

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended DECEMBER 31, 2001 Commission File No. 1-8923

HEALTH CARE REIT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 34-1096634
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

One SeaGate, Suite 1500, Toledo, Ohio 43604
(Address of principal executive office) (Zip Code)

(419) 247-2800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Common Stock, \$1.00 par value	New York Stock Exchange
8.875% Series B Cumulative Redeemable Preferred Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months; and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. [X]

The aggregate market value of voting common stock held by non-affiliates of the Registrant on March 21, 2002 was \$925,794,000 based on the reported closing sales price of such shares on the New York Stock Exchange for that date. As of March 21, 2002, there were 33,947,137 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the annual stockholders' meeting to be held May 2, 2002, are incorporated by reference into Part III.

HEALTH CARE REIT, INC.
2001 FORM 10-K ANNUAL REPORT

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PART I

ITEM 1. BUSINESS

GENERAL

Health Care REIT, Inc. (the "Company") is a self-administered, equity real estate investment trust that invests in health care facilities, primarily skilled nursing and assisted living facilities. The Company also invests in specialty care facilities. As of December 31, 2001, long-term care facilities, which include skilled nursing and assisted living facilities, comprised approximately 93% of the investment portfolio. Founded in 1970, the Company was the first real estate investment trust to invest exclusively in health care facilities.

As of December 31, 2001, the Company had \$1,231,850,000 of real estate investments, inclusive of credit enhancements, in 214 facilities located in 33 states and managed by 38 different operators. At that date, the portfolio included 150 assisted living facilities, 57 skilled nursing facilities, and seven specialty care facilities. At December 31, 2001, the Company had approximately \$35,000,000 in unfunded commitments.

The Company's primary objectives are to protect stockholders' capital and enhance stockholder value. The Company seeks to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments from annual increases in rental and interest income and portfolio growth. To meet these

objectives, the Company invests primarily in long-term care facilities managed by experienced operators and diversifies its investment portfolio by operator and geographic location.

The Company anticipates investing in additional health care facilities through operating lease arrangements with, and mortgage loans for, qualified health care operators. Capital for future investments may be provided by borrowing under the Company's revolving credit facilities, public offerings or private placements of debt or equity, and the assumption of secured indebtedness.

PORTFOLIO OF PROPERTIES

The following table shows the Company's portfolio as of December 31, 2001:

Type of Facility	Investments (1) (In thousands)	Percentage of Portfolio	Number of Facilities	Number of Beds/Units	Investment Per Bed/Unit (2)	Number of Operators (3)	Number of States (3)
Assisted Living Facilities	\$ 774,285	63%	150	9,841	\$ 78,859	24	30
Skilled Nursing Facilities	369,253	30%	57	7,933	46,547	15	15
Specialty Care Facilities	88,312	7%	7	1,305	67,672	4	3
Totals	\$1,231,850	100%	214	19,079			

(1) Investments include real estate investments and credit enhancements which amounted to \$1,220,425,000 and \$11,425,000, respectively.

(2) Investment Per Bed/Unit was computed by using the total investment amount of \$1,233,614,000 which includes real estate investments, credit enhancements, and unfunded commitments for which initial funding has commenced which total \$1,220,425,000, \$11,425,000 and \$1,764,000, respectively.

(3) The Company has investments in properties located in 33 states and managed by 38 different operators.

ASSISTED LIVING FACILITIES

Assisted living facilities provide personal care services to assist in activities of daily living, such as bathing, meals, security, transportation, recreation, medication supervision and limited therapeutic programs. More intensive medical needs of the resident within assisted living facilities may be provided by home health providers through close coordination with the resident's physician and skilled nursing facilities. Assisted living facilities represent lower cost, less institutional alternatives for the care of the elderly or medically frail.

SKILLED NURSING FACILITIES

Skilled nursing facilities provide inpatient skilled nursing and personal care services as well as rehabilitative, restorative and transitional medical services. In some instances, nursing facilities supplement hospital care by providing specialized care for medically complex patients whose conditions require intense medical and therapeutic services, but who are medically stable enough to have these services provided in facilities that are less expensive than acute care hospitals.

SPECIALTY CARE FACILITIES

Specialty care facilities provide specialized inpatient services for specific illnesses or diseases including, among others, coronary and cardiovascular services and behavioral care. Specialty care facilities are lower cost alternatives to acute care hospitals.

INVESTMENTS

The Company invests in income producing health care facilities with a primary focus on long-term care facilities, which include skilled nursing facilities and assisted living facilities. The Company also invests in specialty care facilities. The Company diversifies its investment portfolio by operator and geographic location.

In determining whether to invest in a facility, the Company focuses on: (a) the experience of the management team of that operator; (b) the historical and projected financial and operational performance of the facility; (c) the credit of the borrower or lessee; (d) the security for the lease or loan; and (e) the capital committed to the facility by the borrower or lessee. Management conducts market research and analysis for all potential investments. In addition, Management reviews the value of all facilities, the interest rates and debt service coverage requirements of any debt to be assumed and the anticipated sources for repayment for such debt.

The Company's investments are primarily operating lease transactions and mortgage loans. Construction financing is provided, but only as a part of a operating lease or mortgage loan. Substantially all of the Company's investments are designed with escalating rate structures. The Company's policy is to structure long term investments to maximize returns. Depending upon market conditions, the Company believes that appropriate new investments will be available in the future with substantially the same spreads over its costs of borrowing.

Operating leases and mortgage loans are normally secured by guarantees and/or letters of credit. In addition, the leases and loans are generally cross-defaulted and the loans are cross-collateralized with other mortgage loans, leases, or agreements between the Company and the operator and its affiliates.

At December 31, 2001, 75% of the operating leases were subject to master leases. By structuring investments with an operator as a master lease, the operator must exercise all rights to purchase the facility or to renew or terminate the lease with respect to all leased properties included in the master lease. This structure is believed to provide protection for the Company in the event the operator seeks bankruptcy protection. The Company is in the process of converting certain additional leases with existing operators to master leases. If completed, the percentage of the Company's lease portfolio structured as master leases would increase to approximately 81%.

The Company typically invests in or finances up to 90% of the appraised value of a property. Economic terms normally include annual rate increases and fair market value based purchase options in operating leases.

The Company monitors its investments through a variety of methods, which are determined by the type of health care facility and operator. The monitoring process includes a review and analysis of facility, borrower or lessee, and guarantor financial statements; periodic site visits; property reviews; and meetings with operators. Such reviews of operators and facilities generally encompass licensure and regulatory compliance materials and reports, contemplated building improvements and other material developments.

OPERATING LEASES

Each facility, which includes the land, buildings, improvements and related rights (the "Leased Properties") owned by the Company is leased to an operator pursuant to a long-term lease (collectively, the "Leases"). The Leases generally have a fixed term of 10 to 15 years and contain multiple five to 10-year renewal options. Each Lease is a triple net lease requiring the lessee to pay rent and all additional charges incurred in the operation of the Leased Property. The lessees are required to repair, rebuild and maintain the Leased Properties.

The net value of the Company's completed leased properties aggregated approximately \$956,851,000 at December 31, 2001. The base rents range from approximately 7.2% to 15.5% per annum of the Company's net book value in the leased properties. The rental yield to the Company from Leases depends upon a number of factors, including the initial rent charged, any rental adjustments and the amount of the commitment fee charged at the inception of the transaction. The base rents for the renewal periods are generally fixed rents set at a spread above the Treasury yield for the corresponding period.

MORTGAGE LOANS

The Company's investments in mortgage loans are typically structured to provide the Company with interest income, principal amortization and commitment fees and are secured by a first mortgage lien.

The interest rates range from 8.1% to 15.0% per annum on the outstanding loan balances. The yield to the Company on mortgage loans depends upon a number of factors, including the stated interest rate, average principal amount outstanding during the term of the loan, the amount of the commitment fee charged at the inception of the loan and any interest rate adjustments.

The mortgage loans made through December 31, 2001, are generally subject to seven to 10-year terms with 25-year amortization schedules that provide for a balloon payment of the outstanding principal balance at the end of the term. Generally, the mortgage loans provide five to seven years of prepayment protection.

CONSTRUCTION FINANCING

The Company provides funding for construction of a facility subject to a long-term operating lease or mortgage loan upon the completion of the facility. Generally, the rates on the outstanding balances of the Company's construction financings are 225 to 350 basis points over the prime rate of a specified financial institution. The Company also typically charges a commitment fee at the commencement of the financing. The construction period commences upon funding and terminates upon the earlier of the completion of development of the applicable facility or the end of a specified period, generally 12 to 18 months. During the construction period, funds are advanced pursuant to draw requests made by the operator in accordance with agreed upon terms and conditions which require, among other things, a site visit by a Company representative prior to the advancement of funds. Monthly payments are made on the total amount of the proceeds advanced during the development period.

During the construction period, the Company generally requires additional security and collateral in the form of either payment and performance bonds and/or completion guarantees by either one, or a combination of, the operator's parent entity, other affiliates of the operator, or one or more of the individual principals of the operator.

At December 31, 2001, the Company had no construction investments.

SUBDEBT INVESTMENTS

Subdebt investments represent debt instruments in operators of facilities that have been financed by the Company. Generally, these instruments are for five to seven-year terms with interest at 11% to 15%. At December 31, 2001, the Company had provided subdebt financing to four operators.

EQUITY INVESTMENTS

Management determines the appropriate classification of an equity investment at the time of acquisition and reevaluates such designation as of each balance sheet date. At December 31, 2001, included in equity investments are the common stock of a corporation, and ownership representing a 31% interest in Atlantic Healthcare Finance L.P., a property investment group that specializes in the financing, through sale and leaseback transactions, of nursing and care homes located in the United Kingdom.

BORROWING POLICIES

The Company may place long-term indebtedness through banks, private placements to institutional investors, or public offerings. For short-term purposes, the Company may, from time to time, obtain lines of credit or other short-term borrowings from banks or others.

In addition, the Company may incur mortgage indebtedness on real estate that it has acquired through purchase, foreclosure or otherwise. When terms are deemed favorable, the Company may invest in properties subject to existing loans and mortgages. In addition, the

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Company may obtain financing for unleveraged properties in which it has invested or may refinance properties acquired on a leveraged basis.

Under documents pertaining to existing indebtedness, the Company is subject to various restrictions with respect to secured and unsecured indebtedness.

COMPETITION

The Company competes with other real estate investment trusts, real estate partnerships, banks, insurance companies and other investors in the acquisition, leasing and financing of health care facilities.

The operators of the facilities compete on a local and regional basis with operators of facilities that provide comparable services. Operators compete for patients and residents based on a number of factors including quality of care, reputation, physical appearance of facilities, services offered, family preferences, physicians, staff and price.

EMPLOYEES

As of December 31, 2001, the Company employed 24 full-time employees.

CERTAIN GOVERNMENT REGULATIONS

MEDICARE AND MEDICAID PAYMENT PROGRAMS

The Company invests in assisted living facilities ("ALFs"), which constitute approximately 63% of investments, nursing facilities ("NFs") (approximately 30% of investments), and specialty care facilities that provide inpatient and outpatient services in specific areas such as physical rehabilitation, behavioral care and cardiac care ("SCFs"). NFs and SCFs receive a substantial portion of their revenues from the federal Medicare program and state Medicaid programs. Medicare does not pay for ALF services. Medicaid funding is available for assisted living services in many states through various Medicaid waiver provisions. The Medicaid waiver funding is limited and not typically a substantial portion of the revenues of an ALF.

The amount of Medicare and Medicaid program payments can be changed by legislative or regulatory actions and by determinations of program agents. Since Medicaid programs are funded by both the state government and the federal government, Medicaid payments can be affected by changes at either the state or federal level. There is no assurance that payments under these programs will remain comparable to present levels or be adequate to cover the costs of care.

Substantial reductions in payments to NFs and SCFs could impact their ability to make rent or loan payments when due unless the facilities make operational changes that reduce expenses. Such operational changes may not be possible because of regulatory requirements or may adversely impact the quality of care and the ability to attract prospective residents and patients.

Legislation adopted in 1999 and 2000 increased Medicare payments to NFs and SCFs. Section 101 of the Balanced Budget Relief Act of 1999 ("BBRA") included a 20% increase for 15 of the Resource Utilization Groups (RUGs) and a 4% across-the-board increase of the adjusted federal per diem payment rate. The 20% increase was implemented in April 2000 and will remain in effect until the implementation of refinements in the current RUG case-mix classification system to more accurately estimate the cost of non-therapy ancillary services. The 4% increase was implemented in April 2000 and will remain in effect until September 30, 2002.

The Benefits Improvement and Patient Protection Act of 2000 ("BIPA") included a 16.66% increase in the nursing component of the case-mix adjusted federal periodic payment rate and a 6.7% increase in the 14 RUG payments for rehabilitation therapy services. The 16.66% increase was implemented in April 2000 and will remain in effect until September 30, 2002. The 6.7% increase is an adjustment to the 20% increase granted in the BBRA and spreads the funds directed at 3 of those 15 RUGs to an additional 11 rehabilitation RUGs. The increase was implemented in April 2001 and will remain in effect until the implementation of refinements in the current RUG case-mix classification system.

Due to the temporary nature of these payment increases, there is no assurance that federal reimbursement will remain at levels comparable to the present levels or that such reimbursement will be sufficient to cover all the operating and fixed costs necessary to care for Medicaid and Medicare patients. In addition, the Medicare Payment Advisory Commission, an independent federal body established by the Balanced Budget Act of 1997, has recommended that the 4% increase implemented in BBRA and the 16.66% increase implemented in BIPA be allowed to expire September 30, 2002. If the 4% and 16.66% increases are not extended beyond their scheduled expiration, the Centers for Medicare and Medicaid Services ("CMS") estimates that Medicare reimbursement will decrease by approximately 10% from the amount that would otherwise be paid in fiscal 2003. Reimbursement could be further reduced when CMS completes its RUG refinement due to the termination of the 20% and 6.7% increases. However, the Medicare Payment Advisory Commission ("MedPAC") has recommended that the 20% and 6.7% increases be folded into the base rate upon the completion of the RUG refinement. The expiration of any of the BBRA and BIPA increases could have an adverse impact on the revenues of the operators of nursing facilities and would negatively impact their ability to satisfy their monthly lease or debt payments to us.

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MedPAC has also recommended that the annual update in rates for Federal Fiscal 2003 be 0% for free-standing nursing facilities and 10% for hospital-based nursing facilities.

Nursing Facilities - Payment Systems

Medicare and Medicaid programs historically reimbursed NFs for the costs incurred in providing services (subject to certain cost ceilings). However, Medicare and most state Medicaid programs have adopted payment systems that are based on rates determined before the care is rendered ("prospective rates"). For this reason, a nursing facility's ability to operate profitably now depends on the efficiency of its operations. Many publicly-owned NFs negatively impacted by these changes have sought bankruptcy protection.

MEDICARE. In 1998, the Medicare cost-based reimbursement system was replaced by a federal per diem rate based on the resident's condition, to be phased in over three years. New facilities were immediately paid based on the federal per diem rate. The new per diem rate is the sole payment for direct nursing care, ancillary services and capital costs.

MEDICAID. Until 1997, state Medicaid programs were required to pay NFs and SCFs rates that were reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities in order to provide services in accordance with legal requirements and to assure reasonable access to patients. This law, which restricted the ability of the states to reduce Medicaid payments, was repealed in 1997. Under the new law, states need only publish the methodology used to develop the proposed rates, along with a justification for the methodology, and allow public comment. Most states have adopted a system based on prospective rates. An August 2001 analysis prepared by BDO Seidman, LLP concluded that the gap between the costs of care to NF residents and state Medicaid payments for that care is increasing. The analysis cited several reasons, including increased pressure on state budgets caused by a softening economy and increased Medicaid utilization and escalating costs of care.

Specialty Care Facilities - Payment Systems

Medicare and Medicaid payment methodologies for SCFs vary. Acute care specialty hospitals are typically paid a fixed amount per discharge (based on the patient's diagnosis) for inpatient services.

Behavioral facilities are paid by Medicare on a cost basis, subject to limitations based on a "target amount" per discharge. The target amount is based on updates to the facility's costs per discharge in a base year. Medicare payment rules were changed effective October 1, 1997, to further limit reimbursable costs, reduce payment incentives for providers whose costs are below the target amount and reduce capital-related payments by 15%. The target amount was capped at the 75th percentile of the target amounts for facilities of the same type. For new facilities, the target is 110% of the median costs per discharge of similar facilities. In addition, the target amount update is set at 0% for federal fiscal 1998. Depending on how the facility's costs per discharge compare to its target amount, annual increases range from 0% to the "market basket" percentage reflecting the inflation rate for costs of items purchased by similar facilities.

Rehabilitation facilities have been paid by Medicare on the same basis as behavioral facilities. However, a new system is currently being implemented under which payments will be based on fixed rates per discharge that vary according to the nature of the patient's condition. The new system is being phased in over three years beginning with the cost reporting year commencing after January 1, 2002.

OTHER MEDICARE AND MEDICAID PROGRAM CONSIDERATIONS

Medicare and Medicaid agencies routinely perform retrospective audits to confirm that the amounts claimed by and paid to health care facilities are supported by adequate documentation of the factors affecting the amount of payment, such as the patient's condition. If any amount is determined to be unsupported, the facility is required to repay the program and the amounts can be deducted from current payments to the facility. This can result in a sudden loss of cash flow. In some cases, it may be necessary for the Company to make additional advances to the facility to prevent the facility from closing and jeopardizing the Company's investment.

Federal and state laws prohibit facilities from charging Medicare and Medicaid for services that do not satisfy program requirements. The Medicare and Medicaid laws also prohibit the failure to refund overpayments when discovered, certain payments to physicians and other parties who influence purchases of health care services and the provision of unnecessary services. Penalties for violations may include criminal penalties and/or exclusion of the facility from participation in Medicare and Medicaid programs. In addition, substantial civil monetary penalties may be imposed for improper billings if the facility acted in reckless disregard or deliberate ignorance of program rules.

Health care facilities that participate in Medicare or Medicaid must meet extensive program requirements, including physical plant and operational requirements, which are revised from time to time. Such requirements may include

a duty to admit Medicare and Medicaid patients, limiting the ability of the facility to increase its private pay census beyond certain limits. Medicare and Medicaid certified facilities are regularly inspected to determine compliance. Sanctions for failure to meet program requirements may include exclusion from the program or a prohibition on new admissions of program beneficiaries until the failures are corrected. These sanctions may be imposed without a prior hearing in some cases.

Under the Medicare program, "peer review organizations" have been established to review the quality and appropriateness of care rendered by health care providers. These organizations may not only deny claims that fail to meet their criteria, but can also fine and/or recommend termination of participation in the program.

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Changes in the Medicare and Medicaid programs will likely result in increased use of "managed care" organizations to meet the needs of program beneficiaries. These organizations selectively contract with health care facilities, resulting in some facilities being excluded from the ability to serve program beneficiaries.

CERTAIN GOVERNMENT REGULATIONS AFFECTING HEALTH CARE FACILITIES

NFs, SCFs and (in some states) ALFs must comply with state licensing requirements and with the requirements of municipal building codes, health codes, and local fire departments. In granting and renewing a facility's license, the licensure agency considers, among other things, the building and equipment, the number and qualifications of the administrative personnel and clinical staffs, the quality of health care programs and compliance with applicable laws. Failure to meet these requirements can result in the imposition of sanctions, including admission bans, fines, penalties and closure of a facility.

Regulatory requirements may be changed from time to time. Some changes including increased staffing requirements, may negatively impact operating revenues or costs and thereby affect the ability of the operator to pay rent, interest or principal.

Most states require NFs and SCFs to obtain a "certificate of need" before opening a new inpatient health care facility. Most states, however, do not require ALFs to obtain a "certificate of need." Once a facility closes, it may be unable to reopen without obtaining a new certificate of need, which may be impossible to obtain. In 1987, a federal law that required states to have certificate of need programs was repealed. As a result, some states have repealed these requirements, resulting in increased competition, and other states are considering similar repeals.

Federal and state laws prohibit misrepresentations in billings for health care facility services and certain payments to physicians and other parties who influence the purchase of health care services, whether or not the payor is a governmental health care program.

TAXATION

FEDERAL INCOME TAX CONSEQUENCES

This discussion is for general information only and is not tax advice. The information in this section is based on the Internal Revenue Code of 1986, as amended ("Code"), current, temporary and proposed Treasury Regulations thereunder, the legislative history of the Code, current administrative interpretations and practices of the Internal Revenue Service (including its practices and policies as endorsed in private letter rulings, which are not binding on the Internal Revenue Service except with respect to a taxpayer that receives such a ruling), and court decisions, all as of the date hereof. Future legislation, Treasury Regulations, administrative interpretations or court

decisions could significantly change the current law or adversely affect existing interpretations of current law. Any such change could apply retroactively to transactions preceding the date of the change. This summary does not address all aspects of taxation that may be relevant to certain types of stockholders (including, but not limited to, insurance companies, tax-exempt entities, financial institutions or broker-dealers, and foreign corporations and persons who are not citizens or residents of the United States).

Each investor is advised to consult its own tax advisor regarding the tax consequences of the acquisition, ownership and sale of the shares, including the federal, state, local, foreign and other tax consequences of such acquisition, ownership, sale, and potential changes in applicable tax laws.

General

We elected to be taxed as a REIT under Sections 856 through 860 of the Code, commencing with our first fiscal year. We intend to remain qualified as a REIT, but there is no guarantee that we will qualify or remain qualified as a REIT for subsequent years. Qualification as a REIT depends upon the Company's ability to meet, through actual annual operating results, various asset composition, distribution level, diversity of share ownership, and qualification tests imposed under the Code and Treasury Regulations and discussed below under "--Qualification as a REIT". In particular, qualification for REIT status under current laws requires compliance with certain complex limitations on the type and amount of income a REIT can receive and the type of assets a REIT can own. However, there can be no assurance that we will qualify or remain qualified.

In any year in which we qualify as a REIT, in general, we will not be subject to federal income tax on that portion of our REIT taxable income or capital gain which is distributed to stockholders. We may, however, be subject to tax at normal corporate rates upon any taxable income or capital gain not distributed. If we elect to retain and pay income tax on our net long-term capital gain, stockholders are required to include their proportionate share of our undistributed long-term capital gain in income but receive a credit for their share of any taxes paid on such gain by us.

Despite the REIT election, we may be subject to federal income and excise tax as follows: (i) we will be taxed at regular corporate rates on our undistributed REIT taxable income, including undistributed net capital gains; (ii) we may be subject to the "alternative minimum tax" on certain items of tax preference if that tax exceeds our regular tax; (iii) if we have net income from the sale or other disposition of "foreclosure property" that is held primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, such income will be subject to tax at the highest corporate rate on such income; (iv) any

net income from prohibited transactions (which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than dispositions of foreclosure property and dispositions of property due to an involuntary conversion) will be subject to a 100% tax; (v) if we fail to satisfy either the 75% or 95% gross income tests (as discussed below), but nonetheless maintain our qualification as a REIT because certain other requirements are met, we will be subject to a 100% tax on an amount equal to (a) the gross income attributable to the greater of the amounts by which we failed the 75% or 95% test, multiplied by (b) a fraction intended to reflect our profitability; (vi) if we fail to distribute during each year at least the sum of (a) 85% of our REIT ordinary income for such year, (b) 95% of our REIT capital gain net income for such year (other than capital gain that we elect to retain and pay tax on) and (c) any undistributed taxable income from preceding periods, we will be subject to 4% excise tax on the excess of such required distribution over the amounts actually distributed, and (vii) we will also be subject to a tax of 100% on the amount of any rents from real property, deductions or excess interest paid to us by any of our "taxable REIT subsidiaries" that would be reduced through reapportionment under section 482 of

the Code in order to more clearly reflect income of the taxable REIT subsidiary. A taxable REIT subsidiary is any corporation for which a joint election has been made by a REIT and such corporation to treat such corporation as a taxable REIT subsidiary with respect to such REIT.

If we acquire any assets from a taxable "C" corporation in a carryover basis transaction, we could be liable for specified liabilities that are inherited from the "C" corporation. If we recognize gain on the disposition of such assets during the 10-year period beginning on the date on which such assets were acquired by us, then to the extent of such assets' "built-in gain" (i.e., the excess of the fair market value of such asset at the time of the acquisition by us over the adjusted basis in such asset, determined at the time of such acquisition), we will be subject to tax on such gain at the highest regular corporate rate applicable. This treatment of the recognition of built-in gain assumes that we made or will make (or will be deemed to make) an election pursuant to Notice 88-19 or Treasury Regulations that were promulgated in 2000 and 2001 with respect to any assets acquired from a "C" corporation in a carryover basis transaction.

Qualification as a REIT

A REIT is defined in the Code as a corporation, trust or association: (1) which is managed by one or more trustees or directors; (2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest; (3) which would be taxable as a domestic corporation but for Sections 856 through 860 of the Code; (4) which is neither a financial institution nor an insurance company; (5) the beneficial ownership of which is held by 100 or more persons in each taxable year of the REIT except for its first taxable year; (6) not more than 50% in value of the outstanding stock of which is owned during the last half of each taxable year, excluding the REIT's first taxable year, directly or indirectly, by or for five or fewer individuals (as defined in the Code to include certain entities) (the "Five or Fewer Requirement"); and (7) which meets certain income and asset tests described below. Conditions (1) to (4), inclusive, must be met during the entire taxable year and condition (5) must be met during at least 335 days of a taxable year of 12 months or during a proportionate part of a taxable year of less than 12 months. For purposes of conditions (5) and (6), pension funds and certain other tax-exempt entities are treated as individuals, subject to a "look-through" exception in the case of condition (6).

As of December 31, 2001, based on publicly available information, we satisfied the share ownership requirements set forth in (5) and (6) above. In addition, our Amended and Restated By-Laws provide for restrictions regarding ownership and transfer of shares. These restrictions are intended to assist us in continuing to satisfy the share ownership requirements described in (5) and (6) above. These ownership and transfer restrictions are described in Article VI of the By-Laws. These restrictions, however, may not ensure that we will, in all cases, be able to satisfy the share ownership requirements described in (5) and (6) above.

We have complied with, and will continue to comply with, regulatory rules to send annual letters to certain of our stockholders requesting information regarding the actual ownership of our stock. If despite sending the annual letters, we do not know, or after exercising reasonable diligence would not have known, whether we failed to meet the Five or Fewer Requirement, we will be treated as having met the requirement described in condition (6) above. If we failed to comply with these regulatory rules, we would be subject to monetary damages. If our failure to comply was due to intentional disregard of the requirement, the penalty is increased. However, if our failure to comply were due to reasonable cause and not willful neglect, no penalty would be imposed.

We may own and operate a number of properties through wholly owned subsidiaries. Code Section 856(i) provides that a corporation which is a "qualified REIT subsidiary" shall not be treated as a separate corporation, and all assets, liabilities and items of income, deductions, and credit of a "qualified REIT subsidiary" will be treated as assets, liabilities and items (as the case may be) of the REIT. Thus, in applying the requirements described in this Code Section, the assets, liabilities and items of income, deduction and credit of

our qualified REIT subsidiaries will be treated as our assets, liabilities and items. If we invest in a partnership, a limited liability company or a trust taxed as a partnership or as a disregarded entity, we will be deemed to own a proportionate share of the partnership's limited liability company's or trust's assets. Likewise, we will be treated as receiving our share of the income and loss of the partnership, limited liability company or trust, and the gross income will retain the same character in our hands as it has in the hands of the partnership, limited liability company or trust. These "look-through" rules apply for purposes of the income tests and assets tests described below.

INCOME TESTS. There are two separate percentage tests relating to our sources of gross income that we must satisfy for each taxable year. First, at least 75% of our gross income (excluding gross income from certain sales of property held primarily for sale) must be directly or indirectly derived each taxable year from "rents from real property," other income from investments relating to real

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property or mortgages on real property, or certain income from qualified temporary investments. Second, at least 95% of our gross income (excluding gross income from certain sales of property held primarily for sale) must be directly or indirectly derived each taxable year from any of the sources qualifying for the 75% test and from dividends, interest, gain from the sale or disposition of stock securities, and payments to us under an interest rate swap, cap agreement, option, futures contract, forward rate agreement or any similar financial instrument entered into by us to hedge indebtedness incurred or to be incurred.

Rents received by us will qualify as "rents from real property" for purposes of satisfying the gross income tests for a REIT only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person, although rents generally will not be excluded merely because they are based on a fixed percentage or percentages of receipts or sales. Second, rents received from a tenant will not qualify as "rents from real property" if the REIT, or an owner of 10% or more of the REIT, also directly or constructively owns 10% or more of such tenant unless the tenant is a taxable REIT subsidiary of ours and certain other requirements are met with respect to the real property being rented. Third, if rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as "rents from real property." Finally, for rents received to qualify as rents from real property, we generally must not furnish or render services to tenants, other than through a taxable REIT subsidiary or an "independent contractor" from whom we derive no income, except that we may directly provide services that are "usually or customarily rendered" in the geographic area in which the property is located in connection with the rental of real property for occupancy only, or are not otherwise considered "rendered to the occupant for his convenience." For taxable years beginning after August 5, 1997, a REIT has been permitted to render a de minimis amount of impermissible services to tenants and still treat amounts received with respect to that property as rent from real property. The amount received or accrued by the REIT during the taxable year for the impermissible services with respect to a property may not exceed 1% of all amounts received or accrued by the REIT directly or indirectly from the property. The amount received for any service or management operation for this purpose shall be deemed to be not less than 150% of the direct cost of the REIT in furnishing or rendering the service or providing the management or operation. Furthermore, impermissible services may be furnished to tenants by a taxable REIT subsidiary subject to certain conditions, and we may still treat rents received with respect to the property as rent from real property.

The term "interest" generally does not include any amount if the determination of such amount depends in whole or in part on the income or profits of any person, although an amount generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage of receipts or sales.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for such year if we are eligible for relief under certain provisions of the Code. These relief provisions will be generally available if our failure to meet such tests was due to reasonable cause and not due to willful neglect, we attach a schedule of the sources of our income to our return, and any incorrect information on the schedule was not due to fraud with intent to evade tax. It is not now possible to determine the circumstances under which we may be entitled to the benefit of these relief provisions. If these relief provisions apply, a 100% tax is imposed on an amount equal to (a) the gross income attributable to the greater of the amount by which we failed the 75% or 95% test, multiplied by (b) a fraction intended to reflect our profitability.

ASSET TESTS. At the close of each quarter of our taxable year, we must also satisfy several tests relating to the nature and diversification of our assets determined in accordance with generally accepted accounting principles. At least 75% of the value of our total assets must be represented by real estate assets, cash, cash items (including receivables arising in the ordinary course of our operation), government securities and qualified temporary investments. Although the remaining 25% of our assets generally may be invested without restriction, we are prohibited from owning securities representing more than 10% of either the vote or value of the outstanding securities of any issuer other than a qualified REIT subsidiary, another REIT or a taxable REIT subsidiary (the "10% test"). Further, no more than 20% of the total assets may be represented by securities of one or more taxable REIT subsidiaries and no more than 5% of the value of our total assets may be represented by securities of any non-governmental issuer other than a qualified REIT subsidiary, another REIT or a taxable REIT subsidiary. Each of the 10% vote and value test and the 20% and 5% asset tests must be satisfied at the end of any quarter. There are special rules which provide relief if the value related tests are not satisfied due to changes in the value of the assets of a REIT.

ANNUAL DISTRIBUTION REQUIREMENTS. We are, in order to avoid being taxed as a regular corporation, required to make distributions (other than capital gain distributions) to our stockholders which qualify for the dividends paid deduction in an amount at least equal to (A) the sum of (i) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and our net capital gain) and (ii) 90% of the after-tax net income, if any, from foreclosure property, minus (B) a portion of certain items of non-cash income. Such distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for such year and if paid on or before the first regular distribution payment after such declaration. To the extent that we do not distribute all of our net capital gain or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates. Finally, as discussed above, we may be subject to an excise tax if we fail to meet certain other distribution requirements. We intend to make timely distributions sufficient to satisfy these annual distribution requirements.

It is possible that we, from time to time, may not have sufficient cash or other liquid assets to meet the 90% distribution requirement, or to distribute such greater amount as may be necessary to avoid income and excise taxation, due to, among other things, (a) timing differences between (i) the actual receipt of income and actual payment of deductible expenses and (ii) the inclusion of such income

and deduction of such expenses in arriving at our taxable income, or (b) the payment of severance benefits that may not be deductible to us. In the event that such timing differences occur, we may find it necessary to arrange for borrowings or, if possible, pay dividends in the form of taxable stock dividends in order to meet the distribution requirement.

Under certain circumstances, in the event of a deficiency determined by the Internal Revenue Service, we may be able to rectify a resulting failure to meet the distribution requirement for a year by paying "deficiency dividends" to stockholders in a later year, which may be included in our deduction for distributions paid for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as deficiency distributions; however, we will be required to pay applicable penalties and interest based upon the amount of any deduction taken for deficiency distributions.

Failure to Qualify as a Real Estate Investment Trust

If we fail to qualify for taxation as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible nor will any particular amount of distributions be required to be made in any year. All distributions to stockholders will be taxable as ordinary income to the extent of current and accumulated earnings and profits allocable to such distributions and, subject to certain limitations, will be eligible for the dividends received deduction for corporate stockholders. Unless entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances we would be entitled to such statutory relief. Failure to qualify for even one year could result in our need to incur indebtedness or liquidate investments in order to pay potentially significant resulting tax liabilities.

Federal Income Taxation of Stockholders

GENERAL. So long as we qualify for taxation as a REIT, distributions on shares of common stock to a stockholder made out of the current or accumulated earnings and profits allocable thereto (and not designated as capital gain dividends) will be includable by such stockholder as ordinary income for federal income tax purposes. None of these distributions will be eligible for the dividends received deduction for stockholders that are corporations. Distributions that are designated as capital gain dividends will be taxed as long-term capital gains (to the extent they do not exceed our actual net capital gain for the taxable year), without regard to the period for which the stockholder has held its shares of common stock. However, corporate stockholders may be required to treat up to 20% of some capital gain dividends as ordinary income.

If we elect to retain and pay income tax on any net long-term capital gain, stockholders would include in income, as long-term capital gain, their proportionate share of such net long-term capital gain. A stockholder would also receive a refundable tax credit for its proportionate share of the tax paid by us on such retained capital gains and an increase in its basis in the shares of common stock in an amount equal to the stockholder's includable capital gains less its share of the tax deemed paid.

Stockholders may not include in their individual federal income tax returns any of our net operating losses or capital losses. Federal income tax rules may also require that certain minimum tax adjustments and preferences be apportioned to our stockholders. In addition, any distribution declared by us in October, November or December of any year payable to a stockholder of record on a specified date in any such month shall be treated as both paid by us and received by the stockholder on December 31 of such year, provided that the distribution is actually paid by us no later than January 31 of the following year.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed under "--General", above, and "--Qualification as a REIT - Annual Distribution Requirements" above. As a result, stockholders may be required to treat as taxable dividends certain distributions that would otherwise result in a tax-free return of capital. Moreover, any "deficiency dividend" will be treated as a dividend (an ordinary dividend or a capital gain dividend, as the case may be), regardless of our earnings and profits. Any other distributions in excess of current or

accumulated earnings and profits will be not taxable to a stockholder to the extent such distributions do not exceed the adjusted basis of such stockholder's shares of common stock. Stockholders will be required to reduce the tax basis of their shares of common stock by the amount of such distributions until such basis has been reduced to zero, after which such distributions will be taxable as capital gain, if the shares of common stock are held as a capital asset. The tax basis as so reduced will be used in computing the capital gain or loss, if any, realized upon sale of the shares of common stock. Any loss upon a sale or exchange of shares of common stock which were held for six months or less (after application of certain holding period rules) will generally be treated as a long-term capital loss to the extent such stockholder previously received capital gain distributions with respect to such shares of common stock.

Gain from the sale or exchange of shares held for more than one year is taxed at a maximum long-term capital gain rate, which is currently 20%. Some taxpayers may be eligible for a lower long-term capital gain rate if shares are acquired after December 31, 2000 and held for at least five years. Pursuant to Internal Revenue Service guidance, we may classify portions of our capital gain dividends as gains eligible for the long-term capital gains rate or as unrecaptured Code section 1250 gain taxable to individual stockholders at a maximum rate of 25%.

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TREATMENT OF TAX-EXEMPT STOCKHOLDERS. Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, ("Exempt Organizations"), generally are exempt from federal income taxation. However, they are subject to taxation on their unrelated business taxable income ("UBTI"). While many investments in real estate generate UBTI, the Internal Revenue Service has issued a published revenue ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI, provided that the shares of the REIT are not otherwise used in an unrelated trade or business of the exempt employee pension trust. Based on this ruling, amounts distributed by us to Exempt Organizations generally should not constitute UBTI. However, if an Exempt Organization finances its acquisition of the shares of common stock with debt, a portion of its income from us will constitute UBTI pursuant to the "debt financed property" rules. Likewise, a portion of its income from us would constitute UBTI if we held a residual interest in a real estate mortgage investment conduit. In addition, in certain circumstances, a pension trust that owns more than 10% of our stock is required to treat a percentage of our dividends as UBTI. This rule applies to a pension trust holding more than 10% of our stock only if (i) the percentage of our income that is UBTI (determined as if we were a pension trust) is at least 5%, (ii) we qualify as a REIT by reason of the modification of the Five or Fewer Requirement that allows beneficiaries of the pension trust to be treated as holding shares in proportion to their actuarial interests in the pension trust, and (iii) either (A) one pension trust owns more than 25% of the value of our stock or (B) a group of pension trusts individually holding more than 10% of the value of our stock owns more than 50% of the value of our stock.

SALE, EXCHANGE, OR REDEMPTION OF SHARES. Upon the sale or exchange of any shares of common stock to or with a person other than us or a sale or exchange of all shares of common stock (whether actually or constructively owned) with us, a stockholder will generally recognize capital gain or loss equal to the difference between the amount realized on such sale or exchange and the stockholder's adjusted tax basis in such shares of common stock. Such gain will be capital gain if the stockholder held such shares of common stock as a capital asset.

TAXATION OF FOREIGN STOCKHOLDERS. We will qualify as a "domestically-controlled REIT" so long as less than 50% in value of our shares is held by foreign persons, for example, nonresident aliens and foreign corporations, partnerships, trusts and estates. We do and expect to continue to qualify as a domestically-controlled REIT. Under these circumstances, gain from the sale of shares by a foreign person should not be subject to U.S. taxation, unless such gain is effectively connected with such person's U.S. business or, in the case of an individual foreign person, such person is present within the U.S. for more

than 182 days in such taxable year.

Distribution of cash generated by our real estate operations, but not by the sale or exchange of our capital assets, that are paid to foreign persons generally will be subject to U.S. withholding tax at a rate of 30%, unless an applicable tax treaty reduces that tax and the foreign stockholder files with us the required form evidencing such lower rate or unless the foreign stockholder files an Internal Revenue Code Form W-8ECI with us claiming that the distribution is "effectively connected" income.

Distributions of proceeds attributable to the sale or exchange by us of U.S. real property interests are subject to income and withholding taxes pursuant to the Foreign Investment in Real Property Tax Act of 1980, and may be subject to branch profits tax in the hands of a stockholder which is a foreign corporation if it is not entitled to treaty relief or exemption. We are required by applicable Treasury Regulations to withhold 35% of any distribution to a foreign person that could be designated by us as a capital gain dividend; this amount is creditable against the foreign stockholder's Foreign Investment in Real Property Tax Act liability.

Backup withholding tax and information reporting will generally not apply to distributions paid to foreign stockholders outside the United States that are treated as (i) dividends to which the 30% or lower treaty rate withholding tax discussed above applies; (ii) capital gains dividends; or (iii) distributions attributable to gain from the sale or exchange by us of U.S. real property interests. Payment of the proceeds of a sale of common stock within the United States or conducted through certain U.S. related financial intermediaries is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that he or she is not a U.S. person (and the payor does not have actual knowledge that the beneficial owner is a U.S. person) or the holder otherwise established an exemption. A foreign stockholder may obtain a refund of any amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service.

The federal taxation of foreign persons is a highly complex matter that may be affected by many other considerations. Accordingly, foreign investors should consult their own advisors regarding the income, withholding and estate tax considerations with respect to their investment.

BACKUP WITHHOLDING AND INFORMATION REPORTING. Under certain circumstances, a stockholder may be subject to backup withholding at applicable rates on payments made with respect to, or cash proceeds of a sale or exchange of, shares of common stock. Backup withholding will apply only if the holder (i) fails to furnish the person required to withhold with its taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) is notified by the Internal Revenue Service that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalty or perjury, that it has furnished a correct TIN and has not been notified by the Internal Revenue Service that it is subject to backup withholding for failure to report interest and dividend payments. Backup withholding will not apply with respect to payments made to certain exempt recipients, such as corporations and tax-exempt organizations. A stockholder should consult with a tax advisor regarding qualification for exemption from backup withholding, and the procedure for obtaining such exemption. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to payment to a stockholder will be allowed as a credit against such stockholder's United States federal income tax liability and may entitle such stockholder to a refund, provided that the required information is

provided to the Internal Revenue Service. In addition, withholding a portion of capital gain distributions made to stockholders may be required for stockholders who fail to certify their non-foreign status.

Recent Legislation and Potential Legislation or Other Actions Affecting Tax Consequences

The Tax Relief Extension Act of 1999 included several modifications to the provisions of the Code governing the taxation of real estate investment trusts. Effective for tax years beginning after December 31, 2000, a REIT may not own more than ten percent of the outstanding voting securities of any issuer or more than ten percent of the total value of the outstanding securities of any issuer. Certain types of securities are not subject to these limitations and the limitations do not apply to certain securities owned on or before July 12, 1999. The revised asset limitation test must be satisfied at the end of each calendar quarter. The Company reviewed its investment portfolio for compliance with these new standards, implemented new procedures and restructured as appropriate to enable the Company to continue complying with the asset limitation tests.

Prospective stockholders should recognize that the present federal income tax treatment of an investment in us may be modified by legislative, judicial or administrative action at any time and that any such action may affect investments and commitments previously made. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in federal tax laws and interpretations of these laws could adversely affect the tax consequences of an investment in us.

State, Local and Foreign Taxation

We and our stockholders may be subject to state, local, or foreign taxation in various state, local or foreign jurisdictions, including those in which it or they transact business or reside. Such state, local or foreign taxation may differ from the federal income tax treatment described above. Consequently, prospective investors should consult their own tax advisors regarding the effect of state, local and foreign tax laws on an investment in us.

Subsidiaries and Affiliates

The Company has formed subsidiaries in connection with its real estate transactions. As of March 21, 2002, the Company's wholly-owned subsidiaries consisted of the following entities:

NAME OF SUBSIDIARY -----	STATE OF ORGANIZATION AND TYPE OF ENTITY -----	DATE OF ORGANIZATION -----
HCRI Pennsylvania Properties, Inc.	Pennsylvania corporation	November 1, 1993
HCRI Overlook Green, Inc.	Pennsylvania corporation	July 9, 1996
HCRI Texas Properties, Inc.	Delaware corporation	December 27, 1996
HCRI Texas Properties, Ltd.	Texas limited partnership	December 30, 1996
HCRI Friendship, LLC	Virginia limited liability company	February 21, 1997
HCRI St. Charles, LLC	Virginia limited liability company	February 21, 1997
HCRI Satyr Hill, LLC	Virginia limited liability company	November 24, 1997
Health Care REIT International, Inc.	Delaware corporation	February 11, 1998
HCN Atlantic GP, Inc.	Delaware corporation	February 20, 1998
HCN Atlantic LP, Inc.	Delaware corporation	February 20, 1998
HCRI Nevada Properties, Inc.	Nevada corporation	March 27, 1998
HCRI Southern Investments I, Inc.	Delaware corporation	June 11, 1998
HCRI Louisiana Properties, L.P.	Delaware limited partnership	June 11, 1998
HCN BCC Holdings, Inc.	Delaware corporation	September 25, 1998
HCRI Tennessee Properties, Inc.	Delaware corporation	September 25, 1998
HCRI Limited Holdings, Inc.	Delaware corporation	September 25, 1998
Pennsylvania BCC Properties, Inc.	Pennsylvania corporation	September 25, 1998
HCRI North Carolina Properties, LLC	Delaware limited liability company	December 10, 1999
HCRI Massachusetts Properties, Inc.	Delaware corporation	March 17, 2000
HCRI Massachusetts Properties Trust	Massachusetts trust	March 30, 2000
HCRI Indiana Properties, Inc.	Delaware corporation	June 15, 2000

HCRI Indiana Properties, LLC	Indiana limited liability company	June 16, 2000
HCRI Holdings Trust	Massachusetts trust	September 9, 2000
HCRI Maryland Properties, LLC	Maryland limited liability company	July 19, 2001
HCRI Massachusetts Properties Trust II	Massachusetts trust	September 26, 2001
HCRI Beachwood, Inc.	Ohio corporation	October 11, 2001
HCRI Broadview, Inc.	Ohio corporation	October 11, 2001
HCRI Westlake, Inc.	Ohio corporation	October 11, 2001
HCRI Westmoreland, Inc.	Delaware corporation	October 16, 2001
HCRI Wisconsin Properties, LLC	Wisconsin limited liability company	December 11, 2001
HCRI North Carolina Properties I, Inc.	North Carolina corporation	January 1, 2002
HCRI North Carolina Properties II, Inc.	North Carolina corporation	January 1, 2002
HCRI North Carolina Properties III, Limited Partnership	North Carolina limited partnership	January 1, 2002
HCRI Kentucky Properties, LLC	Kentucky limited liability company	January 7, 2002
HCRI Laurel, LLC	Maryland limited liability company	January 17, 2002

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ITEM 2. PROPERTIES

The Company's headquarters are currently located at One SeaGate, Suite 1500, Toledo, Ohio 43604. The following table sets forth certain information regarding the facilities that comprise the Company's investments as of December 31, 2001:

Facility Location	Number of Facilities	Number of Beds/ Units	(In thousands)	
			Total Investment (1)	Annualized Income (2)
SKILLED NURSING FACILITIES:				
Arizona.....	1	163	\$ 3,693	\$ 413
California.....	1	122	4,778	621
Colorado.....	1	180	5,716	638
Florida.....	9	1,058	61,171	7,362
Idaho.....	3	393	20,443	2,253
Illinois.....	2	212	14,049	1,752
Kentucky.....	1	92	4,001	536
Massachusetts.....	9	1,169	57,244	6,303
Missouri.....	1	98	6,770	762
Ohio.....	5	911	65,444	6,815
Oklahoma.....	2	575	17,749	1,795
Oregon.....	1	101	5,018	558
Pennsylvania.....	4	464	22,495	3,054
Tennessee.....	10	1,273	62,765	7,898
Texas.....	7	1,122	17,917	2,385
Total.....	57	7,933	369,253	43,145
ASSISTED LIVING FACILITIES:				
Alabama.....	2	149	\$ 10,498	\$ 997
Arizona.....	4	464	31,446	3,585
California.....	6	341	37,783	3,824
Colorado.....	1	50	3,890	370
Connecticut.....	1	62	10,673	967
Florida.....	18	914	75,956	8,625
Georgia.....	4	361	35,223	4,133
Illinois.....	2	321	8,746	82
Indiana.....	11	540	48,452	6,101
Louisiana.....	2	209	17,108	2,038
Maryland.....	6	432	46,484	5,483
Massachusetts.....	1	130	10,255	1,210
Minnesota.....	1	78	6,170	724
Montana.....	2	104	9,314	1,157
Nevada.....	3	294	26,893	3,295
New Jersey.....	3	450	31,847	3,914
New Mexico.....	1	77	2,448	233
New York.....	7	775	62,888	7,084
North Carolina.....	9	581	57,697	6,956

Ohio.....	8	664	41,844	5,222
Oklahoma.....	17	586	24,022	3,137
Oregon.....	2	70	9,762	1,149
Pennsylvania.....	4	237	19,924	2,482
South Carolina.....	5	230	19,981	2,358
Tennessee.....	4	194	13,088	1,565
Texas.....	22	1,333	83,325	9,685
Utah.....	1	57	8,252	984
Virginia.....	1	64	2,208	243
Washington.....	1	46	13,682	1,468
Wisconsin.....	1	28	4,427	559
Total.....	150	9,841	774,285	89,630
SPECIALTY CARE FACILITIES:				
California.....	1	254	18,797	2,412
Florida.....	2	294	8,488	792
Massachusetts.....	4	757	61,027	5,069
Total.....	7	1,305	88,312	8,273
TOTAL ALL FACILITIES:.....	214	19,079	\$1,231,850	\$141,048
	===	=====	=====	=====

(1) Investments include real estate investments and credit enhancements which amounted to \$1,220,425,000 and \$11,425,000, respectively.

(2) Reflects contract rate of annual base rent or interest recognized.

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ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following table sets forth, for the periods indicated, the high and low prices of the Company's Common Stock on the New York Stock Exchange, as reported on the Composite Tape and dividends paid per share. There were 4,691 stockholders of record as of December 31, 2001.

	SALES PRICE		DIVIDENDS PAID
	HIGH	LOW	
	----	---	----
2001			
First Quarter.....	\$21.16	\$16.06	\$.585
Second Quarter.....	24.80	20.87	.585
Third Quarter.....	26.25	22.50	.585
Fourth Quarter.....	26.40	24.25	.585

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, the Company's net real estate investments totaled approximately \$1,213,564,000, that included 150 assisted living facilities, 57 skilled nursing facilities and seven specialty care facilities. Depending upon the availability and cost of external capital, the Company anticipates making additional investments in health care related facilities. New investments are funded from temporary borrowings under the Company's line of credit arrangements, internally generated cash and the proceeds derived from asset sales. Permanent financing for future investments, which replaces funds drawn under the line of credit arrangements, is expected to be provided through a combination of private and public offerings of debt and equity securities, and the assumption of secured debt. The Company believes its liquidity and various sources of available capital are sufficient to fund operations, meet debt service and dividend requirements, and finance future investments.

During the previous two years, the underperformance of publicly owned skilled nursing and assisted living companies, combined with the much publicized shift in equity funds flow from income-oriented investments to high-growth opportunities, impaired the stock valuations in the health care REIT sector. In 2001, certain events took place that improved the access to capital for the health care REIT sector. First, several of the publicly owned skilled nursing companies that had previously filed for bankruptcy protection, settled their claims and emerged from bankruptcy. Assisted living construction declined significantly, allowing more of the existing projects to improve their occupancy and stabilize operations. Finally, the broad stock market decline and the drop in interest rates generated renewed interest in income-oriented investments such as REITs. As a result of these factors, the Company was able to access the capital markets during 2001.

In June 2001, the Company issued 3,450,000 shares of common stock, generating net proceeds of \$74,184,000.

In August 2001, the Company issued \$175 million of senior notes, due in 2007 at an effective yield of 7.78%.

During 2001, the Company invested \$181,420,000 in real property, provided permanent mortgage and loan financings of \$18,639,000, made construction advances of \$17,075,000 and funded \$4,084,000 of subdebt investments. As of December 31, 2001, the Company had approximately \$35,000,000 in unfunded commitments.

As of December 31, 2001, the Company had stockholders' equity of \$757,870,000 and a total outstanding debt balance of \$491,216,000, which represents a debt to total capitalization ratio of 0.39 to 1.0.

In January 2001, the Company extended its primary revolving line of credit through March 31, 2003. Under the terms of the extension, the total commitment was reduced from \$175 million to \$150 million and the effective interest rate was adjusted to the lender's prime rate or LIBOR plus 1.50%. As of December 31, 2001, the Company had no borrowings outstanding under the Company's revolving lines of credit. The Company also had a \$25 million unsecured line of credit with no borrowings at December 31, 2001, and a \$60 million secured line of credit, with \$33 million outstanding at December 31, 2001.

In February 2002, the Company issued 906,125 shares of common stock, generating net proceeds of \$23,619,000.

As of February 28, 2002, the Company had an effective shelf registration on file

with the Securities and Exchange Commission under which the Company may issue up to \$652,000,000 of securities including debt securities, common and preferred stock and warrants. Depending upon market conditions, the Company anticipates issuing securities under its shelf registration to invest in additional health care facilities and to repay borrowings under the Company's line of credit arrangements.

The following table summarizes our payments under contractual obligations as of December 31, 2001:

	Payments Due by Period (\$000s)				
	Total	2002	2003-2004	2005-2006	After 2006
Senior notes	\$412,250	\$12,250	\$75,000	\$50,000	\$275,000
Mortgages	45,966	368	875	1,258	43,465
Total contractual obligations	\$458,216	\$12,618	\$75,875	\$51,258	\$318,465

The following table summarizes our other commercial commitments as of December 31, 2001:

	Amount of Commitment Expiration Per Period				
	Total	2002	2003-2004	2005-2006	After 2006
Unsecured lines of credit	\$175,000	\$25,000	\$150,000	\$	\$
Secured lines of credit	60,000		60,000		
Credit enhancements	11,425	3,500			7,925
Total commercial commitments	\$246,425	\$28,500	\$210,000	\$ 0	\$ 7,925

Credit enhancements include letters of credit provided by the Company and agreements to purchase facilities in the event that the present owners default upon their obligations.

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RESULTS OF OPERATIONS DECEMBER 31, 2001 VS. DECEMBER 31, 2000

Revenues were comprised of the following:

	Year ended		Change	
	Dec. 31, 2001	Dec. 31, 2000	\$	%
(in thousands)				
Rental income	\$ 98,988	\$ 88,312	\$ 10,676	12%
Interest income	31,294	41,064	(9,770)	-24%
Commitment fees and other income	3,848	5,837	(1,989)	-34%
Prepayment fees	990	57	933	1637%
Totals	\$135,120	\$135,270	\$ (150)	0%

The Company generated increased rental income as a result of the completion of real property construction projects for which the Company began receiving rent

and the purchase of properties previously financed by the Company. This offsets a reduction in interest income due to the repayment of mortgage loans and the purchase of properties previously financed by the Company.

The reduction in commitment fees and other income is due primarily to the significant reduction in construction and investing activity.

During 2001, the Company received payoffs on mortgages that had significant prepayment fee requirements, generating the large increase over the prior year.

Expenses were comprised of the following:

	Year ended		Change	
	Dec. 31, 2001	Dec. 31, 2000	\$	%
(in thousands)				
Interest expense	\$ 32,028	\$ 34,622	\$ (2,594)	-7%
Provision for depreciation	30,227	22,706	7,521	33%
Loss on investment		2,000	(2,000)	100%
General and administrative expenses	8,078	7,405	673	9%
Loan expense	1,775	1,165	610	52%
Provision for losses	1,000	1,000		0%
Totals	\$ 73,108	\$ 68,898	\$ 4,210	6%

The decrease in interest expense from 2000 to 2001 was primarily due to lower average borrowings during the year, offset by a reduction in the amount of capitalized interest offsetting interest expense.

The Company capitalizes certain interest costs associated with funds used to finance the construction of properties owned directly by the Company. The amount capitalized is based upon the borrowings outstanding during the construction period using the rate of interest that approximates the Company's cost of financing. The Company's interest expense is reduced by the amount capitalized. Capitalized interest for the year ended December 31, 2001, totaled \$841,000, as compared with \$3,079,000 for the same period in 2000.

The provision for depreciation increased primarily as a result of additional investment in properties owned directly by the Company.

In 2000, the Company restructured its investments with Summerville Health Care. As part of the restructuring agreement, Summerville agreed to permit the Company to re-lease 10 of its 11 facilities to new operators and repaid substantially all of the Company's subdebt investment. As part of Summerville's recapitalization, the Company's \$2,000,000 non-yielding preferred stock investment was substantially diluted. Accordingly, the Company wrote off its investment in 2000, resulting in a \$2,000,000 charge.

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Other items:	Year ended		Change	
	Dec. 31, 2001	Dec. 31, 2000	\$	%
(in thousands)				
Gain (loss) on sales of properties	\$ (1,250)	\$ 1,684	\$ (2,934)	-174%

Loss on extinguishment of debt	(213)		(213)	n/a
Preferred dividends	13,505	13,490	15	0%

As a result of the various factors mentioned above, net income available to common stockholders was \$47,044,000, or \$1.52 per diluted share, for 2001 as compared with \$54,566,000, or \$1.91 per diluted share, for 2000.

RESULTS OF OPERATIONS DECEMBER 31, 2000 VS. DECEMBER 31, 1999

Revenues were comprised of the following:

	Year ended		Change	
	Dec. 31, 2000	Dec. 31, 1999	\$	%
(in thousands)				
Rental income	\$ 88,312	\$ 72,700	\$ 15,612	21%
Interest income	41,064	48,076	(7,012)	-15%
Commitment fees and other income	5,837	6,263	(426)	-7%
Prepayment fees	57	1,565	(1,508)	-96%
Totals	\$135,270	\$128,604	\$ 6,666	5%

The Company generated increased rental income as a result of the completion of real property construction projects for which the Company began receiving rent and the purchase of properties previously financed by the Company. This offsets a reduction in interest income due to the repayment of mortgage loans and the purchase of properties previously financed by the Company.

Expenses were comprised of the following:

	Year ended		Change	
	Dec. 31, 2000	Dec. 31, 1999	\$	%
(in thousands)				
Interest expense	\$ 34,622	\$ 26,916	\$ 7,706	29%
Provision for depreciation	22,706	17,885	4,821	27%
Loss on investment	2,000		2,000	n/a
General and administrative expenses	7,405	7,359	46	1%
Loan expense	1,165	909	256	28%
Provision for losses	1,000	600	400	67%
Totals	\$ 68,898	\$ 53,669	\$ 15,229	28%

The increase in interest expense from 1999 to 2000 was due to higher average interest rates on the Company's line of credit and secured debt and a reduction in the amount of capitalized interest offsetting interest expense.

The Company capitalizes certain interest costs associated with funds used to finance the construction of properties owned directly by the Company. The amount capitalized is based upon the borrowings outstanding during the construction period using the rate of interest which approximates the Company's cost of financing. The Company's interest expense is reduced by the amount capitalized. Capitalized interest for the year ended December 31, 2000, totaled \$3,079,000, as compared with \$8,578,000 for the same period in 1999.

The provision for depreciation increased as a result of additional investment in properties owned directly by the Company.

In 2000, the Company restructured its investments with Summerville Health Care. As part of the restructuring agreement, Summerville agreed to permit the Company to re-lease 10 of its 11 facilities to new operators and repaid substantially all of the Company's subdebt investment. As part of Summerville's recapitalization, the Company's \$2,000,000 non-yielding preferred stock investment was substantially diluted. Accordingly, the Company wrote off its investment in 2000, resulting in a \$2,000,000 charge.

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Other items:	Year ended		Change	
	Dec. 31, 2000	Dec. 31, 1999	\$	%
(in thousands)				
Gain on sales of properties	\$ 1,684	\$ 703	\$ 981	140%
Preferred dividends	13,490	12,814	676	5%

As a result of the various factors mentioned above, net income available to common stockholders was \$54,566,000, or \$1.91 per diluted share, for 2000 as compared with \$62,824,000, or \$2.21 per diluted share, for 1999.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S., which require the Company to make estimates and assumptions (see Note 1 to the consolidated financial statements). The Company believes that of its significant accounting policies, the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

IMPAIRMENT OF LONG-LIVED ASSETS

The net book value of long-lived assets is reviewed quarterly on a property by property basis to determine if there are indicators of impairment. These indicators may include anticipated operating losses at the property level, the tenant's inability to make rent payments, and changes in the market that may permanently reduce the value of the property. If indicators of impairment exist, then the undiscounted future cash flows from the most likely use of the property are compared to the current net book value. If the undiscounted cash flows are less than the net book value, an impairment loss would be recognized to the extent that the net book value exceeds the current fair market value. This analysis requires the Company to determine if indicators of impairment exist and to estimate the most likely stream of cash flows to be generated from the property during the period the property is expected to be held. If the projections or assumptions change in the future, the Company may be required to record an impairment charge and reduce the net book value of the property owned.

ALLOWANCE FOR LOAN LOSSES

The Company regularly evaluates the collectibility of its loans receivables based on a combination of factors. These factors include current economic conditions, historical loan charge-offs, financial strength of the borrower and guarantors, and value of the underlying property. If such factors indicate that there is greater risk of loan charge-offs, additional allowances may be required.

POTENTIAL RISKS FROM BANKRUPTCIES

The Company is exposed to the risk that its operators may not be able to meet the rent, or principal and interest payments due the Company, which may result in an operator bankruptcy or insolvency. Although the Company's operating lease agreements provide the Company the right to evict an operator, demand immediate

payment of rent and exercise other remedies, and the Company's mortgage loans provide the Company the right to terminate an investment, demand immediate payment of principal and unpaid interest and foreclose on the collateral, the bankruptcy laws afford certain rights to a party that has filed for bankruptcy or reorganization. An operator in bankruptcy may be able to restrict or delay the Company's ability to collect unpaid rent in the case of a lease or to receive unpaid principal or interest in the case of a mortgage loan.

The receipt of liquidation proceeds or the replacement of an operator that has defaulted on its lease or loan could be delayed by the approval process of any federal, state or local agency necessary for the transfer of the facility or the replacement of the operator licensed to manage the facility. In addition, the Company may be required to fund certain expenses (e.g., real estate taxes and maintenance) to retain control of a facility or to transition it to a new operator. In some instances, the Company has terminated its lease with an operator and relet the facility to another operator. In some of those situations, the Company provided working capital loans and limited indemnification of the new operator. If the Company cannot transition the facility to a new operator, it may take possession of a facility, which may expose the Company to successor liabilities. Should such events occur, the Company's revenue and operating cash flow may be adversely affected.

IMPACT OF INFLATION

During the past three years, inflation has not significantly affected the earnings of the Company because of the moderate inflation rate. Additionally, earnings of the Company are primarily long-term investments with fixed interest rates. These investments are mainly financed with a combination of equity, senior notes and borrowings under the revolving lines of credit. During inflationary periods, that generally are accompanied by rising interest rates, the Company's ability to grow may be adversely affected because the yield on new investments may increase at a slower rate than new borrowing costs. Presuming the current inflation rate remains moderate and long-term interest rates do not increase significantly, the Company believes that inflation will not impact the availability of equity and debt financing.

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OTHER INFORMATION

We have made and incorporated by reference statements in this Form 10-K that constitute "forward-looking statements" as that term is defined in the federal securities laws. These forward-looking statements concern:

- The possible expansion of our portfolio;
- The performance of our operators and properties;
- Our ability to obtain new viable tenants for properties which we take back from financially troubled tenants, if any;
- Our ability to make distributions;
- Our policies and plans regarding investments, financings and other matters;
- Our tax status as a real estate investment trust;
- Our ability to appropriately balance the use of debt and equity; and
- Our ability to access capital markets or other sources of funds.

When we use words such as "believes," "expects," "anticipates," "estimates" or similar expressions, we are making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Our expected results may not be achieved and actual results may differ materially from our expectations. This may be a result of various factors, including:

- The status of the economy;
- The status of capital markets, including prevailing interest rates;
- Compliance with and changes to regulations and payment policies within the health care industry;

- Changes in financing terms;
- Competition within the health care and senior housing industries; and
- Changes in federal, state and local legislation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to various market risks, including the potential loss arising from adverse changes in interest rates. The Company seeks to mitigate the effects of fluctuations in interest rates by matching the term of new investments with new long-term fixed rate borrowings to the extent possible. The following section is presented to provide a discussion of the risks associated with potential fluctuations in interest rates.

The Company historically borrows on its revolving lines of credit to make acquisitions of, loans to, or to construct health care facilities. Then, as market conditions dictate, the Company will issue equity or long-term fixed rate debt to repay the borrowings under the revolving lines of credit.

A change in interest rates will not affect the interest expense associated with our fixed rate debt. Interest rate changes, however, will affect the fair value of such debt. A 1% increase in interest rates would result in a decrease in fair value of the Company's Senior Unsecured Notes by approximately \$16 million at December 31, 2001. Changes in the interest rate environment upon maturity of this fixed rate debt could have an effect on the future cash flows and earnings of the Company, depending on whether the debt is replaced with other fixed rate debt, with variable rate debt, with equity, or by the sale of assets.

A change in interest rates will not affect the fair value of the Company's variable rate debt, including its unsecured and secured revolving credit arrangements. At December 31, 2001, the Company did not have any borrowings on its unsecured revolving credit arrangements. At that time, there was \$33 million outstanding under the secured revolving credit arrangement at the interest rate of 7%, which is the minimum interest rate for borrowings under this agreement. As such, a 1% change in interest rates would have no effect on the Company's annual interest expense assuming no change in the outstanding balances at year-end. However, as an example, if borrowings under the unsecured credit arrangements totaled \$50 million, a 1% increase in interest rates would result in increased annual interest expense of \$500,000.

The Company is subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of such refinancing may not be as favorable as the terms of current indebtedness. The majority of the Company's borrowings were completed pursuant to indentures or contractual agreements that limit the amount of indebtedness the Company may incur. Accordingly, in the event that the Company is unable to raise additional equity or borrow money because of these limitations, the Company's ability to acquire additional properties may be limited.

The Company may or may not elect to use financial derivative instruments to hedge variable interest rate exposure. Such decisions are principally based on the Company's policy to match its variable rate investments with comparable borrowings, but is also based on the general trend in interest rates at the applicable dates and the Company's perception of the future volatility of interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Stockholders and Directors
Health Care REIT, Inc.

We have audited the accompanying consolidated balance sheets of Health Care REIT, Inc. as of December 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedules listed in the Index at Item 14 (a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Health Care REIT, Inc. at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/S/ ERNST & YOUNG LLP

Toledo, Ohio
January 22, 2002

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HEALTH CARE REIT, INC.
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	2001	2000

	(IN THOUSANDS)	

ASSETS		
Real estate investments:		
Real property owned		
Land	\$ 89,601	\$ 74,319
Buildings & improvements	947,794	770,660
Construction in progress		11,976
	-----	-----
	1,037,395	856,955
Less accumulated depreciation	(80,544)	(52,968)
	-----	-----
Total real property owned	956,851	803,987
Loans receivable		
Real property loans	240,126	301,321
Subdebt investments	23,448	21,972

	-----	-----
	263,574	323,293
Less allowance for loan losses	(6,861)	(5,861)
	-----	-----
Net real estate investments	1,213,564	1,121,419
Other assets:		
Equity investments	6,498	5,450
Deferred loan expenses	7,190	2,939
Cash and cash equivalents	9,826	2,844
Receivables and other assets	32,765	24,252
	-----	-----
	56,279	35,485
	-----	-----
Total assets	\$ 1,269,843	\$ 1,156,904
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Senior unsecured notes	\$ 412,250	\$ 255,000
Borrowings under line of credit arrangements		119,900
Secured debt	78,966	64,852
Accrued expenses and other liabilities	20,757	18,545
	-----	-----
Total liabilities	511,973	458,297
Stockholders' equity:		
Preferred Stock, \$1.00 par value:		
Authorized - 10,000,000 shares		
Issued and outstanding - 6,000,000 shares in 2001 and 2000 at liquidation preference	150,000	150,000
Common Stock, \$1.00 par value:		
Authorized - 75,000,000 shares		
Issued and outstanding - 32,739,826 shares in 2001 and 28,806,151 shares in 2000	32,740	28,806
Capital in excess of par value	608,942	528,138
Cumulative net income	512,837	452,288
Cumulative dividends	(540,946)	(455,676)
Accumulated other comprehensive loss	(923)	(744)
Unamortized restricted stock	(4,780)	(4,205)
	-----	-----
Total stockholders' equity	\$ 757,870	\$ 698,607
	-----	-----
Total liabilities and stockholders' equity	\$ 1,269,843	\$ 1,156,904
	=====	=====

See accompanying notes

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HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	-----	-----	-----
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Revenues:			
Rental income	\$ 98,988	\$ 88,312	\$ 72,700
Interest income	31,294	41,064	48,076
Commitment fees and other income	3,848	5,837	6,263
Prepayment fees	990	57	1,565
	-----	-----	-----

	135,120	135,270	128,604
Expenses:			
Interest expense	32,028	34,622	26,916
Provision for depreciation	30,227	22,706	17,885
Loss on investment		2,000	
General and administrative	8,078	7,405	7,359
Loan expense	1,775	1,165	909
Provision for loan losses	1,000	1,000	600
	-----	-----	-----
	73,108	68,898	53,669
	-----	-----	-----
Income before gain/(loss) on sales of properties and loss on extraordinary item	62,012	66,372	74,935
Net gain/(loss) on sales of properties	(1,250)	1,684	703
	-----	-----	-----
Income before extraordinary item	60,762	68,056	75,638
Extraordinary loss on extinguishment of debt	(213)		
	-----	-----	-----
Net income	60,549	68,056	75,638
Preferred stock dividends	13,505	13,490	12,814
	-----	-----	-----
Net income available to common stockholders	\$ 47,044	\$ 54,566	\$ 62,824
	=====	=====	=====
Average number of common shares outstanding:			
Basic	30,534	28,418	28,128
Diluted	31,027	28,643	28,384
Earnings per share:			
Basic:			
Income before extraordinary item	\$ 1.55	\$ 1.92	\$ 2.23
Extraordinary item	(.01)		
Income available to common stockholders	\$ 1.54	\$ 1.92	\$ 2.23
Diluted:			
Income before extraordinary item	\$ 1.52	\$ 1.91	\$ 2.21
Extraordinary item			
Income available to common stockholders	\$ 1.52	\$ 1.91	\$ 2.21

See accompanying notes

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HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	PREFERRED STOCK	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	CUMULATIVE NET INCOME

(In thousands, except per share data)				
Balances at January 1, 1999	\$ 75,000	\$ 28,240	\$520,692	\$ 308,594
Comprehensive income:				
Net income				75,638
Other comprehensive income:				
Unrealized loss on marketable securities				
Foreign currency translation adjustment				
Total comprehensive income				
Proceeds from issuance of common stock from dividend reinvestment and stock incentive plans		292	5,967	
Amortization of restricted stock grants				
Net proceeds from sale of preferred stock	75,000		(2,455)	
Cash dividends:				
Common stock -- \$2.27 per share				
Preferred stock, Series B -- \$2.22 per share				
Preferred stock, Series C -- \$2.19 per share				
	-----	-----	-----	-----
Balances at December 31, 1999	150,000	28,532	524,204	384,232

Comprehensive income:
 Net income 68,056
 Other comprehensive income:
 Unrealized loss on marketable securities
 Foreign currency translation adjustment

Total comprehensive income

Proceeds from issuance of common stock from
 dividend reinvestment and stock incentive
 plans, net of forfeitures 274 3,934
 Amortization of restricted stock grants

Cash dividends:
 Common stock -- \$2.335 per share
 Preferred stock, Series B--\$2.22 per share
 Preferred stock, Series C--\$2.27 per share

Balances at December 31, 2000 -----
 150,000 28,806 528,138 452,288

Comprehensive income:
 Net income 60,549
 Other comprehensive income:
 Unrealized loss on marketable securities
 Foreign currency translation adjustment

Total comprehensive income

Proceeds from issuance of common stock from
 dividend reinvestment and stock incentive
 plans, net of forfeitures 484 10,070
 Net proceeds from sale of common stock 3,450 70,734
 Amortization of restricted stock grants

Cash dividends:
 Common stock -- \$2.34 per share
 Preferred stock, Series B--\$2.22 per share
 Preferred stock, Series C--\$2.28 per share

BALANCES AT DECEMBER 31, 2001 -----
 \$ 150,000 \$ 32,740 \$ 608,942 \$ 512,837
 =====

	CUMULATIVE DIVIDENDS	ACCUMULATED OTHER COMPREHENSIVE LOSS	UNAMORTIZED RESTRICTED STOCK	TOTAL
--	-------------------------	---	------------------------------------	-------

(In thousands, except per share data)

Balances at January 1, 1999 \$ (298,160) \$ 3,982 \$ (4,589) \$ 633,759

Comprehensive income:
 Net income 75,638
 Other comprehensive income:
 Unrealized loss on marketable securities (3,242) (3,242)
 Foreign currency translation adjustment (147) (147)

Total comprehensive income -----
 72,249

Proceeds from issuance of common stock from
 dividend reinvestment and stock incentive plans (1,707) 4,552
 Amortization of restricted stock grants 1,080 1,080
 Net proceeds from sale of preferred stock 72,545

Cash dividends:
 Common stock -- \$2.27 per share (64,375) (64,375)
 Preferred stock, Series B -- \$2.22 per share (6,656) (6,656)
 Preferred stock, Series C -- \$2.19 per share (6,158) (6,158)

Balances at December 31, 1999 (375,349) 593 (5,216) 706,996

Comprehensive income:
 Net income 68,056
 Other comprehensive income:
 Unrealized loss on marketable securities (733) (733)
 Foreign currency translation adjustment (604) (604)

Total comprehensive income -----
 66,719

Proceeds from issuance of common stock from
 dividend reinvestment and stock incentive
 plans, net of forfeitures (79) 4,129
 Amortization of restricted stock grants 1,090 1,090

Cash dividends:
 Common stock -- \$2.335 per share (66,837) (66,837)
 Preferred stock, Series B--\$2.22 per share (6,656) (6,656)
 Preferred stock, Series C--\$2.27 per share (6,834) (6,834)

Balances at December 31, 2000 (455,676) (744) (4,205) 698,607

Comprehensive income:
 Net income 60,549
 Other comprehensive income:
 Unrealized loss on marketable securities (52) (52)
 Foreign currency translation adjustment (127) (127)

Total comprehensive income -----
 60,370

Proceeds from issuance of common stock from
 dividend reinvestment and stock incentive
 plans, net of forfeitures (1,739) 8,815
 Net proceeds from sale of common stock 74,184
 Amortization of restricted stock grants 1,164 1,164

Cash dividends:
 Common stock -- \$2.34 per share (71,765) (71,765)
 Preferred stock, Series B--\$2.22 per share (6,656) (6,656)
 Preferred stock, Series C--\$2.28 per share (6,849) (6,849)

BALANCES AT DECEMBER 31, 2001 -----
 \$ (540,946) \$ (923) \$ (4,780) \$ 757,870
 =====

HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
----- (IN THOUSANDS) -----			
OPERATING ACTIVITIES			
Net income	\$ 60,549	\$ 68,056	\$ 75,638
Adjustments to reconcile net income to net cash provided from operating activities:			
Provision for depreciation	30,464	22,961	18,106
Amortization	2,977	2,255	1,998
Provision for losses	1,000	1,000	600
Loss on investment		2,000	
Commitment fees earned greater than cash received	(1,039)	(1,960)	(399)
Rental income in excess of cash received	(6,614)	(6,732)	(6,692)
Equity in earnings of affiliated companies	(332)	(318)	378
(Gain) loss on sales of properties	1,250	(1,684)	(703)
Increase (decrease) in accrued expenses and other liabilities	3,249	(4,827)	5,045
Decrease (increase) in receivables and other assets	(2,822)	264	1,394
	-----	-----	-----
Net cash provided from operating activities	88,682	81,015	95,365
INVESTING ACTIVITIES			
Investment in real property	(147,081)	(46,449)	(215,491)
Investment in loans receivable	(48,284)	(34,631)	(56,089)
Other investments, net of payments	(913)	(1,828)	(2,024)
Principal collected on loans	94,337	70,567	42,731
Proceeds from sale of properties	22,579	108,866	18,815
Other	(262)	(742)	(379)
	-----	-----	-----
Net cash provided by (used in) investing activities	(79,624)	95,783	(212,437)
FINANCING ACTIVITIES			
Net increase (decrease) under line of credit arrangements	(119,900)	(57,600)	5,950
Proceeds from issuance of senior notes and secured debt	175,000		114,000
Principal payments on senior notes and secured debt	(48,840)	(41,491)	(87)
Net proceeds from the issuance of Common Stock	82,999	4,129	4,552
Net proceeds from the issuance of Preferred Stock			72,545
Increase in deferred loan expense	(6,065)	(794)	(1,839)
Cash distributions to stockholders	(85,270)	(80,327)	(77,189)
	-----	-----	-----
Net cash provided from (used by) financing activities	(2,076)	(176,083)	117,932
	-----	-----	-----
Increase in cash and cash equivalents	6,982	715	860
Cash and cash equivalents at beginning of year	2,844	2,129	1,269
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 9,826	\$ 2,844	\$ 2,129
	=====	=====	=====
Supplemental Cash Flow Information-interest paid	\$ 29,014	\$ 39,638	\$ 32,826
	=====	=====	=====

See accompanying notes

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Health Care REIT, Inc.
Notes to Consolidated Financial Statements

1. ACCOUNTING POLICIES AND RELATED MATTERS

INDUSTRY

The Company is a self-administered real estate investment trust that invests primarily in long-term care facilities, which include skilled nursing and assisted living facilities. The Company also invests in specialty care facilities.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after the elimination of all significant intercompany accounts and transactions.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

LOANS RECEIVABLE

Loans receivable consist of long-term mortgage loans, construction-period loans maturing in two years or less, working capital loans and subdebt investments. Interest income on loans is recognized as earned based upon the principal amount outstanding. The mortgage and construction loans are primarily collateralized by a first mortgage on or assignment of partnership interest in the related facilities, which consist of skilled nursing, assisted living and specialty care facilities. The working capital loans are generally secured by second mortgages or interests in receivables. Subdebt investments represent debt instruments to operators of facilities that have been financed by the Company. These obligations are generally secured by the operator's leasehold rights and corporate guaranties.

REAL PROPERTY OWNED

Substantially all of the properties owned by the Company are leased under operating leases and are recorded at cost. These properties are depreciated on a straight-line basis over their estimated useful lives which range from fifteen to forty years for buildings and five to twelve years for fixtures. The net book value of long-lived assets is reviewed quarterly on a property by property basis to determine if facts and circumstances suggest that the assets may be impaired or that the depreciable life may need to be changed. The Company considers external factors relating to each asset. If these external factors and the projected undiscounted cash flows of the asset over the remaining amortization period indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value. The leases generally extend for a minimum 10-year period and provide for payment of all taxes, insurance and maintenance by the lessees. In general, operating lease income includes base rent payments plus fixed annual rent increases, which are recognized on a straight-line basis over the minimum lease period. This income is greater than the amount of cash received during the first half of the lease term.

CAPITALIZATION OF CONSTRUCTION PERIOD INTEREST

The Company capitalizes interest costs associated with funds used to finance the construction of properties owned directly by the Company. The amount capitalized is based upon the borrowings outstanding during the construction period using the rate of interest which approximates the Company's cost of financing.

The Company capitalized interest costs of \$841,000, \$3,079,000, and \$8,578,000, during 2001, 2000 and 1999, respectively, related to construction of real property owned by the Company. The Company's interest expense reflected in the statement of income has been reduced by the amounts capitalized.

ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses is maintained at a level believed adequate to absorb potential losses in the Company's loans receivable. The determination of the allowance is based on a quarterly evaluation of these loans, including general economic conditions and estimated collectibility of loan payments.

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1. ACCOUNTING POLICIES AND RELATED MATTERS (CONTINUED)

DEFERRED LOAN EXPENSES

Deferred loan expenses are costs incurred by the Company in connection with the issuance of short-term and long-term debt. The Company amortizes these costs over the term of the debt using the straight-line method, which approximates the interest yield method.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of all highly liquid investments with an original maturity of three months or less.

EQUITY INVESTMENTS

Management determines the appropriate classification of an equity investment at the time of acquisition and reevaluates such designation as of each balance sheet date. Included in equity investments are the common stock of a corporation, valued at historical cost, and ownership representing a 31% interest in Atlantic Healthcare Finance L.P., a property investment group that specializes in the financing, through sale and leaseback transactions, of nursing and care homes located in the United Kingdom. The ownership interest is accounted for under the equity method.

Marketable securities available for sale are stated at market value with unrealized gains and losses reported in a separate component of stockholders' equity. Marketable securities reflect the market value of the common stock of two publicly owned corporations, which were obtained by the Company at no cost.

COMMITMENT FEES

Commitment fees are earned by the Company for its agreement to provide direct and standby financing to, and credit enhancement for, owners and operators of health care facilities. The Company amortizes commitment fees over the initial fixed term of the lease, the mortgage or the construction period related to such investments.

FEDERAL INCOME TAX

No provision has been made for federal income taxes since the Company has elected to be treated as a real estate investment trust under the applicable

provisions of the Internal Revenue Code, and the Company believes that it has met the requirements for qualification as such for each taxable year. See Note 10.

NET INCOME PER SHARE

Basic earnings per share is computed by dividing income available to common stockholders by the weighted-average number of shares for the period adjusted for non-vested shares of restricted stock. The computation of diluted earnings per share is similar to basic earnings per share, except that the number of shares is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued.

COMPREHENSIVE INCOME

Comprehensive income includes unrealized gains or losses on the Company's marketable securities (\$78,000 and \$130,000 at December 31, 2001 and 2000, respectively) and foreign currency translation adjustments ((\$1,001,000) and (\$874,000) at December 31, 2001 and 2000, respectively). These items are included as components of stockholders' equity.

NEW ACCOUNTING STANDARD

In August 2001, the FASB issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, that the Company is required to adopt beginning January 1, 2002 with transition provisions for certain matters. The new rules on asset impairment supersede Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of (FAS 121), and provide a single accounting model for long-lived assets to be disposed of. The Company does not expect the adoption of this statement to have a material impact on the consolidated financial statements.

2. LOANS RECEIVABLE

The following is a summary of loans receivable (in thousands):

	DECEMBER 31	
	2001	2000

Mortgage loans	\$ 211,722	\$ 275,312
Construction loans		4,052
Working capital	27,583	20,720
Mortgage loans to related parties	821	1,237
Subdebt investments	23,448	21,972

TOTALS	\$ 263,574	\$ 323,293
	=====	

Loans to related parties (an entity whose ownership includes one Company director) included above are at rates comparable to other third-party borrowers equal to or greater than the Company's net interest cost on borrowings to support such loans. The amount of interest income and commitment fees from related parties amounted to \$108,000, \$152,000, and \$914,000 for 2001, 2000 and 1999, respectively.

The following is a summary of mortgage loans at December 31, 2001 (in thousands):

Final Payment Due	Number of Loans	Payment Terms	Principal Amount at Inception	Carrying Amount
2002	16	Monthly payments from \$20,400 to \$100,715, including interest from 10.00% to 15.00%	\$73,127	\$69,741
2003	1	Monthly payment at \$27,884, including interest at 9.00%	3,718	3,718
2004	2	Monthly payments from \$30,680 to \$32,325, including interest from 10.00% to 12.93%	7,108	6,682
2006	7	Monthly payments from \$3,958 to \$98,446, including interest from 8.11% to 14.61%	27,537	25,518
2007	5	Monthly payments from \$9,541 to \$77,173, including interest from 8.72% to 12.42%	25,933	20,343
2008	1	Monthly payment at \$3,105, including interest at 12.17%	175	164
2009	2	Monthly payments from \$8,207 to \$72,741, including interest from 11.71% to 12.00%	8,635	7,591
2010	2	Monthly payments from \$34,356 to \$42,628, including interest from 11.64% to 12.17%	7,663	7,519
2015	2	Monthly payments from \$3,580 to \$55,331, including interest from 11.15% to 11.63%	5,795	5,567
2016	2	Monthly payments from \$75,341 to \$127,891, including interest from 11.26% to 12.45%	20,810	19,124
2017	3	Monthly payments from \$40,056 to \$229,682, including interest from 11.73% to 12.83%	31,875	28,697
2018	1	Monthly payment at \$168,359, including interest at 10.09%	21,000	17,879
TOTALS			\$ 233,376	\$ 212,543

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3. REAL PROPERTY OWNED

The following table summarizes certain information about the Company's real property owned as of December 31, 2001 (in thousands):

	Number of Facilities	Land	Building & Improvements	Total Investment	Accumulated Depreciation	
SKILLED NURSING FACILITIES:						
Arizona	1	\$ 180	\$ 3,988	\$ 4,168	\$ 475	
California	1	1,460	3,880	5,340	562	
Colorado	1	370	6,051	6,421	705	
Florida	8	4,382	56,296	60,678	4,689	
Idaho	3	2,010	20,662	22,672	2,229	
Illinois	2	1,010	11,446	12,456	925	
Kentucky	1	130	4,870	5,000	999	
Massachusetts	7	3,548	42,151	45,699	5,856	
Ohio	5	4,286	62,592	66,878	1,434	
Oklahoma	1	470	5,673	6,143	598	
Oregon	1	300	5,316	5,616	598	
Pennsylvania	3	669	17,567	18,236	2,886	
Tennessee	10	3,450	56,853	60,303	535	
Texas	1	663	12,588	13,251	3,067	
		45	22,928	309,933	332,861	25,558
ASSISTED LIVING FACILITIES:						
Arizona	3	1,510	15,554	17,064	769	
California	5	4,290	24,554	28,844	502	
Connecticut	1	660	9,652	10,312	1,256	
Florida	19	8,608	73,733	82,341	8,879	
Georgia	2	3,166	24,541	27,707	2,398	
Indiana	11	2,171	40,785	42,956	3,395	
Louisiana	1	1,100	10,161	11,261	851	
Maryland	4	2,670	33,791	36,461	2,004	
Massachusetts	1	810	10,500	11,310	1,055	
Minnesota	1	322	6,345	6,667	497	
Montana	2	910	7,282	8,192	400	
Nevada	3	2,086	26,170	28,256	2,265	
New Jersey	3	5,037	28,096	33,133	2,595	
New York	2	810	14,490	15,300	1,220	

North Carolina	9	7,269	52,893	60,162	5,222
Ohio	8	4,253	39,934	44,187	3,562
Oklahoma	17	2,078	25,778	27,856	3,835
Oregon	2	1,077	8,757	9,834	657
Pennsylvania	4	1,951	17,199	19,150	1,253
South Carolina	5	2,072	19,072	21,144	1,163
Tennessee	4	1,521	12,461	13,982	894
Texas	17	5,048	64,587	69,635	7,251
Utah	1	1,059	6,141	7,200	131
Washington	1	1,400	5,476	6,876	399
Wisconsin	1	420	4,007	4,427	

	127	62,298	581,959	644,257	52,453

SPECIALTY CARE:					
Florida	1	950		950	
Massachusetts	4	3,425	55,902	59,327	2,533

	5	4,375	55,902	60,277	2,533

TOTAL REAL PROPERTY OWNED	177	\$ 89,601	\$ 947,794	\$ 1,037,395	\$ 80,544

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3. REAL PROPERTY OWNED (CONTINUED)

At December 31, 2001, future minimum lease payments receivable under operating leases are as follows (in thousands):

2002	\$	102,636
2003		104,240
2004		103,362
2005		105,486
2006		107,273
Thereafter		812,595

TOTAL	\$	1,335,592
=====		

The Company converted \$13,683,000, \$60,648,000, and \$16,309,000 of mortgage loans into operating lease properties in 2001, 2000 and 1999, respectively. In 2001, the Company acquired properties which included the assumption of mortgages totaling \$45,202,000. These noncash activities are appropriately not reflected in the accompanying statements of cash flows.

4. CONCENTRATION OF RISK

As of December 31, 2001, long-term care facilities, which include skilled nursing and assisted living facilities, comprised 93% (92% at December 31, 2000) of the Company's real estate investments and were located in 33 states. Investments in assisted living facilities comprised 63% (66% at December 31, 2000) of the Company's real estate investments. The Company's investments with the three largest operators totaled approximately 28% (27% at December 31, 2000). No single operator has a real estate investment balance, which exceeds 12% (11% at December 31, 2000) of total real estate investments, including credit enhancements.

5. ALLOWANCE FOR LOAN LOSSES

The following is a summary of the allowance for loan losses (in thousands):

	2001	2000	1999
	-----	-----	-----
Balance at beginning of year	\$ 5,861	\$ 5,587	\$ 4,987
Provision for loan losses	1,000	1,000	600
Charge-offs		(726)	

Balance at end of year	\$ 6,861	\$ 5,861	\$ 5,587
------------------------	----------	----------	----------

In addition, the Company recorded a \$2,000,000 loss during 2000 related to an investment in the preferred stock of a private corporation that became substantially diluted as a result of a recapitalization of that corporation.

6. BORROWINGS UNDER LINE OF CREDIT ARRANGEMENTS
AND RELATED ITEMS

The Company has an unsecured credit arrangement with a consortium of nine banks providing for a revolving line of credit ("revolving credit") in the amount of \$150,000,000, which expires on March 31, 2003. The agreement specifies that borrowings under the revolving credit are subject to interest payable in periods no longer than three months on either the agent bank's base rate of interest or 1.5% over LIBOR interest rate (based at the Company's option). In addition, the Company pays a commitment fee ranging from an annual rate of 0.20% to 0.375% and an annual agent's fee of \$50,000. Principal is due upon expiration of the agreement. The Company has another unsecured line of credit with a bank for a total of \$25,000,000, which expires April 30, 2002. Borrowings under this line of credit are subject to interest at the bank's prime rate of interest (4.75% at December 31, 2001) and are due on demand. At December 31, 2001, there were no borrowings under either of the unsecured lines of credit.

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6. BORROWINGS UNDER LINE OF CREDIT ARRANGEMENTS
AND RELATED ITEMS (CONTINUED)

The following information relates to aggregate borrowings under the unsecured line of credit arrangements (in thousands, except percentages):

	2001	YEAR ENDED DECEMBER 31 2000	1999
Balance outstanding at December 31	\$	\$ 119,900	\$ 177,500
Maximum amount outstanding at any month end	140,800	185,000	180,950
Average amount outstanding (total of daily principal balances divided by days in year)	66,217	140,981	153,318
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	7.67%	7.77%	6.61%

7. SENIOR NOTES AND OTHER LONG-TERM OBLIGATIONS

The Company has \$412,250,000 of Unsecured Senior Notes with interest ranging from 7.39% to 8.34%.

During the year ended December 31, 2001, the Company repurchased \$7,750,000 of Unsecured Senior Notes due March 2002. The Company incurred expenses of \$213,000 related to this repurchase, which was recorded as an extraordinary item.

The Company has five mortgage notes payable, collateralized by health care facilities with interest ranging from 7.69% to 12.00%.

The Company has a \$60,000,000 secured line of credit, collateralized by 16 health care facilities, with interest at 2% over LIBOR, with a floor of 7% (7.00% at December 31, 2001). The Company had \$33,000,000 in borrowings outstanding at December 31, 2001.

The carrying values of the health care properties securing the mortgages and

secured debt totaled \$204,603,000 at December 31, 2001.

At December 31, 2001, the annual principal payments on these long-term obligations are as follows (in thousands):

	SENIOR NOTES	SECURED LINE OF CREDIT	MORTGAGES
	-----	-----	-----
2002	\$ 12,250	\$	\$ 368
2003	35,000		400
2004	40,000	33,000	475
2005			860
2006	50,000		398
2007	175,000		430
2008	100,000		464
Thereafter			42,571
	-----	-----	-----
Totals	\$ 412,250	\$ 33,000	\$ 45,966
	=====	=====	=====

8. STOCK INCENTIVE PLANS AND RETIREMENT ARRANGEMENTS

The Company's 1995 Stock Incentive Plan authorizes up to 3,464,000 shares of Common Stock to be issued at the discretion of the Board of Directors. The 1995 Plan replaced the 1985 Incentive Stock Option Plan. The options granted under the 1985 Plan continue to vest through 2005 and expire ten years from the date of grant. Officers and key salaried employees of the Company are eligible to participate in the 1995 Plan. The 1995 Plan allows for the issuance of stock options, restricted stock grants and Dividend Equivalency Rights. In addition, the Company has a Stock Plan for Non-Employee Directors, which authorizes up to 336,000 shares to be issued.

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8. STOCK INCENTIVE PLANS AND RETIREMENT ARRANGEMENTS (CONTINUED)

The following summarizes the activity in the Plans for the years ended December 31 (shares in thousands):

	2001 ----		2000 ----		1999 ----	
	SHARES	AVERAGE EXERCISE PRICE	Shares	Average Exercise Price	Shares	Average Exercise Price
	-----	-----	-----	-----	-----	-----
STOCK OPTIONS						
Options at beginning of year	1,953	\$20.34	1,813	\$21.62	1,418	\$22.06
Options granted	515	23.89	507	16.79	410	20.17
Options exercised	(111)	18.63			(6)	21.81
Options terminated	(20)	17.73	(367)	21.76	(9)	23.90
	-----	-----	-----	-----	-----	-----
	2,337	\$21.23	1,953	\$20.34	1,813	\$21.62
	=====	=====	=====	=====	=====	=====
At end of year:						
Options exercisable	1,161	\$21.27	949	\$21.32	733	\$21.17
Weighted average fair value of options granted during the year		\$ 1.43		\$.63		\$ 2.11

The stock options generally vest over a five-year period and expire ten years from the date of grant. The Company issued 77,275, 77,250, and 86,250 restricted shares during 2001, 2000 and 1999, respectively, including 8,000, 8,000, and 9,000 shares for directors in 2001, 2000 and 1999, respectively. Vesting periods

range from six months for directors to five years for officers and key salaried employees. Expense, which is recognized as the shares vest based on the market value at the date of the award, totaled \$1,164,000, \$1,090,000, and \$1,080,000, in 2001, 2000 and 1999, respectively.

The following table summarizes information about stock options outstanding at December 31, 2001 (shares in thousands):

Range of Per Share Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contract Life	Number Exercisable	Weighted Average Exercise Price
\$16-\$20	1,086	\$ 18.44	8.3	536	\$ 18.11
\$20-\$25	1,101	23.10	8.0	498	23.64
\$25-\$30	150	26.07	7.2	127	26.08
	-----	-----	-----	-----	-----
	2,337	\$ 21.23	8.0	1,161	\$ 21.27
	=====	=====	=====	=====	=====

The Company has elected to follow APB Opinion No. 25, Accounting for Stock Issued to Employees in accounting for its employee stock options as permitted under FASB Statement No. 123 ("FASB 123"), Accounting for Stock-Based Compensation, and, accordingly, recognizes no compensation expense for the stock option grants when the market price on the underlying stock on the date of grant equals the exercise price of the Company's employee stock option.

Pro forma information has been determined as if the Company had accounted for its employee stock options and restricted shares under the fair value method. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following range of assumptions: risk-free interest rates from 3.44% to 7.60%, dividend yields of 8% to 12%, expected lives of seven years, and expected volatility of .18% to .244%. Had compensation cost for the stock-based compensation plans been determined in accordance with FASB 123, net income would have been reduced by \$465,000, \$267,000, and \$621,000, in 2001, 2000 and 1999, respectively, and net income per common share would have been lower by \$.01, \$.01 and \$.02, in 2001, 2000 and 1999, respectively.

The Company has a 401(k) Profit Sharing Plan and Money Purchase Pension Plan ("the Plans") covering all eligible employees. Under the Plans, eligible employees may make contributions, and the Company may make matching contributions and a profit sharing contribution. Company contributions to these Plans totaled \$175,000, \$171,000, and \$144,000, in 2001, 2000 and 1999, respectively.

The Company has a non-qualified senior executive retirement plan designed to provide pension benefits for certain officers. Pension benefits are based on compensation and length of service and the plan is unfunded. The accrued liability for the plan was \$41,000 at December 31, 2001.

9. PREFERRED STOCK

In January 1999, the Company sold 3,000,000 shares of Series C Cumulative Convertible Preferred Stock. These shares have a liquidation value of \$25.00 per share and will pay dividends equivalent to the greater of (i) the annual dividend rate of \$2.25 per share (a quarterly dividend rate of \$0.5625 per share); or (ii) the quarterly dividend then payable per common share on an as converted basis. The preferred shares are convertible into common stock at a conversion price of \$25.625 per share. The Company has the right to redeem the preferred shares after five years.

The Company has 3,000,000 shares of 8.875% Series B Cumulative Redeemable Non-Voting Preferred Stock with a liquidation preference of \$25.00 per share. Dividends are payable quarterly in arrears. On and after May 1, 2003, the Preferred Stock may be redeemed for cash at the option of the Company, in whole or in part, at \$25.00 per share, plus accrued and unpaid dividends thereon to the redemption date.

10. INCOME TAXES AND DISTRIBUTIONS

To qualify as a real estate investment trust for federal income tax purposes, 90% of taxable income (including capital gains) must be distributed to stockholders. Real estate investment trusts that do not distribute a certain amount of current year taxable income in the current year are also subject to a 4% federal excise tax. The principal reasons for the difference between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, different useful lives and depreciation methods for real property and the provision for losses for reporting purposes versus bad debt expense for tax purposes. Cash distributions paid to stockholders, for federal income tax purposes, are as follows:

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Per Share:			
Ordinary income	\$ 1.673	\$ 2.330	\$ 2.217
Return of capital	.648	.000	.000
Capital gains	.019	.005	.053
	-----	-----	-----
TOTALS	\$ 2.340	\$ 2.335	\$ 2.270
	=====	=====	=====

11. COMMITMENTS AND CONTINGENCIES

The Company has agreements to purchase two health care facilities, or the loans with respect thereto, in the event that the present owners default upon their obligations. In consideration for these agreements, the Company receives and recognizes fees annually related to these agreements. Although the terms of these agreements vary, the purchase prices are equal to the amount of the outstanding obligations financing the facility. These agreements expire through the year 2005. In addition, the Company has an outstanding letter of credit relating to one assisted living project. At December 31, 2001, obligations under these agreements for which the Company was contingently liable aggregated approximately \$11,425,000.

12. STOCKHOLDER RIGHTS PLAN

Under the terms of a Stockholder Rights Plan approved by the Board of Directors in July 1994, a Preferred Share Right ("Right") is attached to and automatically trades with each outstanding share of Common Stock.

The Rights, which are redeemable, will become exercisable only in the event that any person or group becomes a holder of 15% or more of the Common Stock, or commences a tender or exchange offer, which, if consummated, would result in that person or group owning at least 15% of the Common Stock. Once the Rights become exercisable, they entitle all other stockholders to purchase one one-thousandth of a share of a new series of junior participating preferred stock for an exercise price of \$48.00. The Rights will expire on August 5, 2004, unless exchanged earlier or redeemed earlier by the Company for \$.01 per Right at any time before public disclosure that a 15% position has been acquired.

13. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	2001 -----	2000 -----	1999 -----
Numerator for basic and diluted earnings per share - income available to common stockholders	\$ 47,044 =====	\$ 54,566 =====	\$ 62,824 =====
Denominator for basic earnings per share - weighted average shares	30,534	28,418	28,128
Effect of dilutive securities:			
Employee stock options	238		15
Nonvested restricted shares	255 -----	225 -----	241 -----
Dilutive potential common shares	493 -----	225 -----	256 -----
Denominator for diluted earnings per share - adjusted weighted average shares	31,027 =====	28,643 =====	28,384 =====
Basic earnings per share	\$ 1.54 =====	\$ 1.92 =====	\$ 2.23 =====
Diluted earnings per share	\$ 1.52 =====	\$ 1.91 =====	\$ 2.21 =====

The diluted earnings per share calculation excludes the dilutive effect of 1,301,000, 1,954,000, and 1,813,000 options for 2001, 2000 and 1999, respectively, because the exercise price was greater than the average market price. The Series C Cumulative Convertible Preferred Stock was not included in this calculation as the effect of the conversion was anti-dilutive.

14. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Real Property Loans--The fair value of all real property loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Working Capital Loans, Construction Loans and Subdebt Investments--The carrying amount is a reasonable estimate of fair value based on the interest rates received, which approximates current market rates.

Cash and Cash Equivalents--The carrying amount approximates fair value.

Marketable Securities--Marketable securities are recorded at their fair market value.

Borrowings Under Line of Credit Arrangements --The carrying amount of the lines of credit and secured debt approximates fair value because the borrowings are interest rate adjustable.

Senior Unsecured Notes --The fair value of the senior unsecured notes payable was estimated by discounting the future cash flow using the current borrowing rate available to the Company for similar debt.

Mortgage Notes Payable--Mortgage notes payable is a reasonable estimate of fair value based on the interest rates paid, which approximates current market rates.

The carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2001 and 2000, are as follows (in thousands):

	DECEMBER 31, 2001		December 31, 2000	
	CARRYING AMOUNT	FAIR VALUE	Carrying Amount	Fair Value
Financial Assets:				
Real property loans	\$ 212,543	\$ 229,422	\$276,549	\$283,244
Working capital loans	27,583	27,583	20,720	20,720
Construction loans			4,052	4,052
Subdebt investments	23,448	23,448	21,972	21,972
Cash and cash equivalents	9,826	9,826	2,844	2,844
Marketable securities	78	78	130	130
Financial Liabilities:				
Borrowings under line of credit arrangements			119,900	119,900
Senior unsecured notes	412,250	418,179	255,000	234,987
Secured debt	33,000	33,000	64,000	64,000
Mortgage notes payable	45,966	45,966	852	852

15. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations of the Company for the years ended December 31, 2001 and 2000 (in thousands, except per share data):

	YEAR ENDED DECEMBER 31, 2001			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Revenues	\$ 32,577	\$ 32,765	\$ 34,834	\$ 34,944
Net Income Available to Common Stockholders	11,827	11,747	13,591	9,879
Net Income Available to Common Stockholders Per Share:				
Basic	.41	.41	.42	.30
Diluted	.41	.40	.41	.30

	Year ended December 31, 2000			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$ 34,828	\$ 33,927	\$ 33,351	\$ 33,164
Net Income Available to Common Stockholders	14,758	14,587	13,786	11,435
Net Income Available to Common Stockholders Per Share:				
Basic	.52	.52	.48	.40
Diluted	.52	.51	.48	.40

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is incorporated herein by reference to the information under the heading "Election of Three Directors" and "Executive Officers of the Company" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 5, 2002.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the information under the heading "Remuneration" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 5, 2002.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated herein by reference to the information under the heading "Security Ownership of Directors and Management" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 5, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated herein by reference to the information under the heading "Certain Relationships and Related Transactions" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 5, 2002.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON FORM 8-K

(a) 1. The following Consolidated Financial Statements of the Company are included in Part II, Item 8:

Report of Independent Auditors.....	23
Consolidated Balance Sheets - December 31, 2001 and 2000.....	24
Consolidated Statements of Income - Years ended December 31, 2001, 2000 and 1999.....	25
Consolidated Statements of Stockholders' Equity - Years ended December 31, 2001, 2000 and 1999.....	26
Consolidated Statements of Cash Flows - Years ended December 31, 2001, 2000 and 1999.....	27
Notes to Consolidated Financial Statements	28

2. The following Financial Statement Schedules are included in Item 14 (d):

- III - Real Estate and Accumulated Depreciation
- IV - Mortgage Loans on Real Estate

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibit Index:

- 3.1 Second Restated Certificate of Incorporation of the Company.
- 3.2 Certificate of Designation, Preferences and Rights of Junior Participating Preferred Stock, Series A, of Health Care REIT, Inc.
- 3.3 Certificate of Designation of 8 7/8% Series B Cumulative Redeemable Preferred Stock of Health Care REIT, Inc.
- 3.4 Certificate of Designations, Preferences and Rights of Series C Cumulative Convertible Preferred Stock of Health Care REIT, Inc.
- 3.5 Certificate of Amendment of Second Restated Certificate of Incorporation of the Company.
- 3.6 By-Laws of the Company.
- 4.1 The Company, by signing this Report, agrees to furnish the Securities and Exchange Commission upon its request a copy of any instrument which defines the rights of holders of long-term debt of Company and which authorizes a total amount of securities not in excess of 10% of the total assets of the Company.
- 4.2 Series A Junior Participating Preferred Share Purchase Rights Agreement, dated as of July 19, 1994.

- 4.3 Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.
- 4.4 First Supplemental Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.
- 4.5 Second Supplemental Indenture dated as of March 13, 1998 between Health Care REIT, Inc. and Fifth Third Bank.
- 4.6 Third Supplemental Indenture dated as of March 18, 1999 between Health Care REIT, Inc. and Fifth Third Bank.

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- 4.7 Fourth Supplemental Indenture dated as of August 10, 2001 between Health Care REIT, Inc. and Fifth Third Bank.
- 4.9 Form of Indenture for Senior Debt Securities.
- 4.10 Form of Indenture for Senior Subordinated Debt Securities.
- 4.11 Form of Indenture for Junior Subordinated Debt Securities.
- 4.12 Form of Warrant Agreement.
- 10.1 Loan Agreement dated as of March 28, 1997 by and among Health Care REIT, Inc., its subsidiaries, the banks signatory thereto, KeyBank National Association, as Administrative Agent, and Fleet Bank N.A., as Syndication Agent.
- 10.2 Amended and Restated Note Purchase Agreement among Health Care REIT, Inc. and each of the Purchasers a Party Thereto dated as of March 28, 1997 (the \$52,000,000 Note Purchase Agreement).
- 10.3 Amended and Restated Note Purchase Agreement among Health Care REIT, Inc. and each of the Purchasers a Party Thereto dated as of March 28, 1997 (the \$30,000,000 Note Purchase Agreement).
- 10.4 The 1985 Incentive Stock Option Plan of Health Care REIT, Inc. as amended.*
- 10.5 The Health Care REIT, Inc. 1995 Stock Incentive Plan. *
- 10.6 Second Amendment to the Health Care REIT, Inc. 1995 Stock Incentive Plan effective May 3, 2001.*
- 10.7 Credit Agreement by and among Health Care REIT, Inc., and certain subsidiaries, Bank United and other lenders party thereto, dated as of February 24, 1999.
- 10.8 Amendment No. 1 to Loan Agreement dated as of October 1, 1998 by and among Health Care REIT, Inc., its subsidiaries, the Banks signatory thereto and Key Corporate Capital Inc.
- 10.9 Amendment No. 2 to Loan Agreement dated as of January 29, 2001 by and among Health Care REIT, Inc., its subsidiaries, the Banks signatory thereto and Key Corporate Capital Inc.
- 10.10 Amendment No. 3 to Loan Agreement, made as of October 5, 2001, by and among Health Care REIT, Inc., its subsidiaries, the Banks signatory thereto and Key Corporate Capital, as Agent for the Banks.
- 10.11 Amendment No. 1 to Credit Agreement by and among Health Care REIT, Inc. and certain subsidiaries, Bank United and other lenders party thereto, dated as of April 5, 1999.
- 10.12 Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and George L. Chapman.*
- 10.13 Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Raymond W. Braun.*
- 10.14 Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Erin C. Ibele.*
- 10.15 Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Michael A. Crabtree.*

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- 10.16 Amended and Restated Employment Agreement, effective August 1, 2000, by and between Health Care REIT, Inc. and Charles J. Herman, Jr.*
- 21. Subsidiaries of the Company.
- 23. Consent of Ernst & Young LLP, independent auditors.
- 24. Powers of Attorney.
- 99.1 Press Release dated January 15, 2002.

- 99.2 Press Release dated January 17, 2002.
- 99.3 Press Release dated February 4, 2002.
- 99.4 Press Release dated February 26, 2002.

(b) Reports on Form 8-K filed in the fourth quarter of 2001:

None.

(c) Exhibits:

The exhibits listed in Item 14(a)(3) above are either filed with this Form 10-K or incorporated by reference in accordance with Rule 12b-32 of the Exchange Act.

(d) Financial Statement Schedules:

Financial statement schedules are included in pages 43 through 50.

* Management Contract or Compensatory Plan or Arrangement.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEALTH CARE REIT, INC.

By: /S/GEORGE L. CHAPMAN

 Chairman, Chief Executive Officer,
 President and Director

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 22, 2002 by the following persons on behalf of the Company and in the capacities and on the dates indicated.

/S/ WILLIAM C. BALLARD, JR.*

 William C. Ballard, Jr., Director

/S/ R. SCOTT TRUMBULL*

 R. Scott Trumbull, Director

/S/ PIER C. BORRA*

 Pier C. Borra, Director

/S/ RICHARD A. UNVERFERTH*

 Richard A. Unverferth, Director

/S/ JEFFREY H. DONAHUE*

 Jeffrey H. Donahue, Director

/S/GEORGE L. CHAPMAN

 George L. Chapman, Chairman, Chief Executive
 Officer, President and Director (Principal Executive
 Officer)

/S/ PETER J. GRUA*

 Peter J. Grua, Director

/S/ RAYMOND W. BRAUN*

 Raymond W. Braun, Executive Vice President, Chief

Operating Officer and Chief Financial Officer
(Principal Financial Officer)

/S/ SHARON M. OSTER*

Sharon M. Oster, Director

/S/ MICHAEL A. CRABTREE*

Michael A. Crabtree, Treasurer & Controller
(Principal Accounting Officer)

/S/ BRUCE G. THOMPSON*

Bruce G. Thompson, Director

*By: /S/GEORGE L. CHAPMAN

George L. Chapman, Attorney-in-Fact

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SCHEDULE III - Continued

HEALTH CARE REIT, INC.
SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built
		Land	Buildings & Improvements			Land	Buildings & Improvements	Accumulated Depreciation		
ASSISTED LIVING FACILITIES:										
Lake Havasu, AZ	\$	\$ 110	\$ 2,244	\$	\$ 110	\$ 2,244	\$ 199	1998	1998	
Lake Havasu, AZ		450	4,223		450	4,223	288	1999	1999	
Mesa, AZ		950	9,087		950	9,087	282	2000	2000	
Alhambra, CA		420	2,534		420	2,534	53	2001	2001	
Azusa, CA		570	3,141		570	3,141	69	2001	2001	
Encinitas, CA		1,460	7,721		1,460	7,721	263	2000	2000	
Marysville, CA		450	4,172	44	450	4,216	117	2000	2000	
San Juan Capistrano, CA		1,390	6,942		1,390	6,942	0	2001	2001	
Litchfield, CT		660	9,652		660	9,652	1,256	1998	1998	
Bradenton, FL		251	3,298		251	3,298	572	1996	1995	
Bradenton, FL		25	450		25	450	50	1997	1992	
Bradenton, FL		25	400		25	400	45	1997	1988	
Bradenton, FL		50	850		50	850	95	1997	1996	
Bradenton, FL		50	850		50	850	95	1997	1996	
Clermont, FL		350	5,232	200	350	5,432	602	1997	1997	
Ft. Myers, FL		1,230	13,098		1,230	13,098	1,069	1999	1999	
Haines City, FL		80	1,937		80	1,937	146	1999	1999	
Lake Wales, FL		80	1,939		80	1,939	147	1999	1999	
Lauderhill, FL		20	1,535		20	1,535	1,155	1998	1995	
Leesburg, FL		70	1,170	37	70	1,207	133	1998	1972	
Margate, FL		500	7,303	246	500	7,549	1,073	1998	1972	
Naples, FL		1,716	17,306		1,716	17,306	2,067	1999	1999	
North Miami Beach, FL		300	5,708	310	300	6,018	785	1998	1987	
Orange City, FL		80	2,239		80	2,239	224	1998	1998	
Plantation, FL		2,746	0		2,746	0	0	1999	1999	
Sarasota, FL		475	3,175		475	3,175	550	1996	1995	
Vero Beach, FL		263	3,187		263	3,187	35	2001	1998	
Vero Beach, FL		297	3,263		297	3,263	36	2001	1998	
Atlanta, GA		2,059	14,914		2,059	14,914	1,253	1999	1999	
Roswell, GA		1,107	9,627		1,107	9,627	1,145	1999	1999	
Auburn, IN		145	3,511		145	3,511	362	1999	1999	
Avon, IN		170	3,504		170	3,504	286	1999	1999	
Kokomo, IN		195	3,709		195	3,709	382	1999	1999	
Laporte, IN		165	3,674		165	3,674	378	1999	1999	
Marion, IN		175	3,504		175	3,504	263	1999	1999	
Merrillville, IN		643	7,084	390	643	7,474	844	1999	1999	
Shelbyville, IN		165	3,497		165	3,497	314	1999	1999	
Terre Haute, IN		175	3,499		175	3,499	263	1999	1999	

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SCHEDULE III - Continued

Description	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Accumulated Depreciation		
Valparaiso, IN	\$	\$ 112	\$ 2,558	\$	\$ 112	\$ 2,558	\$ 28	2001	1998
Valparaiso, IN		108	2,962		108	2,962	32	2001	1998
Vincennes, IN		118	2,893		118	2,893	243	1999	1999
Kenner, LA		1,100	10,036	125	1,100	10,161	851	2000	2000
Attleboro, MA		810	10,500		810	10,500	1,055	1998	1998
Ellicott City, MD		1,320	13,641		1,320	13,641	1,553	1999	1999
Harmans, MD		0	3,000		0	3,000	63	2001	1997
Satyr Hill, MD		730	8,770		730	8,770	199	2001	1998
St. Charles, MD		620	8,380		620	8,380	189	2001	1998
Rochester, MN		322	6,345		322	6,345	497	1999	1999
Butte, MT		550	3,957		550	3,957	110	2000	1999
Kalispell, MT		360	3,282	43	360	3,325	290	1998	1998
Asheville, NC		204	3,489		204	3,489	279	1999	1999
Cary, NC		1,500	4,350		1,500	4,350	424	1998	1996
Durham, NC		1,476	10,659	133	1,476	10,792	1,252	1999	1999
Elizabeth City, NC		200	2,760		200	2,760	221	1999	1999
Hendersonville, NC		2,270	11,771		2,270	11,771	1,120	1998	1998
Morehead City, NC		200	3,104		200	3,104	190	2000	2000
Pineville, NC		1,009	10,554	79	1,009	10,633	1,241	1999	1999
Wake Forest, NC		200	3,003		200	3,003	273	1999	1999
Wilmington, NC		210	2,991		210	2,991	222	1999	1999
Brick, NJ		1,300	9,394		1,300	9,394	690	2000	2000
Cranford, NJ		3,297	14,233		3,297	14,233	1,905	1996	1993
Hamilton, NJ		440	4,469		440	4,469	0	2001	1998
Gardnerville, NV		1,326	12,549		1,326	12,549	1,392	1999	1999
Henderson, NV		380	4,360	41	380	4,401	120	1998	1998
Henderson, NV		380	9,220		380	9,220	753	2000	2000
Albany, NY		400	10,528		400	10,528	1,220	1997	1997
Manlius, NY		410	3,962		410	3,962	0	2001	1997
Canton, OH		300	2,098		300	2,098	186	1998	1998
Cincinnati, OH		1,728	10,272		1,728	10,272	1,400	1997	1995
Findlay, OH		200	1,800		200	1,800	237	1997	1997
Newark, OH		410	5,711		410	5,711	544	1998	1997
Piqua, OH		204	1,885		204	1,885	199	1998	1998
Sagamore Hills, OH		470	7,881		470	7,881	365	2000	2000
Troy, OH		200	2,000		200	2,000	256	1997	1997
Westerville, OH		741	8,287		741	8,287	375	2001	2001
Bartlesville, OK		100	1,380		100	1,380	233	1994	1995
Chickasha, OK		85	1,395		85	1,395	229	1995	1996
Claremore, OK		155	1,428		155	1,428	210	1996	1996
Duncan, OK		103	1,347		103	1,347	213	1995	1996
Edmond, OK		175	1,564		175	1,564	243	1995	1996
Enid, OK		90	1,390		90	1,390	235	1995	1996
Lawton, OK		144	1,456		144	1,456	228	1995	1996

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SCHEDULE III - Continued

Description	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built
	Encumbrances	Land	Buildings & Improvements		Land	Buildings & Improvements	Accumulated Depreciation		
Midwest City, OK	\$	\$ 95	\$ 1,385	\$	\$ 95	\$ 1,385	\$ 234	1996	1996
Muskogee, OK		150	1,432		150	1,432	211	1996	1996
Norman, OK		55	1,484		55	1,484	278	1995	1996
N. Oklahoma City, OK		87	1,508		87	1,508	217	1995	1996
Oklahoma City, OK		130	1,350		130	1,350	220	1995	1996
Oklahoma City, OK		220	2,943		220	2,943	145	2000	2000
Owasso, OK		215	1,380		215	1,380	201	1996	1996
Fonca City, OK		114	1,536		114	1,536	267	1995	1996
Shawnee, OK		80	1,400		80	1,400	235	1995	1996
Stillwater, OK		80	1,400		80	1,400	236	1995	1996
Portland OR		628	3,585		628	3,585	258	1999	1999
Salem, OR		449	5,172		449	5,172	399	1999	1999
Lebanon, PA		400	3,799		400	3,799	248	1999	1999
Saxonburg, PA		677	4,669		677	4,669	386	1999	1994
Seven Fields, PA		484	4,663		484	4,663	365	1999	1999
Williamsport, PA		390	4,068		390	4,068	254	1999	1999
Bluffton, SC		700	5,598		700	5,598	185	2000	2000
Florence, SC		380	2,881		380	2,881	218	1999	1999
Hilton Head, SC		510	6,037		510	6,037	391	1999	1999
N Augusta, SC		332	2,558		332	2,558	200	1999	1999
Walterboro, SC		150	1,838	160	150	1,998	169	1999	1992
Clarksville, TN		330	2,292		330	2,292	201	1998	1998
Columbia, TN		341	2,295		341	2,295	182	1999	1999
Morristown, TN		400	3,808		400	3,808	248	1999	1999
Oakridge, TN		450	4,066		450	4,066	263	1999	1999
Austin, TX		880	9,520		880	9,520	785	1999	1999
Cedar Hill, TX		171	1,490		171	1,490	213	1997	1997
Corpus Christi, TX		420	4,796		420	4,796	818	1997	1989
Corpus Christi, TX		155	2,935		155	2,935	355	1997	1997
Desoto, TX		205	1,383		205	1,383	195	1997	1997
Ft. Worth, TX		210	3,790		210	3,790	594	1992	1994

Georgetown, TX	200	2,100	200	2,100	267	1997	1997
Grand Prairie, TX	400	5,160	400	5,160	470	1998	1998
Harlingen, TX	92	2,057	92	2,057	247	1997	1989
Houston, TX	550	10,751	550	10,751	1,117	1999	1989
Houston, TX	261	3,139	261	3,139	472	1994	1995
Kingwood, TX	300	3,309	300	3,309	244	1999	1999
N Richland Hills, TX	330	5,355	330	5,355	439	1999	1999
Palestine, TX	173	1,410	173	1,410	208	1996	1996
San Marcos, TX	355	4,560	355	4,560	413	1998	1998
Texarkana, TX	192	1,403	192	1,403	204	1996	1996
Waxahachie, TX	154	1,429	154	1,429	210	1996	1996
Salt Lake City, UT	1,059	6,141	1,059	6,141	131	2001	2001
Everett, WA	1,400	5,476	1,400	5,476	399	1990	1990

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SCHEDULE III - Continued

Description	Encumbrances	Initial Cost to Company			Gross Amount at Which Carried at Close of Period			Year Acquired	Year Built
		Land	Buildings & Improvements	Cost Capitalized Subsequent to Acquisition	Land	Buildings & Improvements	Accumulated Depreciation		
Middleton, WI	\$	\$ 420	\$ 4,007	\$	\$ 420	\$ 4,007	\$ 0	2001	1991
TOTAL ASSISTED LIVING FACILITIES:		\$62,298	\$ 580,151	\$1,808	\$ 62,298	\$ 581,959	\$ 52,453		
SKILLED NURSING FACILITIES:									
Payson, AZ		180	3,988		180	3,988	475	1998	1995
Santa Rosa, CA		1,460	3,880		1,460	3,880	562	1998	1968
Pueblo, CO		370	6,051		370	6,051	705	1998	1989
Brevard, FL		360	4,117		360	4,117	96	2001	1970
Hilliard, FL		150	6,990		150	6,990	605	1999	1994
Lakeland, FL		696	4,843		696	4,843	513	1998	1984
New Port Richey, FL		624	7,307		624	7,307	757	1998	1984
North Fort Myers, FL		636	6,027		636	6,027	630	1998	1984
Sarasota, FL		560	8,474		560	8,474	413	2001	2001
Vero Beach, FL		660	9,040	1,461	660	10,501	845	1998	1984
West Palm Beach, FL		696	8,037		696	8,037	830	1998	1984
Boise, ID		600	7,383		600	7,383	773	1998	1985
Boise, ID		810	5,401		810	5,401	640	1998	1996
Coeur D'Alene, ID		600	7,878		600	7,878	816	1998	1996
Granite City, IL		610	7,143		610	7,143	614	1999	1964
Granite City, IL		400	4,303		400	4,303	311	1998	1973
Owensboro, KY		130	4,870		130	4,870	999	1993	1967
Braintree, MA		170	7,157	833	170	7,990	1,254	1997	1973
Braintree, MA		80	4,849	624	80	5,473	758	2001	1973
Fall River, MA		620	5,829	1,276	620	7,105	861	1996	1966
Falmouth, MA		670	3,145		670	3,145	516	1996	1966
South Boston, MA		385	2,002	4,089	385	6,091	652	1995	1961
Webster, MA		570	9,639	230	570	9,869	1,422	1995	1982
Worcester, MA		1,053	2,266	212	1,053	2,478	393	1996	1973
Beachwood, OH	19,880	1,260	23,478		1,260	23,478	0	2001	1990
Broadview Heights, OH	9,370	920	12,400		920	12,400	0	2001	1984
Kent, OH		215	3,367		215	3,367	827	1989	1983
Westlake, OH		571	5,411		571	5,411	607	1998	1972
Westlake, OH	15,952	1,320	17,936		1,320	17,936	0	2001	1980
Midwest City, OK		470	5,673		470	5,673	598	1998	1958

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SCHEDULE III - Continued

Eugene, OR	\$	\$ 300	\$ 5,316	\$	\$ 300	\$ 5,316	\$ 598	1998	1996
Bloomsburg, PA		0	3,918		0	3,918	273	1999	1982
Cheswick, PA		384	6,041	1,293	384	7,334	754	1998	1959
Easton, PA		285	6,315		285	6,315	1,859	1993	1978
Cleveland, TN		350	5,000		350	5,000	12	2001	1987
Elizabethhton, TN		310	4,604		310	4,604	90	2001	1980
Erin, TN		440	8,060		440	8,060	19	2001	1981
Harriman, TN		590	8,060		590	8,060	20	2001	1972
Mountain City, TN		220	5,896		220	5,896	116	2001	1976
Pigeon Forge, TN		320	4,180		320	4,180	11	2001	1986
Ridgely, TN		300	5,700		300	5,700	14	2001	1990
Rockwood, TN		500	7,116		500	7,116	134	2001	1979
Spring City, TN		420	6,085		420	6,085	115	2001	1987
Westmoreland, TN		0	2,152		0	2,152	4	2001	1994
San Antonio, TX		663	12,588		663	12,588	3,067	1993	1978
TOTAL SKILLED NURSING FACILITIES:	\$45,202	\$22,928	\$ 299,915	\$ 10,018	\$ 22,928	\$ 309,933	\$ 25,558		
SPECIALTY CARE FACILITIES:									
Clearwater, FL		950	0		950	0	0	2000	
Braintree, MA		350	9,304	292	350	9,596	559	1997	1968
Springfield, MA		2,100	14,978	995	2,100	15,973	500	2000	1996
Stoughton, MA		975	20,021	973	975	20,994	944	2000	1996
Waltham, MA		0	9,339		0	9,339	530	2000	1958

TOTAL SPECIALTY CARE FACILITIES	\$ 4,375	\$ 54,637	\$ 1,265	\$ 4,375	\$ 55,902	\$ 2,533
TOTAL INVESTMENT IN PROPERTIES	\$45,202	\$89,601	\$ 934,703	\$ 13,091	\$ 89,601	\$ 947,794
	=====	=====	=====	=====	=====	=====

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	Year ended December 31		
	2001	2000	1999
	----	----	----
Investment in Real Estate:			
Balance at Beginning of year	\$ 856,955	\$ 862,525	\$ 639,613
Additions:			
Acquisitions	181,420	0	81,109
Improvements	10,863	46,449	138,694
Other (1)	14,637	60,648	16,309
	-----	-----	-----
Total Additions	206,920	107,097	236,112
Deductions:			
Cost of real estate sold	(26,480)	(112,667)	(13,200)
Other			
	-----	-----	-----
Total deductions	(26,480)	(112,667)	(13,200)
	-----	-----	-----
Balance at end of year	\$ 1,037,395	\$ 856,955	\$ 862,525
	=====	=====	=====
Accumulated depreciation:			
Balance at beginning of year	\$ 52,968	\$ 35,746	\$ 19,624
Additions:			
Depreciation expense	30,227	22,707	17,885
Deductions:			
Sale of properties	(2,651)	(5,485)	(1,763)
	-----	-----	-----
Balance at end of year	\$ 80,544	\$ 52,968	\$ 35,746
	=====	=====	=====

(1) Represents mortgage loans converted to operating leases and \$954,000 of land reclassified from other assets in 2001.

(2) The aggregate cost for tax purposes for real property equals \$1,035,650,000 at December 31, 2001.

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SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
HEALTH CARE REIT, INC.
DECEMBER 31, 2001

DESCRIPTION	INTEREST RATE	FINAL MATURITY DATE	PERIODIC PAYMENT TERMS	PRIOR LIENS	(IN THOUSANDS)		PRINCIPAL AMOUNT OF LOANS SUBJECT TO DELINQUENT PRINCIPAL OR INTEREST
					FACE AMOUNT OF MORTGAGES	CARRYING AMOUNT OF MORTGAGES	
Sun Valley, CA (Specialty Care Facility)	12.83%	01/01/17	Monthly Payments \$229,682		21,500	18,797	None
Briarcliff, NY (Assisted Living Facility)	11.26%	08/01/16	Monthly Payments \$127,891		12,810	12,471	None
New York City, NY (Assisted Living Facility)	10.09%	03/01/18	Monthly Payments \$168,359		21,000	17,879	None
Oklahoma City, OK (Nursing Home)	9.88%	06/01/06	Monthly Payments \$98,446		12,204	12,204	None
Five nursing homes in Texas	10.78%	12/01/07	Monthly Payments \$77,173		12,198	7,733	None
Bala, PA (Nursing Home)	14.61%	1/01/06	Monthly Payments \$86,987		7,400	7,145	None
St. Louis, MO (Nursing Home)	11.71%	6/01/09	Monthly Payments \$72,741		7,072	6,771	None
Chestnut Ridge, NY (Assisted Living Facility)	12.45%	12/01/16	Monthly Payments \$75,341		8,000	6,652	None
Tucson, AZ (Assisted Living Facility)	15.00%	3/1/02	Monthly Payments \$100,715		8,057	8,057	None
35 mortgage loans relating to 4 nursing homes, 29 assisted living facilities and 2 specialty care facilities	From 8.11% to 12.93%	From 3/01/02-12/01/17			123,135	114,834	None
				TOTALS	\$233,376	\$212,543	\$-0-

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SCHEDULE IV - Continued

	(in thousands)		
	Year Ended December 31		
	2001	2000	1999
Reconciliation of mortgage loans:			
Balance at beginning of period	\$280,601	\$384,298	\$398,682
Additions during period:			
New mortgage loans	17,791	28,244	44,656
	\$298,392	412,542	443,338
Deductions during period:			
Collections of principal(1)	72,166	70,567	42,731
Charge-offs		726	
Other(2)	\$ 13,683	60,648	16,309

Balance at end of period	\$212,543	\$280,601	\$384,298
	=====	=====	=====

- (1) Includes collection of negative principal amortization.
- (2) Includes properties originally financed with mortgage loans that were purchased during the periods indicated.

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EXHIBIT INDEX

The following documents are included in this Form 10-K as an Exhibit:

EXHIBIT NUMBER -----	DESIGNATION NUMBER UNDER ITEM 601 OF REGULATION S-K -----	EXHIBIT DESCRIPTION -----	PAGE NUMBER -----
3.1(1)	3(i)	Second Restated Certificate of Incorporation of the Company.	
3.2(1)	3(i)	Certificate of Designation, Preferences and Rights of Junior Participating Preferred Stock, Series A, of Health Care REIT, Inc.	
3.3(1)	3(i)	Certificate of Designation of 8 7/8% Series B Cumulative Redeemable Preferred Stock of Health Care REIT, Inc.	
3.4(1)	3(i)	Certificate of Designations, Preferences and Rights of Series C Cumulative Convertible Preferred Stock of Health Care REIT, Inc.	
3.5(1)	3(i)	Certificate of Amendment of Second Restated Certificate of Incorporation of the Company.	
3.6(2)	3(ii)	By-Laws of the Registrant.	
4.1	4	The Company, by signing this Report, agrees to furnish the Securities and Exchange Commission upon its request a copy of any instrument which defines the rights of holders of long-term debt of Company authorizes a total amount of securities not in excess of 10% of the total assets of the Company.	
4.2(3)	4	Series A Junior Participating Preferred Share Purchase Rights Agreement, dated as of July 19, 1994.	
4.3(4)	4	Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.	
4.4(5)	4	First Supplemental Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.	
4.5(6)	4	Second Supplemental Indenture dated as of March 13, 1998 between Health Care REIT, Inc. and Fifth Third Bank.	
4.6(7)	4	Third Supplemental Indenture dated as of March 18, 1999 between Health Care REIT,	

		Inc. and Fifth Third Bank.
4.7(8)	4	Fourth Supplemental Indenture dated as of August 10, 2001 between Health Care REIT, Inc. and Fifth Third Bank.
4.8(9)	4	Form of Indenture for Senior Debt Securities.
4.9(10)	4	Form of Indenture for Senior Subordinated Debt Securities.
4.10(11)	4	Form of Indenture for Junior Subordinated Debt Securities.
4.11(12)	4	Form of Warrant Agreement.
10.1(13)	10	Loan Agreement dated as of March 28, 1997 by and among Health Care REIT, Inc., its subsidiaries, the banks signatory thereto, KeyBank National Association, as Administrative Agent, and Fleet Bank N.A., as Syndication Agent.
10.2(14)	10	Amended and Restated Note Purchase Agreement among Health Care REIT, Inc. and each of the Purchasers a Party Thereto dated as of March 28, 1997 (the \$52,000,000 Note Purchase Agreement).
10.3(15)	10	Amended and Restated Note Purchase Agreement among Health Care REIT, Inc. and each of the Purchasers a Party Thereto dated as of March 28, 1997 (the \$30,000,000 Note Purchase Agreement).
10.4(16)	10	The 1985 Incentive Stock Option Plan of Health Care REIT, Inc. as amended.*
10.5(17)	10	The Health Care REIT, Inc. 1995 Stock Incentive Plan.*
10.6(18)	10	Second Amendment to the Health Care REIT, Inc. 1995 Stock Incentive Plan effective May 3, 2001.*
10.7(19)	10	Credit Agreement by and among Health Care REIT, Inc., and certain subsidiaries, Bank United and other lenders party thereto, dated as of February 24, 1999.
10.8(20)	10	Amendment No. 1 to Loan Agreement dated as of October 1, 1998 by and among Health Care REIT, Inc., its subsidiaries, the banks signatory thereto and Key Corporate Capital Inc.
10.9(21)	10	Amendment No. 2 to Loan Agreement dated as

		of January 29, 2001 by and among Health Care REIT, Inc., its subsidiaries, the banks signatory thereto and Key Corporate Capital Inc.
10.10	10	Amendment No. 3 to Loan Agreement, made as of October 5, 2001, by and among Health Care REIT, Inc., the Banks that its subsidiaries, signatory thereto and Key Corporate Capital, as Agent for the Banks.

10.11 (22)	10	Amendment No. 1 to Credit Agreement by and among Health Care REIT, Inc. and certain subsidiaries, Bank United and other lenders party thereto, dated as of April 5, 1999.
10.12	10	Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and George L. Chapman.*
10.13	10	Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Raymond W. Braun.*
10.14	10	Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Erin C. Ibele.*
10.15	10	Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Michael A. Crabtree.*
10.16	10	Amended and Restated Employment Agreement, effective January 1, 2000, by and between Health Care REIT, Inc. and Charles J. Herman, Jr.*
21.	21	Subsidiaries of the Company.
23.	23	Consent of Ernst & Young LLP, independent auditors.
24.	24	Powers of Attorney.
99.1	99	Press Release dated January 15, 2002.
99.2	99	Press Release dated January 17, 2002.
99.3 (23)	99	Press Release dated February 4, 2002.
99.4	99	Press Release dated February 26, 2002.

* Management Contract or Compensatory Plan or Arrangement.

- (1) Incorporated by reference to Exhibit 3.1 to the Company's Form 10-K filed March 20, 2000.
- (2) Incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed October 24, 1997.
- (3) Incorporated by reference to Exhibit 2 to the Company's Form 8-A filed on August 3, 1994 (File No. 1-8923).
- (4) Incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on April 21, 1997.
- (5) Incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on April 21, 1997.
- (6) Incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on March 11, 1998.
- (7) Incorporated by reference to Exhibit 4.2 to the Company's Form 8-A filed on March 17, 1999.
- (8) Incorporated by reference to Exhibit 4.2 of the Company's Form 8-K filed on August 9, 2001.
- (9) Incorporated by reference to Exhibit 4.8 to the Company's Form S-3 (File No. 333-73936) filed on November 21, 2001.
- (10) Incorporated by reference to Exhibit 4.9 of the Company's Form S-3 (File No. 333-73936) filed on November 21, 2001.
- (11) Incorporated by reference to Exhibit 4.10 of the Company's Form S-3 (File No. 333-73936) filed on November 21, 2001.
- (12) Incorporated by reference to Exhibit 4.11 of the Company's Form S-3 File No. 333-73936) filed on November 21, 2001.
- (13) Incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on April 8, 1997.

- (14) Incorporated by reference to Exhibit 10.2 to Company's Form 8-K filed on April 8, 1997.
- (15) Incorporated by reference to Exhibit 10.3 to Company's Form 8-K filed on April 8, 1997.
- (16) Incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (File No. 333-1237) filed on February 27, 1996.
- (17) Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (File No. 333-1239) filed on February 27, 1996.
- (18) Incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-8 (File No. 333-73936) filed November 21, 2001.
- (19) Incorporated by reference to Exhibit 10.7 to the Company's Form 10-K filed March 26, 2001.
- (20) Incorporated by reference to Exhibit 10.8 to the Company's Form 10-K filed March 26, 2001.
- (21) Incorporated by reference to Exhibit 10.9 to the Company's Form 10-K filed March 26, 2001.
- (22) Incorporated by reference to Exhibit 10.10 to the Company's Form 10-K filed March 26, 2001.
- (23) Incorporated by reference to Exhibit 99.1 to the Company's Form 8-K filed on February 4, 2002.

AMENDMENT NO. 3 TO LOAN AGREEMENT

AGREEMENT, made as of the 5th day of October, 2001, by and among:

HEALTH CARE REIT, INC., a Delaware corporation, and each of the other entities listed on Exhibit 1 annexed hereto (individually, a "BORROWER" and collectively, THE "BORROWERS");

The Banks that have executed the signature pages hereto (individually, a "BANK" and, collectively, the "BANKS"); and

KEY CORPORATE CAPITAL INC., a Michigan corporation, as Agent for the Banks (in such capacity, together with its successors in such capacity, the "AGENT");

W I T N E S S E T H:

WHEREAS:

(A) The Borrowers, the Agent and the Banks entered into a certain Loan Agreement dated as of March 28, 1997 (as amended by (i) Amendment No. 1 to Loan Agreement dated as of October 1, 1998, and (ii) Amendment No. 2 to Loan Agreement dated as of January 29, 2001, the "ORIGINAL LOAN AGREEMENT"; the Original Loan Agreement, as amended hereby, and as it may hereafter be further amended, modified or supplemented, is hereinafter referred as the "LOAN AGREEMENT");

(B) The Borrowers wish to amend the Original Loan Agreement to allow for the incurrence of certain secured indebtedness by the Borrower(s) and the Banks and the Agent are willing to amend the Original Loan Agreement as hereinafter set forth; and

(C) All capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Original Loan Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. AMENDMENTS TO ORIGINAL LOAN AGREEMENT.

(a) The Original Loan Agreement is hereby amended by deleting Schedules 7.1 and 7.2 thereof in their entirety and substituting therefor Schedules 7.1 and 7.2 annexed hereto.

(b) All references in the Original Loan Agreement and the other Loan Documents to the "Loan Agreement", and also in the case of the Original Loan Agreement to "this Agreement", shall be deemed to refer to the Original Loan Agreement, as amended hereby.

(c) The Original Loan Agreement and the other Loan Documents shall each be deemed amended and supplemented hereby to the extent necessary, if any, to give effect to the provisions of this Agreement.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES.

(a) The Borrowers hereby confirm, reaffirm and restate to each of the Banks and the Agent all of the representations and warranties set forth in Article 3 of the Original Loan Agreement as if such representations and warranties were made as of the date hereof, except for changes in the ordinary course of business which, either singly or in the aggregate, would not have a Material Adverse Effect.

(b) (i) The execution, delivery and performance by each Borrower of this Amendment No. 3 are within its organizational powers and have been duly authorized by all necessary action (corporate or otherwise) on the part of each Borrower, (ii) this Amendment No. 3 is the legal, valid and binding obligation of each Borrower, enforceable against each Borrower in accordance with its respective terms, and (iii) the execution, delivery and performance by each Borrower of this Amendment No. 3 does not: (A) contravene the terms of any Borrower's organizational documents, (B) conflict with or result in a breach or contravention of, or the creation of any lien under, any document evidencing any contractual obligation to which any Borrower is a party or any order, injunction, writ or decree to which any Borrower or its property is subject, or (C) violate any requirement of law.

ARTICLE 3. MISCELLANEOUS.

SECTION 3.1 ARTICLE 10 OF THE ORIGINAL LOAN AGREEMENT. The miscellaneous provisions under Article 10 of the Original Loan Agreement, together with the definition of all terms used therein, and all other sections of the Original Loan Agreement to which Article 10 refers are hereby incorporated by reference as if the provisions thereof were set forth in full herein, except that (i) the term "Loan Agreement" shall be deemed to refer to the Original Loan Agreement, as amended hereby, (ii) the term "this Agreement" shall be deemed to refer to this Agreement; and (iii) the terms "hereunder" and "hereto" shall be deemed to refer to this Agreement.

SECTION 3.2 CONTINUED EFFECTIVENESS. Except as amended hereby, the Original Loan Agreement and the other Loan Documents are hereby ratified and confirmed in all respects and shall remain in full force and effect in accordance with their respective terms.

SECTION 3.3 COUNTERPARTS. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

[Signature Pages To Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

HEALTH CARE REIT, INC.
HCRI PENNSYLVANIA PROPERTIES, INC.
HCRI OVERLOOK GREEN, INC.
HCRI TEXAS PROPERTIES, INC.
HCRI TEXAS PROPERTIES, LTD.
BY HEALTH CARE REIT, INC.,
ITS GENERAL PARTNER
HCRI NEVADA PROPERTIES, INC.
HCRI LOUISIANA PROPERTIES, L.P.

BY HCRI SOUTHERN INVESTMENTS I, INC.,
ITS GENERAL PARTNER
HEALTH CARE REIT INTERNATIONAL, INC.
HCN ATLANTIC GP, INC.
HCN ATLANTIC LP, INC.
HCN BCC HOLDINGS, INC.
HCRI INDIANA PROPERTIES, INC.
HCRI INDIANA PROPERTIES, LLC
BY HEALTH CARE REIT, INC.,
ITS MEMBER
HCRI LIMITED HOLDINGS, INC.
HCRI MASSACHUSETTS PROPERTIES, INC.
HCRI MASSACHUSETTS PROPERTIES TRUST
BY HCRI MASSACHUSETTS PROPERTIES, INC.
ITS TRUSTEE
HCRI HOLDINGS TRUST
BY HCRI MASSACHUSETTS PROPERTIES, INC.
ITS TRUSTEE
HCRI NORTH CAROLINA PROPERTIES, LLC
BY HEALTH CARE REIT, INC.
ITS MEMBER
HCRI SOUTHERN INVESTMENTS I, INC.
HCRI TENNESSEE PROPERTIES, INC.
PENNSYLVANIA BCC PROPERTIES, INC.

By /s/ George L. Chapman

Title

GEORGE L. CHAPMAN, as Chief Executive Officer of all of the
aforementioned entities, has executed this Amendment No. 3 to Loan Agreement and
intending that all entities above named are bound and are to be bound by the one
signature as if he had executed this Amendment No. 3 to Loan Agreement
separately for each of the above named entities.

KEY CORPORATE CAPITAL INC.,
AS AGENT AND AS A BANK

BY

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Key Corporate Capital Inc.
127 Public Square, MC:OH-01-27-0605
Cleveland, Ohio 44114
Attention: Healthcare Administrative
Assistant

Address for Notices:

Key Corporate Capital Inc.
127 Public Square, MC:OH-01-27-0605
Cleveland, Ohio 44114
Attention: Ms. Angela Mago

Telecopier: (216) 689-5970

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

FLEET NATIONAL BANK
AS SYNDICATION AGENT AND AS A BANK

BY /S/ CHRISTIAN COVELLO

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Fleet National Bank
1185 Avenue of the Americas
New York, New York 10036
Attention: Mr. Christian J. Covello

Address for Notices:

Fleet National Bank
1185 Avenue of the Americas
New York, New York 10036
Attention: Mr. Christian J. Covello
Telecopier: (212) 819-4112

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

HARRIS TRUST AND SAVINGS BANK

BY /S/ EDWARD MCGUIRE

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Harris Trust and Savings Bank
111 West Monroe
Chicago, Illinois 60603
Attention: Edward McGuire

Address for Notices:

Harris Trust and Savings Bank
111 West Monroe
Chicago, Illinois 60603
Attention: Edward McGuire
Telecopier: (312) 293-5852

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

COMERICA BANK

BY /S/ JEFFREY R. GARDNER

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Comerica Bank
Comerica Tower at Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226
Attention: Jeffrey Gardner

Address for Notices:

Comerica Bank
Comerica Tower at Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226
Attention: Jeffrey Gardner
Telecopier: (313) 222-3420

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

BANK OF AMERICA

BY /S/ WILLIAM DUKE

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Bank of America
100 North N. Tryon Street
Charlotte, North Carolina 28255-0001
Attention: William Duke

Address for Notices:

Bank of America
100 North N. Tryon Street
Charlotte, North Carolina 28255-0001
Attention: William Duke
Telecopier: (704) 388-6002

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

BANK ONE, N.A.

BY /S/ JAN E. PETRIK

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

Bank One, N.A.
600 Superior
Cleveland, Ohio 44114
Attention: Commercial Loan Operations

Address for Notices:

Bank One, N.A.
Commercial Banking
600 Superior
Cleveland, Ohio 44114
Attention: Ms. Jan Petrik
Telecopier: (216) 781-4567

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

NATIONAL CITY BANK

BY /S/ DOUGLAS L. BOX

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

National City Bank
405 Madison Avenue
Toledo, Ohio 43604
Attention: Mr. Douglas Box

Address for Notices:

National City Bank
405 Madison Avenue

Toledo, Ohio 43604
Attention: Mr. Douglas Box
Telecopier: (419) 259-6666

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

MANUFACTURERS AND TRADERS TRUST COMPANY

BY /S/ C. GREGORY VOGELSANG

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

M & T Center
One Fountain Plaza, 12th Floor
Buffalo, New York 14203-1495
Attention: Mr. C. Gregory Vogelsang

Address for Notices:

M & T Center
One Fountain Plaza, 12th Floor
Buffalo, New York 14203-1495
Attention: Mr. Gregory Vogelsang
Telecopier: (716) 848-7318

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

KBC N.V.

BY /S/ CORALIE VAN WILDES

TITLE

BY /S/ ROBERT SNAUFFER

TITLE

Lending Office for Base Rate Loans and
LIBOR Loans:

KBC N.V.
125 West 55th Street
New York, New York 10019
Attention: Kate McCarthy

Address for Notices:

KBC N.V.
125 West 55th Street
New York, New York 10019
Attention: Kate McCarthy
Telecopier: (212) 541-0793

Health Care REIT, Inc.
Signature Page to Amendment No. 3 to Loan Agreement

EXHIBIT 1
TO AMENDMENT NO. 3 TO LOAN AGREEMENT
BY AND AMONG
HEALTH CARE REIT, INC.
AND ITS SUBSIDIARIES,
THE BANKS SIGNATORY HERETO
AND
KEY CORPORATE CAPITAL INC., AS AGENT

LIST OF BORROWERS

NAME OF BORROWER -----	STATE OF ORGANIZATION -----
Health Care REIT, Inc.	Delaware
HCRI Pennsylvania Properties, Inc.	Pennsylvania
HCRI Overlook Green, Inc.	Pennsylvania
HCRI Texas Properties, Inc.	Delaware
HCRI Texas Properties, Ltd.	Texas
HCRI Louisiana Properties, L.P.	Delaware
Health Care REIT International, Inc..	Delaware
HCN Atlantic GP, Inc.	Delaware
HCN Atlantic LP, Inc.	Delaware
HCRI Nevada Properties, Inc.	Nevada
HCN BCC Holdings, Inc.	Delaware
HCRI Holdings Trust	Massachusetts
HCRI Indiana Properties, Inc.	Delaware
HCRI Indiana Properties, LLC	Indiana
HCRI Limited Holdings, Inc.	Delaware
HCRI Massachusetts Properties Trust	Massachusetts
HCRI Massachusetts Properties, Inc.	Delaware
HCRI North Carolina Properties, LLC	Delaware
HCRI Southern Investments I, Inc.	Delaware
HCRI Tennessee Properties, Inc.	Delaware
Pennsylvania BCC Properties, Inc.	Pennsylvania

BY AND AMONG
HEALTH CARE REIT, INC.
AND ITS SUBSIDIARIES,
THE BANKS SIGNATORY HERETO
AND
KEY CORPORATE CAPITAL INC., AS AGENT

PERMITTED INDEBTEDNESS

I. LINES OF CREDIT

	Total Available -----
Key/Fleet Revolving Line of Credit	\$150,000,000
Capital Bank, NA	25,000,000

	\$175,000,000

II. EXISTING SECURED DEBT

Operator -----	Facility -----	Investment Balance -----	Amount of Liens/Indebtedness -----
Various (Bank United pool)	Various	\$142,791,154	\$ 60,000,000
Southern Assisted Living, Inc.	Bluffton, SC	5,634,679	4,000,000
Horizon Healthcare Corp.	San Antonio, TX	866,452	866,452

			\$ 64,866,452

III. EXISTING OTHER UNSECURED DEBT

1993 Series Senior Notes	\$ 15,000,000
1996 Series Senior Notes	30,000,000
1997 Series Senior Notes	60,000,000
1998 Series Senior Notes	100,000,000
1999 Series Senior Notes	50,000,000

	\$255,000,000

IV. EXISTING CONTINGENT OBLIGATIONS

Operator -----	Facility -----	Amount of Guaranty -----
Kingston Health Care	Naperville, IL	\$ 4,055,000
Village Management	Rockford, IL	4,390,000
ASA Development	Tucson, AZ	3,500,000

		\$ 11,945,000

V. PROPOSED SECURED DEBT*

Operator -----	Facility -----	Investment Balance -----	Amount of Liens/Indebtedness -----
Harborside Healthcare Corporation	Beachwood, OH Westlake, OH Broadview, OH	\$58,017,500	\$45,517,500

* This Indebtedness shall not be included in calculating the ten percent (10%) limitation referred to in subsection 7.1(f) of the Loan Agreement

SCHEDULE 7.2
 TO LOAN AGREEMENT
 BY AND AMONG
 HEALTH CARE REIT, INC.
 AND ITS SUBSIDIARIES,
 THE BANKS SIGNATORY HERETO
 AND
 KEY CORPORATE CAPITAL INC., AS AGENT

PERMITTED SECURITY INTERESTS, LIENS AND ENCUMBRANCES

EXISTING LIENS

Operator -----	Facility -----	Investment Balance -----	Amount of Liens/Indebtedness -----
Various (Bank United pool)	Various	\$142,791,154	\$60,000,000
Southern Assisted Living, Inc.	Bluffton, SC	5,634,679	4,000,000
Horizon Healthcare Corp.	San Antonio, TX	866,452	866,452

			\$64,866,452

Operator -----	Facility -----	Investment Balance -----	Amount of Liens/Indebtedness -----
Harborside Healthcare Corporation	Beachwood, OH Westlake, OH Broadview, OH	\$58,017,500	\$45,517,500
TOTAL EXISTING AND PROPOSED LIENS:			\$110,383,952

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated this 30(th) day of October, 2000, but effective as of January 1, 2000, (the "Agreement"), by and between HEALTH CARE REIT, INC., a Delaware corporation, (the "Corporation"), and GEORGE L. CHAPMAN (the "Executive").

WHEREAS, the Corporation and the Executive entered into an Employment Agreement, effective as of January 1, 1997;

WHEREAS, in March, 2000, the Compensation Committee of the Corporation's Board of Directors approved certain modifications to the terms of such Employment Agreement.

WHEREAS, the Corporation wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve in the employ of the Corporation for such period upon the terms and conditions set forth in this Amended and Restated Employment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT

The Corporation hereby agrees to employ the Executive as the Corporation's Chairman, Chief Executive Officer and President, upon the terms and conditions herein contained, and the Executive hereby agrees to accept such employment and to serve as the Corporation's Chairman, Chief Executive Officer and President, and to perform the duties and functions customarily performed by the Chairman, Chief Executive Officer and President of a publicly traded corporation during the term of this Agreement. In such capacity, the Executive shall report only to the Corporation's Board of Directors, and shall have the powers and responsibilities set forth in Article IV of the Corporation's By-Laws as well as such additional powers and responsibilities consistent with his position as the Board of Directors may assign to him.

Throughout the term of this Agreement, the Executive shall devote his best efforts and all of his business time and services to the business and affairs of the Corporation.

2. TERM OF AGREEMENT

The term of employment under this Agreement shall commence as of January 1, 1997 (the "Effective Date"). The initial term of this Agreement shall be for a period of three (3) years ending December 31, 1999. Upon the expiration of such initial employment period, the term of employment hereunder shall automatically be extended without further action by the parties for successive three (3) year renewal terms, unless either party shall give at least six (6) months advance written notice to the other of his or its intention that this Agreement shall terminate upon the expiration of the initial term or the current renewal term, as the case may be.

Notwithstanding the foregoing, the Corporation shall be entitled to terminate this Agreement immediately, subject to a continuing obligation to make any payments required under Section 5 below, if the Executive (i) becomes disabled as described in Section 5(b), (ii) is terminated for Cause, as defined in Section 5(c), or (iii) voluntarily terminates his employment before the

current term of this Agreement expires, as described in Section 5(d).

3. SALARY AND BONUS

The Executive shall receive a base salary during the term of this Agreement at a rate of not less than \$350,000 per annum for 1997, and at a rate of not less than \$400,000 per annum for subsequent years, payable in substantially equal semi-monthly installments. The Compensation Committee of the Board shall consult with the Executive and review the Executive's base salary at annual intervals, and may adjust the Executive's annual base salary from time to time as the Committee deems to be appropriate.

The Executive shall also be eligible to receive a bonus from the Corporation each year during the term of this Agreement, with the actual amount of such bonus to be determined by the Compensation Committee of the Corporation's Board, using such performance measures as the Committee deems to be appropriate.

4. ADDITIONAL COMPENSATION AND BENEFITS

The Executive shall receive the following additional compensation and welfare and fringe benefits:

(a) STOCK OPTIONS AND OTHER LONG-TERM INCENTIVES. The Executive has been granted nonstatutory stock options and shares of restricted stock pursuant to the terms of the Corporation's 1995 Stock Incentive Plan. During the remaining term of the Agreement, any additional stock options, restricted stock or other awards under the 1995 Stock Incentive Plan shall be at the discretion of the Compensation Committee of the Corporation's Board.

(b) DISABILITY INSURANCE. During the term of this Agreement, the Corporation shall maintain a disability insurance policy on the Executive with the maximum aggregate annual benefit commercially available to the Corporation, up to a maximum of sixty percent (60%) of his annual base salary. The Corporation shall provide at its expense all supplemental disability coverage needed to provide this aggregate benefit. The Executive will submit to such medical examination and supply such information as is necessary for the Corporation to obtain such insurance coverage.

(c) HEALTH INSURANCE. The Corporation shall provide the Executive and his dependents with health insurance coverage no less favorable than that from time to time made available to other key employees.

(d) BUSINESS CLUBS. The Corporation shall pay all initiation fees and dues charged by up to two (2) dining clubs, country clubs, athletic clubs, or similar organizations

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of which the Executive is a member or desires to become a member.

(e) CONFERENCES. The Corporation shall pay for the Executive and his wife to attend up to three (3) business-related conferences, conventions or seminars within the continental United States each year during the term of this Agreement, including registration fees, travel expenses and reasonable hotel and meal allowances.

(f) VACATION. The Executive shall be entitled to up to five (5) weeks of vacation during each year during the term of this Agreement and any extensions thereof, prorated for partial years.

(g) MEDICAL EXAMINATIONS. The Corporation shall pay or

reimburse the Executive for the cost of a physical examination by a physician acceptable to the Executive in alternate years.

(h) BUSINESS EXPENSES. The Corporation shall reimburse the Executive for all reasonable expenses he incurs in promoting the Corporation's business, including expenses for travel and similar items, upon presentation by the Executive from time to time of an itemized account of such expenditures.

In addition to the benefits provided pursuant to the preceding paragraphs of this Section 4, the Executive shall be eligible to participate in such other executive compensation and retirement plans of the Corporation as are applicable generally to other officers, and in such welfare benefit plans, programs, practices and policies of the Corporation as are generally applicable to other key employees, unless such participation would duplicate, directly or indirectly, benefits already accorded to the Executive.

5. PAYMENTS UPON TERMINATION

(a) INVOLUNTARY TERMINATION. If the Executive's employment is terminated by the Corporation during the term of this Agreement, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. The Executive shall also receive any nonforfeitable benefits payable to him under the terms of any deferred compensation, incentive or other benefit plans maintained by the Corporation, payable in accordance with the terms of the applicable plan.

If the termination is not a termination for Cause, as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then the Corporation shall also be obligated to make a series of monthly severance payments to the Executive for each month during the remaining term of this Agreement, but not less than twenty-four (24) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect on the date of termination, and (ii) the greater of (A) the average of the annual bonuses paid to the Executive for the last two (2) fiscal years preceding the termination date or (B) a minimum bonus equal to fifty percent (50%) of his annual base salary. If the Executive obtains a replacement position with any new employer

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(including a position as an officer, employee, consultant, or agent, or self-employment as a partner or sole proprietor), the payments shall be reduced by all amounts the Executive receives as compensation for services performed during such period. The Executive shall be under no duty to mitigate the amounts owed to him under this paragraph (a) by seeking such a replacement position.

In addition, if the termination is not a termination for Cause as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then:

(i) Any stock options, restricted stock or other awards granted to the Executive under the Corporation's 1995 Stock Incentive Plan shall become fully vested and, in the case of stock options, exercisable in full;

(ii) The Executive shall be provided continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination for the remaining term of the Agreement (but not less than twelve (12) months), or until, if

earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer; and

(iii) The Executive may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly severance payments described in the preceding paragraph in an amount equal to the present value of such payments. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

(b) DISABILITY. The Corporation shall be entitled to terminate this Agreement, if the Board determines that the Executive has been unable to attend to his duties for at least ninety (90) days because of a medically diagnosable physical or mental condition, and has received a written opinion from a physician acceptable to the Board that such condition prevents the Executive from resuming full performance of his duties and is likely to continue for an indefinite period. Upon such termination, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. In addition, the Corporation shall make a series of monthly disability payments to Executive, each equal to one-twelfth (1/12th) of the sum of (i) his annual base salary, as in effect at the time Executive became permanently disabled, and (ii) the greater of (A) the average of the annual bonuses paid to the Executive for the last two (2) fiscal years preceding the date of disability or (B) a minimum bonus equal to fifty percent (50%) of the Executive's annual base salary. Payment of such disability benefit shall commence with the month following the date of the termination by reason of permanent disability and continue each month for the remaining current term of this Agreement

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(but not less than twenty-four (24) months), but shall terminate at an earlier date if the Executive returns to active employment, either with the Corporation or otherwise. Any amounts payable under this Section 5(b) shall be reduced by any amounts paid to the Executive under any long-term disability plan or other disability program or insurance policies maintained or provided by the Corporation.

(c) TERMINATION FOR CAUSE. If the Executive's employment is terminated by the Corporation for Cause, the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to the fiscal year of the Corporation most recently ended, and any nonforfeitable benefits payable to the Executive under the terms of deferred compensation, incentive or other benefit plans maintained by the Corporation.

For purposes of this Agreement, the term "Cause" shall be limited to (i) action by the Executive involving willful disloyalty to the Corporation, such as embezzlement, fraud, misappropriation of corporate assets or a breach of the covenants set forth in Sections 9 and 10 below; or (ii) the Executive being convicted of a felony; or (iii) the Executive being convicted of any lesser crime or offense committed in connection with the performance of his duties hereunder or involving moral turpitude; or (iv) the intentional and willful failure by the Executive to substantially perform his duties hereunder as directed by the Board (other than any such failure resulting from the Executive's incapacity due to physical or mental disability) after a demand for substantial performance is made on the Executive by the Board of Directors.

(d) VOLUNTARY TERMINATION BY THE EXECUTIVE. If the Executive resigns or otherwise voluntarily terminates his employment before the end of the current term of this Agreement (other than in connection with a Change in Corporate Control as described in Section 6), the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to any fiscal years or other periods preceding the termination date, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans of the Corporation.

For purposes of this paragraph, a resignation by the Executive shall not be deemed to be voluntary if the Executive is (1) assigned to a position other than the Chairman, Chief Executive Officer and President of the Corporation (other than for Cause or by reason of permanent disability), (2) assigned duties materially inconsistent with such position, or (3) directed to report to anyone other than the Corporation's Board of Directors.

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6. EFFECT OF CHANGE IN CORPORATE CONTROL

(a) In the event of a Change in Corporate Control, the vesting of any stock options, restricted stock or other awards granted to the Executive under the terms of the Corporation's 1995 Stock Incentive Plan shall be accelerated (to the extent permitted by the terms of such Plan) and such awards shall become immediately vested in full and, in the case of stock options, exercisable in full.

(b) If, at any time during the period of twelve (12) consecutive months following the occurrence of a Change in Corporate Control, and during the term of this Agreement, the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment, the Executive shall be entitled to receive, in lieu of the monthly payments described in Section 5(a) above, monthly severance payments for thirty-six (36) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect at the time of the Change in Corporate Control, and (ii) the greater of (A) the average of the annual bonuses paid to the Executive for the last two (2) fiscal years of the Corporation ending prior to the Change in Corporate Control or (B) a minimum bonus equal to fifty percent (50%) of the Executive's annual base salary.

(c) If the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly payments described in the preceding paragraph. The amount of this payment shall be equal to the present value of the monthly payments described in the preceding paragraph. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

In addition, if the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he shall be entitled to continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination, which coverage shall be continued until the expiration of the current term of the Agreement (but not less than

twelve (12) months) or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer.

(d) For purposes of this Agreement, a "Change in Corporate Control" shall include any of the following events:

(1) The acquisition in one or more transactions of more than twenty percent (20%) of the Corporation's outstanding Common Stock (or the equivalent in voting power of any class or classes of securities of the Corporation entitled to vote in elections of directors) by any corporation, or other person or group (within the meaning of Section 14(d)(3) of the Securities Exchange Act of 1934, as amended);

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(2) Any transfer or sale of substantially all of the assets of the Corporation, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is not the surviving entity, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is the surviving entity and, in connection with such merger or consolidation, all or part of the outstanding shares of Common Stock shall be changed into or exchanged for other stock or securities of the Corporation or any other person, or cash, or any other property.

(3) Any election of persons to the Board of Directors which causes a majority of the Board of Directors to consist of persons other than "Continuing Directors". For this purpose, those persons who were members of the Board of Directors on May 1, 1995, shall be "Continuing Directors". Any person who is nominated for election as a member of the Board after May 1, 1995, shall also be considered a "Continuing Director" for this purpose if, and only if, his or her nomination for election to the Board of Directors is approved or recommended by a majority of the members of the Board (or of the relevant Nominating Committee) and at least five (5) members of the Board are themselves Continuing Directors at the time of such nomination; or

(4) Any person, or group of persons, announces a tender offer for at least twenty percent (20%) of the Corporation's Common Stock.

(e) Notwithstanding anything else in this Agreement, if any payment, accelerated vesting or other benefit provided by the Corporation to the Executive in connection with a Change in Corporate Control, whether paid or payable pursuant to the terms of this Agreement or otherwise (a "Parachute Payment") is determined to be a parachute payment subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (such excise tax, together with any interest and penalties incurred by the Executive with respect to such excise tax, are referred to as the "Excise Tax"), the Corporation shall make an additional payment (the "Gross-Up Payment") to the Executive in an amount such that the net amount of the Gross-Up Payment the Executive retains, after payment by the Executive of all taxes imposed upon the Gross-Up Payment, including, without limitation, the Excise Tax and any federal, state or local income taxes (and any interest and penalties imposed with respect thereto) on the Gross-Up Payment, will be equal to the Excise Tax liability imposed upon the Executive with respect to all Parachute Payments (other than the Gross-Up Payment).

(f) If any dispute arises between the Corporation (or any successor) and the Executive regarding Executive's right to severance payments under Section 5 or Section 6, the Executive shall be entitled to recover his attorneys fees and costs incurred in connection with such dispute.

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7. DEATH

If the Executive dies during the term of this Agreement, the Corporation shall pay to the Executive's estate a lump sum payment equal to the sum of the Executive's base salary accrued through the date of death, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the date of death. In addition, the Corporation shall pay to the Executive's surviving spouse (or such other beneficiary as the Executive may designate in writing) a lump sum payment equal to the present value of a series of monthly payments for each month during the remaining term of the Agreement (but not less than twenty-four (24) months), each in an amount equal to one-twelfth (1/12(th)) of the sum of (i) the Executive's annual base salary, as in effect on the date of death, and (ii) the greater of (A) the average of the annual bonuses paid to the Executive for the last two (2) fiscal years preceding the date of death or (B) a minimum bonus equal to fifty percent (50%) of the Executive's annual base salary. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date of death. In addition, the death benefits payable by reason of the Executive's death under any retirement, deferred compensation, life insurance or other employee benefit plan maintained by the Corporation shall be paid to the beneficiary designated by the Executive, and the stock options, restricted stock or other awards held by the Executive under the Corporation's stock plans shall become fully vested, and, in the case of stock options, exercisable in full, in accordance with the terms of the applicable plan or plans.

8. WITHHOLDING

The Corporation shall, to the extent permitted by law, have the right to withhold and deduct from any payment hereunder any federal, state or local taxes of any kind required by law to be withheld with respect to any such payment.

9. PROTECTION OF CONFIDENTIAL INFORMATION

The Executive agrees that he will keep all confidential and proprietary information of the Corporation or relating to its business confidential, and that he will not (except with the Corporation's prior written consent), while in the employ of the Corporation or thereafter, disclose any such confidential information to any person, firm, corporation, association or other entity, other than in furtherance of his duties hereunder, and then only to those with a "need to know." The Executive shall not make use of any such confidential information for his own purposes or for the benefit of any person, firm, corporation, association or other entity (except the Corporation) under any circumstances during or after the term of his employment. The foregoing shall not apply to any information which is already in the public domain, or is generally disclosed by the Corporation or is otherwise in the public domain at the time of disclosure.

The Executive recognizes that because his work for the Corporation may bring him into contact with confidential and proprietary information of the Corporation, the restrictions of this Section 9 are required for the reasonable protection of the Corporation and its investments and for the Corporation's reliance on and confidence in the Executive.

10. COVENANT NOT TO COMPETE

The Executive hereby agrees that he will not, either during the Employment Term or during the period of one (1) year from the time the Executive's employment under this Agreement is terminated by him voluntarily or by the Corporation for Cause, engage in any business activities on behalf of any enterprise which competes with the Corporation in the business of the passive

ownership of health care facilities, or passive investing in or lending to health care-related enterprises. The Executive will be deemed to be engaged in such competitive business activities if he participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities.

The Executive agrees that he shall not, for a period of one year from the time his employment under this Agreement ceases (for whatever reason), or, if later, during any period in which he is receiving monthly severance payments under Section 5 or Section 6 of this Agreement, solicit any employee or full-time consultant of the Corporation for the purposes of hiring or retaining such employee or consultant. For this purpose, the Executive shall be considered to be receiving monthly severance payments under Section 5 or Section 6 of this Agreement during any period for which he would have received such severance payments had he not elected to receive a lump sum severance payment or had such payments not been offset by compensation received from a successor employer.

11. INJUNCTIVE RELIEF

The Executive acknowledges and agrees that it would be difficult to fully compensate the Corporation for damages resulting from the breach or threatened breach of the covenants set forth in Sections 9 and 10 of this Agreement and accordingly agrees that the Corporation shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, to enforce such provisions in any action or proceeding instituted in the United States District Court for the Northern District of Ohio or in any court in the State of Ohio having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Corporation's right to claim and recover damages.

It is expressly understood and agreed that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Executive, no such provision of this Agreement shall be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

12. NOTICES

All notices or communications hereunder shall be in writing and sent certified or registered mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

IF TO THE CORPORATION:

Health Care REIT, Inc.
One SeaGate, Suite 1500
Toledo, OH 43604
Attention: Corporate Secretary

IF TO THE EXECUTIVE:

George L. Chapman
2604 Riverview Dr.
Maumee, OH 43537

The actual date of receipt, as shown by the receipt therefor, shall determine the time at which notice was given.

13. SEPARABILITY

If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the assigns and successors of the Corporation, but neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Corporation and the Executive. The Agreement may be amended at any time by mutual written agreement of the parties hereto.

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16. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Ohio, other than the conflict of laws provisions of such laws.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed, and the Executive has hereunto set his hand, as of the day and year first above written.

ATTEST:

HEALTH CARE REIT, INC.

/s/ ERIN C. IBELE

By: GEORGE L. CHAPMAN

Corporate Secretary

Executive Vice President,
Chief Operating Officer and
Chief Financial Officer

WITNESS:

EXECUTIVE:

/s/ ERIN C. IBELE

/s/ GEORGE L. CHAPMAN

George L. Chapman

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AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated this 30(th) day of October, 2000, but effective as of January 1, 2000 (unless otherwise indicated) (the "Agreement"), by and between HEALTH CARE REIT, INC., a Delaware corporation, (the "Corporation"), and RAYMOND W. BRAUN (the "Executive").

WHEREAS, the Corporation and the Executive entered into an Employment Agreement, effective as of January 1, 1997;

WHEREAS, in March, 2000, the Compensation Committee of the Corporation's Board of Directors approved certain modifications to the terms of such Employment Agreement.

WHEREAS, the Corporation wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve in the employ of the Corporation for such period upon the terms and conditions set forth in this Amended and Restated Employment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT

The Corporation hereby agrees to employ the Executive as the Corporation's Vice President and Chief Operating Officer, and effective July 19, 2000, Executive Vice President, Chief Operating Officer and Chief Financial Officer, upon the terms and conditions herein contained, and the Executive hereby agrees to accept such employment and to serve in such positions, and to perform the duties and functions customarily performed by the Executive Vice President, Chief Operating Officer and Chief Financial Officer of a publicly traded corporation during the term of this Agreement. In such capacity, the Executive shall report only to the Corporation's Chief Executive Officer ("CEO"), and shall have the powers and responsibilities set forth in Article IV of the Corporation's By-Laws as well as such additional powers and responsibilities consistent with his position as the CEO may assign to him.

Throughout the term of this Agreement, the Executive shall devote his best efforts and all of his business time and services to the business and affairs of the Corporation.

2. TERM OF AGREEMENT

The term of employment under this Agreement shall commence as of January 1, 1997 (the "Effective Date"). The initial term of this Agreement shall be for a period of two (2) years, ending December 31, 1998. Upon the expiration of such initial employment period, the term of employment hereunder shall automatically be extended without further action by the parties for successive two (2) year renewal terms, unless either party shall give at least six (6) months advance

written notice to the other of his or its intention that this Agreement shall terminate upon the expiration of the initial term or the current renewal term, as the case may be.

Notwithstanding the foregoing, the Corporation shall be entitled to terminate this Agreement immediately, subject to a continuing obligation to make any payments required under Section 5 below, if the Executive (i) becomes disabled as described in Section 5(b), (ii) is terminated for Cause, as defined

in Section 5(c), or (iii) voluntarily terminates his employment before the current term of this Agreement expires, as described in Section 5(d).

3. SALARY AND BONUS

The Executive shall receive a base salary during the term of this Agreement at a rate of not less than \$175,000 per annum for 1997, and at a rate of not less than \$200,000 per annum for subsequent years, payable in substantially equal semi-monthly installments. The Compensation Committee of the Board shall consult with the CEO and review the Executive's base salary at annual intervals, and may adjust the Executive's annual base salary from time to time as the Committee deems to be appropriate.

The Executive shall also be eligible to receive a bonus from the Corporation each year during the term of this Agreement, with the actual amount of such bonus to be determined by the Compensation Committee of the Corporation's Board, using such performance measures as the Committee deems to be appropriate.

4. ADDITIONAL COMPENSATION AND BENEFITS

The Executive shall receive the following additional compensation and welfare and fringe benefits:

(a) STOCK OPTIONS AND OTHER LONG-TERM INCENTIVES. The Executive has been granted incentive stock options, nonstatutory stock options and shares of restricted stock pursuant to the terms of the Corporation's 1995 Stock Incentive Plan. During the remaining term of the Agreement, any additional stock options, restricted stock or other awards under the 1995 Stock Incentive Plan shall be at the discretion of the Compensation Committee of the Corporation's Board.

(b) HEALTH INSURANCE. The Corporation shall provide the Executive and his dependents with health insurance, life insurance and disability coverage on terms no less favorable than that from time to time made available to other key employees.

(c) VACATION. The Executive shall be entitled to up to three (3) weeks of vacation during each year during the term of this Agreement and any extensions thereof, prorated for partial years.

(d) BUSINESS EXPENSES. The Corporation shall reimburse the Executive for all reasonable expenses he incurs in promoting the Corporation's business, including expenses

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for travel and similar items, upon presentation by the Executive from time to time of an itemized account of such expenditures.

(e) BUSINESS CLUBS. The Corporation shall pay all initiation fees and dues charged by up to one (1) dining club, country club, athletic club, or similar organization of which the Executive is a member or desires to become a member.

In addition to the benefits provided pursuant to the preceding paragraphs of this Section 4, the Executive shall be eligible to participate in such other executive compensation and retirement plans of the Corporation as are applicable generally to other officers, and in such welfare benefit plans, programs, practices and policies of the Corporation as are generally applicable to other key employees, unless such participation would duplicate, directly or indirectly, benefits already accorded to the Executive.

5. PAYMENTS UPON TERMINATION

(a) INVOLUNTARY TERMINATION. If the Executive's employment is terminated by the Corporation during the term of this Agreement, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. The Executive shall also receive any nonforfeitable benefits payable to him under the terms of any deferred compensation, incentive or other benefit plans maintained by the Corporation, payable in accordance with the terms of the applicable plan.

If the termination is not a termination for Cause, as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then the Corporation shall also be obligated to make a series of monthly severance payments to the Executive for each month during the remaining term of this Agreement, but not less than twelve (12) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect on the date of termination, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the termination date or (B) a minimum bonus equal to forty percent (40%) of his annual base salary for fiscal years prior to 2000, and a minimum bonus equal to forty-five percent (45%) of his annual base salary for fiscal year 2000 with a one and twenty-five one hundredths percent (1.25%) increase each fiscal year thereafter, not to exceed fifty percent (50%). If the Executive obtains a replacement position with any new employer (including a position as an officer, employee, consultant, or agent, or self-employment as a partner or sole proprietor), the payments shall be reduced by all amounts the Executive receives as compensation for services performed during such period. The Executive shall be under no duty to mitigate the amounts owed to him under this paragraph (a) by seeking such a replacement position.

In addition, if the termination is not a termination for Cause as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then:

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(i) Any stock options, restricted stock or other awards granted to the Executive under the Corporation's 1995 Stock Incentive Plan shall become fully vested and, in the case of stock options, exercisable in full;

(ii) The Executive shall be provided continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination for the remaining term of the Agreement (but not less than six (6) months), or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer; and

(iii) The Executive may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly severance payments described in the preceding paragraph in an amount equal to the present value of such payments. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

(b) DISABILITY. The Corporation shall be entitled to terminate this

Agreement, if the Board determines that the Executive has been unable to attend to his duties for at least ninety (90) days because of a medically diagnosable physical or mental condition, and has received a written opinion from a physician acceptable to the Board that such condition prevents the Executive from resuming full performance of his duties and is likely to continue for an indefinite period. Upon such termination, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. In addition, the Corporation shall make a series of monthly disability payments to Executive, each equal to one-twelfth (1/12(th)) of the sum of (i) his annual base salary, as in effect at the time Executive became permanently disabled, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of disability or (B) a minimum bonus equal to forty percent (40%) of the Executive's annual base salary. Payment of such disability benefit shall commence with the month following the date of the termination by reason of permanent disability and continue each month for the remaining current term of this Agreement (but not less than twelve (12) months), but shall terminate at an earlier date if the Executive returns to active employment, either with the Corporation or otherwise. Any amounts payable under this Section 5(b) shall be reduced by any amounts paid to the Executive under any long-term disability plan or other disability program or insurance policies maintained or provided by the Corporation.

(c) TERMINATION FOR CAUSE. If the Executive's employment is terminated by the Corporation for Cause, the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to the fiscal year of the Corporation

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most recently ended, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans maintained by the Corporation.

For purposes of this Agreement, the term "Cause" shall be limited to (i) action by the Executive involving willful disloyalty to the Corporation, such as embezzlement, fraud, misappropriation of corporate assets or a breach of the covenants set forth in Sections 9 and 10 below; or (ii) the Executive being convicted of a felony; or (iii) the Executive being convicted of any lesser crime or offense committed in connection with the performance of his duties hereunder or involving moral turpitude; or (iv) the intentional and willful failure by the Executive to substantially perform his duties hereunder as directed by the Corporation's CEO (other than any such failure resulting from the Executive's incapacity due to physical or mental disability) after a demand for substantial performance is made on the Executive by the Board of Directors.

(d) VOLUNTARY TERMINATION BY THE EXECUTIVE. If the Executive resigns or otherwise voluntarily terminates his employment before the end of the current term of this Agreement (other than in connection with a Change in Corporate Control, as described in Section 6), the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to any fiscal years or other periods preceding the termination date, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans of the Corporation.

For purposes of this paragraph, a resignation by the Executive shall not be deemed to be voluntary if the Executive is (1) assigned to a position other than the Vice President or Chief Operating Officer of the Corporation (other than for Cause or by reason of permanent disability), (2) assigned duties materially inconsistent with such position, or (3) directed to report to anyone other than the Corporation's CEO.

6. EFFECT OF CHANGE IN CORPORATE CONTROL

(a) In the event of a Change in Corporate Control, the vesting of any stock options, restricted stock or other awards granted to the Executive under the terms of the Corporation's 1995 Stock Incentive Plan shall be accelerated (to the extent permitted by the terms of such Plan) and such awards shall become immediately vested in full and, in the case of stock options, exercisable in full.

(b) If, at any time during the period of twelve (12) consecutive months following the occurrence of a Change in Corporate Control, and during the term of this Agreement, the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment, the Executive shall be entitled to receive monthly severance payments for twenty-four (24) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect at the time of the Change in Corporate Control, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year of the Corporation ending prior to the Change in Corporate Control or (B) a minimum bonus equal to forty percent (40%) of his annual base salary.

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(c) If the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly payments described in the preceding paragraph. The amount of this payment shall be equal to the present value of the monthly payments described in the preceding paragraph. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

In addition, if the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he shall be entitled to continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination, which coverage shall be continued until the expiration of the current term of the Agreement (but not less than six (6) months) or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer.

(d) For purposes of this Agreement, a "Change in Corporate Control" shall include any of the following events:

(1) The acquisition in one or more transactions of more than twenty percent (20%) of the Corporation's outstanding Common Stock (or the equivalent in voting power of any class or classes of securities of the Corporation entitled to vote in elections of directors) by any corporation, or other person or group (within the meaning of Section 14(d)(3) of the Securities Exchange Act of 1934, as amended);

(2) Any transfer or sale of substantially all of the assets of the Corporation, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is not the surviving entity;

(3) Any election of persons to the Board of Directors which causes a

majority of the Board of Directors to consist of persons other than "Continuing Directors". For this purpose, those persons who were members of the Board of Directors on May 1, 1995, shall be "Continuing Directors". Any person who is nominated for election as a member of the Board after May 1, 1995, shall also be considered a "Continuing Director" for this purpose if, and only if, his or her nomination for election to the Board of Directors is approved or recommended by a majority of the members of the Board (or of the relevant Nominating Committee) and at least five (5) members of the Board are themselves Continuing Directors at the time of such nomination; or

(4) Any person, or group of persons, announces a tender offer for at least twenty percent (20%) of the Corporation's Common Stock, and the Board of Directors appoints a special committee of the Board to consider the Corporation's response to such tender offer.

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(e) Notwithstanding anything else in this Agreement, if any payment, accelerated vesting or other benefit provided by the Corporation to the Executive in connection with a Change in Corporate Control, whether paid or payable pursuant to the terms of this Agreement or otherwise (a "Parachute Payment") is determined to be a parachute payment subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (such excise tax, together with any interest and penalties incurred by the Executive with respect to such excise tax, are referred to as the "Excise Tax"), the Corporation shall make an additional payment (the "Gross-Up Payment") to the Executive in an amount such that the net amount of the Gross-Up Payment the Executive retains, after payment by the Executive of all taxes imposed upon the Gross-Up Payment, including, without limitation, the Excise Tax and any federal, state or local income taxes (and any interest and penalties imposed with respect thereto) on the Gross-Up Payment, will be equal to the Excise Tax liability imposed upon the Executive with respect to all Parachute Payments (other than the Gross-Up Payment).

7. DEATH

If the Executive dies during the term of this Agreement, the Corporation shall pay to the Executive's estate a lump sum payment equal to the sum of the Executive's base salary accrued through the date of death, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the date of death. In addition, the Corporation shall pay to the Executive's surviving spouse (or such other beneficiary as the Executive may designate in writing) a lump sum payment equal to the present value of a series of monthly payments for each month during the remaining term of the Agreement (but not less than twelve (12) months), each in an amount equal to one-twelfth (1/12(th)) of the sum of (i) the Executive's annual base salary, as in effect on the date of death, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of death or (B) a minimum bonus equal to forty percent (40%) of the Executive's annual base salary. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date of death. In addition, the death benefits payable by reason of the Executive's death under any retirement, deferred compensation, life insurance or other employee benefit plan maintained by the Corporation shall be paid to the beneficiary designated by the Executive, and the stock options, restricted stock or other awards held by the Executive under the Corporation's stock plans shall become fully vested, and, in the case of stock options, exercisable in full, in accordance with the terms of the applicable plan or plans.

8. WITHHOLDING

The Corporation shall, to the extent permitted by law, have the right to withhold and deduct from any payment hereunder any federal, state or local taxes of any kind required by law to be withheld with respect to any such

payment.

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9. PROTECTION OF CONFIDENTIAL INFORMATION

The Executive agrees that he will keep all confidential and proprietary information of the Corporation or relating to its business confidential, and that he will not (except with the Corporation's prior written consent), while in the employ of the Corporation or thereafter, disclose any such confidential information to any person, firm, corporation, association or other entity, other than in furtherance of his duties hereunder, and then only to those with a "need to know." The Executive shall not make use of any such confidential information for his own purposes or for the benefit of any person, firm, corporation, association or other entity (except the Corporation) under any circumstances during or after the term of his employment. The foregoing shall not apply to any information which is already in the public domain, or is generally disclosed by the Corporation or is otherwise in the public domain at the time of disclosure.

The Executive recognizes that because his work for the Corporation may bring him into contact with confidential and proprietary information of the Corporation, the restrictions of this Section 9 are required for the reasonable protection of the Corporation and its investments and for the Corporation's reliance on and confidence in the Executive.

10. COVENANT NOT TO COMPETE

The Executive hereby agrees that he will not, either during the Employment Term or during the period of one (1) year from the time the Executive's employment under this Agreement is terminated by him voluntarily, by the Corporation for Cause, or because the Executive chooses not to extend the term of this Agreement, engage in any business activities on behalf of any enterprise which competes with the Corporation in the business of the passive ownership of health care facilities, or passive investing in or lending to health care-related enterprises. The Executive will be deemed to be engaged in such competitive business activities if he participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities.

The Executive agrees that he shall not, for a period of one year from the time his employment under this Agreement ceases (for whatever reason), or, if later, during any period in which he is receiving monthly severance payments under Section 5 or Section 6 of this Agreement, solicit any employee or full-time consultant of the Corporation for the purposes of hiring or retaining such employee or consultant. For this purpose, the Executive shall be considered to be receiving monthly severance payments under Section 5 or Section 6 of this Agreement during any period for which he would have received such severance payments had he not elected to receive a lump sum severance payment or had such payments not been offset by compensation received from a successor employer.

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11. INJUNCTIVE RELIEF

The Executive acknowledges and agrees that it would be difficult to fully compensate the Corporation for damages resulting from the breach or threatened breach of the covenants set forth in Sections 9 and 10 of this Agreement and accordingly agrees that the Corporation shall be entitled to

temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, to enforce such provisions in any action or proceeding instituted in the United States District Court for the Northern District of Ohio or in any court in the State of Ohio having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Corporation's right to claim and recover damages.

It is expressly understood and agreed that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Executive, no such provision of this Agreement shall be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

12. NOTICES

All notices or communications hereunder shall be in writing and sent certified or registered mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

IF TO THE CORPORATION:

Health Care REIT, Inc.
One SeaGate, Suite 1500
Toledo, OH 43604
Attention: Corporate Secretary

IF TO THE EXECUTIVE:

Raymond W. Braun
543 Troon Rd.
Holland, OH 43528

The actual date of receipt, as shown by the receipt therefor, shall determine the time at which notice was given.

13. SEPARABILITY

If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

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14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the assigns and successors of the Corporation, but neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Corporation and the Executive. The Agreement may be amended at any time by mutual written agreement of the parties hereto.

16. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Ohio, other than the conflict of laws

provisions of such laws.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed, and the Executive has hereunto set his hand, as of the day and year first above written.

ATTEST:

HEALTH CARE REIT, INC.

/s/ ERIN C. IBELE

By: /s/ GEORGE L. CHAPMAN

Corporate Secretary

Chief Executive Officer

WITNESS:

EXECUTIVE:

/s/ ERIN C. IBELE

/s/ RAYMOND W. BRAUN

Raymond W. Braun

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated this 30(th) day of October, 2000, but effective as of January 1, 2000, (the "Agreement"), by and between HEALTH CARE REIT, INC., a Delaware corporation, (the "Corporation"), and ERIN C. IBELE (the "Executive").

WHEREAS, the Corporation and the Executive entered into an Employment Agreement, effective as of January 1, 1997;

WHEREAS, in March, 2000, the Compensation Committee of the Corporation's Board of Directors approved certain modifications to the terms of such Employment Agreement.

WHEREAS, the Corporation wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve in the employ of the Corporation for such period upon the terms and conditions set forth in this Amended and Restated Employment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT

The Corporation hereby agrees to employ the Executive as the Corporation's Vice President and Corporate Secretary, upon the terms and conditions herein contained, and the Executive hereby agrees to accept such employment and to serve in such positions, and to perform the duties and functions customarily performed by the Vice President and Corporate Secretary of a publicly traded corporation during the term of this Agreement. In such capacity, the Executive shall report only to the Corporation's Chief Executive Officer ("CEO"), and shall have the powers and responsibilities set forth in Article IV of the Corporation's By-Laws as well as such additional powers and responsibilities consistent with her position as the CEO may assign to her.

Throughout the term of this Agreement, the Executive shall devote her best efforts and all of her business time and services to the business and affairs of the Corporation.

2. TERM OF AGREEMENT

The term of employment under this Agreement shall commence as of January 1, 1997 (the "Effective Date"). The initial term of this Agreement shall be for a period of two (2) years, ending December 31, 1998. Upon the expiration of such initial employment period, the term of employment hereunder shall automatically be extended without further action by the parties for successive two (2) year renewal terms, unless either party shall give at least six (6) months advance written notice to the other of her or its intention that this Agreement shall terminate upon the expiration of the initial term or the current renewal term, as the case may be.

Notwithstanding the foregoing, the Corporation shall be entitled to terminate this Agreement immediately, subject to a continuing obligation to make any payments required under Section 5 below, if the Executive (i) becomes disabled as described in Section 5(b), (ii) is terminated for Cause, as defined in Section 5(c), or (iii) voluntarily terminates her employment before the current term of this Agreement expires, as described in Section 5(d).

3. SALARY AND BONUS

The Executive shall receive a base salary during the term of this Agreement at a rate of not less than \$80,000 per annum for 1997, and at a rate of not less than \$92,500 per annum for subsequent years, payable in substantially equal semi-monthly installments. The Compensation Committee of the Board shall consult with the CEO and review the Executive's base salary at annual intervals, and may adjust the Executive's annual base salary from time to time as the Committee deems to be appropriate.

The Executive shall also be eligible to receive a bonus from the Corporation each year during the term of this Agreement, with the actual amount of such bonus to be determined by the Compensation Committee of the Corporation's Board, using such performance measures as the Committee deems to be appropriate.

4. ADDITIONAL COMPENSATION AND BENEFITS

The Executive shall receive the following additional compensation and welfare and fringe benefits:

(a) STOCK OPTIONS AND OTHER LONG-TERM INCENTIVES. The Executive has been granted incentive stock options, nonstatutory stock options, and shares of restricted stock pursuant to the terms of the Corporation's 1995 Stock Incentive Plan. During the remaining term of the Agreement, any additional stock options, restricted stock or other awards under the 1995 Stock Incentive Plan shall be at the discretion of the Compensation Committee of the Corporation's Board.

(b) HEALTH INSURANCE. The Corporation shall provide the Executive and her dependents with health insurance, life insurance and disability coverage on terms no less favorable than that from time to time made available to other key employees.

(c) VACATION. The Executive shall be entitled to up to three (3) weeks of vacation during each year during the term of this Agreement and any extensions thereof, prorated for partial years.

(d) BUSINESS EXPENSES. The Corporation shall reimburse the Executive for all reasonable expenses she incurs in promoting the Corporation's business, including expenses for travel and similar items, upon presentation by the Executive from time to time of an itemized account of such expenditures.

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In addition to the benefits provided pursuant to the preceding paragraphs of this Section 4, the Executive shall be eligible to participate in such other executive compensation and retirement plans of the Corporation as are applicable generally to other officers, and in such welfare benefit plans, programs, practices and policies of the Corporation as are generally applicable to other key employees, unless such participation would duplicate, directly or indirectly, benefits already accorded to the Executive.

5. PAYMENTS UPON TERMINATION

(a) INVOLUNTARY TERMINATION. If the Executive's employment is terminated by the Corporation during the term of this Agreement, the Executive shall be entitled to receive her base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. The Executive shall also receive any nonforfeitable benefits payable to her under the terms of any deferred compensation, incentive or other benefit plan maintained by the Corporation, payable in accordance with the terms of the applicable plan.

If the termination is not a termination for Cause, as described in

paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then the Corporation shall also be obligated to make a series of monthly severance payments to the Executive for each month during the remaining term of this Agreement, but not less than twelve (12) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect on the date of termination, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the termination date or (B) a minimum bonus equal to twenty-five percent (25%) of her annual base salary. If the Executive obtains a replacement position with any new employer (including a position as an officer, employee, consultant, or agent, or self-employment as a partner or sole proprietor), the payments shall be reduced by all amounts the Executive receives as compensation for services performed during such period. The Executive shall be under no duty to mitigate the amounts owed to her under this paragraph (a) by seeking such a replacement position.

In addition, if the termination is not a termination for Cause as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then:

(i) Any stock options, restricted stock or other awards granted to the Executive under the Corporation's 1995 Stock Incentive Plan shall become fully vested and, in the case of stock options, exercisable in full;

(ii) The Executive shall be provided continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of her termination for the remaining term of the Agreement (but not less than six (6) months), or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer; and

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(iii) The Executive may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of her employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly severance payments described in the preceding paragraph in an amount equal to the present value of such payments. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

(b) DISABILITY. The Corporation shall be entitled to terminate this Agreement, if the Board determines that the Executive has been unable to attend to her duties for at least ninety (90) days because of a medically diagnosable physical or mental condition, and has received a written opinion from a physician acceptable to the Board that such condition prevents the Executive from resuming full performance of her duties and is likely to continue for an indefinite period. Upon such termination, the Executive shall be entitled to receive her base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. In addition, the Corporation shall make a series of monthly disability payments to Executive, each equal to one-twelfth (1/12(th)) of the sum of (i) her annual base salary, as in effect at the time Executive became permanently disabled, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of disability or (B) a minimum bonus equal to twenty-five

percent (25%) of the Executive's annual base salary. Payment of such disability benefit shall commence with the month following the date of the termination by reason of permanent disability and continue each month for the remaining current term of this Agreement (but not less than twelve (12) months), but shall terminate at an earlier date if the Executive returns to active employment, either with the Corporation or otherwise. Any amounts payable under this Section 5(b) shall be reduced by any amounts paid to the Executive under any long-term disability plan or other disability program or insurance policies maintained or provided by the Corporation.

(c) TERMINATION FOR CAUSE. If the Executive's employment is terminated by the Corporation for Cause, the amount the Executive shall be entitled to receive from the Corporation shall be limited to her base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to the fiscal year of the Corporation most recently ended, and any nonforfeitable benefits payable to the Executive under the terms of deferred compensation, incentive or other benefit plans maintained by the Corporation.

For purposes of this Agreement, the term "Cause" shall be limited to (i) action by the Executive involving willful disloyalty to the Corporation, such as embezzlement, fraud, misappropriation of corporate assets or a breach of the covenants set forth in Sections 9 and 10 below; or (ii) the Executive being convicted of a felony; or (iii) the Executive being convicted of any lesser crime or offense committed in connection with the performance of her duties hereunder or involving moral turpitude; or (iv) the intentional and willful failure by the Executive to substantially perform her duties hereunder as directed by the Corporation's CEO (other than any

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such failure resulting from the Executive's incapacity due to physical or mental disability) after a demand for substantial performance is made on the Executive by the Board of Directors.

(d) VOLUNTARY TERMINATION BY THE EXECUTIVE. If the Executive resigns or otherwise voluntarily terminates her employment before the end of the current term of this Agreement (other than in connection with a Change in Corporate Control, as described in Section 6), the amount the Executive shall be entitled to receive from the Corporation shall be limited to her base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to any fiscal years or other periods preceding the termination date, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans of the Corporation.

For purposes of this paragraph, a resignation by the Executive shall not be deemed to be voluntary if the Executive is (1) assigned to a position other than the Vice President or Corporate Secretary of the Corporation (other than for Cause or by reason of permanent disability), (2) assigned duties materially inconsistent with such position, or (3) directed to report to anyone other than the Corporation's CEO.

6. EFFECT OF CHANGE IN CORPORATE CONTROL

(a) In the event of a Change in Corporate Control, the vesting of any stock options, restricted stock or other awards granted to the Executive under the terms of the Corporation's 1995 Stock Incentive Plan shall be accelerated (to the extent permitted by the terms of such Plan) and such awards shall become immediately vested in full and, in the case of stock options, exercisable in full.

(b) If, at any time during the period of twelve (12) consecutive months following the occurrence of a Change in Corporate Control, and during the term of this Agreement, the Executive is involuntarily terminated (other than for

Cause) or elects to voluntarily resign her employment, the Executive shall be entitled to receive monthly severance payments for twenty-four months (24) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect at the time of the Change in Corporate Control, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year of the Corporation ending prior to the Change in Corporate Control or (B) a minimum bonus equal to twenty-five percent (25%) of her annual base salary.

(c) If the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign her employment within twelve (12) months after a Change in Corporate Control, she may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of her employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly payments described in the preceding paragraph. The amount of this payment shall be equal to the present value of the monthly payments described in the preceding paragraph. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment

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to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

In addition, if the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign her employment within twelve (12) months after a Change in Corporate Control, she shall be entitled to continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of her termination, which coverage shall be continued until the expiration of the current term of the Agreement (but not less than six (6) months) or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer.

(d) For purposes of this Agreement, a "Change in Corporate Control" shall include any of the following events:

(1) The acquisition in one or more transactions of more than twenty percent (20%) of the Corporation's outstanding Common Stock (or the equivalent in voting power of any class or classes of securities of the Corporation entitled to vote in elections of directors) by any corporation, or other person or group (within the meaning of Section 14(d)(3) of the Securities Exchange Act of 1934, as amended);

(2) Any transfer or sale of substantially all of the assets of the Corporation, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is not the surviving entity;

(3) Any election of persons to the Board of Directors which causes a majority of the Board of Directors to consist of persons other than "Continuing Directors". For this purpose, those persons who were members of the Board of Directors on May 1, 1995, shall be "Continuing Directors". Any person who is nominated for election as a member of the Board after May 1, 1995, shall also be considered a "Continuing Director" for this purpose if, and only if, his or her nomination for election to the Board of Directors is approved or recommended by a majority of the members of the Board (or of the relevant Nominating Committee) and at least five (5) members of the Board are themselves Continuing Directors at the time of such nomination; or

(4) Any person, or group of persons, announces a tender offer for at

least twenty percent (20%) of the Corporation's Common Stock, and the Board of Directors appoints a special committee of the Board to consider the Corporation's response to such tender offer.

(e) Notwithstanding anything else in this Agreement, if any payment, accelerated vesting or other benefit provided by the Corporation to the Executive in connection with a Change in Corporate Control, whether paid or payable pursuant to the terms of this Agreement or otherwise (a "Parachute Payment") is determined to be a parachute payment subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (such excise tax, together with any interest and penalties incurred by the Executive with respect to such excise tax, are referred to as the "Excise Tax"), the Corporation shall make an additional payment (the "Gross-Up Payment") to the Executive in an amount such that the net amount of the Gross-Up

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Payment the Executive retains, after payment by the Executive of all taxes imposed upon the Gross-Up Payment, including, without limitation, the Excise Tax and any federal, state or local income taxes (and any interest and penalties imposed with respect thereto) on the Gross-Up Payment, will be equal to the Excise Tax liability imposed upon the Executive with respect to all Parachute Payments (other than the Gross-Up Payment).

7. DEATH

If the Executive dies during the term of this Agreement, the Corporation shall pay to the Executive's estate a lump sum payment equal to the sum of the Executive's base salary accrued through the date of death, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the date of death. In addition, the Corporation shall pay to the Executive's surviving spouse (or such other beneficiary as the Executive may designate in writing) a lump sum payment equal to the present value of a series of monthly payments for each month during the remaining term of the Agreement (but not less than twelve (12) months), each in an amount equal to one-twelfth (1/12(th)) of the sum of (i) the Executive's annual base salary, as in effect on the date of death, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of death or (B) a minimum bonus equal to twenty-five percent (25%) of the Executive's annual base salary. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date of death. In addition, the death benefits payable by reason of the Executive's death under any retirement, deferred compensation, life insurance or other employee benefit plan maintained by the Corporation shall be paid to the beneficiary designated by the Executive, and the stock options, restricted stock or other awards held by the Executive under the Corporation's stock plans shall become fully vested, and, in the case of stock options, exercisable in full, in accordance with the terms of the applicable plan or plans.

8. WITHHOLDING

The Corporation shall, to the extent permitted by law, have the right to withhold and deduct from any payment hereunder any federal, state or local taxes of any kind required by law to be withheld with respect to any such payment.

9. PROTECTION OF CONFIDENTIAL INFORMATION

The Executive agrees that she will keep all confidential and proprietary information of the Corporation or relating to its business confidential, and that she will not (except with the Corporation's prior written consent), while in the employ of the Corporation or thereafter, disclose any such confidential information to any person, firm, corporation, association or other entity, other than in furtherance of her duties hereunder, and then only

to those with a "need to know." The Executive shall not make use of any such confidential information for her own purposes or for the benefit of any person, firm, corporation, association or other entity (except the Corporation) under any circumstances during or after the term of her employment. The foregoing shall not apply to any information which is already in the public domain, or is generally disclosed by the Corporation or is otherwise in the public domain at the time of disclosure.

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The Executive recognizes that because her work for the Corporation may bring her into contact with confidential and proprietary information of the Corporation, the restrictions of this Section 9 are required for the reasonable protection of the Corporation and its investments and for the Corporation's reliance on and confidence in the Executive.

10. COVENANT NOT TO COMPETE

The Executive hereby agrees that she will not, either during the Employment Term or during the period of one (1) year from the time the Executive's employment under this Agreement is terminated by her voluntarily, by the Corporation for Cause, or because the Executive chooses not to extend the term of this Agreement, engage in any business activities on behalf of any enterprise which competes with the Corporation in the business of the passive ownership of health care facilities, or passive investing in or lending to health care-related enterprises. The Executive will be deemed to be engaged in such competitive business activities if she participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities.

The Executive agrees that she shall not, for a period of one year from the time her employment under this Agreement ceases (for whatever reason), or, if later, during any period in which she is receiving monthly severance payments under Section 5 or Section 6 of this Agreement, solicit any employee or full-time consultant of the Corporation for the purposes of hiring or retaining such employee or consultant. For this purpose, the Executive shall be considered to be receiving monthly severance payments under Section 5 or Section 6 of this Agreement during any period for which she would have received such severance payments had she not elected to receive a lump sum severance payment or had such payments not been offset by compensation received from a successor employer.

11. INJUNCTIVE RELIEF

The Executive acknowledges and agrees that it would be difficult to fully compensate the Corporation for damages resulting from the breach or threatened breach of the covenants set forth in Sections 9 and 10 of this Agreement and accordingly agrees that the Corporation shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, to enforce such provisions in any action or proceeding instituted in the United States District Court for the Northern District of Ohio or in any court in the State of Ohio having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Corporation's right to claim and recover damages.

It is expressly understood and agreed that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Executive, no such provision of this Agreement shall be rendered void but shall be

deemed amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

12. NOTICES

All notices or communications hereunder shall be in writing and sent certified or registered mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

IF TO THE CORPORATION:

Health Care REIT, Inc.
One SeaGate, Suite 1500
Toledo, OH 43604
Attention: Chief Executive Officer and
President

IF TO THE EXECUTIVE:

Erin C. Ibele
5347 Fox Run
Toledo, OH 43623

The actual date of receipt, as shown by the receipt therefor, shall determine the time at which notice was given.

13. SEPARABILITY

If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the assigns and successors of the Corporation, but neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Corporation and the Executive. The Agreement may be amended at any time by mutual written agreement of the parties hereto.

16. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Ohio, other than the conflict of laws provisions of such laws.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed, and the Executive has hereunto set her hand, as of the day and year first above written.

ATTEST:

HEALTH CARE REIT, INC.

/s/ RAYMOND W. BRAUN

Executive Vice President,
Chief Operating Officer and
Chief Financial Officer

WITNESS:

/s/ GEORGE L. CHAPMAN

By: /s/ GEORGE L. CHAPMAN

Chief Executive Officer

EXECUTIVE:

/s/ ERIN C. IBELE

Erin C. Ibele

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated this 30(th) day of October, 2000, but effective as of January 1, 2000 (unless otherwise indicated) (the "Agreement"), by and between HEALTH CARE REIT, INC., a Delaware corporation, (the "Corporation"), and MICHAEL A. CRABTREE (the "Executive").

WHEREAS, the Corporation wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve in the employ of the Corporation for such period upon the terms and conditions set forth in this Employment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT

The Corporation hereby agrees to employ the Executive as the Corporation's Controller and effective July 19, 2000, Controller and Treasurer, upon the terms and conditions herein contained, and the Executive hereby agrees to accept such employment and to serve in such positions, and to perform the duties and functions customarily performed by the Controller and Treasurer of a publicly traded corporation during the term of this Agreement. In such capacity, the Executive shall report only to the Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), and shall have the powers and responsibilities set forth in Article IV of the Corporation's By-Laws as well as such additional powers and responsibilities consistent with his position as the CEO and CFO may assign to him.

Throughout the term of this Agreement, the Executive shall devote his best efforts and all of his business time and services to the business and affairs of the Corporation.

2. TERM OF AGREEMENT

The term of employment under this Agreement shall commence as of January 1, 2000 (the "Effective Date"). The initial term of this Agreement shall be for a period of two (2) years, ending December 31, 2001. Upon the expiration of such initial employment period, the term of employment hereunder shall automatically be extended without further action by the parties for successive two (2) year renewal terms, unless either party shall give at least six (6) months advance written notice to the other of his or its intention that this Agreement shall terminate upon the expiration of the initial term or the current renewal term, as the case may be.

Notwithstanding the foregoing, the Corporation shall be entitled to terminate this Agreement immediately, subject to a continuing obligation to make any payments required under Section 5 below, if the Executive (i) becomes disabled as described in Section 5(b), (ii) is terminated for Cause, as defined in Section 5(c), or (iii) voluntarily terminates his employment before the current term of this Agreement expires, as described in Section 5(d).

3. SALARY AND BONUS

The Executive shall receive a base salary during the term of this Agreement at a rate of not less than \$106,838 per annum for the payroll periods ending July 15, 2000 and at a rate of not less than \$126,838 per annum for subsequent years, payable in substantially equal semi-monthly installments. The Compensation Committee of the Board shall consult with the CEO and review the

Executive's base salary at annual intervals, and may adjust the Executive's annual base salary from time to time as the Committee deems to be appropriate.

The Executive shall also be eligible to receive a bonus from the Corporation each year during the term of this Agreement, with the actual amount of such bonus to be determined by the Compensation Committee of the Corporation's Board, using such performance measures as the Committee deems to be appropriate.

4. ADDITIONAL COMPENSATION AND BENEFITS

The Executive shall receive the following additional compensation and welfare and fringe benefits:

(a) STOCK OPTIONS AND OTHER LONG-TERM INCENTIVES. The Executive has been granted incentive stock options, nonstatutory stock options, and shares of restricted stock pursuant to the terms of the Corporation's 1995 Stock Incentive Plan. During the remaining term of the Agreement, any additional stock options, restricted stock or other awards under the 1995 Stock Incentive Plan shall be at the discretion of the Compensation Committee of the Corporation's Board.

(b) HEALTH INSURANCE. The Corporation shall provide the Executive and his dependents with health insurance, life insurance and disability coverage on terms no less favorable than that from time to time made available to other key employees.

(c) VACATION. The Executive shall be entitled to up to three (3) weeks of vacation during each year during the term of this Agreement and any extensions thereof, prorated for partial years.

(d) BUSINESS EXPENSES. The Corporation shall reimburse the Executive for all reasonable expenses he incurs in promoting the Corporation's business, including expenses for travel and similar items, upon presentation by the Executive from time to time of an itemized account of such expenditures.

In addition to the benefits provided pursuant to the preceding paragraphs of this Section 4, the Executive shall be eligible to participate in such other executive compensation and retirement plans of the Corporation as are applicable generally to other officers, and in such welfare benefit plans, programs, practices and policies of the Corporation as are generally applicable to other key employees, unless such participation would duplicate, directly or indirectly, benefits already accorded to the Executive.

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5. PAYMENTS UPON TERMINATION

(a) INVOLUNTARY TERMINATION. If the Executive's employment is terminated by the Corporation during the term of this Agreement, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. The Executive shall also receive any nonforfeitable benefits payable to him under the terms of any deferred compensation, incentive or other benefit plan maintained by the Corporation, payable in accordance with the terms of the applicable plan.

If the termination is not a termination for Cause, as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then the Corporation shall also be obligated to make a series of monthly severance payments to the Executive for each month during the remaining term of this Agreement, but not less than twelve (12) months. Each monthly payment shall be

equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect on the date of termination, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the termination date or (B) a minimum bonus equal to twenty-five percent (25%) of his annual base salary. If the Executive obtains a replacement position with any new employer (including a position as an officer, employee, consultant, or agent, or self-employment as a partner or sole proprietor), the payments shall be reduced by all amounts the Executive receives as compensation for services performed during such period. The Executive shall be under no duty to mitigate the amounts owed to him under this paragraph (a) by seeking such a replacement position.

In addition, if the termination is not a termination for Cause as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then:

(i) Any stock options, restricted stock or other awards granted to the Executive under the Corporation's 1995 Stock Incentive Plan shall become fully vested and, in the case of stock options, exercisable in full;

(ii) The Executive shall be provided continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination for the remaining term of the Agreement (but not less than six (6) months), or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer; and

(iii) The Executive may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly severance payments described in the preceding paragraph in an amount equal to the present value of such payments. Such present value shall be calculated using a discount rate equal to the interest

rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

(b) DISABILITY. The Corporation shall be entitled to terminate this Agreement, if the Board determines that the Executive has been unable to attend to his duties for at least ninety (90) days because of a medically diagnosable physical or mental condition, and has received a written opinion from a physician acceptable to the Board that such condition prevents the Executive from resuming full performance of his duties and is likely to continue for an indefinite period. Upon such termination, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. In addition, the Corporation shall make a series of monthly disability payments to Executive, each equal to one-twelfth (1/12th) of the sum of (i) his annual base salary, as in effect at the time Executive became permanently disabled, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of disability or (B) a minimum bonus equal to twenty-five percent (25%) of the Executive's annual base salary. Payment of such disability benefit shall commence with the month following the date of the termination by reason of permanent disability and continue each month for the remaining current

term of this Agreement (but not less than twelve (12) months), but shall terminate at an earlier date if the Executive returns to active employment, either with the Corporation or otherwise. Any amounts payable under this Section 5(b) shall be reduced by any amounts paid to the Executive under any long-term disability plan or other disability program or insurance policies maintained or provided by the Corporation.

(c) TERMINATION FOR CAUSE. If the Executive's employment is terminated by the Corporation for Cause, the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to the fiscal year of the Corporation most recently ended, and any nonforfeitable benefits payable to the Executive under the terms of deferred compensation, incentive or other benefit plans maintained by the Corporation.

For purposes of this Agreement, the term "Cause" shall be limited to (i) action by the Executive involving willful disloyalty to the Corporation, such as embezzlement, fraud, misappropriation of corporate assets or a breach of the covenants set forth in Sections 9 and 10 below; or (ii) the Executive being convicted of a felony; or (iii) the Executive being convicted of any lesser crime or offense committed in connection with the performance of his duties hereunder or involving moral turpitude; or (iv) the intentional and willful failure by the Executive to substantially perform his duties hereunder as directed by the Corporation's CEO or CFO (other than any such failure resulting from the Executive's incapacity due to physical or mental disability) after a demand for substantial performance is made on the Executive by the Board of Directors.

(d) VOLUNTARY TERMINATION BY THE EXECUTIVE. If the Executive resigns or otherwise voluntarily terminates his employment before the end of the current term of this Agreement (other than in connection with a Change in Corporate Control, as described in Section

6), the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to any fiscal years or other periods preceding the termination date, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans of the Corporation.

For purposes of this paragraph, a resignation by the Executive shall not be deemed to be voluntary if the Executive is (1) assigned to a position other than the Treasurer or Controller of the Corporation (other than for Cause or by reason of permanent disability), (2) assigned duties materially inconsistent with such position, or (3) directed to report to anyone other than the Corporation's CEO or CFO.

6. EFFECT OF CHANGE IN CORPORATE CONTROL

(a) In the event of a Change in Corporate Control, the vesting of any stock options, restricted stock or other awards granted to the Executive under the terms of the Corporation's 1995 Stock Incentive Plan shall be accelerated (to the extent permitted by the terms of such Plan) and such awards shall become immediately vested in full and, in the case of stock options, exercisable in full.

(b) If, at any time during the period of twelve (12) consecutive months following the occurrence of a Change in Corporate Control, and during the term of this Agreement, the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment, the Executive shall be entitled to receive monthly severance payments for twenty-four (24) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the

Executive's annual base salary, as in effect at the time of the Change in Corporate Control, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year of the Corporation ending prior to the Change in Corporate Control or (B) a minimum bonus equal to twenty-five percent (25%) of his annual base salary.

(c) If the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly payments described in the preceding paragraph. The amount of this payment shall be equal to the present value of the monthly payments described in the preceding paragraph. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

In addition, if the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he shall be entitled to continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive

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participated at the time of his termination, which coverage shall be continued until the expiration of the current term of the Agreement (but not less than six (6) months) or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer.

(d) For purposes of this Agreement, a "Change in Corporate Control" shall include any of the following events:

(1) The acquisition in one or more transactions of more than twenty percent (20%) of the Corporation's outstanding Common Stock (or the equivalent in voting power of any class or classes of securities of the Corporation entitled to vote in elections of directors) by any corporation, or other person or group (within the meaning of Section 14(d)(3) of the Securities Exchange Act of 1934, as amended);

(2) Any transfer or sale of substantially all of the assets of the Corporation, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is not the surviving entity;

(3) Any election of persons to the Board of Directors which causes a majority of the Board of Directors to consist of persons other than "Continuing Directors". For this purpose, those persons who were members of the Board of Directors on May 1, 1995, shall be "Continuing Directors". Any person who is nominated for election as a member of the Board after May 1, 1995, shall also be considered a "Continuing Director" for this purpose if, and only if, his or her nomination for election to the Board of Directors is approved or recommended by a majority of the members of the Board (or of the relevant Nominating Committee) and at least five (5) members of the Board are themselves Continuing Directors at the time of such nomination; or

(4) Any person, or group of persons, announces a tender offer for at least twenty percent (20%) of the Corporation's Common Stock, and the Board of Directors appoints a special committee of the Board to consider the Corporation's response to such tender offer.

(e) Notwithstanding anything else in this Agreement, if any payment, accelerated vesting or other benefit provided by the Corporation to the Executive in connection with a Change in Corporate Control, whether paid or payable pursuant to the terms of this Agreement or otherwise (a "Parachute Payment") is determined to be a parachute payment subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (such excise tax, together with any interest and penalties incurred by the Executive with respect to such excise tax, are referred to as the "Excise Tax"), the Corporation shall make an additional payment (the "Gross-Up Payment") to the Executive in an amount such that the net amount of the Gross-Up Payment the Executive retains, after payment by the Executive of all taxes imposed upon the Gross-Up Payment, including, without limitation, the Excise Tax and any federal, state or local income taxes (and any interest and penalties imposed with respect thereto) on the Gross-Up Payment, will be equal to the Excise Tax liability imposed upon the Executive with respect to all Parachute Payments (other than the Gross-Up Payment).

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7. DEATH

If the Executive dies during the term of this Agreement, the Corporation shall pay to the Executive's estate a lump sum payment equal to the sum of the Executive's base salary accrued through the date of death, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the date of death. In addition, the Corporation shall pay to the Executive's surviving spouse (or such other beneficiary as the Executive may designate in writing) a lump sum payment equal to the present value of a series of monthly payments for each month during the remaining term of the Agreement (but not less than twelve (12) months), each in an amount equal to one-twelfth (1/12(th)) of the sum of (i) the Executive's annual base salary, as in effect on the date of death, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of death or (B) a minimum bonus equal to twenty-five percent (25%) of the Executive's annual base salary. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date of death. In addition, the death benefits payable by reason of the Executive's death under any retirement, deferred compensation, life insurance or other employee benefit plan maintained by the Corporation shall be paid to the beneficiary designated by the Executive, and the stock options, restricted stock or other awards held by the Executive under the Corporation's stock plans shall become fully vested, and, in the case of stock options, exercisable in full, in accordance with the terms of the applicable plan or plans.

8. WITHHOLDING

The Corporation shall, to the extent permitted by law, have the right to withhold and deduct from any payment hereunder any federal, state or local taxes of any kind required by law to be withheld with respect to any such payment.

9. PROTECTION OF CONFIDENTIAL INFORMATION

The Executive agrees that he will keep all confidential and proprietary information of the Corporation or relating to its business confidential, and that he will not (except with the Corporation's prior written consent), while in the employ of the Corporation or thereafter, disclose any such confidential information to any person, firm, corporation, association or other entity, other than in furtherance of his duties hereunder, and then only to those with a "need to know." The Executive shall not make use of any such confidential information for his own purposes or for the benefit of any person, firm, corporation, association or other entity (except the Corporation) under any circumstances during or after the term of his employment. The foregoing shall not apply to any information which is already in the public domain, or is generally disclosed by

the Corporation or is otherwise in the public domain at the time of disclosure.

The Executive recognizes that because his work for the Corporation may bring him into contact with confidential and proprietary information of the Corporation, the restrictions of this Section 9 are required for the reasonable protection of the Corporation and its investments and for the Corporation's reliance on and confidence in the Executive.

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10. COVENANT NOT TO COMPETE

The Executive hereby agrees that he will not, either during the Employment Term or during the period of one (1) year from the time the Executive's employment under this Agreement is terminated by him voluntarily, by the Corporation for Cause, or because the Executive chooses not to extend the term of this Agreement, engage in any business activities on behalf of any enterprise which competes with the Corporation in the business of the passive ownership of health care facilities, or passive investing in or lending to health care-related enterprises. The Executive will be deemed to be engaged in such competitive business activities if he participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities.

The Executive agrees that he shall not, for a period of one year from the time his employment under this Agreement ceases (for whatever reason), or, if later, during any period in which he is receiving monthly severance payments under Section 5 or Section 6 of this Agreement, solicit any employee or full-time consultant of the Corporation for the purposes of hiring or retaining such employee or consultant. For this purpose, the Executive shall be considered to be receiving monthly severance payments under Section 5 or Section 6 of this Agreement during any period for which he would have received such severance payments had he not elected to receive a lump sum severance payment or had such payments not been offset by compensation received from a successor employer.

11. INJUNCTIVE RELIEF

The Executive acknowledges and agrees that it would be difficult to fully compensate the Corporation for damages resulting from the breach or threatened breach of the covenants set forth in Sections 9 and 10 of this Agreement and accordingly agrees that the Corporation shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, to enforce such provisions in any action or proceeding instituted in the United States District Court for the Northern District of Ohio or in any court in the State of Ohio having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Corporation's right to claim and recover damages.

It is expressly understood and agreed that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Executive, no such provision of this Agreement shall be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

12. NOTICES

All notices or communications hereunder shall be in writing and sent certified or registered mail, return receipt requested, postage prepaid, addressed as follows (or to such other

address as such party may designate in writing from time to time):

IF TO THE CORPORATION:

Health Care REIT, Inc.
One SeaGate, Suite 1500
Toledo, OH 43604
Attention: Chief Executive Officer and
President

IF TO THE EXECUTIVE:

Michael A. Crabtree
399 Rutledge Ct.
Perrysburg, OH 43551

The actual date of receipt, as shown by the receipt therefor, shall determine the time at which notice was given.

13. SEPARABILITY

If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the assigns and successors of the Corporation, but neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Corporation and the Executive. The Agreement may be amended at any time by mutual written agreement of the parties hereto.

16. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Ohio, other than the conflict of laws provisions of such laws.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed, and the Executive has hereunto set his hand, as of the day and year first above written.

ATTEST:

HEALTH CARE REIT, INC.

/s/ RAYMOND W. BRAUN

By: /s/ GEORGE L. CHAPMAN

Executive Vice President,
Chief Operating Officer and
Chief Financial Officer

Chief Executive Officer

WITNESS:

EXECUTIVE:

/s/ ERIN C. IBELE

/s/ MICHAEL A. CRABTREE

Michael A. Crabtree

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, dated this 30th day of October, 2000, but effective as of August 1, 2000, (the "Agreement"), by and between HEALTH CARE REIT, INC., a Delaware corporation, (the "Corporation"), and CHARLES J. HERMAN, Jr. (the "Executive").

WHEREAS, the Corporation wishes to assure itself of the services of the Executive for the period provided in this Agreement and the Executive is willing to serve in the employ of the Corporation for such period upon the terms and conditions set forth in this Employment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, hereby agree as follows:

1. EMPLOYMENT

The Corporation hereby agrees to employ the Executive as the Corporation's Vice President of Operations, upon the terms and conditions herein contained, and the Executive hereby agrees to accept such employment and to serve in such position, and to be responsible for originating new transactions, underwriting, monitoring, research and such related duties that are customarily performed by a Vice President of Operations of a publicly traded corporation during the term of this Agreement. In such capacity, the Executive shall report only to the Corporation's Chief Executive Officer ("CEO") and Executive Vice President ("EVP"), and shall have the powers and responsibilities set forth in Article IV of the Corporation's By-Laws (if specified) as well as such additional powers and responsibilities consistent with his position as the CEO and Executive Vice President may assign to him.

Throughout the term of this Agreement, the Executive shall devote his best efforts and all of his business time and services to the business and affairs of the Corporation.

2. TERM OF AGREEMENT

The term of employment under this Agreement shall commence as of August 1, 2000 (the "Effective Date"). The initial term of this Agreement shall be for a period of two (2) years and five (5) months, ending December 31, 2002. Upon the expiration of such initial employment period, the term of employment hereunder shall automatically be extended without further action by the parties for successive two (2) year renewal terms, unless either party shall give at least six (6) months advance written notice to the other of his or its intention that this Agreement shall terminate upon the expiration of the initial term or the current renewal term, as the case may be.

Notwithstanding the foregoing, the Corporation shall be entitled to terminate this Agreement immediately, subject to a continuing obligation to make any payments required under Section 5 below, if the Executive (i) becomes disabled as described in Section 5(b), (ii) is

terminated for Cause, as defined in Section 5(c), or (iii) voluntarily terminates his employment before the current term of this Agreement expires, as described in Section 5(d).

3. SALARY AND BONUS

The Executive shall receive a base salary during the term of this Agreement at a rate of not less than \$200,000 per annum, payable in substantially equal semi-monthly installments. The Compensation Committee of the

Board shall consult with the CEO and review the Executive's base salary at annual intervals, and may adjust the Executive's annual base salary from time to time as the Committee deems to be appropriate.

The Executive shall also be eligible to receive a bonus from the Corporation each year during the term of this Agreement, with the actual amount of such bonus to be determined by the Compensation Committee of the Corporation's Board, using such performance measures as the Committee deems to be appropriate. For the year 2000, the bonus shall be \$50,000 and the maximum bonus for year 2001 shall not exceed sixty percent (60%) of the Executive's base salary.

4. ADDITIONAL COMPENSATION AND BENEFITS

The Executive shall receive the following additional compensation and welfare and fringe benefits:

(a) STOCK OPTIONS AND OTHER LONG-TERM INCENTIVES. The Executive shall participate in the Corporation's 1995 Stock Incentive Plan commencing after one year of employment. Any allocations of stock options and restricted stock shall be at the discretion of the Compensation Committee of the Corporation's Board and subject to normal terms and conditions. At the end of the Executive's first year of employment, Management shall recommend an initial grant of 7,500 shares of restricted stock and options for 37,500 shares of stock, all to vest over a five (5) year period.

(b) HEALTH INSURANCE. The Corporation shall provide the Executive and his dependents with health insurance, life insurance, and disability coverage on terms no less favorable than that from time to time made available to other key employees.

(c) VACATION. The Executive shall be entitled to up to two (2) weeks of vacation during the first twelve (12) months of this Agreement, and three (3) weeks of vacation each year during any extensions thereof, all prorated for partial years.

(d) BUSINESS EXPENSES. The Corporation shall reimburse the Executive for all reasonable expenses he incurs in promoting the Corporation's business, including expenses for travel and similar items, upon presentation by the Executive from time to time of an itemized account of such expenditures.

(e) MOVING EXPENSES. The Corporation shall reimburse the Executive for the reasonable moving expenses that have been approved by the Corporation's EVP.

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(f) TEMPORARY HOUSING. The Corporation shall reimburse the Executive for mutually agreed upon temporary housing expenses.

In addition to the benefits provided pursuant to the preceding paragraphs of this Section 4, the Executive shall be eligible to participate in such other executive compensation and retirement plans (if eligible) of the Corporation as are applicable generally to other officers, and in such welfare benefit plans, programs, practices and policies of the Corporation as are generally applicable to other key employees, unless such participation would duplicate, directly or indirectly, benefits already accorded to the Executive.

5. PAYMENTS UPON TERMINATION

(a) INVOLUNTARY TERMINATION. If the Executive's employment is terminated by the Corporation during the term of this Agreement, the Executive shall be entitled to receive his base salary accrued through the date of

termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. The Executive shall also receive any nonforfeitable benefits payable to him under the terms of any deferred compensation, incentive or other benefit plan maintained by the Corporation, payable in accordance with the terms of the applicable plan.

If the termination is not a termination for Cause, as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then the Corporation shall also be obligated to make a series of monthly severance payments to the Executive for each month during the remaining term of this Agreement, but not less than twelve (12) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect on the date of termination, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the termination date or (B) a minimum bonus equal to thirty percent (30%) of his annual base salary. If the Executive obtains a replacement position with any new employer (including a position as an officer, employee, consultant, or agent, or self-employment as a partner or sole proprietor), the payments shall be reduced by all amounts the Executive receives as compensation for services performed during such period. The Executive shall be under no duty to mitigate the amounts owed to him under this paragraph (a) by seeking such a replacement position.

In addition, if the termination is not a termination for Cause as described in paragraph (c), a voluntary termination by the Executive as described in paragraph (d), or a result of the Executive's death or disability, then:

(i) Any stock options, restricted stock or other awards granted to the Executive under the Corporation's 1995 Stock Incentive Plan shall become fully vested and, in the case of stock options, exercisable in full;

(ii) The Executive shall be provided continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the

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Corporation in which the Executive participated at the time of his termination for the remaining term of the Agreement (but not less than six (6) months), or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer; and

(iii) The Executive may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum severance payment in lieu of the monthly severance payments described in the preceding paragraph in an amount equal to the present value of such payments. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

(b) **DISABILITY.** The Corporation shall be entitled to terminate this Agreement, if the Board determines that the Executive has been unable to attend to his duties for at least ninety (90) days because of a medically diagnosable physical or mental condition, and has received a written opinion from a physician acceptable to the Board that such condition prevents the Executive

from resuming full performance of his duties and is likely to continue for an indefinite period. Upon such termination, the Executive shall be entitled to receive his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the termination date. In addition, the Corporation shall make a series of monthly disability payments to Executive, each equal to one-twelfth (1/12(th)) of the sum of (i) his annual base salary, as in effect at the time Executive became permanently disabled, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of disability or (B) a minimum bonus equal to thirty percent (30%) of the Executive's annual base salary. Payment of such disability benefit shall commence with the month following the date of the termination by reason of permanent disability and continue each month for the remaining current term of this Agreement (but not less than twelve (12) months), but shall terminate at an earlier date if the Executive returns to active employment, either with the Corporation or otherwise. Any amounts payable under this Section 5(b) shall be reduced by any amounts paid to the Executive under any long-term disability plan or other disability program or insurance policies maintained or provided by the Corporation.

(c) TERMINATION FOR CAUSE. If the Executive's employment is terminated by the Corporation for Cause, the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to the fiscal year of the Corporation most recently ended, and any nonforfeitable benefits payable to the Executive under the terms of deferred compensation, incentive or other benefit plans maintained by the Corporation.

For purposes of this Agreement, the term "Cause" shall be limited to (i) action by the Executive involving willful disloyalty to the Corporation, such as embezzlement, fraud,

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misappropriation of corporate assets or a breach of the covenants set forth in Sections 9 and 10 below; or (ii) the Executive being convicted of a felony; or (iii) the Executive being convicted of any lesser crime or offense committed in connection with the performance of his duties hereunder or involving moral turpitude; or (iv) the intentional and willful failure by the Executive to substantially perform his duties hereunder as directed by the Corporation's CEO (other than any such failure resulting from the Executive's incapacity due to physical or mental disability) after a demand for substantial performance is made on the Executive by the Board of Directors.

(d) VOLUNTARY TERMINATION BY THE EXECUTIVE. If the Executive resigns or otherwise voluntarily terminates his employment before the end of the current term of this Agreement (other than in connection with a Change in Corporate Control, as described in Section 6), the amount the Executive shall be entitled to receive from the Corporation shall be limited to his base salary accrued through the date of termination, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to any fiscal years or other periods preceding the termination date, and any nonforfeitable benefits payable to the Executive under the terms of any deferred compensation, incentive or other benefit plans of the Corporation.

For purposes of this paragraph, a resignation by the Executive shall not be deemed to be voluntary if the Executive is (1) assigned to a position other than the Vice President of Operations of the Corporation (other than for Cause or by reason of permanent disability), (2) assigned duties materially inconsistent with such position, or (3) directed to report to anyone other than the Corporation's CEO or EVP.

6. EFFECT OF CHANGE IN CORPORATE CONTROL

(a) In the event of a Change in Corporate Control, the vesting of any stock options, restricted stock or other awards granted to the Executive under the terms of the Corporation's 1995 Stock Incentive Plan shall be accelerated (to the extent permitted by the terms of such Plan) and such awards shall become immediately vested in full and, in the case of stock options, exercisable in full.

(b) If, at any time during the period of twelve (12) consecutive months following the occurrence of a Change in Corporate Control, and during the term of this Agreement, the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment, the Executive shall be entitled to receive monthly severance payments for twenty-four (24) months. Each monthly payment shall be equal to one-twelfth (1/12th) of the sum of (i) the Executive's annual base salary, as in effect at the time of the Change in Corporate Control, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year of the Corporation ending prior to the Change in Corporate Control or (B) a minimum bonus equal to thirty percent (30%) of his annual base salary.

(c) If the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he may elect, by delivering written notice to the Corporation within thirty (30) days following such termination of his employment, to receive from the Corporation a lump sum

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severance payment in lieu of the monthly payments described in the preceding paragraph. The amount of this payment shall be equal to the present value of the monthly payments described in the preceding paragraph. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date the election is received by the Corporation. The Corporation shall deliver the payment to the Executive, in the form of a bank cashier's check, within ten (10) business days following the date on which the Corporation receives written notice of the Executive's election.

In addition, if the Executive is involuntarily terminated (other than for Cause) or elects to voluntarily resign his employment within twelve (12) months after a Change in Corporate Control, he shall be entitled to continued coverage at the Corporation's expense under any life, health and disability insurance programs maintained by the Corporation in which the Executive participated at the time of his termination, which coverage shall be continued until the expiration of the current term of the Agreement (but not less than six (6) months) or until, if earlier, the date the Executive obtains comparable coverage under benefit plans maintained by a new employer.

(d) For purposes of this Agreement, a "Change in Corporate Control" shall include any of the following events:

(1) The acquisition in one or more transactions of more than twenty percent (20%) of the Corporation's outstanding Common Stock (or the equivalent in voting power of any class or classes of securities of the Corporation entitled to vote in elections of directors) by any corporation, or other person or group (within the meaning of Section 14(d)(3) of the Securities Exchange Act of 1934, as amended);

(2) Any transfer or sale of substantially all of the assets of the Corporation, or any merger or consolidation of the Corporation into or with another corporation in which the Corporation is not the surviving entity;

(3) Any election of persons to the Board of Directors which causes a majority of the Board of Directors to consist of persons other than "Continuing Directors". For this purpose, those persons who were

members of the Board of Directors on May 1, 1995, shall be "Continuing Directors". Any person who is nominated for election as a member of the Board after May 1, 1995, shall also be considered a "Continuing Director" for this purpose if, and only if, his or her nomination for election to the Board of Directors is approved or recommended by a majority of the members of the Board (or of the relevant Nominating Committee) and at least five (5) members of the Board are themselves Continuing Directors at the time of such nomination; or

(4) Any person, or group of persons, announces a tender offer for at least twenty percent (20%) of the Corporation's Common Stock, and the Board of Directors appoints a special committee of the Board to consider the Corporation's response to such tender offer.

(e) Notwithstanding anything else in this Agreement, if any payment, accelerated vesting or other benefit provided by the Corporation to the Executive in connection

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with a Change in Corporate Control, whether paid or payable pursuant to the terms of this Agreement or otherwise (a "Parachute Payment") is determined to be a parachute payment subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (such excise tax, together with any interest and penalties incurred by the Executive with respect to such excise tax, are referred to as the "Excise Tax"), the Corporation shall make an additional payment (the "Gross-Up Payment") to the Executive in an amount such that the net amount of the Gross-Up Payment the Executive retains, after payment by the Executive of all taxes imposed upon the Gross-Up Payment, including, without limitation, the Excise Tax and any federal, state or local income taxes (and any interest and penalties imposed with respect thereto) on the Gross-Up Payment, will be equal to the Excise Tax liability imposed upon the Executive with respect to all Parachute Payments (other than the Gross-Up Payment).

7. DEATH

If the Executive dies during the term of this Agreement, the Corporation shall pay to the Executive's estate a lump sum payment equal to the sum of the Executive's base salary accrued through the date of death, any accrued but unpaid vacation pay, plus any bonuses earned but unpaid with respect to fiscal years or other periods preceding the date of death. In addition, the Corporation shall pay to the Executive's surviving spouse (or such other beneficiary as the Executive may designate in writing) a lump sum payment equal to the present value of a series of monthly payments for each month during the remaining term of the Agreement (but not less than twelve (12) months), each in an amount equal to one-twelfth (1/12(th)) of the sum of (i) the Executive's annual base salary, as in effect on the date of death, and (ii) the greater of (A) the annual bonus paid to the Executive for the last fiscal year preceding the date of death or (B) a minimum bonus equal to thirty percent (30%) of the Executive's annual base salary. Such present value shall be calculated using a discount rate equal to the interest rate on 90-day Treasury bills, as reported in the WALL STREET JOURNAL (or similar publication) for the date of death. In addition, the death benefits payable by reason of the Executive's death under any retirement, deferred compensation, life insurance or other employee benefit plan maintained by the Corporation shall be paid to the beneficiary designated by the Executive, and the stock options, restricted stock or other awards held by the Executive under the Corporation's stock plans shall become fully vested, and, in the case of stock options, exercisable in full, in accordance with the terms of the applicable plan or plans.

8. WITHHOLDING

The Corporation shall, to the extent permitted by law, have the right to withhold and deduct from any payment hereunder any federal, state or local taxes of any kind required by law to be withheld with respect to any such

payment.

9. PROTECTION OF CONFIDENTIAL INFORMATION

The Executive agrees that he will keep all confidential and proprietary information of the Corporation or relating to its business confidential, and that he will not (except with the Corporation's prior written consent), while in the employ of the Corporation or thereafter, disclose

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any such confidential information to any person, firm, corporation, association or other entity, other than in furtherance of his duties hereunder, and then only to those with a "need to know." The Executive shall not make use of any such confidential information for his own purposes or for the benefit of any person, firm, corporation, association or other entity (except the Corporation) under any circumstances during or after the term of his employment. The foregoing shall not apply to any information which is already in the public domain, or is generally disclosed by the Corporation or is otherwise in the public domain at the time of disclosure.

The Executive recognizes that because his work for the Corporation may bring him into contact with confidential and proprietary information of the Corporation, the restrictions of this Section 9 are required for the reasonable protection of the Corporation and its investments and for the Corporation's reliance on and confidence in the Executive.

10. COVENANT NOT TO COMPETE

The Executive hereby agrees that he will not, either during the Employment Term or during the period of one (1) year from the time the Executive's employment under this Agreement is terminated by him voluntarily, by the Corporation for Cause, or because the Executive chooses not to extend the term of this Agreement, engage in any business activities on behalf of any enterprise which competes with the Corporation in the business of the passive ownership of health care facilities, or passive investing in or lending to health care-related enterprises. The Executive will be deemed to be engaged in such competitive business activities if he participates in such a business enterprise as an employee, officer, director, consultant, agent, partner, proprietor, or other participant; provided that the ownership of no more than two percent (2%) of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities.

The Executive agrees that he shall not, for a period of one year from the time his employment under this Agreement ceases (for whatever reason), or, if later, during any period in which he is receiving monthly severance payments under Section 5 or Section 6 of this Agreement, solicit any employee or full-time consultant of the Corporation for the purposes of hiring or retaining such employee or consultant. For this purpose, the Executive shall be considered to be receiving monthly severance payments under Section 5 or Section 6 of this Agreement during any period for which he would have received such severance payments had he not elected to receive a lump sum severance payment or had such payments not been offset by compensation received from a successor employer.

11. INJUNCTIVE RELIEF

The Executive acknowledges and agrees that it would be difficult to fully compensate the Corporation for damages resulting from the breach or threatened breach of the covenants set forth in Sections 9 and 10 of this Agreement and accordingly agrees that the Corporation shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, to enforce such provisions in any action or proceeding instituted in the United States District Court for the Northern District of Ohio or in

any court in the State of Ohio having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Corporation's right to claim and recover damages.

It is expressly understood and agreed that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Executive, no such provision of this Agreement shall be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

12. NOTICES

All notices or communications hereunder shall be in writing and sent certified or registered mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as such party may designate in writing from time to time):

IF TO THE CORPORATION:

Health Care REIT, Inc.
One SeaGate, Suite 1500
Toledo, OH 43604
Attention: Chief Executive Officer and
President

IF TO THE EXECUTIVE:

Charles J. Herman, Jr.
One SeaGate, Suite 1500
Toledo, OH 43604

The actual date of receipt, as shown by the receipt therefor, shall determine the time at which notice was given.

13. SEPARABILITY

If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the heirs and representatives of the Executive and the assigns and successors of the Corporation, but neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive.

15. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Corporation and the Executive. The Agreement may be amended at any time by mutual written agreement of the parties hereto.

16. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of Ohio, other than the conflict of laws provisions of such laws.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed, and the Executive has hereunto set his hand, as of the day and year first above written.

ATTEST:

HEALTH CARE REIT, INC.

/s RAYMOND W. BRAUN

By: /s/ GEORGE L. CHAPMAN

Executive Vice President

Chief Executive Officer

WITNESS:

EXECUTIVE:

/s/ ERIN C. IBELE

/s/ CHARLES J. HERMAN, JR.

Charles J. Herman, Jr.

SUBSIDIARIES OF THE REGISTRANT

NAME OF SUBSIDIARY -----	STATE OF ORGANIZATION AND TYPE OF ENTITY -----	DATE OF ORGANIZATION -----
HCRI Pennsylvania Properties, Inc.	Pennsylvania corporation	November 1, 1993
HCRI Overlook Green, Inc.	Pennsylvania corporation	July 9, 1996
HCRI Texas Properties, Inc.	Delaware corporation	December 27, 1996
HCRI Texas Properties, Ltd.	Texas limited partnership	December 30, 1996
HCRI Friendship, LLC	Virginia limited liability company	February 21, 1997
HCRI St. Charles, LLC	Virginia limited liability company	February 21, 1997
HCRI Satyr Hill, LLC	Virginia limited liability company	November 24, 1997
Health Care REIT International, Inc.	Delaware corporation	February 11, 1998
HCN Atlantic GP, Inc.	Delaware corporation	February 20, 1998
HCN Atlantic LP, Inc.	Delaware corporation	February 20, 1998
HCRI Nevada Properties, Inc.	Nevada corporation	March 27, 1998
HCRI Southern Investments I, Inc.	Delaware corporation	June 11, 1998
HCRI Louisiana Properties, L.P.	Delaware limited partnership	June 11, 1998
HCN BCC Holdings, Inc.	Delaware corporation	September 25, 1998
HCRI Tennessee Properties, Inc.	Delaware corporation	September 25, 1998
HCRI Limited Holdings, Inc.		
	Delaware corporation	September 25, 1998
Pennsylvania BCC Properties, Inc.	Pennsylvania corporation	September 25, 1998
HCRI North Carolina Properties, LLC	Delaware limited liability company	December 10, 1999
HCRI Massachusetts Properties, Inc.	Delaware corporation	March 17, 2000
HCRI Massachusetts Properties Trust	Massachusetts trust	March 30, 2000
HCRI Indiana Properties, Inc.	Delaware corporation	June 15, 2000
HCRI Indiana Properties, LLC	Indiana limited liability company	June 16, 2000
HCRI Holdings Trust	Massachusetts trust	September 9, 2000
HCRI Maryland Properties, LLC	Maryland limited liability company	July 19, 2001
HCRI Massachusetts Properties Trust II	Massachusetts trust	September 26, 2001
HCRI Beachwood, Inc.	Ohio corporation	October 11, 2001
HCRI Broadview, Inc.	Ohio corporation	October 11, 2001
HCRI Westlake, Inc.	Ohio corporation	October 11, 2001
HCRI Westmoreland, Inc.	Delaware corporation	October 16, 2001
HCRI Wisconsin Properties, LLC	Wisconsin limited liability company	December 11, 2001
HCRI North Carolina Properties I, Inc.	North Carolina corporation	January 1, 2002
HCRI North Carolina Properties II, Inc.	North Carolina corporation	January 1, 2002
HCRI North Carolina Properties III, Limited Partnership	North Carolina limited partnership	January 1, 2002
HCRI Kentucky Properties, LLC	Kentucky limited liability company	January 7, 2002
HCRI Laurel, LLC	Maryland limited liability company	January 17, 2002

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-46561) dated March 20, 1992 pertaining to The 1985 Incentive Stock Option Plan of Health Care REIT, Inc., the Registration Statement (Form S-8 No. 333-1237) dated February 27, 1996 pertaining to The 1985 Incentive Stock Option Plan of Health Care REIT, Inc., The Registration Statement (Form S-8 No. 333-1239) dated February 27, 1996 pertaining to the Health Care REIT, Inc. 1995 Stock Incentive Plan, the Registration Statement (Form S-8 No. 333-40769) dated November 21, 1997 pertaining to the Health Care REIT, Inc. Stock Plan for Non-Employee Directors of Health Care REIT, Inc., the Registration Statement (Form S-8 No. 333-40771) dated November 21, 1997 pertaining to the Health Care REIT, Inc. 1995 Stock Incentive Plan of Health Care REIT, Inc., the Registration Statement on Form S-3 (#333-73936) dated November 21, 2001 of Health Care REIT, Inc., and the Registration Statement on Form S-3D (#333-60058) dated May 2, 2001 of Health Care REIT, Inc. of our report dated January 22, 2002 with respect to the consolidated financial statements and schedules of Health Care REIT, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2001.

/s/ ERNST & YOUNG LLP

Toledo, Ohio
March 20, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 15(th) day of March, 2002.

/S/ WILLIAM C. BALLARD, JR.

William C. Ballard, Jr., Director

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POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to

be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 13(th) day of March, 2002.

/S/ PIER C. BORRA

Pier C. Borra, Director

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity of director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 14(th) day of March, 2002.

/S/ JEFFREY H. DONAHUE

Jeffrey H. Donahue, Director

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of

Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity of director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 20(th) day of March, 2002.

/S/ PETER J. GRUA

Peter J. Grua, Director

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN her true and lawful attorney-in-fact and agent, with full power to act, her true and lawful attorney-in-fact and agent, for her and in her name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets her hand this 12th day of March, 2002.

/S/ SHARON M. OSTER

Sharon M. Oster, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity of director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 13(th) day of March, 2002.

/S/ BRUCE G. THOMPSON

Bruce G. Thompson, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity of director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to

all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 19(th) day of March, 2002.

/S/ R. SCOTT TRUMBULL

R. Scott Trumbull, Director

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 20(th) day of March, 2002.

/S/ RICHARD A. UNVERFERTH

Richard A. Unverferth, Director

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director and the Chairman of the Board and Principal Executive Officer of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints RAYMOND W. BRAUN, his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacities as director and Chairman of the Board and Principal Executive Officer, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 15(th) day of March, 2002.

/S/ GEORGE L. CHAPMAN

George L. Chapman, Director,
Chairman of the Board and
Principal Executive Officer

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, the Principal Financial Officer and the Principal Accounting Officer of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacities as the Principal Financial Officer and Principal Accounting Officer, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 15(th) day of March, 2002.

/S/ RAYMOND W. BRAUN

Raymond W. Braun, Executive Vice President,
Chief Operating Officer, Principal
Financial Officer

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, the Controller of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 2001, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for his and in his name, place and stead, in the capacity as Controller and Principal Accounting Officer, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorney-in-fact and agent, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 19(th) day of March, 2002.

/S/ MICHAEL A. CRABTREE

Michael A. Crabtree, Treasurer and
Controller and
Principal Accounting Officer

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F O R I M M E D I A T E R E L E A S E

January 15, 2002
For more information contact:
Ray Braun - (419)247-2800
Mike Crabtree - (419)247-2800

HEALTH CARE REIT, INC. ANNOUNCES
INVESTMENTS OF \$213 MILLION FOR 2001
YEAR-END CONFERENCE CALL SET FOR FEBRUARY 4, 2002

Toledo, Ohio, January 15, 2002..... HEALTH CARE REIT, INC. (NYSE/HCN) announced today that it had exceeded its goal for investments in the second half of the year. Previously, the company had announced expected investments of \$100-\$125 million for the second half of 2001. Investment activity in the fourth quarter of \$118 million, combined with \$39 million during the third quarter, brought the total investments to \$157 million for the second half of 2001.

For the full year 2001, investment activity totaled \$213 million, which contributed to a 9.5 percent increase in total assets from \$1.16 billion at December 31, 2000 to \$1.27 billion at December 31, 2001.

"We are pleased that we exceeded our goal for investments in the second half of 2001, putting our recently raised capital to work, and providing us the opportunity for stronger FFO growth," said George L. Chapman, chief executive officer. "Looking ahead, we continue to see attractive acquisition opportunities in the marketplace and have the necessary financial flexibility and resources in place to execute our investment program."

The investment activity during 2001 was approximately 90% real property investments. Facility-based investments, inclusive of construction advances, were about 66% nursing homes and 34% assisted living facilities. Aggregate funding was provided to 17 operators in 18 states.

The company also announced that it will release its 2001 fourth quarter earnings on Monday, February 4th before New York Stock Exchange trading begins. At 11:00 a.m. Eastern Time on Monday, February 4th, the company will hold a conference call to discuss the company's results and performance for the fourth quarter.

The conference call will be accessible by telephone and through the Internet. Telephone access is available by dialing 703-871-3627 or 888-806-9467. Callers to this number will be able to listen to the company's business update. For those unable to listen to the call live, a taped rebroadcast will be available beginning two hours after completion of the live call on February 4th through February 11th. To access the rebroadcast, dial 703-925-2435. The conference ID number is 5777923.

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INVESTMENTS FOR 2001
YEAR-END CONFERENCE CALL

JANUARY 15, 2002

To participate on the webcast, log on to www.hcreit.com or www.ccbn.com 15 minutes before the call to download the necessary software. Replay will be available for 90 days through the same websites.

Health Care REIT, Inc., with headquarters in Toledo, Ohio, is a real estate investment trust that invests in health care facilities, primarily nursing homes

and assisted living facilities. At December 31, 2001, the company had investments in 214 health care facilities in 33 states and had total assets of approximately \$1.27 billion. For more information on Health Care REIT, Inc., via facsimile at no cost, dial 1-800-PRO-INFO and enter the company code - HCN. More information is available on the Internet at <http://www.hcreit.com>.

This document may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the company's actual results in the future to differ materially from expected results. These risks and uncertainties include, among others, general economic conditions, the availability of capital, competition within the financial services and real estate markets, the performance of operators within Health Care REIT's portfolio, and regulatory and other changes in the health care sector, as described in the company's filings with the Securities and Exchange Commission.

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F O R I M M E D I A T E R E L E A S E

January 17, 2002
For more information contact:
Ray Braun (419) 247-2800
Mike Crabtree (419) 247-2800

HEALTH CARE REIT, INC. DECLARES REGULAR DIVIDEND

Toledo, Ohio, January 17, 2002...HEALTH CARE REIT, INC. (NYSE/HCN) announced today that its Board of Directors declared a dividend for the quarter ended December 31, 2001, of \$0.585 per share.

The dividend represents the 123rd consecutive dividend payment. The dividend will be payable February 20, 2002, to shareholders of record on January 31, 2002.

Health Care REIT, Inc., with headquarters in Toledo, Ohio, is a real estate investment trust that invests in health care facilities, primarily nursing homes and assisted living facilities. At December 31, 2001, the company had investments in 214 health care facilities in 33 states and had total assets of approximately \$1.27 billion. For more information on Health Care REIT, Inc., via facsimile at no cost, dial 1-800-PRO-INFO and enter the company code - HCN. More information is available on the Internet at <http://www.hcreit.com>.

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F O R I M M E D I A T E R E L E A S E

February 26, 2002
For more information contact:
Ray Braun (419) 247-2800
Mike Crabtree (419) 247-2800

HEALTH CARE REIT, INC. ANNOUNCES
SALE OF 906,125 SHARES OF COMMON STOCK

Toledo, Ohio, February 26, 2002...HEALTH CARE REIT, INC. (NYSE/HCN) announced that it plans to sell 906,125 shares of common stock to the Cohen & Steers Quality Income Realty Fund. The net proceeds of the sale will be approximately \$23.6 million, and will be used to invest in additional health care properties. Pending such use, the proceeds will primarily be used to repay borrowings under the company's revolving credit facilities. It is anticipated that closing and delivery of the shares will occur on or about February 28, 2002.

Health Care REIT, Inc., with headquarters in Toledo, Ohio, is a real estate investment trust that invests in health care facilities, primarily nursing homes and assisted living facilities. At December 31, 2001, the company had investments in 214 health care facilities in 33 states and had total assets of approximately \$1.3 billion. For more information on Health Care REIT, Inc., via facsimile at no cost, dial 1-800-PRO-INFO and enter the company code - HCN. More information is available on the Internet at <http://www.hcreit.com>.

This document may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the company's actual results in the future to differ materially from expected results. These risks and uncertainties include, among others, general economic conditions, the availability of capital, competition within the financial services and real estate markets, the performance of operators within Health Care REIT's portfolio, and regulatory and other changes in the health care sector, as described in the company's filings with the Securities and Exchange Commission.

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