	2023
ROU assets:		
Operating leases	<u>\$ 7,917,707</u>	<u>\$ 17,012,146</u>
Lease liabilities:		
Current operating lease liabilities	\$ 7,917,707	\$ 9,094,440
Long-term operating lease liabilities	<u>-</u>	<u>7,917,706</u>
Total lease liabilities	<u>\$ 7,917,707</u>	<u>\$ 17,012,146</u>
Weighted-average remaining lease term (in years):		
Operating lease	1	2
Weighted-average discount rate:		
Operating lease	4.78 %	4.78 %



## Welltower CCRC OpCo LLC

Notes to Financial Statements  
December 31, 2024 and 2023

The table below summarizes Welltower CCRC's scheduled future minimum lease payments for years ending after December 31, 2024:

Years ending December 31:	
2025	\$ 8,060,293
Thereafter	-
Total lease payments	8,060,293
Less present value discount	(142,586)
Total lease liabilities	7,917,707
Less current portion	(7,917,707)
Long-term lease liabilities	\$ -

### 6. Related-Party Transactions

#### SSLMI

Welltower CCRC entered into a management agreement with SSLMI, to manage the Communities. The agreement has a term of 15 years and expires in January 2028. Prior to January 1, 2023, management fees were calculated as a percentage of gross revenues, as defined in the management agreement. Effective January 1, 2023, management fees are calculated using a formula as defined in the management agreement. Total management fees incurred were \$3,509,368 and \$2,868,972 in 2024 and 2023, respectively. The management agreement also provides for reimbursement to SSLMI for all direct costs of operation.

Welltower CCRC obtains workers' compensation, professional, general liability and automobile coverage through Sunrise Senior Living Insurance, Inc., an affiliate of SSLMI. Welltower CCRC had a payable to SSLMI of \$285,952 and \$773,100 as of December 31, 2024 and 2023, respectively. The transactions are subject to the right of offset, wherein any receivables from the affiliate can be offset by any payables to the affiliate. The amounts are noninterest bearing and due on demand.

#### Welltower, Inc.

There was a net amount due to Welltower Inc. of \$11,583,198 and \$13,624,104 as of December 31, 2024 and 2023, respectively, related to daily sweep activity, capex spending and cash shortfalls for operating expenses. Interest is not charged and there are no fixed repayment terms on these advances. The amounts are settled monthly, or as funds become available. Welltower, Inc. has the ability and intent to support operations as liquidity needs arise.

### 7. Contingencies

#### Senior Living Services Industry

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity has continued to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance.

**Medicaid Reimbursement**

Nursing services provided to Medicaid program beneficiaries are paid at prospectively determined rates per day. The rates are determined using state-wide nursing facility cost information and Welltower CCRC's cost information from a prior year. The reimbursement methodology is subject to various limitations and adjustments.

**8. Concentrations**

Welltower CCRC grants credit without collateral to its residents, primarily related to providing residential and healthcare related services.

Welltower CCRC maintains cash accounts, which, at times, may exceed federally insured limits. Welltower CCRC has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risk on its cash accounts.

**9. Subsequent Events**

Welltower CCRC has evaluated the impact of subsequent events through April 22, 2025, representing the date at which the financial statements were available to be issued.

**Welltower CCRC OpCo, LLC**

Combining Balance Sheet

December 31, 2024

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ -	\$ 10,900	\$ -	\$ 10,900
Accounts receivable, residents, net	-	915,734	2,154,055	3,069,789
Prepaid expenses and other current assets	-	578,447	138,889	717,336
Total current assets	-	1,505,081	2,292,944	3,798,025
<b>Restricted Cash</b>				
Bedford Court working capital reserves	-	5,781,533	-	5,781,533
Other restricted cash	-	1,481	-	1,481
<b>Property and Equipment, Net</b>	-	9,432,825	18,918,895	28,351,720
<b>Right-of-Use Asset</b>	-	2,649,746	5,267,961	7,917,707
<b>Other Assets, Net</b>	-	18,150	21,531	39,681
Total assets	<u>\$ -</u>	<u>\$ 19,388,816</u>	<u>\$ 26,501,331</u>	<u>\$ 45,890,147</u>
<b>Liabilities and Members' (Deficit) Equity</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 612,090	\$ 586,273	\$ 1,103,811	\$ 2,302,174
Construction payable	-	265,834	280,297	546,131
Due to (from) management company	(18,096,209)	2,463,664	15,918,497	285,952
Due to (from) affiliate	18,432,947	(736,782)	(6,112,967)	11,583,198
Deferred revenue	-	126,107	21,926	148,033
Lease obligations	-	2,649,746	5,267,961	7,917,707
Security and reservation deposits	-	11,460	297,275	308,735
Refundable entrance fees and deposits, current	-	938,283	-	938,283
Total current liabilities	948,828	6,304,585	16,776,800	24,030,213
<b>Refundable Entrance Fees and Deposits</b>	-	2,266,717	-	2,266,717
<b>Deferred Revenue From Advances Fees</b>	-	-	12,874,996	12,874,996
Total liabilities	948,828	8,571,302	29,651,796	39,171,926
<b>Members' (Deficit) Equity</b>	(948,828)	10,817,514	(3,150,465)	6,718,221
Total liabilities and members' (deficit) equity	<u>\$ -</u>	<u>\$ 19,388,816</u>	<u>\$ 26,501,331</u>	<u>\$ 45,890,147</u>

**Welltower CCRC OpCo, LLC**

Combining Balance Sheet

December 31, 2023

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ -	\$ 11,132	\$ (16)	\$ 11,116
Accounts receivable, residents, net	-	917,915	2,221,110	3,139,025
Prepaid expenses and other current assets	-	603,597	163,541	767,138
Total current assets	-	1,532,644	2,384,635	3,917,279
<b>Restricted Cash</b>				
Bedford Court working capital reserves	-	5,612,458	-	5,612,458
Other restricted cash	-	1,806	-	1,806
<b>Property and Equipment, Net</b>	-	7,992,799	16,488,455	24,481,254
<b>Right-of-Use Asset</b>	-	5,693,298	11,318,848	17,012,146
<b>Other Assets, Net</b>	-	19,705	24,371	44,076
Total assets	<u>\$ -</u>	<u>\$ 20,852,710</u>	<u>\$ 30,216,309</u>	<u>\$ 51,069,019</u>
<b>Liabilities and Members' (Deficit) Equity</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 266,491	\$ 804,720	\$ 614,236	\$ 1,685,447
Due to (from) management company	(19,575,000)	2,106,869	18,241,231	773,100
Due to (from) affiliate	20,257,337	(733,072)	(5,900,161)	13,624,104
Deferred revenue	-	57,201	155,669	212,870
Lease obligations	-	3,043,552	6,050,888	9,094,440
Security and reservation deposits	-	31,460	205,075	236,535
Refundable entrance fees and deposits, current	-	985,308	277,461	1,262,769
Total current liabilities	948,828	6,296,038	19,644,399	26,889,265
<b>Refundable Entrance Fees and Deposits</b>	-	1,971,592	394,839	2,366,431
<b>Deferred Revenue From Advances Fees</b>	-	-	10,057,029	10,057,029
<b>Lease Obligations, Long-Term</b>	-	2,649,746	5,267,960	7,917,706
Total liabilities	948,828	10,917,376	35,364,227	47,230,431
<b>Members' (Deficit) Equity</b>	(948,828)	9,935,334	(5,147,918)	3,838,588
Total liabilities and members' (deficit) equity	<u>\$ -</u>	<u>\$ 20,852,710</u>	<u>\$ 30,216,309</u>	<u>\$ 51,069,019</u>

**Welltower CCRC OpCo, LLC**

## Combining Statement of Operations and Changes in Members' Equity (Deficit)

Year Ended December 31, 2024

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Revenue</b>				
Resident fees	\$ -	\$ 17,735,792	\$ 23,509,070	\$ 41,244,862
Healthcare revenue	-	7,616,663	4,529,684	12,146,347
Amortization of entrance fees	-	-	2,326,054	2,326,054
Interest income	-	66,852	-	66,852
Total revenue	-	25,419,307	30,364,808	55,784,115
<b>Expenses</b>				
Salaries, benefits and payroll taxes	-	11,032,052	9,232,960	20,265,012
Lease expense	-	3,236,957	7,629,735	10,866,692
Ancillary	-	1,450,831	1,540,506	2,991,337
Management fees	-	1,362,192	2,147,176	3,509,368
Repairs and maintenance	-	872,868	780,792	1,653,660
General and administrative	-	1,113,653	1,085,682	2,199,335
Food	-	921,811	916,487	1,838,298
Depreciation	-	1,573,892	2,722,770	4,296,662
Utilities	-	987,211	690,520	1,677,731
Real estate taxes	-	714,928	495,125	1,210,053
Insurance	-	695,799	328,211	1,024,010
Professional fees and contracted services	-	155,044	231,665	386,709
COVID-19 expense	-	1,825	445	2,270
Other nonoperating expenses	-	194,110	482,170	676,280
Interest	-	143,636	-	143,636
Provision for bad debts	-	80,318	83,111	163,429
Total expenses	-	24,537,127	28,367,355	52,904,482
Net income	-	882,180	1,997,453	2,879,633
<b>Members' (Deficit) Equity, Beginning</b>	(948,828)	9,935,334	(5,147,918)	3,838,588
<b>Members' (Deficit) Equity, Ending</b>	<u>\$ (948,828)</u>	<u>\$ 10,817,514</u>	<u>\$ (3,150,465)</u>	<u>\$ 6,718,221</u>

**Welltower CCRC OpCo, LLC**

## Combining Statement of Operations and Changes in Members' Equity (Deficit)

Year Ended December 31, 2023

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Revenue</b>				
Resident fees	\$ -	\$ 15,886,114	\$ 19,636,703	\$ 35,522,817
Healthcare revenue	-	7,257,636	4,166,540	11,424,176
Amortization of entrance fees	-	-	2,123,266	2,123,266
COVID-19 grant revenue	-	31,663	543	32,206
Interest income	-	60,188	-	60,188
Total revenue	-	23,235,601	25,927,052	49,162,653
<b>Expenses</b>				
Salaries, benefits and payroll taxes	-	10,350,598	9,224,162	19,574,760
Lease expense	-	3,236,957	7,507,371	10,744,328
Ancillary	-	1,398,147	1,242,640	2,640,787
Management fees	-	1,171,412	1,697,560	2,868,972
Repairs and maintenance	-	802,352	816,394	1,618,746
General and administrative	-	1,032,231	935,641	1,967,872
Food	-	831,953	797,505	1,629,458
Depreciation	-	1,069,797	2,013,654	3,083,451
Utilities	-	910,395	616,987	1,527,382
Real estate taxes	-	698,789	481,618	1,180,407
Insurance	-	704,465	378,619	1,083,084
Professional fees and contracted services	-	585,908	291,411	877,319
COVID-19 expense	-	51,969	9,582	61,551
Other nonoperating expenses	-	165,953	251,708	417,661
Interest	-	79,329	135	79,464
Recovery of bad debts	-	(332)	(528)	(860)
Total expenses	-	23,089,923	26,264,459	49,354,382
Net income (loss)	-	145,678	(337,407)	(191,729)
<b>Members' (Deficit) Equity, Beginning</b>	(948,828)	7,879,857	(4,810,511)	2,120,518
Equity contributions from Welltower, Inc.	-	1,909,799	-	1,909,799
<b>Members' (Deficit) Equity, Ending</b>	<u>\$ (948,828)</u>	<u>\$ 9,935,334</u>	<u>\$ (5,147,918)</u>	<u>\$ 3,838,588</u>

**Welltower CCRC OpCo, LLC**

Combining Statement of Cash Flows

Year Ended December 31, 2024

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Net income	\$ -	\$ 882,180	\$ 1,997,453	\$ 2,879,633
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	-	1,573,892	2,722,770	4,296,662
Amortization of entrance fees	-	-	(2,326,054)	(2,326,054)
Proceeds under nonrefundable entrance fee plans	-	-	5,144,021	5,144,021
Provision for bad debts	-	80,318	83,111	163,429
Changes in operating assets and liabilities:				
Accounts receivable, residents, net	-	(78,137)	(16,056)	(94,193)
Due to (from) affiliates	(1,824,390)	(3,710)	(212,806)	(2,040,906)
Due to (from) management company, net	1,478,791	356,795	(2,322,734)	(487,148)
Prepaid expenses and other current assets	-	25,150	24,652	49,802
Other assets, net	-	1,555	2,840	4,395
Accounts payable and accrued expenses	345,599	(218,447)	489,575	616,727
Construction payable	-	265,834	280,297	546,131
Deferred revenue	-	68,906	(133,743)	(64,837)
Security and reservation deposits	-	(20,000)	92,200	72,200
Net cash provided by operating activities	-	2,934,336	5,825,526	8,759,862
<b>Cash Flows From Investing Activities</b>				
Purchases of property and equipment	-	(3,013,918)	(5,153,210)	(8,167,128)
Net cash used in investing activities	-	(3,013,918)	(5,153,210)	(8,167,128)
<b>Cash Flows From Financing Activities</b>				
Proceeds from refundable entrance fees	-	1,113,750	-	1,113,750
Refunds of deposits and refundable fees	-	(865,650)	(672,300)	(1,537,950)
Net cash provided by (used) financing activities	-	248,100	(672,300)	(424,200)
Net increase in cash and restricted cash	-	168,518	16	168,534
<b>Cash and Restricted Cash, Beginning</b>	-	5,625,396	(16)	5,625,380
<b>Cash and Restricted Cash, Ending</b>	<u>\$ -</u>	<u>\$ 5,793,914</u>	<u>\$ -</u>	<u>\$ 5,793,914</u>
<b>Reconciliation of Cash and Restricted Cash</b>				
Cash	\$ -	\$ 10,900	\$ -	\$ 10,900
Restricted cash:				
Bedford Court working capital reserves	-	5,781,533	-	5,781,533
Other restricted cash	-	1,481	-	1,481
Total cash and restricted cash	<u>\$ -</u>	<u>\$ 5,793,914</u>	<u>\$ -</u>	<u>\$ 5,793,914</u>

**Welltower CCRC OpCo, LLC**

Combining Statement of Cash Flows

Year Ended December 31, 2023

	<b>Welltower CCRC</b>	<b>Bedford Court</b>	<b>The Colonnades</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Net income (loss)	\$ -	\$ 145,678	\$ (337,407)	\$ (191,729)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	-	1,069,797	2,013,654	3,083,451
Amortization of entrance fees	-	-	(2,123,266)	(2,123,266)
Proceeds under nonrefundable entrance fee plans	-	-	4,602,228	4,602,228
Other changes in prepaid rent	-	201,220	556,920	758,140
Recovery of bad debts	-	(332)	(528)	(860)
Changes in operating assets and liabilities:				
Accounts receivable, residents, net	-	274,519	(529,612)	(255,093)
Due to (from) affiliates	2,806,737	9,872	(40,110)	2,776,499
Due to (from) management company, net	(2,898,230)	1,698,434	1,116,445	(83,351)
Prepaid expenses and other current assets	-	51,328	72,031	123,359
Other assets, net	-	1,554	2,839	4,393
Accounts payable and accrued expenses	91,493	(58,802)	(111,538)	(78,847)
Deferred revenue	-	4,115	130,323	134,438
Security and reservation deposits	-	5,000	36,285	41,285
Net cash provided by operating activities	-	3,402,383	5,388,264	8,790,647
<b>Cash Flows From Investing Activities</b>				
Purchases of property and equipment	-	(3,283,132)	(4,915,841)	(8,198,973)
Net cash used in investing activities	-	(3,283,132)	(4,915,841)	(8,198,973)
<b>Cash Flows From Financing Activities</b>				
Contributions from member	-	1,909,799	-	1,909,799
Proceeds from refundable entrance fees	-	939,600	-	939,600
Refunds of deposits and refundable fees	-	(1,008,150)	(472,439)	(1,480,589)
Net cash provided by (used in) financing activities	-	1,841,249	(472,439)	1,368,810
Net increase (decrease) in cash and restricted cash	-	1,960,500	(16)	1,960,484
<b>Cash and Restricted Cash, Beginning</b>	-	3,664,896	-	3,664,896
<b>Cash and Restricted Cash, Ending</b>	<u>\$ -</u>	<u>\$ 5,625,396</u>	<u>\$ (16)</u>	<u>\$ 5,625,380</u>
<b>Reconciliation of Cash and Restricted Cash</b>				
Cash	\$ -	\$ 11,132	\$ (16)	\$ 11,116
Restricted cash:				
Bedford Court working capital reserves	-	5,612,458	-	5,612,458
Other restricted cash	-	1,806	-	1,806
Total cash and restricted cash	<u>\$ -</u>	<u>\$ 5,625,396</u>	<u>\$ (16)</u>	<u>\$ 5,625,380</u>



***EXHIBIT C***

**CASHFLOW FORECAST STATEMENT**

**Welltower CCRC OpCo, LLC**

Bedford Court

## Statement of Cash Flows

	<b>2025 Forecast</b>	<b>2026 Forecast</b>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 2,053,850	\$ 1,881,301
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,527,984	1,905,100
Provision for bad debts	221,386	228,027
Changes in operating assets and liabilities:		
Accounts receivable, residents, net	(248,858)	(256,323)
Due to (from) affiliates	-	-
Due to (from) management company, net	347,517	903,710
Prepaid expenses and other current assets	(17,353)	(17,874)
Other assets, net	1,554	1,554
Accounts payable and accrued expenses	17,588	18,116
Construction payable	7,975	8,214
Deferred revenue	3,783	3,897
Security and reservation deposits	344	354
Net cash provided by operating activities	<u>3,915,770</u>	<u>4,676,076</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	<u>(3,771,170)</u>	<u>(4,615,576)</u>
Net cash used in investing activities	<u>(3,771,170)</u>	<u>(4,615,576)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from refundable entrance fees	1,031,400	1,031,400
Refunds of deposits and refundable fees	<u>(936,900)</u>	<u>(936,900)</u>
Net cash provided by (used) financing activities	<u>94,500</u>	<u>94,500</u>
Net increase in cash and restricted cash	239,100	155,000
<b>Cash and Restricted Cash, Beginning</b>	<u>5,793,914</u>	<u>6,033,014</u>
<b>Cash and Restricted Cash, Ending</b>	<u><u>\$ 6,033,014</u></u>	<u><u>\$ 6,188,014</u></u>
<b>Reconciliation of Cash and Restricted Cash</b>		
Cash	\$ -	\$ -
Restricted cash:		
Bedford Court working capital reserves	6,031,533	6,186,533
Other restricted cash	<u>1,481</u>	<u>1,481</u>
Total cash and restricted cash	<u><u>\$ 6,033,014</u></u>	<u><u>\$ 6,188,014</u></u>

***EXHIBIT D***

**AGREEMENT OF UNDERTAKING**

**ACKNOWLEDGEMENT OF AGREEMENT OF UNDERTAKING**

THIS ACKNOWLEDGEMENT OF AGREEMENT OF UNDERTAKING (“**ACKNOWLEDGEMENT**”) is made as of April 1, 2022 (the “**Effective Date**”), by Welltower OP LLC, a Delaware limited liability company (“**Welltower OP**”), and its subsidiary, Welltower CCRC OpCo LLC, a Delaware limited liability company (the “**Provider**”).

WHEREAS, Welltower Inc. (“**Welltower**”) and the Provider entered into that certain Agreement of Undertaking dated October 1, 2018, (the “**Agreement**”) with respect to the continuing care retirement community known as Bedford Court, located at 3701 International Drive, Silver Spring, Maryland. A copy of the Agreement is attached hereto as **Exhibit A**.

WHEREAS, Welltower Inc. changed its legal entity name to Welltower OP LLC in connection with an internal reorganization (the “Reorganization”).


WHEREAS, as a result of the Reorganization, Welltower OP is entitled to and responsible for all of Welltower’s right, interest, and obligations in, to, and under the Agreement as of the Effective Date.

NOW, THEREFORE, in consideration of the foregoing recitals, Welltower OP acknowledges that, as of the Effective Date, Welltower OP is entitled to and responsible for all rights, interests, and obligations of Welltower under the Agreement, and the Provider recognizes such Acknowledgement.

IN WITNESS WHEREOF, the parties have executed this Acknowledgement as of the day and year above first written.

**WELLTOWER OP:**

**WELLTOWER OP LLC,**  
a Delaware limited liability company

By:   
Name: Mary Ellen Pisanelli  
Title: Authorized Signatory

**PROVIDER:**

**WELLTOWER CCRC OPCO LLC,**  
a Delaware limited liability company

By:   
Name: Mary Ellen Pisanelli  
Title: Authorized Signatory

## AGREEMENT OF UNDERTAKING

This AGREEMENT OF UNDERTAKING (this "Agreement of Undertaking") is made as of the 1<sup>st</sup> day of October 2018 (the "Effective Date"), by and between WELLTOWER INC., a Delaware corporation (hereinafter referred to as "Welltower"), with principal offices at 4500 Dorr Street, Toledo, Ohio 43615 and WELLTOWER CCRC OPCO LLC, a Delaware limited liability company (hereinafter referred to as "WCO"), with principal offices at 4500 Dorr Street, Toledo, Ohio 43615.

### Preliminary Statement

Welltower OpCo Group LLC ("WOG") owns all of the outstanding membership interests of WCO. WOG is a wholly owned subsidiary of Welltower TRS Holdco LLC ("TRS"), which is wholly owned by Welltower. As of the Effective Date, WCO operates a continuing care retirement community known as "Bedford Court," located in Silver Spring, Maryland (the "Community") and enters into individual continuing care agreements ("Continuing Care Agreements") with individuals who will reside in the Community ("Residents"). All Residents are required to purchase a Continuing Care Bond ("Bond"). The Continuing Care Agreements set forth the obligations and duties of WCO to provide individual living accommodations, common areas, recreational facilities, meals and services, to and for Residents, and Residents' obligations and duties, including financial obligations to WCO. The Bonds set forth the terms of WCO's obligation to pay Resident or Resident's estate the amount of the Bond held by such Resident. From and after the Effective Date, WCO will be responsible for all obligations to current and future residents of Bedford Court under the Continuing Care Agreements and the Bonds.

NOW THEREFORE, with reference to the matters set forth in Preliminary Statement, and as assurance to WCO and the Residents, the parties agree as follows:

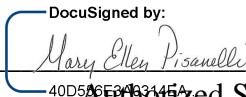
1. Welltower undertakes and agrees that it will provide WCO all assistance and support, including financial support, that WCO shall request or require to enable WCO to discharge fully and faithfully its duties and obligations pursuant to the outstanding Continuing Care Agreements and the Bonds entered into with and purchased from time to time by Residents prior to and after the Effective Date. Such assistance and support shall apply to and include, without limitation, WCO's obligations to operate and maintain the Community, provide living accommodations and other physical facilities, provide the programs and services, all as described in the Continuing Care Agreements, and WCO's obligations to pay the outstanding Bonds as provided in such Bond instruments. Welltower agrees to provide certified financial statements prepared in accordance with generally accepted accounting principles to the Maryland Department of Aging annually.
2. WCO will faithfully perform and carry out the terms of the outstanding Continuing Care Agreements and Bonds. Unless otherwise approved in writing by the Secretary of the Maryland Department of Aging, WCO agrees to include in each of its future Continuing Care Agreements a provision in which WCO agrees, unless otherwise approved in

writing by the Secretary of the Maryland Department of Aging, to maintain at all times free and clear of liens and encumbrances in an account in the name of WCO and/or Bedford Court in a Maryland branch of a federally insured bank an amount equal to the greater of (i) the principal amount of the outstanding Bonds or (ii) the minimum operating reserve required by Maryland law. The amount in this account up to the minimum operating reserve required by Maryland law shall be dedicated to the Bedford Court operating reserve required by Maryland law.

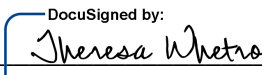
3. Unless otherwise approved in writing by the Secretary of the Maryland Department of Aging, WCO agrees to include in each of its future Continuing Care Agreements a provision in which WCO agrees that, in order to reduce the level of financial risk to existing and future residents, unless otherwise approved in writing by the Secretary of the Maryland Department of Aging, WCO will not charge entrance fees to future Residents that are more than 34 percent greater than the minimum entrance fee amount required in order for WCO to be a continuing care provider under Maryland law.
4. Welltower agrees to maintain at all times (i) excluding the amount that WCO agrees to maintain under Section 2 hereof, cash and cash equivalents free and clear of liens and encumbrances in an amount sufficient to repay the outstanding Bonds, and (ii) cash and cash equivalents that Welltower, in its sole and absolute discretion, considers sufficient to meet its other obligations under this Agreement of Undertaking.
5. The obligations of Welltower hereunder are absolute, unconditional and irrevocable; provided, however, Welltower shall be released from its obligations hereunder upon (i) the bona fide sale by Welltower, TRS or WOG to an unrelated third party who is financially responsible of a controlling interest in WCO or the Community, and (ii) the assumption by such purchaser of all of Welltower's obligations hereunder pursuant to an instrument of assumption.
6. The benefits of this Agreement of Undertaking shall inure to the successors and assigns of the parties hereto. Except as provided in Section 5 hereof, Welltower may not assign its obligations hereunder, but nothing contained herein shall preclude Welltower from becoming a party to any merger, consolidation, sale of assets, or other corporate reorganization in which event any corporation succeeding to the business or substantially all of the assets of Welltower shall become and remain liable hereunder.
7. All rights, duties, benefits and privileges arising hereunder shall be construed according to the laws of the State of Maryland.

IN WITNESS WHEREOF, Welltower and WCO have caused this Agreement of Undertaking to be executed by their duly authorized officers and attested as of the date and year first above written.

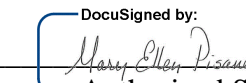
WELLTOWER INC.

By  \_\_\_\_\_  
Authorized Signatory

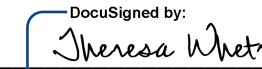
ATTEST:

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WELLTOWER CCRC OPCO LLC

By  \_\_\_\_\_  
Authorized Signatory

ATTEST:

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609F0D94127542A...

***EXHIBIT E***

**FACILITIES OPERATED BY WELLTOWER CCRC OPCO LLC**

**Facility**

**Description**

**Bedford Court**

3701 International Drive  
Silver Spring, MD 20906

Assisted Living  
Skilled Nursing  
Continuing Care Retirement Community

**The Colonnades**

2600 Barracks Road  
Charlottesville, VA 22901

Assisted Living  
Skilled Nursing  
Continuing Care Retirement Community