



THE WATERMARK  
AT 3030 PARK

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***Disclosure Statement***

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*As of February 15, 2019*

**COMMUNITY:**     **The Watermark at 3030 Park**  
3030 Park Avenue, Bridgeport, Connecticut 06604

**PROVIDER:**     **CT Watermark 3030, LLC**

**MANAGER:**     **Watermark Retirement Communities  
of Connecticut, LLC**

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This community, like all other continuing care retirement communities in the State of Connecticut, is subject to the provisions of Section 17b-520 et seq of the Connecticut General Statutes as amended to date and from time to time. Registration under such provisions does not constitute approval, recommendation or endorsement of the community by the Department of Social Services of the State of Connecticut, nor does such registration evidence the accuracy or completeness of the information in this Disclosure Statement.

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**This Disclosure Statement has been prepared to give prospective residents, their families, and their advisors information about the facilities, operation and management of The Watermark at 3030 Park.**





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## COMMUNITY INFORMATION

### Overview

The Watermark at 3030 Park (the “Community”) is located at 3030 Park Avenue, Bridgeport, Connecticut 06604 and is operated by CT Watermark 3030, LLC (the “Provider”). Founded in 1968 on a beautiful 14 acre park-like campus, the Community was one of the first continuing care retirement communities established in the Northeast. Its residents come from throughout Fairfield County, the surrounding areas of Connecticut and metropolitan New York, and beyond. Our website is [www.3030Park.WatermarkCommunities.com](http://www.3030Park.WatermarkCommunities.com).

Our residents enjoy the freedom and independence of individual apartment living, the convenience of housekeeping, dining, maintenance, transportation and other services, the whole-person health & wellness benefits of fitness facilities, artistic programs, and Watermark University courses, all accompanied by the security of 24-hour staffing. Our selection of residences includes studios, one bedrooms, two bedrooms, and cottages.

Our Community also provides an onsite continuum of care giving our residents the comfort of knowing that advanced care is here if they need it. This includes our Assisted Living Services Agency (ALSA), which can provide care services to residents throughout the Community. It also includes specialized areas dedicated to providing expert care to residents in need of assisted living, memory care, and skilled nursing services.





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***Our Community's "Continuum of Care"***

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- Independent Living** ● 184 independent living apartments located in our 10-story main building and collectively referred to as ***"The Town Center"***
- Assisted Living** ● 26 assisted living studios and apartments (all private) located in the Health Center building which is connected to The Town Center by a fully-enclosed bridge, referred to as ***"The Inn"***
- Memory Care** ● 12 memory care studios (accommodates 13 residents) located in the Health Center building, referred to as ***"The Villa"***
- Skilled Nursing** ● 23 skilled nursing studios (all private) located in the Health Center building, referred to as ***"The Springs"***

*Additional information on our Continuum of Care:*

- CT Watermark 3030, LLC is licensed as an Assisted Living Services Agency ("ALSA") by The State of Connecticut. Accordingly, assisted living services are available to Independent Living residents on an as-needed basis. This often allows Independent Living residents to receive the care they need while remaining in their Town Center residences.
- Our Community also includes several specialized rehabilitation studios which we operate in conjunction with our rehab partner HealthPRO/Heritage. We offer comprehensive rehab and therapy services and health education to all residents throughout the Community. Our programs are designed to help residents improve overall health & wellness and maintain independence.

***Representative List of Amenities***

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- "The Mark" Restaurant
- The "W" Lounge
- The Gallery Café
- Vitality Fitness Center
- Glass-enclosed indoor pool
- Library and Computer Center
- Art Exhibition Hall
- Auditorium and Theatre
- Indulge Spa & Salon
- Housekeeping, Maintenance
- 24-hour staffing, security
- Limousine and Bus services
- Reserved Garage Parking
- Watermark University courses & activities
- Creative Arts and Music studios
- Personal Trainers, Fitness classes
- Walking trails, 14-acre campus
- Activities Programing, Shopping Excursions
- Card Rooms and Lounges
- Multi-Denominational Place of Worship
- Woodworking studio
- Billiards Room
- Resident gardens
- Furnished guest suites
- Licensed ALSA for in-home assistance
- State-of-the-Art Rehabilitation Center

### **Independent Living – “The Town Center” Programs and Facilities**

Our Independent Living programs and facilities are designed to promote a lifestyle that enables and encourages our residents to be active and independent. Ours is an atmosphere that invites and encourages residents to engage, learn, laugh, and thrive! Extensive common areas encourage social interaction, such as The Gallery Café where residents can enjoy breakfast or lunch, purchase to-go items, or sit by the fireplace with friends. Residents keep on top of today’s news and yesterday’s classics in our well-equipped library, and stay online and in touch in our computer center. Our ‘resident artists’ take – and teach! – classes in our Art Studio and exhibit their works in our Art Gallery along with rotating local exhibitions. Residents enjoy a cocktail, beer or wine with friends in the “W” Lounge, or catch the big game on its large screen TVs, and enjoy formal dining in The “Mark” restaurant. They keep fit at our Vitality Fitness Center where they exercise on our modern work-out equipment, train with Watermark personal trainers, get their heart pumping in ‘balance and stretch’ classes, and swim leisurely laps in our glass-enclosed indoor pool. The woodworking shop is where some residents stay sharp, but for our ‘resident musicians’ it’s the music workshop where they stay right in tune.

For those of our residents who enjoy the great outdoors, our campus grounds are landscaped with a wide variety of foliage, mature trees, grassy lawns, walking paths... and we even have an area dedicated for residents to plant their own gardens.

At Watermark we know that stimulating the mind is an important part of whole-person wellness and offers enormous benefits. So we created “Watermark University” where our residents take classes – and teach classes – across an eclectic and wide-ranging curriculum that also involves Community associates, family members, and local community participants. Here are just a few of the 50+ courses offered in Watermark University’s 2019 Spring Semester:

- *Green Thumb Gardening* ● *Wine Travels* ● *Mosaic Art* ● *Wine & Cheese Trivia*
- *Culinary Food Demonstration* ● *Foreign Film Review* ● *Glory In Your Story*
- *Antique Roadshow* ● *Laughter Club* ● *Moving To The Beat* ● *Technology Time*
- *How To Speak French 101* ● *Tai Chi* ● *Guide to Essential Italy* ● *Art Therapy*

Of course we also offer convenient services and amenities. Our residents get their hair styled and nails polished (and that occasional massage) at our very own Indulge Salon. They frequent our Auditorium (which can accommodate upwards of 200 people) to watch movies, attend concerts, and participate in Resident Association meetings and other gatherings. Residents attend a range of religious and spiritual services in our multi-denominational place of worship. And they utilize our town car and bus services for their transportation needs including shopping excursions, local appointments, airport connections, and the like.

At Watermark, our commitment is for residents to ***thrive!***

### **Independent Living – Residency Agreement, Entrance Fee, Monthly Service Fee**

In most cases, a resident moving into one of the residences in our Town Center independent living neighborhood enters into a Residency Agreement (also known as a Continuing Care Contract) with the Provider. The Residency Agreement provides the resident with the right to live in a specific apartment for as long as she or he is able to do so safely and independently in accordance with standards established by the Provider. The resident pays certain fees under the Residency Agreement, including a one-time Entrance Fee in conjunction with the resident's initial move into the Community, and a Monthly Service Fee payable each month for as long as the resident remains in occupancy.

The amount of the Entrance Fee generally depends on three factors: (1) the specific apartment unit selected (where variables include overall unit features, size, and location of the apartment), (2) the Refund Plan chosen by the resident, and (3) whether the resident wishes (and qualifies) to participate in the Life Care Program. Depending on the Refund Plan selected, the resident or her/his estate may be entitled to a refund of up to 85% of the Entrance Fee after the resident moves out of the Community and once certain conditions are met. The Residency Agreement form itself and the optional Life Care Addendum may be found Disclosure Statement Exhibits A and B, respectively.

The amount of the Monthly Service Fee generally depends on the specific apartment unit in which the resident resides and whether the resident chooses (and qualifies) to participate in the Life Care Program. In return for the Monthly Service Fee, the resident maintains her/his right to occupancy and receives certain services listed in the Residency Agreement, including specified housekeeping and laundry services, continental breakfast, evening dinner, building maintenance, utilities, receptionist services, scheduled transportation, access to the Community's common areas and amenities, participation in Community Life activities, 24-hour staffing and emergency response system. Additional information on the frequency and scope of currently included services may be found in the Resident Handbook available at the Community.

A variety of services ("Additional Services") are available at additional charge, such as dedicated and covered parking, grooming and spa services at the Indulge Salon & Spa, extra meals, personal laundry services, basic cable package, special request maintenance services, guest rooms and meals for visitors, and private transportation. A current listing of Additional Services and associated costs may be found in Residency Agreement Exhibit B.



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### **Town Center Assisted Services Program**

Under our Town Center Assisted Services Program, Watermark provides residents the opportunity to receive assisted living services in the comfort of their Town Center home. We offer both an A-La-Carte approach and a tiered point system with rates based on individual needs and determined through a nursing assessment by Watermark nursing staff. The program is intended to help residents continue to age successfully in their Town Center apartment for as long as possible without necessarily having to move out of their apartment to a higher level of care.

The A La Carte and tiered point system include medication plan services, certified nursing assistant (“CNA”) and/or in-home aide services, monthly vital sign checks, and nursing assessment every 120 days. The medication plan services component provides for bi-weekly pre-pour of medications, coordination of prescription renewals and/or refills, and consultations with physicians, pharmacists and families. The CNA services component provides for escorts to dining rooms, assistance with activities of daily living such as dressing, showering, toileting and assistance with in-home meals.

The Assisted Services Program also provides one to one private duty services. Residents who receive this service are also provided oversight on a licensed practical nurse (“LPN”) or registered nurse (“RN”) in addition to the caregiver services provided by a CNA.

The Provider is licensed as an Assisted Living Services Agency (“ALSA”) by the Connecticut Department of Public Health and, as such, may provide services to residents who are chronic and stable. If a resident’s condition is no longer chronic and stable, then the resident must obtain services from a licensed home health care agency, or transfer to an appropriate level of care within the Community or to another facility.

### **Rehabilitation and Therapy Services**

In partnership with HealthPRO/Heritage we offer comprehensive inpatient and outpatient rehabilitation and therapy services including our “Healthy-FIT Wellness Program” in modern, well-equipped facilities. These wellness programs and services are available to residents living anywhere in our Community. Specially-trained professionals provide physical therapy, occupational therapy, speech therapy, balance therapy, aquatic therapy, health education and more with the goal of helping residents achieve their fullest potential of wellness, vitality and independence. Many of these services are covered by insurance.

### **Continuum Of Care Neighborhoods**

Our Health Center is connected to the Town Center by a covered pedestrian bridge and includes several residential neighborhoods offering higher-acuity care services and constituting a true Continuum of Care designed to serve the needs of our Independent Living residents as needed (whether on a temporary or permanent basis) as well as new residents having higher



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acuity needs at the time of their initial move-in. Our Health Center Continuum Of Care includes “The Inn” (assisted living), “The Gardens” (memory care), and “The Springs” (skilled nursing). We seek to provide care services that are personalized and scheduled to meet each resident’s individual needs in beautiful well-equipped surroundings. Information about the current schedule of costs and expenses associated with residency and services in these neighborhoods may be found in Residency Agreement Exhibit B. (Note: For Residents participating in the Life Care Program such costs and expenses may be materially different as set forth in the Life Care Addendum.)

**“The Inn” Assisted Living**

Our Assisted Living neighborhood is located on the 2<sup>nd</sup> floor of the Health Center and contains 26 assisted living studios and apartments (all private), a dedicated serving kitchen and dining room, a common living room, activities center, and outdoor terrace. Residents in The Inn generally pay a Monthly Service Fee plus applicable care charges; residents moving directly to The Inn from outside the Community do not pay an Entrance Fee but pay a one-time “community fee” upon move-in.

**“The Gardens” Memory Care**

Our Memory Care neighborhood is located on the 1<sup>st</sup> floor of the Health Center and contains 12 memory care studios (all private except one), a dedicated serving kitchen and dining area, a common living room and activity center, and a beautiful protected outdoor courtyard. Residents in The Villa generally pay a Monthly Service Fee plus applicable care charges; residents moving directly to The Gardens from outside the Community do not pay an Entrance Fee but pay a one-time “community fee” upon move-in.

**“The Springs” Skilled Nursing**

Our skilled nursing facility is located on the 1<sup>st</sup> floor of the Health Center and contains 23 skilled nursing studios (all private), a living room, a dedicated serving kitchen and dining room, sitting and activities areas, and various rooms for clinic services. The Springs is located in close proximity to our inpatient Rehabilitation Center. The Springs serves both Community residents and outpatients from multiple area hospitals in providing post-acute short term and outpatient rehabilitation, including physical therapy, occupational therapy, speech therapy and more. The Springs is rated 5-STARs (the highest rating) by CMS (Centers for Medicare and Medicaid Services). The Springs cooperates with a range of payment sources including without limitation Medicare, selected managed care and insurance company providers, and private payment, as is customary for skilled nursing facilities.

### **Town Center Rental Accommodations**

We offer a limited program whereby independent living residents may move into certain apartments in the Town Center on a rental basis. This program includes 10 studio and one-bedroom units in a designated location referred to as “2 North” on the second floor, and may include additional apartments. The Provider reserves the right to determine, from time to time, the criteria for this program and whether to continue the program.

### **Planned Improvements**

We have recently completed a number of capital improvements at The Watermark at 3030 Park, and we are planning yet more improvements and renovations for the year ahead. Some of these are improvements that are not readily visible to residents, such as improvements to our heating, air conditioning and other building systems, upgrades to our main kitchen, and the ongoing renovation and upgrade of individual apartment units as they become available in between occupancies. Other of these recently completed and planned improvements are of a nature that is readily visible to residents such as renovations to elevator lobbies, residential corridors and stairwells, expansion of rehabilitation & therapy facilities, LED lighting upgrades, exterior painting and landscaping improvements, and the planned renovation of The Town Center’s main floor lobby, mailroom, library, lounge, and furniture.

### **Planned Expansion**

There is a prospective expansion project involving new construction that would add a limited number of new apartments to our campus. The general location of this planned expansion is the western portion of the campus (bordering Park Avenue). An initial plan of expansion was designed in 2007-2008 and received zoning approvals at that time, which approvals were subsequently renewed, which includes one 3-story residential building connected to the west wing of the existing Town Center building, containing 39 apartments, plus four cottage duplex buildings similar to our existing cottages. This original 2007-2008 plan remains subject to review and modification with a particular eye toward assuring that our final plan is respectful of the natural beauty open space that characterizes our campus. At such time as we reach a revised plan we will present that plan to the Residents’ Council and Residents’ Association.



### **Residents' Council; Residents' Association**

The Watermark at 3030 Park has an active Residents' Council comprised of officers elected by the resident population. The Residents' Council advocates for residents' rights, functions as an advisory board to the Provider with respect to resident welfare and interests, creates and oversees sub-committees in furtherance of the foregoing, and meets regularly with the Community's Executive Director as well as with the Residents' Association.

The Residents' Association consists of all residents, who automatically become members when they move into the Community. There are no fees associated with membership.



## **OWNERSHIP, MANAGEMENT, CAPITALIZATION**

### **Provider: CT Watermark 3030, LLC**

The Watermark at 3030 Park is operated by CT Watermark 3030, LLC (the “Provider”), a Delaware limited liability company. The Provider’s corporate address is 2020 West Rudasill Road, Tucson, AZ 85704. Entities owning 5% or more of the Provider’s membership interests include: Barnes Family Revocable Trust, controlled by David Barnes; TFG Holdings V, LLC, controlled by David Freshwater; CTW Capital, LLC, controlled by Frederick Zarrilli.

The Provider’s management committee consists of David Barnes, David Freshwater, and Frederick Zarrilli. David Barnes and David Freshwater are the founders of the Watermark Retirement Communities, Inc. and its predecessors & affiliates, and each of them have had dedicated careers in the seniors housing profession since the 1980’s. Frederick Zarrilli has 34 years of experience in real estate investment including 20 years in seniors housing.

### **Manager: Watermark Retirement Communities of Connecticut, L.L.C.**

The Watermark at 3030 Park is managed by Watermark Retirement Communities of Connecticut, L.L.C. (the “Manager”) pursuant to a long term management contract entered into between Manager and CT Watermark 3030 LLC on June 1, 2016. The Manager has managed the Community since 2006, having also had a management contract with the prior owner/operator. The Manager is a wholly owned subsidiary of Watermark Retirement Communities, Inc. (“WRC”), an Arizona corporation. WRC is a nationally-recognized seniors housing management organization and has been operating senior living communities for over three decades. WRC currently operates 52 senior living communities in 21 States across the United States, including CCRC’s, stand-alone independent living, assisted living, and memory care communities, and Medicare-certified skilled nursing/rehabilitation facilities. WRC also manages seniors housing communities in China. WRC employs some 6,000 seniors housing and care professionals, including full-time and part-time associates at its communities.

For more information please visit: **[www.watermarkcommunities.com](http://www.watermarkcommunities.com)**.



### **Legal Organization and Capitalization**

The Provider holds possession of the Community under a long term net lease which is treated under generally accepted accounting principles as a ‘capital lease’ long term financing arrangement. On June 1, 2016, The Watermark at 3030 Park underwent a change of real property ownership and financial recapitalization including, without limitation, the following: (1) the real property constituting the Community was acquired by NHI-REIT of Axel, LLC (“NHI Owner”), a wholly owned subsidiary of National Health Investors, Inc. (“NHI”), which is a real estate investment trust listed on the New York Stock Exchange (ticker symbol NYSE: NHI); and (2) CT Watermark 3030, LLC acquired long-term leasehold possession of the Community through a series of three long-term leases, as follows: (A) a lease (the “Master Lease”) between NHI Owner and EL FW Intermediary I, LLC (“East Lake”), an affiliate of East Lake Capital Management, a private institutional investment firm; (B) a lease (the “Lease”) between East Lake and CT Watermark Operator, LLC, which is the parent company of CT Watermark 3030, LLC; and (C) a lease (the “Sublease”) between CT Watermark Operator, LLC and CT Watermark 3030, LLC. This form of leasehold-based ownership and financing structure is common in the institutional healthcare and seniors housing industry.

Another seniors housing community known as The Watermark at East Hill located in Southbury Connecticut was also acquired by NHI Owner on June 1, 2016, constitutes a part of the premises (along with The Watermark at 3030 Park) leased pursuant to the Master Lease and the Lease (as defined above), and is currently operated by an affiliate of the Provider and managed by the Manager.

### **Mortgage Indebtedness**

The Watermark at 3030 Park is owned “free & clear” by NHI Owner, and the underlying real estate does not serve as collateral for any secured mortgage indebtedness.

### **Regulatory Reserves**

The Provider maintains certain accounts including, without limitation, and entrance fee escrow and a reserve funding escrow account established in accordance with Connecticut General Statutes sections 17(b)-524 and 17(b)-525. The escrow agent of these regulatory escrow accounts is People’s United Bank.



### **Financial Statements**

The Provider's audited financial statements for the year ended December 31, 2017 and for the prior (partial) year ended December 31, 2016 may be found in Disclosure Statement Exhibit C, are on file with the Connecticut Department of Social Services, and are available for review at the Community. The Provider's audited financial statements for 2018 are expected to be issued in March 2019 and will be posted with the Connecticut Department of Social Services and made available for review at the Community upon issuance.

### **Accounting Treatment: "Capital Lease"**

Due to the nature of the long-term lease agreements referenced above, CT Watermark 3030, LLC's lease of the Community has been deemed a "capital lease" under generally accepted accounting principles ("GAAP"). Accordingly, CT Watermark 3030, LLC's financial statements will be prepared on the basis that, for accounting and financial reporting purposes only, CT Watermark 3030, LLC is deemed to be the owner of the Community and its lease agreement which conveys its leasehold interest in the Community is deemed to be a financing instrument. The foregoing accounting treatment is common in conjunction with long-term net lease arrangements.



## **REGULATORY MATTERS**

### **Department of Social Services Filings**

CT Watermark 3030, LLC is required to file certain materials annually with the Connecticut Department of Social Services. All such required materials have been filed, including but not limited to the materials contained in this Disclosure Statement. A forward-looking statement showing the Community's projected cash flow along with a summary of the associated assumptions used in preparing such projections are included as Disclosure Statement Exhibit E. Information about The Watermark at 3030 Park which is on file with the Department of Social Services may be reviewed by contacting:

**The Department of Social Services  
55 Farmington Avenue  
Hartford, CT 06105-3724**

The Watermark at 3030 Park's most recent Disclosure Statement can also be viewed on the Connecticut Department of Social Services web site at: <https://portal.ct.gov/DSS/Health-And-Home-Care/Continuing-Care-Facility-Reimbursement/Continuing-Care-Facility---Reimbursement/Disclosure-Statements>. The Provider makes the above-referenced materials available for review by its residents in the Community's library and, if requested, will also provide current residents with a complete copy of this Disclosure Statement. In addition, the Provider notifies each resident no later than June of each year of the resident's right to review and obtain a copy of its most recent annual filing with the Department of Social Services.

### **Statement of Non-Affiliation**

Neither Provider nor any of the entities in the organizational structure of Provider is a religious, charitable or nonprofit organization or is affiliated with any other religious, charitable or nonprofit organization.

### **Administrative Personnel and Employees**

The Watermark at 3030 Park is administered by a staff of senior housing professionals. The Manager employs and manages approximately 262 full-time and part-time individuals at the Community (some 116 full-time equivalent positions) who comprise the administration, housekeeping, maintenance, security, dining services, accounting, human resources, nursing and health services departments at the Community. The terms and conditions of such employees' employment are established by the Manager, and include health, dental and retirement benefits. In addition, certain services such as landscaping, snow removal, and other services, are performed or supplemented by outside specialists under third-party service contracts.

### **Judicial Matters**

Neither Operator nor Manager, nor any officer or director thereof, has been convicted of a felony or pleaded nolo contendere to a felony charge, or has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; nor is subject to a currently effective injunction or restrictive or remedial order of a court of record; nor within the past five (5) years has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including but not limited to actions affecting the operation of a foster care facility, nursing home, retirement home, home for the aged, or any facility subject to sections 17b-520 to 17b-535 (inclusive) of the Connecticut General Statutes, or a similar statute in another state or country.

### **Additional Information**

This Disclosure Statement has been prepared to give prospective residents, their families, and their advisors full information about the operation and management of The Watermark at 3030 Park. This Disclosure Statement was prepared on the basis of conditions in effect as of the date on the first page of the Disclosure Statement.



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## **Required Notice to Prospective Residents**

Connecticut law requires Provider to provide the Notice to prospective residents on the following page to each prospective resident with an acknowledgement that the prospective resident or his or her legal representative has reviewed the Notice. In addition, Connecticut law requires that Provider obtain a separate, signed Acknowledgement of Receipt from each prospective resident confirming receipt and review of this Disclosure Statement. The Notice to Prospective Residents and the Acknowledgement of Receipt are on the following two pages. Each prospective resident must sign and date the two forms before signing a Contract with Provider.



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## *Disclosure Statement Notice to Prospective Residents*

In accordance with Section 17b-522(a) of the Connecticut General Statutes, we are required to give this Notice to a prospective resident, or her/his legal representative, before she/he either (i) signs The Watermark at 3030 Park Continuing Care Contract, or (ii) transfers any money or other property to CT Watermark 3030, LLC, whichever is first to occur. Prospective residents of The Watermark at 3030 Park, or their legal representatives, should be aware of the following:

1. A Continuing Care Contract is a financial investment and your investment may be at risk.
2. Our ability to meet our contractual obligations under such Contract depends upon our financial performance.
3. You are advised to consult an attorney or other professional experienced in matters relating to investments in continuing care facilities before you sign a Contract for continuing care.
4. The Connecticut Department of Social Services does not guarantee the security of your investment.

**Acknowledgment:**

I, or my legal representative, have received and reviewed a copy of this Notice and a copy of the Continuing Care Contract prior to entering into the Contract or the transfer of any money or other property to CT Watermark 3030, LLC.

\_\_\_\_\_  
Printed Name of Prospective Resident(s)

\_\_\_\_\_  
Signature of Prospective Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Prospective Resident, if two

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Legal Representative, if applicable

\_\_\_\_\_  
Date



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## *Disclosure Statement Acknowledgement of Receipt*

In accordance with Sections 17b-522(b) and (c) of the Connecticut General Statutes, CT Watermark 3030, LLC is required to deliver to a prospective resident, or her/his legal representative, a current Disclosure Statement not more than sixty (60) days nor less than ten (10) days before the execution of a Continuing Care Contract or the transfer of any money or other property to CT Watermark 3030, LLC, by or on behalf of the prospective resident. In addition, not more than sixty (60) days nor less than ten (10) days before a prospective resident actually occupies an apartment pursuant to the Contract, CT Watermark 3030, LLC must deliver a revised and up-to-date Disclosure Statement to the prospective resident or his or her legal representative, but if there have been no revisions to the Disclosure Statement previously furnished to the prospective resident as provided for in the immediately preceding sentence, CT Watermark 3030, LLC must deliver to that prospective resident or her/his legal representative a statement to that effect at the time of the apartment's occupancy.

**Acknowledgment:**

I, or my legal representative, do hereby acknowledge that I, or he or she, have reviewed the above and also have received and reviewed a copy of the current Disclosure Statement and a copy of the Continuing Care Contract for CT Watermark 3030, LLC, prior to the execution of the Contract or the transfer of any money or other property to CT Watermark 3030, LLC.

\_\_\_\_\_  
Printed Name of Prospective Resident(s)

\_\_\_\_\_  
Signature of Prospective Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Prospective Resident, if two

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Legal Representative, if applicable

\_\_\_\_\_  
Date

## Cross Reference to Statutory Provisions

Following is a cross-reference to certain provisions of Section 17b-522(b) of the Connecticut General Statutes. Certain information generally referred to below is required to be included in this Disclosure Statement and can be found on the pages referenced below:

<b><u>Applicable Statute</u></b>	<b><u>Location in</u></b>
<b><u>Subsection Reference</u></b>	<b><u>this document</u></b>
17b-552(b)	
(1) Name and Business Address of Provider.....	Page 9
(2) Names of Managers; Owners of 5% or more.....	Page 9
(3) Business Experience .....	Page 9
(4) Judicial Matters .....	Page 13
(5) Affiliations with Religious, Charitable, Non-Profit Organizations ...	Page 12
(6) Location and Description of the Physical Property .....	Page 1
(7) Goods and Services Provided .....	Exhibit A - Sect.5
(8) Treatment of Interest on Deposits.....	Page 22
(9) Termination of Contract.....	Exhibit A - Sect.8
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(11) Effects if Resident Gets Married.....	Exhibit A - Sect.15
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## **OVERVIEW OF THE CONTINUING CARE CONTRACT**

### **General Description**

A resident moving into one of our Independent Living residences in The Town Center enters into a Residency Agreement (also known as a Continuing Care Contract) with the Provider. The Residency Agreement provides the resident with the right to live in a specific apartment for as long as she or he is able to do so safely and independently in accordance with standards established by the Provider. The resident pays certain fees under the Residency Agreement, including a one-time “Entrance Fee” in conjunction with the resident’s initial move into the Community, and a “Monthly Service Fee” payable each month for as long as the resident remains in occupancy which entitled the resident to the various services associated with living in the Community. The resident may select from among two Refund Plans and depending on selection and other factors may be entitled to a future refund of a portion of the Entrance Fee. The resident may request participation in the Life Care Program, which is subject to a certain qualifications and Provider’s acceptance.

### **Entrance Fee; Monthly Service Fee**

The amount of the Entrance Fee payable by an incoming resident generally depends on three factors: (1) the specific apartment unit selected by the resident (where variables include overall unit features, size, and location of the apartment), (2) the Refund Plan chosen by the resident, and (3) whether the resident wishes (and qualifies) to participate in the Life Care Program.

The amount of the Monthly Service Fee generally depends on the specific apartment unit in which the resident resides and whether the resident chooses (and qualifies) to participate in the Life Care Program. In return for the Monthly Service Fee, the resident maintains her/his right to occupancy and receives certain services such as specified housekeeping and laundry services, continental breakfast, evening dinner, building maintenance, utilities, receptionist services, scheduled transportation, access to the Community’s common areas and amenities, participation in Community Life activities, 24-hour staffing and emergency response system. Additional information on the frequency and scope of currently included services may be found in the Resident Handbook available at the Community.

A Second Occupant Entrance Fee applies when two new residents move into an apartment together. The Second Occupant Entrance Fee is non-refundable. Similarly, a Second Occupant Monthly Service Fee applies when an apartment is occupied by two residents.

The Residency Agreement Exhibit A will set forth the Monthly Service Fee (including Second Occupancy Monthly Service Fee, if applicable) in effect at the time the Residency

Agreement is signed. The Provider may increase the Monthly Service Fees after giving residents thirty (30) days written notice. Past practice has generally included an annual increase that takes effect on January 1 of each year. Historical Monthly Service Fee and Entrance Fee data may be found in Disclosure Statement Exhibit F, and the current Monthly Service Fees may be found in Disclosure Statement Exhibit G.

### **Entrance Fee Refund Plans**

We offer a choice of three (3) Entrance Fee Refund Plans. This choice determines whether and to what extent a portion of the Entrance Fee may become refundable by the Provider to the resident or her/his estate in the future. We offer an “85% Refund Plan” whereby 85% of the Entrance Fee is refundable in the future upon the satisfaction of certain conditions (as described elsewhere in this section), a “50% Refund Plan” whereby 50% of the Entrance Fee is refundable in the future upon the satisfaction of certain conditions, and a “Declining Refund” plan whereby the portion of the refundable entrance fee declines over the first approximately 46 months of occupancy after which it becomes entirely non-refundable. The table below provides a summary of these choices:

<b><u>Contract Type:</u></b>	<b><u>Refundable Portion of Your Entrance Fee<sup>(1)</sup>:</u></b>
85% Refund Plan:	Your refund will be 85% of your Entrance Fee <sup>(2)</sup> .
50% Refund Plan:	Your refund will be 50% of your Entrance Fee <sup>(2)</sup> .
Declining Refund Plan:	The refundable portion of your Entrance Fee <sup>(2)</sup> declines over time during your residency at the Community. It begins at 90% refundable at the end of your first full or partial calendar month of occupancy, and declines by 2% per month thereafter, becoming fully non-refundable after 46 months.

- Notes: (1) Entrance fees are fully refundable prior to expiration of the applicable statutory rescission period.
- (2) Refund percentages apply to First Occupant Entrance Fee only. Second Occupant Entrance Fees are fully non-refundable following the applicable statutory rescission period.

If a former resident of the Community is entitled to a future refund of a portion of their Entrance Fee as outlined above, such refund is paid once two conditions are met. These conditions are (1) that the resident no longer resides in any level of care at the Community; and (2) the Town Center apartment in which the resident previously resided has been re-occupied by one or more new resident(s) moving in who have paid the full balance of their Entrance Fee. For Residency Agreements entered into after October 1, 2015, Connecticut law requires that any refundable portion of the Entrance Fee be paid within three years of the move-out date. No interest is paid on Entrance Fee Refunds.

### **Life Care Program**

A resident moving into one of our Independent Living residences may request to participate in our Life Care Program. Applicants must undergo a health care assessment and acceptance into the Life Care Program may be granted or denied in the Provider's sole discretion. A resident not qualifying for the Life Care Program may still submit an application for the Traditional Plan. When a resident requests and is accepted into the Life Care Program, the Life Care Addendum found in Disclosure Statement Exhibit B is incorporated into the resident's Residency Agreement. Participation in the Life Care Program carries a higher Entrance Fee and a higher Monthly Service Fee.

A resident with a Residency Agreement that does not include the Life Care Addendum is sometimes referred to as being on the "Traditional Plan" or "Fee For Service Plan." This generally means that if and when the resident requires health care services in the future, including transfer to a higher level of care in the Health Center such as The Inn, The Gardens, or The Springs, the resident's service charges including room & board will be at then-prevailing market rates for such level of care. There is no element of prepaid health care costs.

By contrast, if a resident participating in the Life Care Program requires in the future to transfer to a higher level of care neighborhood in the Health Center such as The Inn, The Gardens, or The Springs on a permanent basis (and thus moves out of their Residence in the Town Center), the resident will continue to pay generally the same Monthly Service Fee as would apply in the resident's Independent Living apartment in lieu of the room & board rate then prevailing for the applicable level of care, subject, however, to additional charges for incremental meals, medical charges and higher tier health care services, and other factors including but not limited to the following:

1. A "Meal and Miscellaneous Ancillary Charge," which covers an additional meal and two snacks per day, referral services and wellness education. The current amount of the Meal and Miscellaneous Charge is set forth in Residency Agreement Exhibit B ("Schedule of Additional Fees");

2. Tier Charges for care at The Town Center, The Inn or The Gardens. Current charges for assisted living and/or memory care services in excess of the “Base Tier” are outlined in Residency Agreement Exhibit B. The charge for such additional services is based on the level (or “Tier”) of additional health care services that the resident requires, which shall be determined based on a functional assessment of the resident. There are several Tiers of additional services, ranging from Tier One (minimal level of additional services required) up to a maximum level of additional services required. The current charge amounts for each Tier are outlined in Residency Agreement Exhibit B (“Schedule of Additional Fees”); and

3. Charges for any medical services and supplies that the resident requires, including but not limited to, physician services, physical therapy, and medications as well as additional services that the resident may request.

The Provider may modify the extra charges and services provided and offer new or different tiered pricing or other pricing programs at any time upon thirty (30) days prior written notice to the resident.

The Health Care Benefit provided under the Life Care Program does not apply to a resident’s temporary stay in the Health Center while retaining occupancy rights to her or his Residence in the Town Center. For such temporary stays, regardless of whether the resident is on the Traditional Plan or participates in the Life Care Program, the resident will continue to pay the Monthly Service Fee in respect of her or his Residence in the Town Center and will also be charged the prevailing private payment rate and charges for the Level of Care applicable to her or his temporary stay in the Health Center (subject to eligible coverage under Medicare or other insurance accepted by Watermark).

### **Contract Signing; Deposit; Grace Period, Escrow Account**

When one decides to become a resident of the Community, an apartment is selected and a Residency Agreement is signed at which time a deposit is paid equal to ten percent (10%) of the Entrance Fee. The balance of the Entrance Fee (i.e., the remaining ninety percent (90%)) is due in full upon the later to occur of (1) the expiration of the Grace Period, or (2) the agreed “Date of Occupancy” set forth in the Residency Agreement Exhibit A.

The Residency Agreement contains a grace period (“Grace Period”) until the date that is thirty (30) days after the date that the Residency Agreement is signed, or such other (later) date as may be agreed and set forth in the Residency Agreement. During the Grace Period, the prospective resident may cancel the Residency Agreement in which case Provider will refund the Entrance Fee or portion thereof paid by the prospective resident, less an administrative and processing fee as specified in the Residency Agreement..

Any monies paid by the prospective resident on account of the Entrance Fee are held by People's United Bank, as escrow agent, in an Entrance Fee escrow account until the expiration of the Grace Period. After the expiration of the Grace Period, such funds are released to the Provider. Interest earned on the portion of the Entrance Fee and other deposits held in the Entrance Fee escrow account shall be retained by the Provider.

In order to rescind or cancel the Contract, the prospective resident or their legal representative must send notification in writing to the Provider at the address listed below by registered or certified mail in accordance with the notice periods stated in the Contract.

The Watermark at 3030 Park  
Attention: Executive Director  
3030 Park Avenue  
Bridgeport, CT 06604

### **Cancellation by Provider**

The Residency Agreement identifies conditions under which the Provider may terminate the Residency Agreement, which conditions include: (i) if information provided by or on behalf of the resident to the Provider is incorrect, contains omissions or is misleading; (ii) if the resident's condition or conduct jeopardizes her or his health, well-being or safety, or the peace and welfare of others; and (iii) if the resident requires a higher level of care and refuses or otherwise fails to obtain such care. In the event that a situation arises which requires that the Provider terminate a Residency Agreement, the Provider will notify the resident in writing and such notice will include the effective date of cancellation. The Provider's decisions are final.

### **Note Regarding Continuing Care Contracts**

Prospective residents are urged to review the details of their Residency Agreement / Continuing Care Contract very carefully before signing it. The Residency Agreement contains, among other things, the definitive terms concerning termination rights, rights of a surviving spouse, the effect of a resident's marriage or remarriage, the policy regarding disposition of a resident's personal property in the event of death or transfer to a health care center, rights to use of the apartment, provisions governing reimbursement of the Entrance Fee, and services to be provided to a resident. The Residency Agreement is available in larger type upon request.

### **Tax Consequences**

Please note that payment of an Entrance Fee or other transfer of assets pursuant to a Continuing Care Contract may have significant tax consequences and that prospective residents are urged to consult a qualified advisor.



THE WATERMARK  
AT 3030 PARK

***Disclosure Statement***  
***Exhibit A***  
***Residency Agreement /***  
***Continuing Care Contract***

# Residency Agreement



THE WATERMARK  
A T 3 0 3 0 P A R K

# Continuing Care Contract

The following indicates whether this Agreement is intended to be a  
Traditional Contract or a Life Care Contract:

**Click to select Contract Type**

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## EXHIBITS

- A. SCHEDULE OF CERTAIN CONTRACT TERMS AND FEES
- B. SCHEDULE OF ADDITIONAL FEES
- C. RESIDENT’S BILL OF RIGHTS



## 1. THE AGREEMENT

This document (herein referred to as this “**Agreement**”) is a Residency Agreement, also known as a Continuing Care Contract, between **CT Watermark 3030, LLC**, a Delaware limited liability company, and **Click to type Resident Name(s)** (the “**Resident**” or “**Residents**”). The effective date of this Agreement is **Click to select date** (the “**Effective Date**”).

### RECITALS

**A.** Watermark operates a continuing care retirement community known as “The Watermark at 3030 Park” through which Watermark agrees to furnish or cause to be furnished a residence and other services to the Resident;

**B.** Resident has applied for admission to occupy a residence and to receive such other services; and

**C.** Watermark has reviewed and accepted Resident’s application subject to the execution of this Agreement and the terms contained herein.

**D.** This Agreement is not a lease and does not create any interest in the real estate and property owned by Watermark and the right of use thereof shall not inure to the use or benefit of the heirs, next of kin, assignees or representatives of Resident or of Resident's estate.

In consideration of the mutual promises contained in this Agreement, and intending to be legally bound, Watermark and Resident agree as follows:

## 2. THE PARTIES TO THIS AGREEMENT

The parties to this Agreement are:

**2.1 CT Watermark 3030, LLC**, a Delaware limited liability company. It may assign the obligations under this Agreement to another entity or may authorize another entity to act for it in performing its duties under this Agreement. In this Agreement, the term “**Watermark**” refers to CT Watermark 3030, LLC or any such assignee or authorized person.

**2.2 The Resident.** You are the other party to this Agreement. In this Agreement, you will be called the “**Resident**.” The words “**you**” and “**your**” will also refer to you. If this Agreement is signed by two resident persons, the words “**Resident**,” “**you**,” and “**your**” will refer to each such person who signs this Agreement. If one of you dies or moves out of the Community, these words will refer to the one who survives and remains a resident within the Community.

### 3. THE RESIDENCE

#### 3.1 Residence.

(a) Watermark operates The Watermark at 3030 Park (also referred to herein as the “**Community**”) located at 3030 Park Avenue in Bridgeport, Connecticut. As of the date hereof the Community includes the following distinctive residential areas and associated levels of care:

“**The Town Center**” which includes the Community’s independent living apartments and associated dining and other amenities and common areas contained in a ten-story building, plus separate residential buildings known as “The Cottages”;

“**The Inn**” which is the Community’s dedicated Assisted Living neighborhood located on the second floor of the two-story Health Center building containing assisted living suites along with dining and other amenities and common areas;

“**The Gardens**” which is the Community’s dedicated Memory Care neighborhood located on the first floor of the Health Center building containing memory care suites along with dining and other amenities and common area; and

“**The Springs**” which is the Community’s Skilled Nursing facility located on the first floor of the Health Center.

(b) Watermark will provide you with an apartment or cottage in the Town Center. In this Agreement, this apartment or cottage will be referred to as your “**Residence.**” Your Residence is designated on Exhibit A. Your Residence will be for your own personal use and occupancy only.

#### 3.2 Substitution of Residence.

Watermark reserves the right to substitute your Residence with another comparable residence at the Town Center, at no additional expense to you, if it is necessary to meet any requirement of law or the lawful order or direction of the Fire Marshal or another authorized public official, or for any other reasonable purpose, as determined by Watermark in writing. A comparable residence means a residence that has the same number of bedrooms and bathrooms and that is approximately the same size as your Residence. Effective the date the occupancy transfers to the substituted residence, the substituted residence will be your Residence as defined in this Agreement and shall be subject to all the same terms and conditions.

#### 3.3 Date of Occupancy.

You may move into your Residence on the date indicated as the “Date of Occupancy” on Exhibit A. The Date of Occupancy is the date your Residence will be ready for your occupancy, even if you are not ready to move into your Residence. You may continue to occupy your Residence for the remainder of your lifetime, unless (i) this Agreement is earlier cancelled in accordance with Section 8 hereof, (ii) you are relocated to another comparable residence pursuant to Section 3.2, (iii) you permanently move to a higher level of care located at the Community pursuant to Section 17 hereof, or (iv) you are removed from your Residence pursuant to Section 18 hereof. If this Agreement is signed by two resident persons, occupancy of your Residence may continue for the remainder of the lifetime of the last surviving of the two of you, unless this Agreement is earlier cancelled or the other conditions outlined above apply to both of you.

#### 4. THE ENTRANCE FEE

You must pay an entrance fee (the “Entrance Fee”) in the amount indicated on Exhibit A. Your payment of the Entrance Fee entitles you to the use of your Residence and to the other services described in this Agreement. Your Entrance Fee is payable as follows:

##### 4.1 Down Payment (10%).

Watermark requires a down payment (the “Down Payment”) of ten percent (10%) of the Entrance Fee. You must pay the Down Payment at the time you sign this Agreement.

##### 4.2 Balance of Entrance Fee (90%).

**You must pay the remaining amount of the Entrance Fee (the “Entrance Fee Balance”) in full on the Date of Occupancy even if you do not actually move into your Residence on that date.**

#### 5. RESIDENT SERVICES AND FEES

##### 5.1 Service Fees.

Watermark provides services for which it charges a monthly service fee (the “**Monthly Service Fee**”). Watermark also provides or makes available certain additional items and services to residents who want or require such items and services, for which Watermark charges additional fees (“**Additional Fees**”). The Additional Fees in effect as of the Effective Date are outlined in Exhibit B (“**Schedule of Additional Fees**”). Exhibit A indicates the schedule of additional items and services, if any, that you have requested be furnished to you upon your initial occupancy, which schedule may be updated and revised from time to time. Watermark may change the nature and scope of additional services offered and/or increase the Additional Fees and revise the Schedule of Additional Fees from time to time by providing residents of the Community thirty (30) days prior written notice thereof.

##### 5.2 Resident Services.

This Section describes in general the services that are available at the Town Center. Watermark has published a Resident’s Handbook which contains rules and policies for the specific use of these services and which may change from time to time, provided, however, the Resident Handbook shall not modify the specific rights provided to you under this Agreement (as modified from time to time, the “**Resident Handbook**”).

**5.2.1 Meals.** Watermark will make available to you the number of meals outlined on Exhibit A attached hereto. Your meals will be served at a location(s) as established in the Resident Handbook.

**5.2.2 Nursing Care and Assistance with Daily Living.**

(i) You will have preferential admission status at the higher level of care areas at the Community. As of the date hereof such higher levels of care areas include The Inn (assisted living), The Gardens (memory care), and The Springs (skilled nursing).

(ii) If this Agreement is a Traditional Contract, then you will be responsible for paying all of your costs and expenses associated with your stay(s) in the higher level of care areas at the then-prevailing rates. Any such costs and expenses are in addition to your Monthly Service Fee until such time as (1) this Agreement is cancelled in accordance with Section 8, or (2) you permanently move to a higher level of care at the Community as outlined in Section 17. If your Residence is occupied by two persons, and one of you moves permanently to a higher level of care, the remaining Resident must continue to pay the Monthly Service Fee for single occupancy.

(iii) If this Agreement is a Life Care Contract and you permanently move to a higher level of care at the Community, you will be entitled to certain terms and conditions regarding your costs and expenses associated with your residence in such higher level of care as outlined in a separate Life Care Addendum to this Agreement that is referenced in Section 7.

(iv) Watermark operates as a managed residential community and is also licensed as an assisted living services agency (“ALSA”) by the Connecticut Department of Public Health. Under such license, Watermark may offer assistance with daily living activities such as assistance with bathing, dressing, medication administration, eating, toileting, transferring and the like (the “ALSA Services”) to the extent you require such assistance. You have the right to receive ALSA Services in your Residence. The fees for the ALSA Services are not included in the Monthly Service Fee. Such fees shall be posted and are subject to change from time to time upon at least thirty (30) days prior notice.

**5.2.3 Housekeeping Services.** Your Residence will receive certain housekeeping services as set forth in the Resident Handbook at no additional charge. For additional services you will be charged on a monthly basis as outlined in Exhibit B.

**5.2.4 Utilities.** Watermark will provide you with standard utilities, such as lighting, heat, air conditioning, and water, the cost of which is included in your Monthly Service Fee. Other service charges are outlined on Exhibit B.

**5.2.5 Community Facilities.** You are entitled to use all of the community and recreational facilities at the Town Center as set forth in the Resident Handbook. The programs and facilities of the Town Center may be changed from time to time at the discretion of Watermark.

**5.2.6 Parking; Operation of a Motor Vehicle.** You may rent a garage space, if available, for an additional fee as outlined in Exhibit B. In order to park or operate a motor vehicle on the premises of the Town Center, you must maintain automobile liability insurance with your own insurance agent to cover liability and medical expenses arising from injuries to yourself or others. Your on-premises use of any motor vehicle, electric cart or power operated vehicle is subject to the rules and policies of Watermark, including but not limited to, speed limits and safe

driving procedures and practices. Watermark reserves the right to revoke your operating and parking privileges on the premises of the Town Center if you do not abide by the applicable rules, regulations, policies, and procedures.

**5.2.7 Pets.** Pets are allowed at the Town Center, subject to approval by Watermark and the payment of a non-refundable pet fee as set forth on Exhibit B. Residents with pets must provide written acceptance of the Community’s Resident Pet Policy. Watermark reserves the right to rescind approval of your pet if Watermark determines that the pet constitutes a nuisance or danger to others, or threatens the quiet enjoyment of the other residents of the Community.

## **6. MONTHLY SERVICE FEE**

**6.1** You are responsible for paying your Monthly Service Fee beginning on the Date of Occupancy identified in Exhibit A. The Monthly Service Fee for your first full or partial calendar month of occupancy shall be due on the Date of Occupancy and will be prorated to reflect the number of days of your occupancy during such calendar month. Thereafter, your Monthly Service Fee shall be payable by you to Watermark in advance subject to the due dates and other payment terms set forth in Exhibit A until the effective date of cancellation of this Agreement as set forth in Section 8.

**6.2** Your Monthly Service Fee (including your Monthly Second Person Fee if applicable) is listed on Exhibit A. Watermark has the right to increase the Monthly Service Fee in its sole discretion, and Watermark will give you not less than thirty (30) days’ advance notice in writing of any such increase.

**6.3** Your Monthly Service Fee shall be due each month for so long as this Agreement is in effect regardless of whether you are in residence.

**6.4** Watermark encourages residents to make monthly account payments via automatic recurring ACH withdrawal, and if you provide authorization for Watermark to process monthly payments on your account via automatic recurring ACH withdrawal, then your monthly payment will be processed as set forth in Exhibit A.

**6.5** If the Monthly Service Fee for any month is not paid when due, Watermark may collect a late fee until the Monthly Service Fee and all late fees are fully paid. Late fees are set forth in Exhibit A and shall not exceed amounts allowed by applicable federal and state law. In addition, Watermark will charge you for the costs of collecting any unpaid Monthly Service Fee, including reasonable attorneys’ fees incurred for collection purposes.

## 7. LIFE CARE ADDENDUM

If you have applied for and been accepted for a Life Care Contract, you must sign the attached Life Care Addendum to this Agreement (the “Life Care Addendum”) on the same day that you sign this Agreement. The Life Care Addendum outlines the terms and conditions of the Life Care Contract.

## 8. CANCELLATION OF THIS AGREEMENT

### 8.1 Cancellation By Resident.

You may provide notice of cancellation of this Agreement at any time for any reason. To do so, you must deliver your notice of cancellation in writing to the Community’s Executive Director. If Sections 9.2 or 9.4 apply to your written notice of cancellation, the effective date of cancellation shall be the date your written notice is delivered. If Sections 9.2 or 9.4 do not apply to your written notice of cancellation, the effective date of cancellation of this Agreement will be the later to occur of (i) sixty (60) days following the date such written notice was delivered, or (ii) the date that you permanently vacate your Residence (including removal of all of your property and belongings).

### 8.2 Cancellation by Watermark

Watermark may cancel this Agreement (A) as set forth in Section 11.1 prior to your Date of Occupancy, or (B) at any time for ‘good cause,’ in which case Watermark must give written notice to you and the effective date of cancellation of this Agreement will be the earlier to occur of (i) the date of cancellation specified in Watermark’s written notice if the conditions set forth in Section 8.2.2 below are applicable, or (ii) **thirty (30) days** following the date of Watermark’s written notice. Watermark will have ‘good cause’ to cancel this Agreement for any one of the following reasons:

**8.2.1** If you give any incorrect information to Watermark, or fail to give any necessary information, or if you mislead Watermark. This reason will apply to any statements or information that you give to Watermark, or that a family member or representative of yours gives to Watermark on your behalf;

**8.2.2** If it is determined, pursuant to Section 18, that (A) your physical or mental condition, or your conduct, is such as to jeopardize your health, well-being or safety, or the peace and welfare of others, or (B) you are no longer able to safely accomplish the activities of daily living, such as bathing, dressing, medication administration, eating, toileting, transferring and the like, and you have either refused or otherwise failed to obtain assisted living services after five (5) business days written notice from Watermark, or you require or a higher level of care than such assisted living services can provide, such as skilled nursing or hospitalization, and you have either refused or otherwise failed to obtain such higher level of care; or

**8.2.3** If you fail, neglect or refuse to abide by the terms of this Agreement or rules and policies published by Watermark, including if you fail to pay a Monthly Service Fee when due, subject, however, to the provisions of Section 12 regarding financial hardship.

### **8.3 Vacating Your Residence.**

If this Agreement is pending cancellation as set forth in Section 8.1 or 8.2 above, you agree to vacate your Residence on or before the effective date of cancellation of this Agreement. You must pay the Monthly Service Fee through and including the date that is the later to occur of (i) the effective date of cancellation of this Agreement, or (ii) the date that you vacate your Residence (including removal of all of your property and belongings). If you vacate or abandon your Residence without removing all of your property and belongings, Watermark may, but is not obligated to, enter the Residence without notice to you and remove all of your property and belongings, in which case Watermark may, at its option, take possession of such property and declare it to be the property of Watermark or, at your expense, dispose of it in such a manner and for such consideration as Watermark, in its sole discretion, deems appropriate, including storing and/or selling or otherwise disposing of such property. Thereafter Watermark may use your former Residence for any purpose.

### **8.4 Cancellation Upon Death**

If you are the sole Resident pursuant to this Agreement and you die, or if there are two resident persons signing this Agreement and the one of you who is last-in-occupancy in your Residence dies, in either case after the Grace Period and after the Date of Occupancy, then this Agreement will automatically cancel, and the effective date of cancellation of this Agreement will be the later to occur of (i) thirty (30) days following the above-referenced date of death, or (ii) the date that your Residence is vacated including removal of all property and belongings.

## **9. REFUND POLICY**

### **9.1 Refund.**

Your selection of refund plan and the amount of your Entrance Fee are indicated on Exhibit A. Depending on the Refund Plan you selected, and in certain circumstances depending on the effective date of cancellation of this Agreement, you may be entitled to a refund of all or a portion of the money you paid toward your Entrance Fee. Terms and conditions applicable to the determination of whether a refund is applicable and the timing and payment of such refund are described below. Except in the case of Sections 9.2 and 9.4, the references to Entrance Fee in this Section 9 do not include any entrance fees related to a second occupant; Second Person Entrance Fees are non-refundable with the exception of the conditions described in Sections 9.2 and 9.4. Watermark may deduct charges set forth in Section 9.3 from any refund that may be owed to you.

## **9.2 Grace Period.**

The thirty (30) day period after you sign this Agreement is referred to as the “Grace Period.” This period coincides with the applicable Connecticut statutory rescission period. Nothing in this Agreement requires that you move into your Residence before the end of the Grace Period. You may cancel this Agreement at any time during the Grace Period (i.e., within thirty (30) days after you sign it) by delivering written notice of your cancellation to the Community’s Executive Director before the end of the Grace Period. If you cancel this Agreement during the Grace Period, Watermark will refund to you one hundred percent (100%) of the money that you paid toward the Entrance Fee, subject to Section 9.3. Any interim interest earned will be retained by Watermark. If this Agreement is cancelled in accordance with this paragraph because you have died, the refund will be made to your estate. Watermark may also cancel this Agreement as set forth in Section 11.1 at any time prior to your Date of Occupancy, in which case any money that you paid toward the Entrance Fee will be similarly refunded.

## **9.3 Administrative Fee.**

Watermark reserves the right to deduct a reasonable administrative and processing fee (an “**Administrative Fee**”) from your refund in an amount not to exceed one percent (1%) of the Entrance Fee set forth on Exhibit A. Watermark may also deduct the amount of any costs and expenses incurred by Watermark as a result of your written request(s), including, as an example, upgrades to your Residence made or commenced at your written request and not yet amortized in accordance generally accepted accounting principles.

## **9.4 Cancellation After The Grace Period and Before the Date of Occupancy.**

If after the Grace Period, but prior to your Date of Occupancy, (a) you die, or (b) on account of illness, injury or incapacity you are unable to occupy your Residence, and you or your legal representative delivers written notice to the Community’s Executive Director requesting cancellation and stating that one of the foregoing conditions (a) or (b) exists, then subject to the next sentence this Agreement will be cancelled and Watermark will refund to you one hundred percent (100%) of the money that you paid toward the Entrance Fee, subject to Section 9.3. Any interim interest earned will be retained by Watermark. Watermark reserves the right to request a written evidentiary statement from your physician if the requested cancellation is on account of illness, injury, or incapacity, and if requested, such statement shall be a condition of cancellation. Watermark may also cancel this Agreement as set forth in Section 11.1 at any time prior to your Date of Occupancy, in which case any money that you paid toward the Entrance Fee will be similarly refunded. If this Agreement is cancelled in accordance with this paragraph because you have died, the refund will be made to your estate or as ordered by a court of competent jurisdiction.



## **9.5 Cancellation After The Grace Period and After the Date of Occupancy.**

**9.5.1** You may cancel this Agreement at any time after the Grace Period and after your Date of Occupancy in accordance with the notice procedure set forth in Section 8.1. Watermark may cancel this Agreement for ‘good cause’ at any time after the Grace Period and after your Date of Occupancy in accordance with the notice procedure set forth in Section 8.2. In either case this Agreement will terminate on the effective date of cancellation as set forth in Section 8.1 or 8.2 as applicable.

**9.5.2** Any applicable refund of money that you paid toward your Entrance Fee (if applicable, your “Entrance Fee Refund”) will be paid as set forth in Section 9.6 below and will be calculated based on the “Refund Plan” you selected as identified on Exhibit A, subject to Section 9.3. Your Refund Plan is one of the following:

**(i) 85% Refundable Plan.**

If you selected the 85% Refund Plan, you will be eligible for an Entrance Fee Refund of eighty-five percent (85%) of the amount of the Entrance Fee.

**(ii) 50% Refundable Plan.**

If you selected the 50% Refund Plan, you will be eligible for an Entrance Fee Refund of fifty percent (50%) of the amount of the Entrance Fee.

**(iii) Declining Refund Plan.**

If you selected the Declining Refund Plan, you will be eligible for an Entrance Fee Refund that declines to a zero balance over approximately forty-six (46) months following your Date of Occupancy. Specifically, the eligible refund declines to ninety percent (90%) of the amount of the Entrance Fee at the end of the calendar month in which the Date of Occupancy occurs, and then declines by an additional two percent (2%) of the amount of the Entrance Fee each month thereafter. The foregoing is determined based on the effective date of cancellation of your Agreement.

**9.5.3** Watermark may deduct from your refund any outstanding and unpaid balance due on your account, including, without limitation, any unpaid Monthly Service Fees and Additional Fees.

## **9.6 Payment of Refund.**

**9.6.1** If an Entrance Fee Refund is due to you in accordance with this Agreement following a cancellation of this Agreement **before** the expiration of the Grace Period and/or **before** the Date of Occupancy, your refund will be made by Watermark or by the escrow agent (“Escrow Agent”) associated with the entrance fee escrow account established in accordance with Connecticut law (the “Entrance Fee Escrow Account”). If paid by the Escrow Agent, such refund will be paid in accordance with the terms of an entrance fee escrow agreement which complies with the requirements of Connecticut law (the “Entrance Fee Escrow Agreement”), which for that purpose will be considered as part of this Agreement.

**9.6.2** If an Entrance Fee refund is due to you in accordance with this Agreement following a cancellation of this Agreement **after** the Date of Occupancy, Watermark will pay your refund within thirty (30) days after two conditions are met. These conditions are (i) that you no longer reside in any level of care at the Community; and (ii) your Residence has subsequently been re-occupied by one or more new occupants moving in that have paid the full balance of their Entrance Fee. Notwithstanding the foregoing, Watermark will pay your Entrance Fee Refund no later than the third anniversary of the date of cancellation of this Agreement in accordance with applicable statutory requirements. Watermark will make commercially reasonable efforts to find a new occupant(s) for your Residence. If you owe any money to Watermark following the cancellation of this Agreement and such amount owed remains outstanding, Watermark may deduct the amount that you owe from the Entrance Fee Refund that will be paid to you.

## **10. YOUR RIGHTS UNDER THIS AGREEMENT**

**10.1** The rights given to you under this Agreement belong to you alone. When this Agreement is cancelled, whether by your death or by notice of cancellation, all of your rights and interest in this Agreement will come to an end, except for the right to receive an Entrance Fee Refund that may be payable to you, if applicable. You may not assign any of your rights under this Agreement to anyone else.

**10.2** You may come and go from the Community as you wish. However, you must pay the Monthly Service Fee even while you are away from the Community.

**10.3** If two resident persons sign this Agreement, neither of you may unilaterally cancel this Agreement as long as the other one is still living. You may only cancel this Agreement if you act together. If one of you leaves your Residence, or must be removed from your Residence, the right to occupancy that the other one has will not be changed. Neither one of you is able to divide your Residence, or to force the removal of the other.

**10.4** You cannot assign any right you have to use your Residence to another person. You cannot sublet your Residence. You cannot pledge, mortgage or use this Agreement or your Residence for security. No one to whom you owe money, or who has some other claim against you, may make any claim, lien or attachment against this Agreement or your Residence.

**10.5** Watermark has the sole right to decide who is eligible for admission to or residency in any areas within the Community.

**10.6** Additional rights are outlined in Exhibit C of this Agreement.

## 11. RESIDENT ACCEPTANCE POLICY

**11.1 Pre-Admission.** Watermark will require certain information including (i) a report from your personal physician about your medical history (applicable to Life Care Contracts only) and (ii) certain financial information prior to your Date of Occupancy. This confidential information will be reviewed by a representative of Watermark in accordance with established acceptance policies. Special considerations of cases not meeting all of the admission criteria will be referred to the Watermark Executive Director for consideration and action. Watermark will make a final decision on your admission in its sole and absolute discretion, and Watermark reserves the right to cancel this Agreement prior to the Date of Occupancy if it determines that you do not qualify for admission, or to postpone your Date of Occupancy if it has not had sufficient time to review the submitted materials.

**11.2 Non-Financial Requirements.** To be accepted for residency, you must be 62 years of age or more at the time of establishing residency, except where more than one Resident occupies a Residence, in which case at least one must be 62 years of age or more at the time of establishing residency, and you must be able to meet the requirements of occupancy.

**11.3 Financial Requirements.** To be accepted for residency, you must meet the following financial requirements: (1) have financial assets adequate to pay the contracted Entrance Fee, plus an amount sufficient to provide for the Resident’s personal financial requirements after residency; (2) have sufficient income to meet the anticipated Monthly Service Fee and any other applicable fees for items and services not covered by the Monthly Service Fee; and (3) have coverage under (i) Medicare Parts A and B (basic and supplemental coverage) or Medicare Part C (Medicare Managed Care), and (ii) Medicare Part D or equivalent (drug coverage), if eligible, and (iii) one supplementary health insurance policy. Parts of this subsection may be waived or modified for certain people such as retired Civil Service employees and those with comparable coverage with a Health Maintenance Organization or other private insurance.

## 12. YOUR PROMISES TO WATERMARK

**12.1 Information.** By signing this Agreement, you promise that all the information that appears on your application and all other information that you have given and will give to Watermark is true, complete and correct. In addition, if this is a Life Care Contract, you agree to comply with future requests for medical information Watermark may require as set forth in Section 25. Watermark reserves the right to require you, upon request, to update the financial information disclosed to Watermark in your application.

**12.2 Government Benefits.** It is possible that benefits will be available to you under state or federal law to pay for medical services that you receive; for example, from the program known as “Medicare.” You agree to do whatever is reasonable, including submitting forms or taking other action, which will help to make payment of doctor bills, hospital bills, bills for extended care, and bills for other services, including reimbursement to Watermark for bills paid by it, from these programs. Hospital, medical or similar services for which such benefits are paid

by state or federal programs are not part of the services provided by Watermark. Nothing in this Section shall be interpreted to mean that Watermark has any obligation to provide or pay for hospital, medical or similar services.

**12.3 Damage.** You are responsible for any damage that you may cause to the Community or its furnishings, equipment or property, including your Residence, except for ordinary wear and tear. You must not do, or cause to be done, any act which would violate the Fire Code or Health Code. You may not have excessive clutter in your Residence. Open flame of any type, including the lighting of candles, is strictly prohibited. Watermark may take immediate action to correct any violations of the Fire Code or Health Code or other safety prohibitions in effect. You must pay the cost of correcting such violations.

**12.4 Indemnity.** Watermark has the right to make a claim against you, against your estate, or against any person who is legally liable for your support, for any money that you owe to Watermark. Watermark will also have the right to make such a claim for any damage and for reimbursement for the cost of any repair or redecoration which may be necessary for your Residence because of your use, with the exception of ordinary wear and tear.

### **13. FINANCIAL HARDSHIP**

There may come a time when you are unable to pay all or part of your Monthly Service Fee because of your own financial hardship. Watermark will make reasonable efforts to help you find the means for payment, by applications for state or federal aid, the Community's Grant-In-Aid Fund (which is administered by the Residents' Council), or other prospective sources of financial assistance. Watermark expects that you will cooperate in these efforts in any way that you can. While these attempts are being made, Watermark will continue to provide its services to you under this Agreement for a period of thirty (30) days. If you do not apply for, diligently seek and obtain such benefits, and if you are not able to resume payment of your Monthly Service Fee within the thirty (30) day period, Watermark has the right to cancel this Agreement.

### **14. FURNISHINGS AND MAINTENANCE**

**14.1 Fixtures.** Your Residence will have certain fixtures and installations provided by Watermark, which may include, without limitation, wall-to-wall carpeting, window blinds, kitchen appliances, and similar items. All installations are and shall remain the property of Watermark.

**14.2 Alterations.** You may make other alterations in your Residence at your own expense, provided, however, that all prospective alternations must be requested by you in writing submitted to, and be approved in writing by, the Community's Executive Director in advance of your making any alternations. Such alterations will belong to Watermark when you vacate your Residence. At Watermark's request, you may be required to return your Residence to its original condition at your expense.

**14.3 Painting.** From time to time Watermark may offer to repaint occupied residences if and as needed, as determined by Watermark in its sole discretion. If you accept such an offer you may be responsible for hiring furniture movers if required.

## **15. JOINT OCCUPANCY AND/OR MARRIAGE**

### **15.1 Resident/Non-Resident.**

You may want a non-resident, who does not currently live at the Community, to occupy your Residence with you. You and the non-resident are required to apply to Watermark for admission of such non-resident to the Town Center and to provide Watermark with the same health, financial and other information as Watermark requires generally for new applicants desiring to live at the Town Center. Watermark may grant or withhold such admission in its sole discretion. If such admission is denied, then such non-resident may not reside in your Residence.

**15.1.1** If Watermark grants admission to such non-resident to the Town Center, such person shall be considered a “New Resident.” If the New Resident intends to move into your Residence, this Agreement will be cancelled and a new residency agreement, also known as a continuing care contract (the “New Contract”) will be signed by you and the New Resident. The New Contract will require payment of an entrance fee (the “New Entrance Fee”) equal to your original Entrance Fee under this Agreement plus the then-prevailing second occupant entrance fee. The New Entrance Fee must be paid to Watermark prior to the New Contract’s Date of Occupancy. The New Contract will also set forth the new Monthly Service Fee and Monthly Second Person Fee for you and the New Resident. The amount of a refund, if any, of your original Entrance Fee will be determined pursuant to Section 9.5 of this Agreement. Any refund of your original Entrance Fee shall be applied to the New Entrance Fee. Any refund of the New Entrance Fee shall be determined by the New Contract.

**15.1.2** If Watermark grants admission to the New Resident, and if you and the New Resident wish to move into a new residence, this Agreement will be cancelled and a New Contract will be signed by you and the New Resident. The New Contract will require payment of an entrance fee (the “New Entrance Fee”) equal to the then-prevailing entrance fee for the new residence plus the then-prevailing second occupant entrance fee. The New Contract will also set forth the new Monthly Service Fee and Monthly Second Person Fee for you and the New Resident. The amount of a refund, if any, of your original Entrance Fee will be determined and paid in accordance with Section 9 of this Agreement. Any refund of the New Entrance Fee shall be determined by the New Contract.

## **15.2 Resident/Resident.**

You and another resident of the Community who occupies a separate residence at the Community and has a separate residency agreement with Watermark may wish to move into one residence together. For purposes of this Section 15.2, the term “Resident” may also refer to such other resident as the context implies.

**15.2.1** If you or the other Resident move into the current residence of one of you, the original residency agreements of both Residents (including this Agreement) will be cancelled and a New Contract will be signed by you and the other Resident. The New Contract will require payment of an entrance fee (the “New Entrance Fee”) equal to the original entrance fee of the non-moving Resident plus the then-prevailing second occupant entrance fee. The New Contract will also set forth the new Monthly Service Fee and Monthly Second Person Fee for you and the other Resident. The amount and payment of your Entrance Fee Refund, if any, under this Agreement will be determined pursuant to Section 9 of this Agreement, except that if you are the non-moving Resident, your Entrance Fee Refund, if any, may be applied to the New Entrance Fee. Any refund of the New Entrance Fee shall be determined by the New Contract.

**15.2.2** If you and the other Resident wish to move into a new residence not previously occupied by either of you, the original residency agreements of both Residents will be cancelled and a New Contract will be signed by you and the other Resident. The New Contract will require payment of an entrance fee (the “New Entrance Fee”) equal to the then-prevailing entrance fee for the new residence plus the then-prevailing second occupant entrance fee. The New Contract will also set forth the new Monthly Service Fee and Monthly Second Person Fee for you and the other Resident. The amount and payment of your Entrance Fee Refund, if any, under this Agreement will be determined pursuant to Section 9 of this Agreement. Any refund of the New Entrance Fee shall be determined by the New Contract.

## **16. MOVING TO A NEW RESIDENCE UPON REQUEST OF RESIDENT**

**16.1** You may request to move from your Residence to a different residence, which request shall be subject to approval by Watermark in its sole discretion. If the move is approved, this Agreement will be cancelled and a new residency agreement (“New Contract”) will be signed. The effective date of cancellation of this Agreement will be the New Contract’s Date of Occupancy.

**16.2** If your move to a different residence is requested and approved, you will be assessed a refurbishing fee in an amount established by Watermark to cover material and labor to refurbish your Residence to its original condition. This work may include, but not be limited to, replacing carpeting, repainting of your Residence, and repairs to cabinets and wood trim.

**16.3** Your New Contract will require payment of a New Entrance Fee equal to the then-prevailing entrance fee for the new residence, and will establish a new Monthly Service Fee at the then-prevailing rate for the new residence, as shall be set forth in Exhibit A of the New Contract. The amount and payment of your Entrance Fee Refund, if any, under this Agreement will be determined pursuant to Section 9 of this Agreement. Any refund of the New Entrance Fee shall be determined by the New Contract.

## **17. PERMANENT RESIDENCE IN A HIGHER LEVEL OF CARE**

**17.1** Your physician, your responsible party, or Watermark’s Medical Director may recommend to Watermark that you need to reside in a residential care area providing continuous assisted living care, memory care or long-term nursing care (such areas referred to herein as a “higher level of care”) and that you will no longer occupy your Residence. Watermark must verify this recommendation with your physician. If the recommendation is verified, you must vacate your Residence.

**17.2** If you permanently move into any higher level of care located at the Community, this Agreement shall remain in effect following such relocation within the Community. If you permanently move into a higher level of care at a facility not located at the Community, then this Agreement will be cancelled, including, if this Agreement is a Life Care Agreement, termination of the Life Care Program Benefits set forth in in the Life Care Addendum to this Agreement.

**17.2.1** When you become a permanent resident in any higher level of care located at the Community, your right of occupancy will transfer to your new level of care residence and Watermark may do as it wishes with your former Residence. Any refund due will be paid once you are no longer residing in any level of care at the Community and as described in Section 9 of this Agreement.

**17.2.2** If this Agreement is a Traditional Agreement and you become a permanent resident in any higher level of care located at the Community, you will at that time cease paying the Monthly Service Fee and will enter into a separate, new addendum or agreement for that level of care. You will be responsible for paying the applicable prevailing monthly and/or per diem rates in the applicable level of care at the Community, except when the applicable level of care at the Community accepts either private insurance or government reimbursement such as Medicare for its services and you are eligible for reimbursement pursuant to any such private insurance or governmental reimbursement program.

## **18. INVOLUNTARY REMOVAL**

**18.1** It may be determined that your physical or mental condition, or your conduct, is such as to jeopardize your health, well-being, or the safety, peace and welfare of others. It may also be determined that you have come to require, on a permanent basis, services which Watermark does not offer at the Community. It may also be determined that you are no longer able to accomplish the activities of daily living such as dressing, bathing, eating, toileting and moving about in a safe and independent manner and you have either refused or otherwise failed to obtain assisted living services after five (5) business days written notice from Watermark, or you require a higher level of care than such assisted living services can provide, such as skilled nursing or hospitalization, and you have either refused or otherwise failed to obtain such higher level of care. Watermark shall make such determinations in its sole discretion. In making such determinations, Watermark may, as it deems appropriate and as applicable, consult with you, your responsible party, your physician, appropriate specialists, your legal representative, and/or representatives of your family.

**18.2** If it is determined that you can no longer continue to live at the Town Center or in any higher level of care at the Community, Watermark will require you to vacate your Residence. Watermark will cooperate with you or your representative in finding a suitable health care facility, to the extent you request such assistance, but Watermark shall not be obligated to incur any expense related to such cooperation. Until you permanently vacate your Residence, you will be liable for the Monthly Service Fee during any period that you are absent from the Community.

## **19. DEATH OF A RESIDENT**

**19.1** Except for any refund that may be payable in accordance with this Agreement, Watermark will have no obligation to you or your estate under this Agreement after your death.

**19.2 Two Persons.** The Resident as defined under this Agreement may be two persons. The first such person who dies will no longer have any rights under this Agreement, and his estate or heirs will not have any rights under this Agreement. This Agreement will continue for the survivor as if the survivor were the only person who had signed this Agreement. If two persons who have signed this Agreement die simultaneously, or if it is impossible to determine which one survived the other, refunds that might be due will be divided equally between the estates of both persons, unless they have previously written to Watermark and given a direction for some other treatment of the refund.



**19.3 Burial Arrangements.** Prior to the Date of Occupancy, you must show Watermark that you have made adequate provision for burial arrangements and for the disposition of your furniture and of your other property and belongings. Watermark will accept any written instructions about these matters that may be necessary or helpful to you to carry out your wishes in the event of your death. Your estate will have thirty (30) days after your death during which all of your property and belongings must be removed from the Community. During this period, your estate will be responsible for the Monthly Service Fee. After that, Watermark has the right (but not the obligation) to remove your property and belongings, and to store or dispose of them, at its sole discretion and at the expense of your estate. Proceeds from the sale of property and belongings will be first applied to Watermark’s cost of coordinating the removal, storage and disposal of the property and the balance, if any, shall be contributed to the Community’s grant-in-aid fund (the “Grant-in-Aid Fund”) which is administered by the Residents’ Council.

**19.4 Advance Directives.** If you have executed an advance directive or have designated another person as your health care agent, health care representative or attorney-in-fact, it is recommended that you provide a copy of such advance directive to Watermark, to be maintained in Watermark’s files. It is also recommended that you provide any revisions or changes to your advance directive to Watermark upon the effective date of such revisions or changes. This provision will be subject to all the legal requirements that the State of Connecticut has with respect to advance directives.

## **20. INSPECTION/ACCESS TO YOUR RESIDENCE**

**20.1** Watermark and its agents, employees and contractors may enter your Residence during reasonable hours (or, in the case of an emergency, at any hour) upon such notice as is required by law or as is determined to be reasonable in order to inspect, clean, repair or alter the Residence or perform services for you as Watermark deems necessary. Watermark may require you to eliminate any unsafe or unsanitary conditions.

**20.2** Non-residents of the Community other than (i) your family members and other invited guests who are not paid service providers or otherwise visiting in a commercial capacity, and (ii) Watermark and its agents, employees and contractors, including, without limitation, third-party service providers and contractors, are not authorized to enter your Residence without first registering at the Community’s front desk upon each occasion of entering the Community. Watermark reserves the right to make reasonable determinations regarding admittance of such persons as circumstances may warrant.

## **21. SUBORDINATION**

**21.1** There may be mortgages and other obligations secured by the Community from time to time. Your rights under this Agreement will be subordinate to those mortgages and obligations, and to any extension, modification, renewal or replacement of those mortgages and obligations. You agree to sign any subordination agreement that Watermark may request from you. If there is a foreclosure of a mortgage or other obligation on the Community, your right to use your Residence at the Community may be at risk of termination.

**21.2** Notwithstanding the foregoing, the Entrance Fee Escrow Account which holds your Entrance Fee during the Grace Period shall not be subordinated to any other loans or obligations of Watermark, and the reserve fund escrow account that Watermark has established pursuant to Connecticut law (“Reserve Fund Escrow Account”) may be subordinated only to first mortgage loans or other long-term financing obligations of Watermark. Neither the Entrance Fee Escrow Account nor the Reserve Fund Escrow Account may be pledged as collateral, invested in any building or healthcare facility of any kind, used for capital contribution or improvements or for the purchase of real estate or removed from the State of Connecticut.

## **22. INSURANCE POLICY - NO LIABILITY OF WATERMARK**

**22.1** There is a possibility that at some time you may sustain a loss or damage of your personal property in your Residence. Watermark will not be responsible for loss of or damage to your personal property, unless such loss or damage is caused by our gross negligence or the gross negligence of our employees or agents. Therefore, for your protection, you are required to purchase and maintain insurance coverage from your own insurance agent to cover your Residence with commencement of coverage on or before your Date of Occupancy, including annual renewals as necessary. This insurance will also include the appropriate coverage for any injury to another person within your Residence.

**22.2** Watermark, its officers, directors, agents and employees, will not be liable to you in any way for, and you agree to indemnify, defend and hold Watermark from, claims, damages, settlements and expenses, including attorney’s fees and court costs, resulting from any loss or injury that you or others may suffer, or for any damage or theft of your property, caused by, resulting from, attributable to, or in any way connected with the negligent or intentional act or omission of you or any third person other than Watermark or Watermark’s officers, directors, agents and employees.

## **23. RULES, POLICIES AND GRIEVANCE PROCEDURE**

The Community's rules and regulations are set forth in the Resident Handbook available at the Community. Watermark has the right to make policies and rules for the operation of the Community, and to amend them from time to time in the sole discretion of Watermark, provided, however, these policies and rules shall not modify the specific rights provided to you under this Agreement. These policies and rules may be included in the Resident Handbook and are binding upon you and must be faithfully observed by you. Additionally, the Community's Grievance Policy is set forth in the Resident Handbook.

## **24. PRIVATE EMPLOYEES**

- 24.1** All outside caregivers, companions, aides, housekeepers, maintenance workers, sub-contractors and other personnel ("Private Employees") hired directly by you, or contracted by you through any agency, including a licensed home health agency, to render services to you at the Community shall be subject to Watermark's policies for employment of Private Employees including, without limitation, the requirements set forth in the Resident Handbook as the same may be updated from time to time pertaining to criminal background checks, proof of legal eligibility to work in the United States, appropriate professional qualifications, tuberculosis or other applicable testing, liability and worker's compensation insurance. Private Employees must wear proper attire as determined by Watermark and must register at the front desk upon each arrival at the Community.
- 24.2** You acknowledge that Watermark is not, and will not be, responsible for (i) the quality or quantity of any services rendered by Private Employees to you; (ii) claims made for breach of any obligation by you to provide compensation, workers' compensation or other insurance; and (iii) claims related to the breach of any statutory or regulatory obligations respecting employment and the withholding and payment of income taxes. The provisions of this limitation of responsibility, including this paragraph, shall apply even if the Private Employees are employees of Watermark, its affiliates or its related parties, who are providing such services on their own time.
- 24.3** You acknowledge that this limitation of responsibility is given for the express benefit of Watermark, its affiliates and its related parties, and the officers, directors, employees, agents, and representatives of Watermark, its affiliates or its related parties, each of whom shall be indemnified pursuant to this Section.

## **25. ACCESS TO YOUR HEALTH INFORMATION**

For purposes of determining your qualification for admission at the Town Center and your eligibility to remain in residence at the Town Center, you hereby consent that your pertinent health and wellness records will be furnished if and when requested by Watermark. You further consent that your attending physician or other health care provider shall furnish any additional information

concerning your health or physical condition requested by Watermark. Watermark will keep all such records confidential unless disclosure of such records is required by law. When requesting access to your health information, Watermark shall comply with the Health Insurance Portability and Accountability Act (HIPAA), which regulations are codified at 45 C.F.R. Parts 160, 162 and 164, as such regulations may be amended from time to time, including without limitation, obtaining a HIPAA authorization from you, which you agree to sign, prior to accessing your health information.

## 26. COMPLIANCE

You will be afforded all rights and privileges under Conn. Gen. Stat. § 17b-520 et seq., which governs continuing care facilities, and all other applicable laws. The Community will comply with all municipal, state and federal laws and regulations including those related to consumer protection and protection from financial exploitation.

## 27. TIME OF THE ESSENCE

Time is of the essence with respect to the provisions of this Agreement.

## 28. NOTICES

All notices provided for in this Agreement shall be in writing and hand-delivered or mailed by registered or certified mail, postage prepaid or by express mail or recognized overnight courier, to the addresses listed below. Either party may change their address for notice purposes by providing notice to the other party of such change.

To the **RESIDENT**:                    Prior to move-in to the Community:  
To the address shown on the signature page  
of this Agreement.

Following move-in to the Community:  
To the Residence identified in Exhibit A.

To **WATERMARK**:                    CT Watermark 3030, LLC  
c/o Executive Director  
The Watermark at 3030 Park  
3030 Park Avenue  
Bridgeport, CT 06604

## **29. THE ENTIRE AGREEMENT**

This Agreement is the only contract between you and Watermark. It replaces any written or verbal agreements or contracts that you may have had before. You agree that neither Watermark nor any representative of Watermark made any promise to you to induce you to sign this Agreement.

## **30. DISCLOSURE STATEMENT AND RESIDENT HANDBOOK**

You acknowledge that you received a Disclosure Statement and the Resident Handbook not more than sixty (60) days and not less than ten (10) days before the date of signing this Agreement.

## **31. VALIDITY**

If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, then notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein, and such invalid, unenforceable or illegal provision shall be valid, enforceable and legal to the maximum extent permitted in such case.

## **32. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut.

**By signing this Agreement, you agree to all the terms that are contained in it.**

[Signatures on the next page]

**CT WATERMARK 3030, LLC**

By:

\_\_\_\_\_  
Its Authorized Agent

[Click to type Signatory Name & Title](#)

\_\_\_\_\_  
Date

**RESIDENT(S)**

[Click to type Resident Name\(s\)](#)

\_\_\_\_\_  
Resident's Printed Name

[Click to type Resident Name\(s\)](#)

\_\_\_\_\_  
Second Resident's Printed Name *(if applicable)*

\_\_\_\_\_  
Resident's Signature

\_\_\_\_\_  
Second Resident's Signature

\_\_\_\_\_  
Date

[Click to type Street Address](#)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Date

[Click to type Street Address](#)

\_\_\_\_\_  
Street Address

[Click to type City/State/Zip](#)

\_\_\_\_\_  
City/State/Zip

[Click to type City/State/Zip](#)

\_\_\_\_\_  
City/State/Zip

[Click to type Phone Number](#)

\_\_\_\_\_  
Telephone Number

[Click to type Phone Number](#)

\_\_\_\_\_  
Telephone Number



THE WATERMARK  
AT 3030 PARK

**Residency Agreement – Town Center**

**Exhibit A**

**Schedule of Certain Contract Information, Services, and Fees**

Resident Name(s): \_\_\_\_\_

Resident(s)' Notice Address: \_\_\_\_\_

Apartment: \_\_\_\_\_

\_\_\_\_\_

Date of Occupancy: \_\_\_\_\_

\_\_\_\_\_

Entrance Fees		
<u>Select Contract Type:</u> <input type="checkbox"/> <b>Traditional Contract</b> <input type="checkbox"/> <b>Life Care Contract</b>	<u>Select Refund Plan:</u> <input type="checkbox"/> <b>85% Refund</b> <input type="checkbox"/> <b>50% Refund</b> <input type="checkbox"/> <b>Declining Refund</b>	<u>Entrance Fee Amounts:</u> Entrance Fee – First Resident: \$ _____ Entrance Fee – Second Resident: \$ _____ Total Entrance Fee(s) \$ _____ Down Payment: \$ _____ Date Paid: _____
Non-refundable Second Occupant Entrance Fee: <input type="checkbox"/> Traditional Contract <input type="checkbox"/> Life Care Contract		Balance Due: \$ _____ Due on <u>Date of Occupancy</u>

One-Time Fees	
Non-refundable Community Fee	\$ _____
Other:	\$ _____
Other:	\$ _____

Monthly Fees	
Monthly Service Fee	\$ _____
Second Person Monthly Service Fee	\$ _____
Garage Parking	\$ _____
ALSA Services	\$ _____
Tier Level Charges	\$ _____
Other:	\$ _____
Other:	\$ _____
<b>Total Monthly Fees</b>	<b>\$ _____</b>

Resident Initials: \_\_\_\_\_



THE WATERMARK  
AT 3030 PARK

**Residency Agreement – Town Center**

**Exhibit A**

**Schedule of Certain Contract Information, Services, and Fees**

**Additional Information**

The monthly services and fees referenced herein may change from time to time based on your needs and your selections. Watermark shall have the right to add, delete and modify the services offered and associated fees at its sole discretion; provided however, Watermark shall give you at least thirty (30) days prior written notice of any such addition, deletion or modification.

**Meals**

The meals included in your Monthly Service Fee as referenced in Section 5.2.1 of the Residency Agreement include morning continental breakfast every day, evening dinner Monday through Saturday, and mid-day brunch on Sunday.

**Cottage Credit.** Cottage residents receive a four-hundred dollar (\$400.00) meal credit per month. Meals will be available at locations at the Community as established in the Resident Handbook. Up to one-hundred dollars (\$100.00) of the credit may be used per month at the salon/spa.

**Away Credit.** Residents away from the Community for fourteen (14) or more consecutive days are eligible for a credit. In order to qualify for the Away Credit, resident(s) must provide advance written notification prior to the date of departure to the Executive Director including applicable departure and return dates. The Away Credit is nine dollars (\$9.00) per day per person.

**Late Fees.** Payment of your Monthly Service Fee and other applicable charges, if any, is due on the first (1<sup>st</sup>) day of the month. There is a grace period until the tenth (10<sup>th</sup>) day of the month. If payment is not made by the tenth (10<sup>th</sup>) day of the month, Watermark shall impose a late charge of twenty-five dollars (\$25.00) on the eleventh (11<sup>th</sup>) day of the month, plus five dollars (\$5.00) for each day thereafter until the Monthly Service Fee and any other applicable charges and late fees are fully paid. If your check fails to clear for payment, Watermark shall charge a fifty dollar (\$50.00) cancelled check fee. If you have authorized Watermark to process automatic recurring ACH payments for your account, then your payment will be processed generally between the sixth (6<sup>th</sup>) and ninth (9<sup>th</sup>) day of the month.

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Resident Initials: \_\_\_\_\_





THE WATERMARK  
AT 3030 PARK

## *Residency Agreement – Town Center Exhibit B – Schedule of Additional Fees*

(Town Center, Inn, Gardens and Springs)

### Administration/Community Life

Item or Service	Charge	Notes
Guest Suite ✿ Single Occupancy ✿ Double Occupancy ✿ Rollaway Cot	\$140.00 per night \$155.00 per night \$15.00 per night	Meal Card provided for two meals per day per person.
Faxes, sending and receiving	\$2.00 for first page \$1.00 each additional page	See Front Desk
Copies – Black and White	\$0.20 per page	See Front Desk
Shredding Service	\$5.00 per envelope	See Front Desk
Postage	At cost	See Front Desk
Overnight Packages: FedEx, UPS, DHL	At cost	
Envelopes (standard sizes)	\$0.25 - \$1.00 each	
Storage space	One per Town Center Apartment	No Charge Additional \$40 per
Beauty/Barber services	Prices vary	See Beautician/Barber
Local/Long Distance Telephone Service	Included	
Extended Basic Cable	\$55.00 per month	Included in base rate in Enhanced Living, Inn, Gardens or Springs
Garage Parking	\$45.00 per month \$25 per month	1 <sup>st</sup> floor 2 <sup>nd</sup> Floor
Coordination of Long Term Care Insurance Quarterly Updates	\$100 \$25	One time fee Quarterly

### Maintenance

Item or Service	Charge	Notes
Handyman services, basic ✿ Repair furniture and small appliances ✿ Moving furniture/fans, etc ✿ Hanging shelves, mirrors, art, grab bars, etc ✿ Install TV, stereo, etc	\$45.00 per hour plus supplies	One hour minimum
Change light bulbs/batteries on personal fixtures/equipment	No Charge	Resident to provide batteries
Replacement keys or fob	\$100 per key \$100 per fob	
Replacement lock	\$300 plus supplies	
Replacement mailbox key cylinder	\$75.00 plus supplies	
Dropped Key in elevator shaft	\$400	



**Residency Agreement – Town Center  
Exhibit B – Schedule of Additional Fees  
(Town Center, Inn, Gardens and Springs)**

**Housekeeping**

Item or Service	Charge	Notes
Additional cleaning: changing bedding, turning mattress, carpet cleaning, clean up for private parties	\$30.00 per ½ hour	Half hour minimum
Annual cleaning	No Charge	
Linen Service and Personal Laundry		
✧ Sheets/towels – One set laundered per week provided by Resident	No Charge	Town Center Full Service, Inn, Gardens & Springs
✧ Sheets/towels – One set laundered per week provided by Resident	\$15 per set	
✧ Additional set of sheets or towels (provided by Watermark)	\$15 per set	Town Center Classic Plans & Cottages
✧ Personal laundry, towels	\$2.25 per pound	

**Dining Services**

Item or Service	Charge	Notes
Guest/Resident additional meals	\$6.50 breakfast \$22.00 dinner	Town Center and Enhanced Care If beyond meal plan
Guest meals	\$5.50 breakfast \$8.50 lunch \$13.50 dinner	Inn, Gardens and Springs
Holiday/Special Events meals	From \$25 per meal	
Children's meals (under age 12)	1/2 price of guest meals	
Residents not on a meal plan	\$18.00 for Dinner in main dining room	
Packaged To Go/Resident Pick Up	\$3.00 per meal	
Meal Tray/Room Service	\$5.50 per delivery	Included in base rate in Inn, Gardens or Springs
Catering services	Prices vary based on requested menu	See Dining Services Director for pricing
Wait service and housekeeping for private party	\$25.00 per hour	

**Away Credit.** Residents away for fourteen (14) days or more are eligible for a credit if Watermark is notified in advance. For a single occupant, the credit is nine dollars (\$9.00) per day for each day away for raw food costs. For double occupancy, when both are away, the credit is eighteen dollars (\$18.00) per day. There is no credit for Housekeeping Services.



**Residency Agreement – Town Center  
Exhibit B – Schedule of Additional Fees  
(Town Center, Inn, Gardens and Springs)**

**Parking/Private Transportation**

Item or	Charge	Notes
Appointment within Local Area, on scheduled transportation days (typically Monday through Friday)	\$10 round trip	Local area includes Bridgeport, Fairfield, Trumbull, Stratford, Westport
Appointment outside Local Area	\$25.00 per hour plus \$.75 mile	\$.75 per mile
Appointment outside normal hours/days (typically 8am to 5pm)	\$35.00 per hour plus \$.55 mile	\$.75 per mile
Same Day Cancellation of Transportation	\$25.00 per cancellation	
Private Transportation to the airports	\$90 – Bradley \$150 – LaGuardia (+ tolls) \$160 – JFK (+ tolls)	
Private Trips – Car	\$35 per hour	
Private Trips Wheelchair Bus for Dr. Appointment from Town Center	\$175 Round Trip	
Surcharges – before 5:30 am/ after 8:00 pm	\$35	

**Internal Transfer/Move-out Charges**

Item or Service	Charge	Notes
Internal Transfer/Moving Support	\$300	May be accessed through Sales and Marketing Dept.
Removal of Furniture	TBD at time of Move-out	White Elephant Donations must be approved or charge for removal will be applied
Removal of Mattresses	\$250 per piece	

**Additional Information**

Watermark shall have the right to add, delete and modify the services below at its sole discretion; provided however, Watermark shall give you at least thirty (30) days prior written notice of any such addition, deletion or modification.

**Late Fees.** If the Monthly Service Fee for any month is not paid by the tenth (10<sup>th</sup>) day of the month, Watermark shall collect a late charge of twenty-five dollars (\$25.00) on the eleventh (11<sup>th</sup>) day of the month in which the Monthly Service Fee is due and five dollars (\$5.00) for each day thereafter.



## *Residency Agreement – Town Center* *Exhibit B – Schedule of Additional Fees* (Town Center, Inn, Gardens and Springs)

### Assisted Living Services Agency (ALSA) Services for Town Center

*Private duty personal services such as medication management, grooming assistance, and assurance checks are available through Watermark at Home, a licensed Assisted Living Services Agency (ALSA)*

Item or Service	Charge	Notes
Certified Nursing Assistant (C.N.A) Private Duty- Includes Companion/Escort to provide assistance with short shopping trips and doctor appointments	\$20.00 per hour \$30.00 per hour for Holidays and Overtime	48 hour notice is required for cancellation  If 48 hour cancellation is not provided, a charge of \$75 will be assessed  2 hour minimum for Private Duty Cases
C.N.A services	\$8.00 per 15 minutes	15 minutes minimum
C.N.A. Assurance Check	\$5.00 per visit	Further charges apply if care is necessary
LPN Visit	\$25.00 per 15 minutes	15 minute minimum
RN Visit	\$35.00 per 15 minutes	15 minute minimum
Emergency Response to Life Alert	No Charge	Emergency response is defined as a life-threatening event or illness
Non-Emergency Response for Residents using Life Alert	\$25 per response	<ul style="list-style-type: none"> <li>• Frequent response to non- emergent calls</li> <li>• Residents identified as a continued fall risk without assistance</li> <li>• Repeated Lock out</li> </ul>
Wound Care	LPN \$35.00/RN \$45.00 per 15 minutes	Per change includes non-medication supplies
Injections	LPN \$25.00/ \$35.00 per 15 minutes	Medication Plan C, D, E includes treatment at no additional charge
Administration of eye drops	\$25.00 LPN/ \$35.00 RN per treatment	Medication Plan C, D , E includes treatment at no additional charge
Administration of nebulizer treatments	LPN \$25.00/ RN \$35.00 per 15 minutes	Not included in Medication Plans
Lifeline Pendant	\$250	Per replacement



## *Residency Agreement – Town Center* *Exhibit B – Schedule of Additional Fees* (Town Center, Inn, Gardens and Springs)

### Assisted Living Services Agency (ALSA) Services for Town Center

<b><i>Medication Plans include pre-pour of medications, coordination of prescription renewals and/or refills, consultations with physicians, pharmacists and families. Medication Plans are available through Watermark’s licensed Assisted Living Services Agency (ALSA)</i></b>		
Initial set up of Medication Plan	\$300 Annual Fee	Medication set-up includes a one week pre pour coordinating physician orders, pharmacy delivery and set up of medications.
Medication Plan A	\$125 weekly	Medication set-up (pre pour)
Medication Plan B	\$650.00 per month	Medication set-up (pre pour) weekly or reminder once daily by C.N.A. - \$5 for each additional reminder needed by C.N.A.
Medication Plan C	\$900.00 per month	Medication set-up (pre pour) weekly Medication Administration once daily by Nurse - \$15 for each additional Administration by Nurse
Medication Plan – D	\$1200 per month	Medication set-up (pre pour) weekly Medication Administration two times daily plus \$15 per PRNs by Nurse
Medication Plan – E	\$1400 per month	Medication set-up (pre pour) weekly Medication Administration three times daily plus \$15 per PRNs by Nurse
Medication Plan – F	\$1600 per month	Medication set-up (pre pour) weekly Medication Administration four times daily plus \$15 Per PRN by Nurse
Medication Administration- Storage Containers/Lock Box	\$15.00 container \$25.00 lock box	
Additional Medication Reminders	\$5.00 per reminder	By C.N.A.
Additional Medication Administration	\$25.00 per administration	By Nurse



## *Residency Agreement – Town Center* *Exhibit B – Schedule of Additional Fees* (Town Center, Inn, Gardens and Springs)

### Town Center Additional Assisted Living Services

<p><i>Additional Assisted Living services available through a tiered point system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark nursing staff.</i></p> <p><i>Nursing Assistant services includes escorts to dining rooms, assistance with activities of daily living such as dressing, showering, toileting and assistance with meals in your apartment. Services do not include private duty care.</i></p> <p><b>**Tier charges include enhanced care services based on need as determined by nursing</b></p>		
<b>Tier Level 1 Town Center</b>	\$1100 per month	<ul style="list-style-type: none"> <li>• Includes monthly vital checks and 120 day assessment by a nurse</li> <li>• Includes Medication Management + 1 reminder per day by Nursing Assistant or 1 medication administration by LPN (does not include PRN medications)</li> <li>• Includes up to 30 minutes of services periodically provided throughout the day by Nursing Assistant</li> <li>• Includes daily bed making and trash pick up</li> <li>• Includes scheduled transportation to doctors (according to schedule)</li> <li>• Extended Basic Cable services included</li> </ul>
<b>Tier Level 2 Town Center</b>	\$2200 per month	<ul style="list-style-type: none"> <li>• Includes monthly vital checks and 120 day assessment by a nurse</li> <li>• Includes Medication Management and up to 2 reminders per day by Nursing Assistant or 2 medication administrations by LPN (does not include PRN meds)</li> <li>• Includes up to 60 minutes of services periodically provided throughout the day by Nursing Assistant</li> <li>• Includes daily bed making and trash pick up</li> <li>• Includes scheduled transportation to doctors (according to schedule)</li> <li>• Extended Basic Cable services included</li> </ul>
<b>Tier Level 3 Town Center</b>	\$3300 per month	<ul style="list-style-type: none"> <li>• Includes monthly vital checks and 120 day assessment by a nurse</li> <li>• Includes Medication Management, up to 3 medication reminders per day by Nursing Assistant or 3 medication administrations by LPN (does not include PRN meds)</li> <li>• Includes up to 90 minutes of services periodically provided throughout the day by Nursing Assistant</li> <li>• Includes daily bed making and trash pick up</li> <li>• Includes scheduled transportation to doctors (according to schedule)</li> <li>• Extended Basic Cable services included</li> </ul>
<b>Tier Level 4 Town Center</b>	\$4400 per month	<ul style="list-style-type: none"> <li>• Includes monthly vital checks and 120 day assessment by a nurse</li> <li>• Includes Medication Management- up to 4 medication reminders per day by CNA or 4 medication administrations by LPN does not include PRN medications</li> <li>• Includes up to 2 hours of services periodically provided throughout the day by Nursing Assistant</li> <li>• Includes daily bed making and trash pick up</li> <li>• Includes scheduled transportation to doctors (according to schedule)</li> <li>• Extended Basic Cable services included</li> </ul>



**Residency Agreement – Town Center  
Exhibit B – Schedule of Additional Fees  
(Town Center, Inn, Gardens and Springs)**

**Inn and Gardens Additional Assisted Living Services**

<i>Additional Assisted Living services available through a tiered point system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark nursing staff.</i>		
⚙ Tier Levels – Inn	Tier I \$700 per month Tier II \$1,400 per month Tier III \$2100 per month Tier IV \$2800 per month Custom Charge \$2,800 per month plus \$1.10 per additional points.	Includes Medication Management
⚙ Tier Levels – Gardens	Tier I \$1,200 per month Tier II \$2,200 per month Tier III \$3,200 per month Custom Charge \$3,200 per month plus \$1.35 per additional points.	Includes Medication Management

**Inn, Gardens and Springs Ancillary Services**

<i>Town Center Life Care residents at the Inn, Gardens or Springs either temporarily or permanently</i>		
Meal and Miscellaneous Fee	\$35.00 per day	
Personal Grooming/Incontinent Supplies	Varies per item	See attachment





THE WATERMARK  
AT 3030 PARK

***Residency Agreement – Town Center  
Exhibit C - Resident's Bill of Rights***

Watermark supports your rights to:

- Live in a clean, safe and habitable private residence;
- Be treated with consideration, respect and due recognition of your personal dignity, individuality, and the need for privacy;
- Privacy within your residence, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Keep and use your personal property within your residence so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- Private communications, including receiving and sending unopened correspondence, telephone access, and visiting with persons of your choice;
- Freedom to participate in and benefit from Community services and activities so as to achieve the highest level of independence, autonomy, and interaction within the Community;
- Directly engage or contract with licensed health care professionals and providers of your choice to obtain necessary health care services in your residence, or in such other space in the Community as may be made available to residents for such purposes;
- Manage your own financial affairs;
- Exercise civil and religious liberties;
- Present grievances and recommend changes in policy, procedures, and services to the Executive Director or Community associates, government officials, or any other person without restraint, interference, coercion, discrimination, or reprisal from the Community, including access to representatives of the Department of Public Health or the Office of the Long-Term Care Ombudsman;
- Upon request, obtain the names of the service coordinator or anyone else responsible for resident care or coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;

Initials: \_\_\_\_\_





THE WATERMARK  
AT 3030 PARK

**Residency Agreement – Town Center  
Exhibit C - Resident’s Bill of Rights**

- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility, or educational institution to the extent that such relationship relates to resident medical care or treatment, and to receive an explanation about the relationship;
- Receive a copy of any rules and regulations of the Community;
- Privacy when receiving medical treatment or other services within the Community’s capacity;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community; and
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws.

Watermark hopes that any complaints or concerns that you have can be resolved by our associates. However, you also have the right to contact the following state agencies regarding complaints or concerns:

1. Department of Public Health

Facility Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308, MS#12HSR  
Hartford, CT 06134-0308  
Tel. 860-509-7552

General: Loan Nguyen RNC, MSN  
Supervising Nurse Consultant  
Complaints: Donna Ortelle, RN, MSN  
Public Health Services Manager

3. Regional Ombudsman Program

Kimberly Massey, Regional LTC Ombudsman  
Region I/ Southwest Office  
Long Term Care Ombudsman Program  
1057 Broad Street  
Bridgeport, CT 06604  
Tel. 203-597-4181

2. State Ombudsman Program

Mairead Painter, State Long Term Care Ombudsman  
55 Farmington Avenue  
Hartford, CT 06105  
Tel. 866-388-1888 or 860-424-5200

If you are receiving nursing or personal care from an Assisted Living Services Agency, you also have other rights set forth separately in the Assisted Living Clients’ Bill of Rights.

Initials: \_\_\_\_\_



THE WATERMARK  
AT 3030 PARK

***Disclosure Statement***  
***Exhibit B***

***Life Care Addendum***

## LIFE CARE ADDENDUM TO RESIDENCY AGREEMENT

**THIS LIFE CARE ADDENDUM** to Residency Agreement (“Life Care Addendum”) is made and entered on **Click to select date** (the "Effective Date") by and between: **CT Watermark 3030, LLC** (“Watermark”), a Delaware limited liability company, and **Click to type Resident Name(s)** (“Resident” or “Residents”). (If more than one person enters into this Life Care Addendum, the word "you" as used herein shall include both persons unless otherwise stated.)

### **RECITALS**

**WHEREAS**, Watermark and Resident entered into that certain Residency Agreement, also known as a Continuing Care Contract, of even date herewith (the “Agreement”);

**WHEREAS**, Watermark and Resident intend for the Agreement to be a Life Care Contract and as such provide the Resident with certain benefits (the “Life Care Program Benefits”); and

**WHEREAS**, Watermark and Resident wish to enter into this Life Care Addendum in furtherance of their intentions.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein, Watermark and the Resident agree to the following terms and conditions:

#### **1. Terms.**

- 1.1 The Agreement, together with this Life Care Addendum, are together referred to herein as the “Life Care Contract.”
- 1.2 Any capitalized terms used in this Life Care Addendum and not defined herein shall be as otherwise set forth and defined in the Agreement.
- 1.3 The words “**you**” and “**your**” as used herein refer to the Resident named in the introduction of this Life Care Addendum, and if more than one person is named in the introduction of this Life Care Addendum, the word "**you**" and “**your**” as used herein shall include both persons unless otherwise stated.

#### **2. Health Care Benefit.**

- 2.1 As a party to a Life Care Contract at the Community, you will be eligible, as of the date set forth in Section 3.1 below and commencing upon written order of Watermark’s Medical Director or your primary physician, to transfer permanently to a Standard Accommodation, as defined below, in the designated higher level of care area within the Community. As of the date hereof such areas include “The Inn” (assisted living), “The Gardens” (memory care), and “The Springs” (skilled nursing), which are all a part of the continuum of care located at the Community and these areas are collectively referred to as the “Health Center.”

Resident Initials: \_\_\_\_\_

- 2.2 This benefit (the “Health Care Benefit”) is subject to certain conditions and limitations as described in this Section 3 of this Life Care Addendum.
- 2.3 The Health Care Benefit will not apply to temporary stays in the Health Center while you still retain occupancy rights on your Residence in the Town Center. For such temporary stays, you will be charged the prevailing private payment daily rate for the applicable level of care. Notwithstanding the foregoing, if such temporary stay is eligible for coverage by Medicare or other insurance accepted by Watermark, applicable third-party payment will be processed and you agree to pay any additional charges not covered by Medicare or such other insurance.

**3. Benefit Contingencies.**

The Health Care Benefit is contingent upon the following:

- 3.1 Eligibility for the Health Care Benefit begins on the later to occur of (i) your Date of Occupancy, or (ii) the date you paid your Entrance Fee Balance.
- 3.2 The Health Care Benefit shall commence when you permanently move out of your Residence and become a permanent resident at The Inn, The Gardens or The Springs as described in Section 17 of the Agreement.
- 3.3 The Health Care Benefit applies to transfers to the following accommodations: (i) in The Inn, a studio apartment, (ii) in The Gardens, a studio apartment, or (iv) in the Springs, a bed in a private room. The foregoing accommodations each individually qualify as a “Standard Accommodation.” A semi-private room will be considered a Standard Accommodation if Section 3.4 is applicable.
- 3.4 If accommodation is not available in The Inn, The Gardens or The Springs, you will be eligible to be admitted temporarily to a comparable facility at Watermark’s discretion and will be put on a priority list for the appropriate level of care at the Community. If you choose not to return to Watermark at the time the accommodation becomes available, this Life Care Contract will be cancelled and the Health Care Benefit will terminate.
- 3.5 Upon transfer to The Inn, The Gardens or The Springs, you agree to sign a separate addendum pertaining to occupancy in The Inn, The Gardens or The Springs, as applicable (the “Level-of-Care Addendum”) which shall be an addendum to this Life Care Contract.

Resident Initials: \_\_\_\_\_

**4. Financial Considerations.**

4.1 If you transfer permanently to a Standard Accommodation in the Health Center, you shall continue to be responsible for payment of the Monthly Service Fee (including Second Person Monthly Service Fee) and applicable charges on your Exhibit B schedule of services then in effect, and shall also be responsible (without duplication) for the following:

4.1.1 “Meal and Miscellaneous Charge,” which covers two additional meals and two snacks per day, referral services and wellness education. The charge for this service in effect as of the Effective Date is outlined in Exhibit B. Watermark may increase such charge and revise Exhibit B from time to time by providing residents of the Community thirty (30) days prior written notice thereof.

4.1.2 Payment for any and all additional required or requested medical and related services (“Non-covered Costs”), which are not covered by the Monthly Service Fee, including, but not limited to, the following:

- (i) Personal physician services, dental care, physical and occupational therapy, special nurses, hospice services, non-house medical supplies, durable medical equipment and drugs and medication;
- (ii) Any and all costs related to emergency and/or hospital care, including, but not limited to, emergency physicians, paramedic, ambulance, etc;
- (iii) Any and all costs related to additional services or supplies provided at your request;
- (iv) Home care services, as needed or requested by you. You have the option to select a home health care agency of your choice, or, if appropriate, the licensed assisted living services agency (“ALSA”) located at the Community; and
- (v) Additional charges for occupancy in a non-Standard Accommodation, when at your request.

Resident Initials: \_\_\_\_\_

4.1.3 Payment for any and all additional care services in The Inn and/or The Gardens (“Tier Charges”) beyond those in the “Base Tier” as follows:

- (i) Tier Charges for additional levels of services (“Tiers”) that you require or may in the future require. The current Tier Charges in effect as of the Effective Date are outlined in Exhibit B. Watermark may increase such charges and revise Exhibit B from time to time by providing residents of the Community thirty (30) days prior written notice thereof;
- (ii) To determine whether and to what extent you require additional care services, Watermark will conduct a baseline functional assessment prior to or upon move in to The Inn and/or The Gardens, and periodically thereafter (e.g., when you exhibit a change in condition). Your needs, and the appropriate Tier, if applicable, will be documented in an Individualized Service Plan that you and your family or responsible party will sign.
- (iii) Watermark will update your Individualized Service Plan and Tier designation as necessary to reflect changes in your condition as determined by subsequent functional assessments. Any resulting change in Tier Charges will become effective immediately;
- (iv) Watermark may modify the Tier program for assisted living services, and may introduce new programs for such services and the payment for such services at any time by providing residents of the Community thirty (30) days prior written notice thereof.

4.1.4 Additional Non-covered Costs that Watermark may from time to time identify, whether of a medical/health nature or otherwise, for which you will be financially responsible. Watermark will notify you in writing at least thirty (30) days in advance of any such additional Non-covered Cost becoming effective.

4.2 Watermark may receive (either directly or by payment by you if you receive the payment) any applicable payments made under Medicare or any other health insurance plan. You will be required to pay for any health services not covered by this Life Care Agreement, by Medicare or by other insurance.

4.3 If your Residence is occupied by two persons, and one of you permanently transfers to The Inn, The Gardens or The Springs, the non-transferring Resident remaining in the Residence must continue to pay the Monthly Service Fee for single occupancy and the permanently transferring Resident must continue to pay the Second Person Monthly Service Fee.

Resident Initials: \_\_\_\_\_

**5. Ratification of Agreement.**

Except as specifically modified by this Life Care Addendum, the Agreement shall be and remain in full force and effect and is hereby ratified by the parties. To the extent that this Life Care Addendum conflicts with any of the provisions of the Agreement, this Life Care Addendum shall control and supersede the Agreement with respect to the subject matter hereof.

**6. Governing Law.**

This Life Care Addendum shall be governed by and construed in accordance with the laws of the State of Connecticut.

**7. Entire Agreement.**

The Agreement and this Life Care Addendum contain all of the terms and conditions agreed upon by the parties hereto. Any prior agreements, promises, negotiations or representations, either oral or written not expressly set forth herein, are of no force or effect.

**IN WITNESS WHEREOF**, the parties have executed this Life Care Addendum as of the date first above written.

**CT WATERMARK 3030, LLC**

By: \_\_\_\_\_  
Authorized Agent  
**RESIDENT(S)**

[Click to type Resident Name\(s\)](#)

\_\_\_\_\_  
Resident's Printed Name

\_\_\_\_\_  
Resident's Signature

\_\_\_\_\_  
Date

[Click to type Resident Name\(s\)](#)

\_\_\_\_\_  
Second Resident's Printed Name

\_\_\_\_\_  
Second Resident's Signature

\_\_\_\_\_  
Date

Resident Initials: \_\_\_\_\_



THE WATERMARK  
AT 3030 PARK

***Disclosure Statement***  
***Exhibit C***  
***Financial Statements***

Statement begins on next page.



**CT WATERMARK 3030, LLC**

**YEAR ENDED DECEMBER 31, 2017 AND  
JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

**CT WATERMARK 3030, LLC**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

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Independent Auditors' Report

Member and Management  
CT Watermark 3030, LLC  
Tucson, Arizona

We have audited the accompanying financial statements of CT Watermark 3030, LLC, which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and member's deficiency and cash flows for the year ended December 31, 2017 and June 1, 2016 (Inception) to December 31, 2016, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CT Watermark 3030, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the year ended December 31, 2017 and June 1, 2016 (Inception) to December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

**Correction of Error**

As discussed in Note 11 to the financial statements, certain errors resulting in overstatement of property and equipment acquired under capital lease as of December 31, 2016 were discovered by management of the Company during the current year. Accordingly, amounts reported for property and equipment and due from member have been restated in the 2016 financial statement now presented, to correct the error. Our opinion is not modified with respect to that matter.

*Beach Fleischman PC*

Tucson, Arizona  
March 30, 2018

CT WATERMARK 3030, LLC

BALANCE SHEETS

DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>Restated 2016</u>
Current assets:		
Cash and cash equivalents	\$ 2,608,097	\$ 2,091,786
Accounts receivable, net	642,666	648,367
Other receivables	28,117	106,776
Prepaid expenses	<u>170,548</u>	<u>197,409</u>
Total current assets	3,449,428	3,044,338
Property and equipment, net	32,853,497	32,118,972
Restricted deposits	3,870,161	3,449,902
Due from member	2,396,002	2,317,310
Residential contract intangibles, net	<u>24,550,017</u>	<u>28,375,993</u>
	<u>\$ 67,119,105</u>	<u>\$ 69,306,515</u>

LIABILITIES AND MEMBER'S DEFICIENCY

Current liabilities:		
Current portion of capital lease obligation	\$ 1,296,279	\$ 1,037,871
Current portion of refundable entrance fees	737,489	549,203
Accounts payable	137,310	601,712
Accrued expenses	<u>2,382,588</u>	<u>1,851,945</u>
Total current liabilities	4,553,666	4,040,731
Capital lease obligation, net of current portion	36,309,719	35,174,867
Refundable entrance fees, net of current portion	30,115,826	28,999,844
Unearned nonrefundable entrance fees	<u>6,641,753</u>	<u>5,110,160</u>
	<u>77,620,964</u>	<u>73,325,602</u>
Commitments and contingencies		
Member's deficiency	<u>(10,501,859)</u>	<u>(4,019,087)</u>
	<u>\$ 67,119,105</u>	<u>\$ 69,306,515</u>

See notes to financial statements.

CT WATERMARK 3030, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIENCY

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Resident	\$ 10,197,773	\$ 5,788,845
Healthcare, net	5,632,926	3,304,374
Food services	177,930	118,094
Entrance fee amortization	863,294	353,509
Other	<u>288,359</u>	<u>162,581</u>
	<u>17,160,282</u>	<u>9,727,403</u>
Operating expenses:		-
Community operations	15,683,618	9,343,573
Amortization of residential contract intangibles	3,825,976	2,231,820
Depreciation and amortization	2,059,174	1,178,077
Loss on disposal of assets	<u>58,913</u>	<u>-</u>
	<u>21,627,681</u>	<u>12,753,470</u>
Loss from operations	<u>(4,467,399)</u>	<u>(3,026,067)</u>
Other income (expense):		
Interest expense	(2,040,741)	(1,018,158)
Interest income	<u>25,368</u>	<u>25,138</u>
	<u>(2,015,373)</u>	<u>(993,020)</u>
Net loss	(6,482,772)	(4,019,087)
Member's deficiency, beginning	<u>(4,019,087)</u>	<u>-</u>
Member's deficiency, ending	<u>\$ (10,501,859)</u>	<u>\$ (4,019,087)</u>

See notes to financial statements.

CT WATERMARK 3030, LLC

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

	<u>2017</u>	<u>Restated 2016</u>
Cash flows from operating activities:		
Net loss	\$ (6,482,772)	\$ (4,019,087)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,059,174	1,178,077
Amortization of residential contract intangibles	3,825,976	2,231,820
Provision for bad debts	27,501	20,606
Lease closing expenses	-	160,913
Loss on disposal of assets	58,913	-
Amortization of entrance fees	(863,294)	(353,509)
Changes in operating assets and liabilities:		
Accounts receivable	(21,800)	(668,973)
Other receivables	78,659	583,082
Prepaid expenses	26,861	21,160
Restricted deposits	(420,259)	(637,402)
Accounts payable	(464,402)	601,712
Accrued expenses	530,643	768,707
Total adjustments	<u>4,837,972</u>	<u>3,906,193</u>
Net cash used in operating activities	<u>(1,644,800)</u>	<u>(112,894)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(2,942,276)	(2,996,126)
Advances made to affiliate	-	(1,198,713)
Collections from (advances to) from member	<u>(78,692)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,020,968)</u>	<u>(4,194,839)</u>
Cash flows from financing activities:		
Proceeds of facility improvement funds	2,551,124	2,606,715
Principal payments on capital lease obligation	(1,068,200)	(625,997)
Receipts of entrance fees	6,901,431	4,834,051
Refunds of entrance fees	<u>(3,202,276)</u>	<u>(415,250)</u>
Net cash provided by financing activities	<u>5,182,079</u>	<u>6,399,519</u>
Net increase in cash and cash equivalents	516,311	2,091,786
Cash and cash equivalents, beginning	<u>2,091,786</u>	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 2,608,097</u>	<u>\$ 2,091,786</u>

See notes to financial statements.

## CT WATERMARK 3030, LLC

### NOTES TO FINANCIAL STATEMENTS

#### YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

1. Description of business and summary of significant accounting policies:

Description of business:

CT Watermark 3030, LLC (the Company or Community) was organized in November 2015 under the laws of Delaware and commenced operations in June 2016 (Inception). The Company operates a continuing care retirement community (CCRC) offering independent and assisted living, memory care and skilled nursing and rehabilitation for the elderly located in Bridgeport, Connecticut. As a limited liability company, the liability of the member is limited.

Estimates:

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

Cash and cash equivalents:

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company places its cash and cash equivalents with various credit institutions. At times, such investments may be in excess of the FDIC insurance limit; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable:

The Company grants unsecured credit to its residents and third-party payors without interest. Accounts receivable are considered past due after 30 days. The Company provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred. The estimated losses are based on historical collection experience coupled with review of the current status of existing receivables. Doubtful accounts are periodically reviewed for collectibility and written off at the time of such determination.

Financing receivables:

The Company grants unsecured credit to its member without interest through advances that are due on demand. Principal collections on these amounts during the next twelve months are uncertain and as such management has classified the receivables as noncurrent.

Management continually evaluates the credit quality of these receivables using various indicators that consider both qualitative and quantitative factors including the member's access to financial markets. Because of economic volatility, it is possible that the member's ability to access financial markets to obtain sufficient funding to repay these amounts may be limited by various factors at a time when the member would like, or need to do so.



**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

1. Description of business and summary of significant accounting policies (continued):

Financing receivables (continued):

Management has not provided an allowance for doubtful receivables based upon prior experience and management's assessment of the collectibility of the amounts. Receivables are charged off when all reasonable collection efforts have been exhausted. At December 31, 2017 and 2016, none of the amounts are considered past due and have been determined to be fully collectible.

Property, equipment, depreciation and amortization:

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the assets.

Property and equipment acquired under capital lease is stated at cost or the asset's net present value of future lease payments at the date of the lease. Amortization is provided using the straight-line method over the estimated useful lives of the assets, or lease term, and is included with depreciation expense.

Restricted deposits:

Restricted deposits consists primarily of funds required by state regulations for continuing care retirement communities. The operating reserve fund, which is required to be established per the Connecticut Continuing Care Retirement Community regulations, equals six months of lease payments and one month of operational expenses related to the Community. The Company is also required to maintain an escrow account for prospective residents equal to 10% of the total amounts due upon execution of a continuing care contract, to reserve a unit and be placed on the waiting list. The deposit is held in escrow and is refundable, as defined in the residency agreement, during the resident's 30-day right of rescission period or until occupancy, at which time it becomes nonrefundable.

In addition to the funds required by state regulations, the Company is required to make additional security deposits, as defined in their capital lease agreement. See Note 5.

Residential contract intangibles:

Residential contract intangibles in the amount of \$30,607,813 represent the value of refundable and nonrefundable entrance fees assumed at inception of the lease with EL FW Intermediary I, LLC (East Lake). The residential contract intangibles are amortized over the average remaining actuarially determined life expectancies of the residents at lease inception under the entry fee agreements of eight years. At December 31, 2017 and 2016, \$6,057,796 and \$2,231,820 have been amortized and is included in the accompanying statement of operations and member's deficiency.

CT WATERMARK 3030, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

1. Description of business and summary of significant accounting policies (continued):

Amortization expense expected over the next five years is as follows:

Year ending <u>December 31,</u>	
2018	\$ 3,825,976
2019	3,825,976
2020	3,825,976
2021	3,825,976
2022	3,825,976

Unearned nonrefundable and refundable entrance fees:

The Company provides housing to residents under an entrance fee agreement containing an agreed-upon percentage from 0% to 90% that is refundable to the resident or the resident's estate. Refundable fees, which are contingent upon re-occupancy or the expiration of three years from the the date of cancellation, are recorded as refundable entrance fees and are not amortized. At December 31, 2017 and 2016, refundable entrance fees totaling \$3,364,348 and \$3,624,292 are payable pending re-occupancy to the resident or the resident's estate and are classified as noncurrent liabilities, because the three years from cancellation, if applicable, has not lapsed. Fees paid by a resident upon entering into a continuing care contract, net of the portion thereof that is refundable to the resident, are recorded as unearned nonrefundable entrance fees and are amortized to revenue using the straight-line method over the estimated life expectancy of the resident, utilizing an annually adjusted projection based on expected mortality of the resident.

Declining contracts call for a variable refund of the entrance fees upon the unit being re-occupied. The refundable portion of the entrance fee is initially 90%, then declines by 2% per month thereafter, becoming fully nonrefundable after 46 months. The entrance fees are amortized to revenue over the estimated life expectancy of the resident, utilizing an annually adjusted projection based on expected mortality of the resident. At December 31, 2017 and 2016, \$5,372,362 and \$4,695,900 in declining contracts would be payable upon move out of the resident and are included in unearned nonrefundable entrance fees in the accompanying balance sheets.

**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

1. Description of business and summary of significant accounting policies (continued):

Obligation to provide future services:

The Company annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balances of unearned nonrefundable entrance fees and expected revenues from monthly fees. If the present value of the net cost of future services and use of facilities exceeds the unearned nonrefundable entrance fees and expected future revenues, a liability will be recorded with a corresponding charge to income. At December 31, 2017 and 2016, no obligation was required as the present value of the expected revenues and unearned nonrefundable revenues from entrance fees using a discount rate of 4.5% and 6% exceeded the net cost of future services and use of the facilities.

Revenue recognition:

Resident revenue generally includes the amounts due from residents and third-party payors based on the residency days provided at the Community. Healthcare revenue includes the amounts due from patients or other third-party payors based on the patient days and level of care provided to the patients at the Community's skilled nursing facility. The resident and healthcare revenues are reported at the contracted amounts due from the residents or other third-party payors based on the rates established in the residence and care agreements or under contract with the third party for the level of care provided. Food services revenues are recognized when services are rendered.

Income taxes:

The Company is a single-member limited liability company and, as such, is a disregarded entity for tax purposes. As a result, the Company does not pay corporate income taxes on its taxable income. The member reports its share of the Company's taxable income, whether or not distributed, and is entitled to deduct its share of net losses to the extent of its tax basis. Accordingly, no provision for income taxes is provided in the accompanying financial statements.

GAAP requires management to perform an evaluation of all tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of tax positions and has determined that there were no positions that do not meet the "more likely than not" standard.

From time to time, the Company may be subject to penalties assessed by various taxing authorities, which will be classified as operating expenses if they occur.

Subsequent events:

The Company's management has evaluated the events that have occurred subsequent to December 31, 2017 through March 30, 2018, the date that the financial statements were available to be issued. Management has no responsibility to update these financial statements for events and circumstances occurring after this date.

CT WATERMARK 3030, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

2. Accounts receivable, net:

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 653,849	\$ 668,275
Less allowance for doubtful accounts	<u>11,183</u>	<u>19,908</u>
	<u>\$ 642,666</u>	<u>\$ 648,367</u>

3. Property and equipment:

	<u>2017</u>	<u>Restated 2016</u>
Land	\$ 4,815,584	\$ 4,790,019
Building and improvements	28,150,454	26,219,528
Equipment	2,918,748	1,459,491
Vehicle	60,207	60,207
Construction in progress	<u>133,969</u>	<u>767,808</u>
	36,078,962	33,297,053
Less accumulated depreciation and amortization	<u>3,225,465</u>	<u>1,178,081</u>
	<u>\$ 32,853,497</u>	<u>\$ 32,118,972</u>

4. Restricted deposits:

	<u>2017</u>	<u>2016</u>
Operating reserve funds	\$ 2,761,883	\$ 2,740,712
Reservation and waitlist deposits	28,080	229,271
Capital lease deposits	1,079,030	468,750
Other	<u>1,168</u>	<u>11,169</u>
	<u>\$ 3,870,161</u>	<u>\$ 3,449,902</u>

Management calculated the Company's operating reserve fund requirement under Connecticut CCRC regulations to equal approximately \$2,965,000 and \$2,740,000 at December 31, 2017 and 2016. The Company has \$3,840,913 and \$3,209,462 on deposit at December 31, 2017 and 2016 with its member to satisfy this regulation.

**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

5. Capital lease obligation:

In June 2016, CT Watermark Operator, LLC (CT Operator), the Company's member, entered into a lease agreement with East Lake to lease property and equipment to operate the Community. The initial lease term was 15 years. Simultaneous with the inception of the lease, CT Operator entered into sublease agreements with the Company and CT Watermark East Hill, LLC (CT East Hill), a related party through common ownership, (Subtenants), to transfer all of its obligations under the lease to the Subtenants for the term of the leases.

At close, East Lake advanced CT Operator \$4,500,000 to be used to satisfy the operating reserve fund requirements of the State of Connecticut. Of this amount, \$2,812,500 was allocated to the Company, which is included in restricted deposits at December 31, 2017 and 2016. The gross amount of the lease capitalized at close, based on the Company's incremental borrowing rate of 5.56%, was \$34,171,814. Subject to the satisfaction of certain conditions, the Company can receive advances under the lease of up to \$10,000,000 for facility improvements, as defined, to the Community. For 2017 and 2016, the Company has received \$2,551,124 and \$2,693,124 for facility improvements and capitalized the advances using the Company's incremental borrowing rate.

CT Operator was required to deposit into escrow \$2,000,000 at close to be used as security deposits, in the event of default. In addition, the Company is required to make monthly additional deposits equal to the lesser of a) \$125,000 multiplied by the number of deposit dates since July 2016, less amounts previously deposited and b) the net cash flow for the preceding twelve months less amounts previously deposited, until the total deposit equals nine times the then-applicable monthly rent. The Company's share of these amounts, which are included in restricted deposits, total \$1,079,030 and \$468,750 at December 31, 2017 and 2016. CT Operator is also required to deposit or expend an annual amount equal to \$954,000, of which the Company's allocation is \$596,250, to be used for routine capital expenditures.

The lease is guaranteed by Watermark Retirement Communities of Connecticut, LLC (WRCC), a related party through common ownership, and is collateralized by substantially all assets of the Company.

The Company has recorded asset costs of \$35,350,838 and \$32,900,198 and accumulated amortization of \$3,290,020 and \$1,117,597 at December 31, 2017 and 2016, related to capital leases.

**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

5. Capital lease obligation (continued):

Minimum future annual payments under capital leases are as follows:

Year ending <u>December 31,</u>		
2018	\$	3,357,119
2019		3,482,489
2020		3,597,140
2021		3,697,633
2022		3,801,341
Thereafter		<u>36,847,967</u>
		54,783,689
Less amount representing interest		<u>17,177,691</u>
Net present value of minimum lease payments		37,605,998
Less current portion		<u>1,296,279</u>
	<u>\$</u>	<u>36,309,719</u>

6. Related party transactions:

Due from member:

The Company made advances to CT Operator, including advances to satisfy certain requirements of the lease with East Lake. These advances are noninterest bearing, unsecured and due on demand; however, management does not expect collection in the near term and, therefore, has classified them as noncurrent. The total outstanding advances receivable at December 31, 2017 and 2016 are \$2,396,002 and \$2,317,310.

Management fees:

The Community is managed by WRCC. Under the terms of the management agreement, the Community is charged a monthly management fee equal to the greater of \$15,000 or 5% of gross revenue, as defined. Total management fee expense for 2017 and 2016 was \$912,498 and \$517,045, of which \$22,580 is included in accrued expenses at December 31, 2017. The Company has a credit for overpayment of management fees of \$27,738 that is netted against accrued expenses at December 31, 2016.

Reimbursable expense:

Under the terms of the management agreement, WRCC incurs certain expenses on behalf of the Community related to travel, marketing and miscellaneous office expenses. Reimbursable expenses for 2017 and 2016, which are included in community operations in the accompanying statement of operations and member's deficiency, were \$374,210 and \$79,100. At December 31, 2017 and 2016, \$49,897 and \$48,795 was included in accrued expenses in the accompanying balance sheets.

**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

7. Commitments and contingencies:

Litigation:

From time to time, the Company may be involved in litigation and claims arising in the normal course of operations. It is not possible to predict with certainty whether or not the Company will ultimately be successful in any legal matters or, if not, what the impact might be. However, the Company's management does not expect that any legal proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company insures its malpractice risks on an occurrence basis with a third party insurer. Under this type of policy, claims based on occurrences during its term, but reported subsequently will be insured should the policy not be renewed or replaced with other coverage. The Company intends to renew coverage on an occurrence basis and anticipates that such coverage will be available. There were no known malpractice claims outstanding at December 31, 2017 and 2016.

The Company carries a broad range of insurance coverage, including general and business auto liability, commercial property, worker's compensation, general liability umbrella and excess liability umbrella policy. The Company has not incurred significant claims on insurance policies. These insurance agreements are zero deductible plans. The policies, however, do not extinguish or provide legal release from the Company's obligation prior to payment to the harmed party.

Healthcare regulatory environment:

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Revenues from the Medicare program accounted for approximately 14% and 17% of total operating revenues in 2017 and 2016.

**CT WATERMARK 3030, LLC**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016**

7. Commitments and contingencies (continued):

Employment agreements:

The Community has a Collective Bargaining Agreement ("the Agreement") with the Local 217, UNITEHERE! (the Union), which expires in December 2018. The Union provides approximately 27% of the Company's workforce. The Agreement explicitly states "The Union, its officers, agents, representatives and members, shall not in any way, directly or indirectly, authorize, assist, encourage, participate in or sanction any strike, sit-down, sit-in, slow-down, cessation or stoppage or interruption of work, boycott, or other interference with the operations of the Community, or ratify, condone or lend support to any such conduct or action." All workplace disputes are to be settled in accordance with Grievance Procedures outlined in the Agreement.

8. Employee benefit plan:

The Company participates in a defined contribution profit sharing plan (Plan) sponsored by Watermark Retirement Communities, Inc., a company under common ownership, that incorporates 401(k) provisions. The Plan permits eligible employees to make elective deferrals subject to current statutory limits. The Company may also make discretionary matching and/or profit sharing contributions to the Plan. The Company's contributions under the Plan were \$6,011 and \$30,100 for 2017 and 2016.



CT WATERMARK 3030, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

9. Statement of cash flows:

Supplemental disclosure of cash flow information:

Cash paid for interest for 2017 and 2016 was \$2,040,741 and \$1,018,158.

Noncash investing and financing information:

During 2016, the Company acquired property and equipment and operating reserve funds under a capital lease arrangement. Related to this transaction, the Company recognized the following noncash activity:

	<u>Restated</u>
Increase in other receivables	\$ (689,858)
Increase in prepaid expenses	(218,569)
Increase in restricted deposits	(2,812,500)
Increase in due from member	(1,118,597)
Increase in property and equipment	(30,240,717)
Increase in residential contract intangibles	(30,607,813)
Increase in capital lease obligation	34,171,814
Increase in accrued expenses	1,083,238
Increase in refundable entrance fees	26,745,330
Increase in unearned nonrefundable entrance fees	<u>3,848,585</u>
Lease closing expenses	<u>\$ 160,913</u>

During 2017, the Company acquired property and equipment under a capital lease arrangement totaling \$89,664.

During 2016, the Company acquired a vehicle valued at \$60,206 under a capital lease arrangement.

CT WATERMARK 3030, LLC

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2017 AND JUNE 1, 2016 (INCEPTION) TO DECEMBER 31, 2016

10. Concentration of credit risk:

The Company grants credit without collateral to its residents and patients, many of whom are under third-party payor agreements which include Medicare and others, including private payors and commercial carriers. The following table summarizes the percent of gross accounts receivable from all payors at December 31:

	<u>2017</u>	<u>2016</u>
Medicare	36 %	45 %
Commercial	27	16
Private pay and other	<u>37</u>	<u>39</u>
	<u>100 %</u>	<u>100 %</u>

11. Prior period adjustment:

Subsequent to the issuance of the Company's 2016 consolidated financial statements, management discovered errors that resulted in the overstatement of property and equipment acquired under capital lease. Property and equipment were overstated by \$1,118,597 and due from affiliate was understated by \$1,118,597. The error, which resulted in no change to net loss for 2016 or to member's deficiency at December 31, 2016, has been recorded as a restatement for 2016.

12. Pending pronouncements:

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers." ASU 2014-09 applies to contracts with customers, excluding, most notably, insurance and leasing contracts. ASU 2014-09 prescribes a framework in accounting for revenues from contracts within its scope, including (a) identifying the contract, (b) identifying the performance obligations under the contract, (c) determining the transaction price, (d) allocating the transaction price to the identified performance obligations and (e) recognizing revenues as the identified performance obligations are satisfied. ASU 2014-09 also prescribes additional financial statement presentations and disclosures. ASU 2014-09 is effective for reporting periods beginning after December 15, 2018, with early adoption permitted.

In February 2016, the FASB issued ASU 2016-02 "Leases." ASU 2016-02 requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term, along with additional qualitative and quantitative disclosures. ASU 2016-02 is effective for reporting periods beginning after December 15, 2019, with early adoption permitted.

Management is currently evaluating the effect that these standards will have on the financial statements.



THE WATERMARK  
AT 3030 PARK

***Disclosure Statement***  
***Exhibit D***

***Sworn Statement of Escrow Agent***

Statement appears on next page.

**Statement of Escrow Agent**

The undersigned, People's United Bank, N.A., as escrow agent (the "Escrow Agent") hereby affirms and swears that it holds, as escrow agent for Watermark 3030 Park, LLC funds pursuant to the attached escrow agreement, which states that the funds so held are intended to be those required by sections Section 17b-524 of the Connecticut General Statutes, as amended to date, and Section 17b-525 of the Connecticut General Statutes, as amended to date.

**IN WITNESS WHEREOF**, the undersigned Escrow Agent has caused this Statement to be executed by its duly authorized officer as of the 2nd day of June, 2016.

People's United Bank, N.A.

By: Bruce B. Murray

Bruce B. Murray  
Senior Institutional Trust Officer, SVP

STATE OF CONNECTICUT )

COUNTY OF FAIRFIELD )

ss:

Personally appeared Bruce Murray, the SVP of People's United Bank, N.A., being the duly authorized signer of the foregoing instrument acknowledged the same to be the free act and deed of such officer and the free act and deed of the Escrow Agent, before me.

Notary Public

**MICHELLE BARTON**  
NOTARY PUBLIC  
STATE OF CONNECTICUT  
My Commission Expires October 31, 2018



THE WATERMARK  
AT 3030 PARK

## *Disclosure Statement* *Exhibit E*

### *Cash Flow Projections*

#### ASSUMPTIONS USED IN PROJECTIONS

##### Revenues

Projections of revenues from Town Center and Health Center room and board fees, other operating revenues, entrance fees and entrance fee refunds are generally based on current in-place rates and market prices, with assumed annual growth rates (“inflationary rates”) of between 3.0% and 4.0%, and take into account estimated occupancy levels, projected health care and other service levels, new resident move-in volume, and attrition.

##### Other Income

Other income includes revenues from resident services, home care services, respite services, additional meals, ancillary health care services, Assisted Living Services Agency (ALSA) services, and similar sources.

##### Entrance Fees and Refunds

Projections of net revenues from entrance fees and entrance fee refunds are based on the current schedule of entrance fee prices (increased annually at inflationary rates), the estimated number of new residents moving into the Community under Continuing Care Contracts each year, an estimated mix of contract types and refund plans selected by such new residents, and estimates of the entrance fee refunds that would become payable as a result of such new resident occupancies.

##### Operating Expenses

Projected operating expenses are based on current budgeted expenses and increased annually at inflationary rates and adjusted by assumed occupancy levels as applicable.

##### Capital Investments

Projected capital expenditures shown reflect normalized capital repairs and replacements to the property and building systems at a level consistent with the capital expenditures and reserves required under the lease documents. This amount does not include prospective discretionary investments into the Community that the Provider may elect to make for additional upgrades, improvements and renovations.

##### Lease Payments

Lease Payments are projected based on the terms of the Lease and the Master Lease and in accordance with generally accepted accounting principals.

Anticipated Residential Turnover Rates

The number of independent living Town Center apartments permanently vacated during the most recent fiscal year, and projected for years 2019 through 2021, are as follows:

2018	2019	2020	2021
14.7%	13.9%	13.8%	13.6%

Average Age of Residents

The average age of independent living Town Center residents as of the end of the most recent fiscal year, and projected for years 2019 through 2021, are as follows:

2018	2019	2020	2021
85.6	85.6	85.4	85.1

Health Care Utilization Rates

The number of days in which a Springs skilled nursing room was occupied by a current or former independent living Town Center resident, whether pursuant to a temporary or permanent transfer, expressed as a percentage of the total number of census days available in the Springs skilled nursing level of care, during the most recent fiscal year, and projected for years 2019 through 2021, are as follows:

2018	2019	2020	2021
12.7%	12.9%	13.1%	13.2%

Number of Health Care Admissions

The number of times an independent living Town Center resident was admitted to the Springs skilled nursing level of care, whether pursuant to a temporary or permanent transfer, including multiple admissions if a resident was admitted more than once, during the most recent fiscal year, and projected for years 2019 through 2021, are as follows:

2018	2019	2020	2021
35	35	36	36

Days of Care Per Year

The number of days in which a Springs skilled nursing room was occupied by a current or former independent living Town Center resident, whether pursuant to a temporary or permanent transfer, during the most recent fiscal year, and projected for years 2019 through 2021, are as follows:

2018	2019	2020	2021
1,070	1,083	1,096	1,109

Number of Permanent Transfers

The number of independent living Town Center residents that were admitted to the Springs skilled nursing level of care pursuant to a permanent transfer during the most recent fiscal year was three (3).



THE WATERMARK  
AT 3030 PARK

**CASH FLOW STATEMENT  
PROJECTIONS (2019 – 2021)**

	2019	2020	2021
(\$)			
<b>Operating Revenues:</b>			
Town Center Room & Board	8,849,253	9,203,223	9,571,352
Health Center Room & Board	6,291,329	6,542,982	6,804,701
Other Revenues	3,283,428	3,398,347.98	3,517,290
	<b>18,424,010</b>	<b>19,144,553</b>	<b>19,893,344</b>
<b>Operating Expenses:</b>			
General Operations	11,135,587	11,525,333	11,928,719
Nursing/Ancillaries	4,999,479	5,174,461	5,355,567
Marketing/Sales	818,054	846,685.89	876,320
	<b>16,953,120</b>	<b>17,546,479</b>	<b>18,160,606</b>
<b>Operating Revenues in excess of Expenses</b>	<b>1,470,890</b>	<b>1,598,074</b>	<b>1,732,738</b>
<b>Other Cash Sources and Uses:</b>			
Entrance Fees and Refunds, net	2,997,800	3,102,723	3,211,318
Capital Investments - Amount invested	(642,050)	(661,312)	(681,151)
Lease Payments	(3,126,700)	(3,220,500)	(3,317,100)
<b>Net Cash Flow</b>	<b>699,940</b>	<b>818,986</b>	<b>945,805</b>

Comparison of prior projections to actual results:

In the Provider's prior Disclosure Statement, (a) the projection for 2017 Operating Revenues was \$17,300,780 and the audited result was \$16,296,988; (b) the projection for 2017 Operating Expenses was \$16,012,550 and the audited result was \$15,683,618; (c) the projection for Operating Revenues in excess of Expenses was \$1,288,230 and the audited result was \$613,370; (d) the projection for Entrance Fees and Refunds, net was \$4,148,979 and the audited result was \$3,699,155; (e) the projection for Capital Investments Amount Invested was \$4,240,075 and the audited result was \$2,942,276; and (f) the projection for Lease Payments was \$3,111,556 and the audited result was \$3,108,941. The Provider considers the resulting variances to be within a range of usual and customary projection variance.

A comparison of prior 2018 projections and audited 2018 results will be provided in a subsequent Disclosure Statement once the 2018 audited financial report has been issued.



THE WATERMARK  
AT 3030 PARK

**Disclosure Statement**  
**Exhibit F**  
**Fees - Historical**

<b>Historical Monthly Service Fees</b> (Based on Single Occupancy, Traditional Contract, incl. as reported by prior Provider)			
<b>Year</b>	<b>1 Bedroom<sup>(1)</sup></b>	<b>2 Bedroom<sup>(1)</sup></b>	<b>Cottage</b>
2014	\$3,195 - \$3,700	\$4,490 - \$4,900	\$3,290
2015	\$3,210 - \$3,995	\$4,925 - \$5,100	\$4,645
2016	\$3,150 - \$4,300	\$4,950 - \$5,150	\$4,645
2017	\$3,250 - \$4,400	\$4,730 - \$5,410	\$5,350
2018	\$3,350 - \$4,225	\$4,535 - \$5,575	\$5,515

<b>Historical Entrance Fees</b> (Based on Single Occupancy, Traditional Contract, incl. as reported by prior Provider)				
<b>Year</b>	<b>Refund Option</b>	<b>1 Bedroom<sup>(1)</sup></b>	<b>2 Bedroom<sup>(1)</sup></b>	<b>Cottage</b>
2014	Fully Declining	\$143,500 - \$285,500	\$229,500 - \$560,000	\$401,500 - \$427,900
	Mid-Refund	\$193,725 - \$385,500	\$310,000 - \$756,000	\$542,025 - \$577,665
	Max-Refund	\$236,775 - \$471,000	\$378,750 - \$924,000	\$662,475 - \$706,035
2015	Fully Declining	\$143,500 - \$285,500	\$229,500 - \$560,000	\$401,500 - \$427,900
	Mid-Refund	\$193,725 - \$385,500	\$310,000 - \$756,000	\$542,025 - \$577,665
	Max-Refund	\$236,775 - \$471,000	\$378,750 - \$924,000	\$662,475 - \$706,035
2016	Fully Declining	\$140,000 - \$345,000	\$340,000 - \$425,000	\$440,000
	Mid-Refund	\$201,500 - \$465,750	\$459,000 - \$573,750	\$549,000
	Max-Refund	\$245,850 - \$569,250	\$561,000 - \$701,250	\$726,000
2017	Fully Declining	\$133,600 - \$222,800	\$230,500 - \$405,500	\$484,000
	Mid-Refund	\$187,000 - \$311,900	\$322,700 - \$567,700	\$677,000
	Max-Refund	\$233,800 - \$389,900	\$403,300 - \$709,600	\$847,000
2018	Fully Declining	\$131,100 - \$273,000	\$247,500 - \$435,000	\$474,000
	Mid-Refund	\$183,540 - \$382,200	\$346,500 - \$609,000	\$663,600
	Max-Refund	\$229,425 - \$477,750	\$433,135 - \$761,250	\$829,500

(1) Categorization of certain units changed in 2017.



***Disclosure Statement***  
***Exhibit G***  
**Fees – Current**

**Monthly Service Fees**

Monthly Service Fees vary based upon Apartment and Contract Type selections.  
Refund Plan selection does not affect Monthly Service Fee.

<b>Monthly Service Fees – Traditional Contract</b>		
<b>One Bedroom Residences</b>	<b>Two Bedroom Residences</b>	<b>Cottage Residences</b>
\$3,450-\$4,400	\$4,750-\$5,800	\$4,100

- The Monthly Service Fee Premium for Life Care Contracts (First Occupant) is \$400.
- The Second Occupant Monthly Service Fee (if applicable) is \$1,500 for Traditional Contract and \$1,850 for Life Care Contract.

**Entrance Fees**

Entrance Fees vary based upon Apartment, Refund Plan and Contract Type selections.

<b>Entrance Fees – Traditional Contract</b>			
	<b>Declining Refund</b>	<b>50% Refund</b>	<b>85% Refund</b>
<b>One Bedroom Residences</b>	Starting at \$127,000	Starting at \$177,800	Starting at \$222,250
<b>Two Bedroom Residences</b>	Starting at \$247,500	Starting at \$346,500	Starting at \$433,125
<b>Cottage Residences</b>	\$480,000	\$672,000	\$840,000

- The Entrance Fee premium for Life Care Contracts (not included above) is \$75,000 for Declining Refund Plan, \$105,000 for 50% Refund Plan, and \$131,250 for 85% Refund Plan.
- The Second Occupant Entrance Fee (non-refundable) is \$25,000 for Traditional Contract and \$40,000 for Life Care Contract.

*Rates are subject to change upon 30 days advance written notice.*