



THE WATERMARK  
AT EAST HILL

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*Disclosure Statement*

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*As of June 1, 2016*

**COMMUNITY:**     **The Watermark at East Hill**  
611 East Hill Road, Southbury, Connecticut 06488

**PROVIDER:**     **CT Watermark East Hill, 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 East Hill.**



THE WATERMARK  
AT EAST HILL

***Disclosure Statement***  
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## COMMUNITY INFORMATION

### Overview

The Watermark at East Hill (the “Community”) is located at 611 East Hill Road, Southbury, Connecticut 06488, and is operated by CT Watermark East Hill, LLC (the “Provider”). First opened in 1991, the Community is situated on a majestic 55-acre hilltop campus, shares the serenity of Heritage Village, Connecticut’s first and largest 55+ active adult residential community, and overlooks Southbury and the surrounding valley. The Watermark at East Hill is a continuing care retirement community offering an option known as “Life Care.” The Community’s residents come from throughout the neighboring Connecticut counties, as well as New York and beyond. Our website is [www.EastHill.WatermarkCommunities.com](http://www.EastHill.WatermarkCommunities.com).

Our residents enjoy the freedom and independence of individual apartment living, the convenience of dining, housekeeping, 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. As a “Life Care” community, we also have an onsite continuum of care that includes assisted living, memory care, and skilled nursing, allowing our residents the comfort of knowing that advanced care is here if they need it.

***Independent Living.*** The Community’s independent living apartments are housed in four inter-connected buildings, known as Applewood, Birchwood, Cherrywood and Dogwood. Our independent living residences include six distinct apartment styles with layouts that include studios, one-bedroom and two-bedroom apartments. Every apartment has an outdoor patio or balcony.

Another building we call the Commons contains multiple dining venues including “The Mark” restaurant, the “W” Lounge, and the “Gallery Café,” as well as our creative arts studio, library and communications center, theatre room, beauty salon & barber shop, game room, billiards room, fitness center and indoor pool, auditorium, fireplace lounge, and inter-denominational place of worship. Our independent living residences and associated common areas are collectively referred to as “The Town Center.”

***Assisted Living.*** Our assisted living neighborhood (“The Inn” or “Cherrywood Lodge”) is located on the first floor of Cherrywood and includes private studios and apartments, a dining room, a common living and activity center, and a protected outside courtyard.

***Memory Care.*** Our state-of-the-art memory care neighborhood (“The Villa”) is located in a new building featuring private suites, a great room, kitchen, dining area and activity center.

***Skilled Nursing.*** Our skilled nursing center (“The Springs”) is situated within the Commons building and includes mostly semi-private suites, dining room, recreation room, TV lounge, sitting areas and fresh air porch, as well as clinic, examination room, and a well-equipped physical therapy facility.



THE WATERMARK  
AT EAST HILL

*Accommodations*

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- |                          |  |
|--------------------------|--|
| <i>The “Town Center”</i> | ● <i>156 Independent Living Apartments</i>                       |
| <i>The “Inn”</i>         | ● <i>25 Assisted Living Studios and Apartments (all private)</i> |
| <i>The “Gardens”</i>     | ● <i>14 Memory Care Studios</i>                                  |
| <i>The “Springs”</i>     | ● <i>34 Skilled Nursing beds</i>                                 |
|                          | ● <i>Rehabilitation Center (short-term &amp; outpatient)</i>     |

*Representative list of Physical and Programming Amenities*

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- |                                      |   |
|--------------------------------------|---|
| ● “The Mark” Restaurant              | ● Watermark University                        |
| ● “The W Room” Restaurant            | ● Creative Art Studio                         |
| ● The “W” Lounge                     | ● Personal Trainers, Fitness classes          |
| ● The Gallery Café                   | ● Walking nature trails, 55 wooded acres      |
| ● Vitality Fitness Center            | ● Activities Programing, Shopping Excursions  |
| ● Heated Indoor pool                 | ● Resident gardens                            |
| ● Library and Computer Center        | ● Gazebo overlooking Pomperaug River Valley   |
| ● Auditorium and Theatre             | ● Multi-Denominational Place of Worship       |
| ● Indulge Spa & Salon                | ● Local bank branch                           |
| ● Housekeeping, Maintenance          | ● Billiards Room                              |
| ● 24-hour staffing, security         | ● Putting Green, bocce ball & more            |
| ● Town Car and Bus services          | ● Furnished guest suites                      |
| ● Resident Parking and Valet Service | ● “Watermark at Home” in-apartment assistance |

### **Independent Living Programs and Facilities**

Our programs and facilities 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 and chat 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 Creative Arts Studio and proudly exhibit their works. Residents enjoy a cocktail, beer or wine with friends in the “W” Lounge, catch the big game on large screen TV, and enjoy formal dining in “The Mark” restaurant. They strengthen their muscles at the Vitality Fitness Center with Watermark personal trainers, get their heart pumping in ‘balance and stretch’ classes, and swim leisurely laps in our heated indoor pool. Our resident gardeners work their magic in the summertime soil, and our strollers and bird-watchers take to the trails.

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. The Watermark University Summer 2016 Semester features over 60 course offerings with everything from *Food History* to *The History of Music*; *Serenity Gardening* to *Hummingbirds at Home*; *Delightful Dishes* to *Chicken Soup for the Soul*; and *Sushi-Making* to *Aquatic 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 Spa & Salon. They watch movies in the comfort of home theatre leather seats, shoot a game of pool in the man cave, and play bridge in the dedicated card room. 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!**

**Form of Contract, 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 Continuing Care Contract (a “Contract”) with the Provider. The Contract 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 Contract, 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: the specific apartment unit selected by the resident (where variables include overall unit features, size, and location of the apartment), the type of Continuing Care Contract chosen by the resident, and the Refund Plan chosen by the resident. Depending on the Refund Plan selected, the resident or his or her estate may be entitled to a return of a portion of the Entrance Fee after the resident moves out of the Community (i.e., after the Contract is terminated) and a similar-type apartment unit is re-occupied by another resident that has paid an Entrance Fee (see Contract for further information). For Contracts entered into after October 1, 2015, Provider must pay the refundable portion of the Entrance Fee, if any, within three years of the date of Contract termination. The different Contract types as well as the services provided under the Continuing Care Contract are fully described in this Disclosure Statement in the section entitled “Overview of Continuing Care Contracts” and in the Contract forms themselves found in Exhibits A and B.

The amount of the Monthly Service Fee generally depends on the specific apartment unit in which the resident resides, for which the resident receives certain services such as periodic housekeeping, laundering of flat linens, continental breakfast, evening dinner, building maintenance, utilities, local telephone service, receptionist services, scheduled transportation, access to the Community’s common areas and amenities, 24-hour staffing and emergency response system. Details on the frequency and scope of the services referred to above can be found in the Resident Handbook which is available at the Community.

A variety of services (“Additional Services”) are available at additional charge, such as dedicated and covered parking, Indulge Salon/Spa services, extra meals, personal laundry services, long distance telephone service, cable service, special request maintenance services, guest rooms, meals for visitors and private transportation. A listing of Additional Services and associated costs is provided as Exhibit B in both types of the Continuing Care Contract, which in turn can be found in Exhibits A and B of this Disclosure Statement.

### **“Watermark at Home” - In-Apartment Assisted Living Services**

Residents in need of assistance with the activities of daily living such as bathing, dressing, grooming and pre-pouring of medications can receive such care delivered in the convenience of their apartments through Watermark at Home, our onsite licensed assisted living services program. In conjunction with the Watermark at Home program, qualified licensed nurses assess participating residents regularly to assure that they receive the proper level of care under this program. These services are available seven (7) days a week as necessary based on the needs of the resident. Emergency assistance is available twenty-four (24) hours per day, seven (7) days per week. Service fees are based on the amount of assistance required. The Provider is licensed as an Assisted Living Services Agency (“ALSA”) by the Connecticut Department of Public Health.

### **Rental Accommodations**

We offer a very limited program whereby independent living residents may move into certain apartments in the “Town Center” on a rental basis. This program is limited to certain apartments on the upper floors of Cherrywood. The Provider reserves the right to determine, from time to time, the criteria for this program and whether to continue the program.

### **Health Center**

The Community includes several higher-acuity care residential “neighborhoods” including 25 assisted living units (which we call “Cherrywood Lodge” “The Inn”), 14 memory care studios (“The Gardens”), and 34 skilled nursing beds and a rehabilitation center (“The Springs”) – all designed with the human spirit in mind. Our Health Center residents receive services that are personalized and scheduled to meet their needs. The Health Center serves the needs of our internal independent living resident population (on a temporary or permanent basis) as well as direct external move-ins, including rehabilitation services for short-term skilled nursing residents and on an outpatient basis. The costs and expenses associated with residency and services in the Health Center for our independent living residents (whether temporary or longer term) depend on the type of Contract originally selected by the resident. As noted above, the different Contract types are described in this Disclosure Statement in the section entitled “Overview of Continuing Care Contracts,” and the Contract forms themselves are attached as Exhibits A and B.



### **Planned Improvements**

At the present time we are in preparation for various improvements planned for the coming year at The Watermark at East Hill. Some of these are “building and systems” improvements that will not be readily visible to residents, such as ongoing upgrades to roofs, air conditioning and ventilation systems, utilities equipment, and the ongoing renovation and upgrade of individual apartment units as they become available in between occupancies. Other of these improvements will be readily visible to residents such as the planned renovation of common area corridors and elevator lobbies, enhancements to wireless internet, and certain “neighborhood” enhancements to 2<sup>nd</sup> Floor Cherrywood.

### **Residents’ Council; Residents’ Association**

The Watermark at East Hill 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 East Hill, LLC**

The Watermark at East Hill is operated by CT Watermark East Hill, LLC (the “Provider”), a Delaware limited liability company. The Provider’s corporate address is 2020 West Rudasill Road, Tucson, AZ 85704. Following is a list of the entities that own 5% or more of the Provider’s membership interests, in each case followed by the individual exercising control over such entity: 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 and principals of 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 32 years of experience in real estate investment including 18 years of involvement in the seniors housing industry.

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

The Watermark at East Hill 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 East Hill LLC on June 1, 2016. The Manager has managed the Community since 2007, having also had a management contract with the prior owner/provider. 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 37 senior living communities in 20 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 employs some 4,500 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 expected to be treated under generally accepted accounting principles as a ‘capital lease’ long term financing arrangement. On June 1, 2016, The Watermark at East Hill 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 East Hill, 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 East Hill, LLC; and (C) a lease (the “Sublease”) between CT Watermark Operator, LLC and CT Watermark East Hill, 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 3030 Park located in Bridgeport Connecticut was also acquired by NHI Owner on June 1, 2016, constitutes a part of the premises (along with The Watermark at East Hill) leased pursuant to the Master Lease and the Lease (as defined above), and is currently operated by an affiliate of the Operator and managed by the Manager.

### **Mortgage Indebtedness**

The Watermark at East Hill 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, an entrance fee escrow account 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 first assumed such position on the date of this Disclosure Statement (June 1, 2016) and therefore does not yet have financial statements for inclusion in this Disclosure Statement. The Provider's financial statements will be contained in subsequent updates to this Disclosure Statement as they become available. Provider expects to file its opening Balance Sheet within 90 days of the date hereof, and to file Income Statement and Statement of Cash Flow reports for periods commencing June 1, 2016 on a timely basis in accordance with applicable statutes.

The prior provider's disclosure statements remain on file with the Connecticut Department of Social Services. As of June 1, 2016, the prior provider's disclosure filings included audited financial statements through the year ending December 31, 2015. The prior provider will also prepare financial statements for the period January 1, 2016 through May 31, 2016. These financial statements and the prior provider's most recent Disclosure Statement with audited financial statements through December 31, 2015 are available for review at the Community.

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

Due to the nature of the long-term lease agreements referenced above, CT Watermark East Hill, LLC's lease of the Community is expected to be deemed a "capital lease" under generally accepted accounting principles ("GAAP"). Accordingly, CT Watermark East Hill, LLC's financial statements are prepared on the basis that, for accounting and financial reporting purposes only, CT Watermark East Hill, 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 East Hill, 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. Additionally, the prior provider's financial statements, including a balance sheet, income statement, statement of cash flows and associated notes for the two most recent fiscal years are on file with the Connecticut Department of Social Services and are available for review, along with the prior provider's most recent Disclosure Statement, at the Community. 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 Exhibit E to this Disclosure Statement. Information about The Watermark at East Hill 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 Provider makes all the above information available for review by its residents by placing the material 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 its most recent annual filing with the Department of Social Services and to obtain a copy thereof.

### **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 East Hill is administered by an experienced staff of seniors housing professionals. The terms and conditions of such employees' employment are established by WRC, 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 East Hill. This Disclosure Statement was prepared on the basis of conditions in effect as of the date on the first page of the Disclosure Statement.



THE WATERMARK  
AT EAST HILL

**Required Notice to Prospective Residents**

Connecticut law requires that 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.



THE WATERMARK  
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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 East Hill Continuing Care Contract, or (ii) transfers any money or other property to CT Watermark East Hill, LLC, whichever is first to occur. Prospective residents of The Watermark at East Hill, 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 East Hill, 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>Subsection Reference</u></b>	<b><u>Location in</u></b> <b><u>this document</u></b>
17b-552(b)	
(1) Name and Business Address of Provider.....	Page 1
(2) Names of Managers; Owners of 5% or more.....	Page 7
(3) Business Experience .....	Page 7
(4) Judicial Matters.....	Page 11
(5) Affiliations with Religious, Charitable, Non-Profit Orgs.....	Page 10
(6) Location and Description of the Physical Property .....	Page 1
(7) Goods and Services Provided .....	Page 16, and Exhibits A/B-Sect.5
(8) Treatment of Interest on Deposits.....	Page 18; and Exhibits A/B-Sect.4
(9) Termination of Contract.....	Exhibits A/B-Sect. 8
(10) Rights of Surviving Spouse .....	Exhibits A/B-Sect. 18
(11) Effects if Resident Gets Married.....	Exhibit A/B-Sect. 14
(12) Disposition of Personal Property .....	Exhibit A/B-Sect. 8, 18
(13) Tax Consequences .....	Page 21
(14) Reserve Funding, Escrow Accounts .....	Page 18, and Exhibit C
(15) Financial Statements .....	Exhibit C
(17) Pro Forma (Projected) Annual Income Statements (3 years) .....	Exhibit E
(18) Historical and Current Entrance Fees and Periodic Charges .....	Exhibits F/G
(20) Department of Social Services Filings.....	Page 10
(21) Cover Page requirements .....	Cover
17b-552(f)	Standard Forms of Continuing Care Contract .....
17b-521	Sworn Statement of Escrow Agent.....
	Exhibit D

## OVERVIEW OF THE CONTINUING CARE CONTRACT

### General Description

In most cases, a resident moving into our (“Town Center”) independent living neighborhood enters into a Continuing Care Contract (a “Contract”) with the Provider. The Contract 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 Contract, 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 an incoming resident pays generally depends on three factors: the specific apartment unit selected by the resident (where variables include overall unit features, size, and location of the apartment), and the type of Continuing Care Contract chosen by the resident, and the Refund Plan chosen by the resident.

Depending on the Refund Plan selected, the resident or his or her estate may be entitled to a return of a portion of the Entrance Fee after the resident moves out of the Community (i.e., after the Contract is terminated) and the specific apartment unit is re-occupied by another resident who has paid an Entrance Fee. For Contracts entered into after October 1, 2015, Provider must pay the refundable portion of the Entrance Fee, if any, within three years of the date of Contract termination.

The amount of the Monthly Service Fee generally depends on the specific apartment unit in which the resident resides, for which the resident receives certain services such as periodic housekeeping, laundering of flat linens, continental breakfast, evening dinner, building maintenance, utilities, local telephone service, receptionist services, scheduled transportation, access to the Community’s common areas and amenities, 24-hour staffing and emergency response system, as described in the Contracts attached as Exhibits A & B, and in the Resident Handbook which is available at the Community.

A Second Occupant Entrance Fee applies when a second person occupies an apartment. The Second Occupant Entrance Fee is non-refundable and is in addition to the Entrance Fee described elsewhere in this Disclosure Statement and the Continuing Care Contracts.

The reason for offering alternative Contract types and Refund Plans is to allow residents to make selections that best suit their health care and financial needs and priorities. We encourage all prospective residents to consider these choices carefully and to consult advisors as they deem appropriate.

Following is a description of the alternative Contract types and alternative Refund Plans that we offer:

### **Continuing Care Contract Types**

We offer two (2) types of Continuing Care Contract. A prospective resident may choose from among the following:

- **“Fee For Service” Contract.** With this form of Contract, the resident receives health care services when needed generally at then-market rates for such services, as further outlined in the form of Contract found in Exhibit A.

- **“Life Care” Contract.** This form of Contract includes a “Life Care” benefit under which, if in the future the resident needs to relocate to the Health Center or requires interim services in the Health Center, the resident continues to pay generally the same Monthly Service Fee as the resident pays in the in their independent living apartment, subject to additional charges for incremental meals, higher tier health care services, and other factors. Life Care program benefits and incremental cost categories are further described below and in the form of Life Care Contract found in Exhibit B.

### **Entrance Fee Refund Plans**

We offer a choice of two (2) entrance fee refund plans with each form of Contract. This choice determines if and when a portion of the entrance fee may become refundable by the Provider to the resident or her/his estate in the future. There is a “Fixed Percentage” refund plan whereby a fixed percentage 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 time and eventually becomes entirely non-refundable. The table below provides a summary of these choices:

<b>Contract Type</b>	<b>Refundable Portion of Entrance Fee</b>
<b><u>Fee for Service Contract</u></b>	
1. 80% Fixed Refund option:	80% (regardless of length of residency)
2. Declining Refund option:	90% at expiration of Grace Period, then declines by 2% per month. (Reaches 0% refundable after approximately 46 months)
<b><u>Life Care Contract</u></b>	
1. 80% Fixed Refund option:	80% refundable (regardless of length of residency)
2. Declining Refund option:	90% at expiration of Grace Period, then declines by 2% per month. (Reaches 0% refundable after approximately 46 months)



For purposes of further illustration, the form of “Fee for Service” Contract in Exhibit A includes an 85% Fixed Percentage refund option, and the form of “Life Care” Contract in Exhibit B includes a Declining refund option.

### **Provisions Common to All Contracts**

Except with regard to a prospective resident’s selection of (1) Contract Type, (2) Refund Plan, and (3) Individual Apartment, and the effect of those choices on the health care benefit, the amount of the Entrance Fee, the Entrance Fee refund, and/or the amount of the Monthly Service Fee, all Contracts have provisions that are materially the same.

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

When one decides to become a resident of the Community, an apartment is selected and a Contract 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 date the apartment is ready for occupancy or such other date as was established and agreed in the Contract.

The Contract contains a grace period (“Grace Period”) until the date that is thirty (30) days after the date that the Contract is signed, or such other (later) date as may be established and agreed in the Contract. During the Grace Period, the prospective resident may cancel the Contract in which case Provider will refund the Entrance Fee or portion thereof paid by the prospective resident, less an administrative and processing fee not to exceed the greater of two percent (2%) of the Entrance Fee or One Thousand Dollars (\$1,000).

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 East Hill  
Attention: Executive Director  
611 East Hill Road  
Southbury, CT 06488

### **Monthly Service Fee**

The Monthly Service Fee for the first month of occupancy is due at the same time that the balance of the Entrance Fee is due, even if the resident has not yet moved into the Community. If the balance of the Entrance Fee is due on a day other than the first of the month, the Monthly Service Fee for the first or second month will be adjusted to reflect that partial month proration. If the Monthly Service Fee for any month is not paid when due, the Community may collect a late fee, as set forth in the Contract, until the Monthly Service Fee and all late fees are fully paid.

The Contract will set forth the Monthly Service Fee in effect at the time the Contract is signed and the Provider may increase the Monthly Service Fees after giving residents thirty (30) days written notice. The Monthly Service Fee is higher when there is also a second resident living in the apartment. Exhibit E contains historical Monthly Service Fee and Entrance Fee data, and the current Monthly Service Fees are shown in Exhibit F.

### **Fee for Service Program**

A resident who has chosen the Fee for Service Contract type, and who transfers to The Inn (assisted living) or The Springs (skilled nursing) will pay then-prevailing market rates for such services. If the transfer is temporary and the resident still maintains an independent living apartment, the service fees for both levels of care will apply. If there are two residents residing in an independent living apartment and only one Resident transfers to The Inn or The Springs, either temporarily or permanently, there will be no reduction in the Monthly Service Fee for the other non-transferring resident.

### **Life Care Program Benefits**

If a resident has chosen the Life Care Contract type, and in the future transfers to The Inn, The Gardens or The Springs, the resident will continue to pay the Monthly Service Fee that would be payable if the resident remained in their independent living apartment.

In addition to the Monthly Service Fee, a resident who transfers to The Inn, The Gardens or The Springs, either temporarily or permanently, must also pay extra charges, including but not limited to the following:

1. A “Meal and Miscellaneous Ancillary Charge,” which covers two additional meals and two snacks per day, referral services and wellness education. The current amount of the Meal and Miscellaneous Charge is set forth in Exhibit B (“Schedule of Additional Fees”) of the form of Contract attached to this Disclosure Statement;



THE WATERMARK  
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2. Tier Charges for care at The Inn or The Gardens. Charges for assisted living and/or memory care services in excess of the “Base Tier” as outlined in Exhibit B of the form of Contract attached to this Disclosure Statement. 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 Exhibit B (“Schedule of Additional Fees”) of the form of Contract attached to this Disclosure Statement.
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; and/or
4. Applicable to The Inn (assisted living area) only, charges for assisted living services in excess of seven (7) hours per week. The charge amount for such additional assisted living services is based on the level (or “Tier”) of additional assisted living services that the Resident requires, which shall be determined based on a functional assessment of the Resident. The current charge amounts for each Tier are outlined in Exhibit B (“Schedule of Additional Fees”) of the form of Contract attached to this Disclosure Statement.

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 resident is eligible for the Life Care benefit at the time of move in to the Community and remains eligible until the resident permanently leaves the Community. If there are two residents residing in an independent living apartment and only one resident transfers to The Inn, The Gardens or The Springs, either temporarily or permanently, the transferring resident’s Monthly Service Fee and the second occupant Monthly Service Fee both continue to be paid.

**Prepaid Health Care Obligation**

Under the Fee for Service form of Contract, the cost of nursing care in a health care center is the responsibility of the resident when he or she requires such care. Therefore, no prepaid obligations exist on the part of Watermark LLC or the Community to provide such care. With the Life Care contract, a future obligation to fund care is created. This calculated figure is not a current obligation, but will be incurred in the future as the Residents incur healthcare costs. It will be funded from entry fees and monthly service fees over the same period of time as the healthcare costs are incurred.

**Cancellation by Provider**

The Contract identifies conditions under which the Provider may terminate the Contract. In the event that a situation arises which requires that the Provider terminate a resident's Contract, the resident or the designated representative will be notified by the appropriate representative of the Provider during a personal conference in which grounds for the termination will be discussed. No other members of the resident population will be involved in this or any other similar personal matter. The Provider's decisions are final.

**Note Regarding Continuing Care Contracts**

Prospective residents are urged to review the details of their Contract very carefully before signing it. The Contract 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 Contract 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 EAST HILL

*Disclosure Statement*  
*Exhibit A*  
*Fee For Service Contract*



## *Continuing Care Contract Fee for Service Residency Agreement*

This is a Continuing Care Contract (“Agreement”) between CT Watermark East Hill, LLC, a Delaware limited liability company (“Watermark”) and \_\_\_\_\_ (the “Resident”). It will be referred to herein as “this Agreement.” The effective date of this Contract is \_\_\_\_\_, \_\_\_\_\_.

### **BACKGROUND**

A. Watermark owns and operates a continuing care retirement community located at 611 East Hill Road, Southbury, Connecticut 06488 (the “Community”). Watermark provides continuing care (as described in this Agreement) to Residents at costs commensurate with the services and facilities contemplated by this Agreement. It is the goal of Watermark to allow Residents to continue an independent lifestyle and to provide the peace of mind associated with knowing that certain additional attention and care is available if ever needed.

B. The person or persons who sign this Agreement on the signature page are referred to throughout this document as “Resident”, “you” or “your”, and this Agreement shall apply to both of them and to the survivor. Each Resident, having decided to move to Watermark to enjoy the facilities and services contemplated by this Agreement, agrees to comply with the policies and procedures of Watermark and, further, understands that such residency shall be subject to the terms and conditions set forth in this Agreement. The facilities of Watermark include independent living apartments, assisted living suites in The Inn at Cherrywood (“The Inn”), nursing beds in the Health Care Center (“The Springs”), and related common areas.

C. Subject to the Resident's performance of his or her duties and obligations under this Agreement, Watermark agrees to provide the services described in this Agreement to the Resident for life. Watermark also agrees to make the independent living apartment identified on Exhibit A (“the Apartment”) available to the Resident for the Resident's use for life or until permanent transfer to an assisted living suite in The Inn or The Springs, or until termination of this Agreement in accordance with Section VIII hereof.

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 a Resident or of a 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:

**I. THE APARTMENT**

**Substitution of Apartment.** Watermark reserves the right to substitute the Apartment with another comparable apartment at Watermark, 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 apartment means an apartment that has the same number of bedrooms and bathrooms and that is approximately the same size as your Apartment. Effective the date the occupancy transfers to the substituted apartment, the substituted apartment will be your Apartment as defined in this Agreement and shall be subject to all the same terms and conditions.

**Date of Occupancy.** The Resident may move into the Apartment on the date indicated on Exhibit A. In this Agreement, this date will be referred to as the “Date of Occupancy,” which is the date the Apartment will be ready for occupancy, even if the Resident is not ready to move into the Apartment. The Resident may continue to occupy the Apartment for the remainder of their lifetime, unless this Agreement is cancelled before the death of the Resident, or the Resident is relocated to another comparable apartment pursuant to this Section or removed from the Apartment pursuant to Section II(c)(1) hereof so as not to jeopardize the Resident’s health safety or welfare, or the health, safety or welfare of others. If this Agreement is signed by two persons, occupancy of the Apartment may continue until the last surviving person dies, unless this Agreement is cancelled before then.

**II. DESCRIPTION OF SERVICES**

(a) Items and Services Included in the Monthly Service Fee

Watermark will provide to the Resident, as long as the Resident resides in the Community, the services described below:

- A choice of lunch or dinner in one of the three dining venues each day. Residents who eat additional meals beyond the meal allowance, will pay for those meals and will be billed for them monthly. Each Resident will pay for guest meals if they exceed their monthly meal allowance and will be billed for them monthly. The Monthly Service Fee will not be reduced for meals not taken unless the Resident is absent for more than twenty-one (21) consecutive days, with prior notification. If such notification is given, the Resident will be credited with the approximate raw food costs of meals not eaten.

- Coffee and homemade muffins and/or coffee cake are available each morning in the Gallery Café.
- Bi-weekly Apartment housekeeping service; more frequent service available at extra charge. This cleaning will include vacuuming, dusting, cleaning of bathroom fixtures, bathroom and kitchen floors, kitchen counters, appliance faces and kitchen sink. The cleaning service will handle heavier cleaning such as window washing and oven cleaning on a periodic scheduled basis. Additional housecleaning services are available at an extra charge.
- Weekly flat linen service. Residents shall provide their own flat linens, which Watermark will wash and fold. Linens will be provided to Residents who transfer to The Springs.
- Washers and dryers are available for the Resident's use in each building without charge.
- Utilities, including heating, air conditioning, water, sewer, electricity and basic cable television services, and wiring for telephone. The Resident must contract with the telephone company and pay for all telephone services and with the cable company and pay for any service secured beyond that supplied by Watermark.
- Insurance. Watermark is insured against all reasonable and customary losses and liabilities. This does not include personal liability insurance on coverage of articles owned by the Residents and each Resident is required to purchase such insurance for his or her personal property. See Section IX(h) for additional information.
- Scheduled transportation to local shopping, medical appointments, recreational areas, community facilities and places of worship.
- Maintenance of the Apartments and Assisted Living Suites, including all Watermark-provided appliances, carpets and fixtures. Each Resident is responsible for the cost of repairing damage to any property or equipment caused by the Resident's misuse or neglect.
- Kitchens in each Apartment.
- Real estate, property and other taxes due on the facility and its property will be paid by Watermark.

- Emergency call system in each Apartment, Assisted Living and Villa Suites response on a 24-hour per day basis.
- Tray service to Independent Living Apartments will be provided for short periods when it has been approved for medical reasons. In case of longer periods or non-medical reasons there is an additional charge.
- Activities as scheduled and planned for those Residents interested in participating. Watermark employs a Program Director to help Residents plan and carry out activities and special events.
- Access to and use of the common areas and facilities provided for the use and enjoyment of all Residents. Common areas include central dining area, a private dining room for parties and special events, lounge areas, library and communications center, game room, billiards room, creative arts studio, theater and auditorium, fitness center, indoor pool, walking paths and administrative areas. Rules and regulations with respect to the use of common areas will be established by Watermark from time to time and provided to each Resident.
- Building and grounds maintenance.
- Additional storage facilities for each Resident's personal belongings.
- Smoke detection and sprinklers in all areas of the buildings.
- Uncovered parking. The Resident may rent a garage space, if available, for an additional fee. In order to park or operate a motor vehicle on the premises the Resident must maintain automobile liability insurance with your own insurance agent to cover liability and medical expenses arising from injuries to yourself or others. Resident 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 if the Resident does not abide by the applicable rules, regulations, policies, and procedures.

(b) Items and Services Available for an Additional Charge

Watermark will provide or make available certain additional items and services to Residents for an additional charge (“Additional Fee”) pursuant to the terms of this Agreement. The Additional Fees as of the Effective Date are outlined in Exhibit B of this Agreement (“Schedule of Additional Fees”). Watermark may change the nature

and scope of additional services offered and/or increase the Additional Fees from time to time by giving the Resident thirty (30) days prior written notice of a change.

(c) Health Care Services – Fee for Service Program

In addition to the services described in Section II(a) and (b) of this Agreement, certain health care services shall be provided on the following basis, if the Resident has selected the Fee for Service Agreement (“Fee for Service”):

- (1) If the Resident needs, upon written order of Watermark’s Medical Director or the Resident’s Primary Physician, to transfer to an Assisted Living Suite in The Inn or to receive nursing care in The Springs, the Resident is responsible for the cost of such services. Upon transfer to The Inn or The Springs, the Resident agrees to sign a separate Assisted Living or The Springs Health Center Addendum to this Agreement, as appropriate. All costs associated with residency in The Inn and/or Springs shall be at the then-current market rates and will be the responsibility of the Resident. Current market rates as of the Effective Date of this Agreement are provided in Exhibit B for illustrative purposes.
- (2) The Resident shall also be responsible for payment for any and all additional required or requested medical and related services including, but not limited to: personal physician services, dental care, physical and occupational therapy, special nurses, and drugs and medications, emergency physician, paramedic, ambulance, medical equipment and supplies,
- (3) If the Resident is transferred to The Inn, the Resident shall be responsible for payment for assisted living services including additional services that the Resident requires (“Tiers”). Additional Fees for each Tier as of the Effective Date of this Agreement are outlined in Exhibit B for illustrative purposes. Watermark may modify such fees at any time upon thirty (30) days prior written notice to the Resident.
  - (A) To determine whether and to what extent the Resident requires additional assisted living services, Watermark will conduct a baseline functional assessment of the Resident prior to or upon admission to The Inn , and periodically thereafter (e.g., when the Resident exhibits a change in condition). The Resident’s needs, and the appropriate Tier, if applicable, will be documented in an Individualized Service Plan that the Resident and his or her family or responsible party will sign.

- (B) Watermark will update the Resident's Individualized Service Plan and Tier designation as necessary to reflect changes in the Resident's condition as determined by subsequent functional assessments of the Resident;
  - (C) 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 upon thirty (30) days prior written notice to the Resident.
- (4) If the Resident is transferred to The Springs for short term rehabilitation, Watermark will receive (either directly or by payment by the Resident if the Resident receives the payment) any applicable payments made under Medicare or any other health insurance plan. The Resident will be required to pay for any health services not covered by this Agreement, by Medicare, or by other insurance.
  - (5) Any other ancillary items and services. Watermark may from time to time identify additional costs, whether of a medical/health nature or otherwise, for which the Resident will be financially responsible. Watermark will notify the Resident in writing at least thirty (30) days in advance of any such additional costs becoming effective.
  - (6) If the Resident needs home care services, the Resident is responsible for the cost of such services. The Resident has the option to select a home health care agency of his or her choice. If requested, Watermark will assist the Resident in choosing an appropriate agency.
  - (7) Watermark will offer an Alzheimer's special care program. Watermark will market the Community as providing specialized care and services for those persons suffering from Alzheimer's disease, dementia and similar disorders and will provide the appropriate disclosures as required by Connecticut law. The Resident will be responsible for the then-current cost of such services.
  - (8) The Resident shall continue to be responsible for the Monthly Service Fee in addition to the costs in this Section II(d) until such time as the Apartment is vacated as outlined in Section VI(c) of this Agreement.

**III. SELECTION OF APARTMENT, REQUIRED FEES AND REFUND CALCULATION**

(a) Selection of Apartment and Refund Option

- (1) The Resident has selected the Apartment identified on Exhibit A hereof.
- (2) The Resident has selected either the 80% or Traditional plan as the refundable option as indicated on Exhibit A hereof.

(b) Required Fees

For the right to use the Apartment at Watermark and to receive the services described in this Agreement, the Resident agrees to pay to Watermark the following fees, which are due and payable as described below:

- (1) The Entrance Fee payable for the Apartment for the chosen Refund Option is set forth on Exhibit A hereof and due as follows:
  - (i) A deposit of 10% (ten percent) (the “Down Payment”) due upon the signing of this Agreement.
  - (ii) The remaining amount of the Entrance Fee (the “Balance”) must be paid in full with a certified check on the Date of Occupancy, even if the Resident does not move in to the Apartment at that time.
- (2) Second Person Non-Refundable Entrance Fee. This fee is not refundable and is due on the Date of Occupancy.
- (3) Monthly Service Fee
  - (i) The Monthly Service Fees for the Apartment for one person and for the second person, if any, are set forth on Exhibit A hereof. The Monthly Service Fee for the first month will be prorated to reflect the number of days of occupancy that month. The prorated amount is due prior to occupancy.
  - (ii) The Monthly Service Fee shall be paid by the Resident and is payable in advance on the first day of each month during the term of this Agreement. Watermark may increase the Monthly Service Fee by giving the Resident thirty (30) days prior written notice of a change, if Watermark, in its sole discretion, deems the increased fee to be necessary to meet the financial

needs of Watermark. Watermark reserves the right to charge a late fee and/or an ACH fee as outlined in Exhibit A.

- (iii) A first-person Monthly Service Fee must be paid for each Apartment. If two Apartments are combined, the applicable Monthly Service Fee for the combined apartments shall be a total of the first-person rate for each Apartment.

(c) Entrance Fee Refund Calculation

Any applicable Entrance Fee Refund will be paid as outlined in Section VIII and will be calculated, less any charges as outlined in Section VIII, after the expiration of the Rescission Period and after the Date of Occupancy, whichever is later, as follows:

- (1) 80% Refundable Plan. The Resident is eligible for an Entrance Fee Refund of 80% (eighty percent) of the Entrance Fee.
- (2) Traditional Declining Plan. The Resident is eligible for an Entrance Fee Refund that declines to a zero balance over 46 (forty-six) months. It declines by 10% after the first full or partial month of occupancy and declines by an additional 2% (two percent) each month thereafter.

**IV. RESIDENT ACCEPTANCE POLICY**

(a) The Application and Review Procedure

The Resident must complete an Application for Residency and Residency Agreement prior to the Date of Occupancy which will be reviewed by the authorized officer or representative of Watermark in accordance with established acceptance policies. Special considerations or cases not meeting all of the admission criteria will be referred to the Executive Director of Watermark for consideration and action.

(b) Physical Requirements for Residency

To be accepted for residency, the Resident must meet the following conditions:

- (1) The Resident must be 65 years of age or more at the time of establishing residency, except where more than one Resident occupies an Apartment, in which case at least one Resident must be 65 years of age or more at the time of establishing residency.

- (2) The Resident must be free from communicable diseases and must be in sufficiently good health to live without assistance in the selected Apartment and be able to function independently.
- (3) The Resident must disclose any severe or chronic disorders. A physician's report is required for all Residents prior to the Date of Occupancy.

(c) Financial Requirements for Residency

To be accepted for residency the Resident must meet the following conditions:

- (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.
- (3) Have coverage under Medicare parts A and B (basic and supplemental coverage) if eligible, and one supplementary health insurance policy. Parts of this qualification may be waived or modified for Residents selecting the Fee for Service health care option and certain groups of people such as retired Civil Service employees and those with comparable coverage with a Health Maintenance Organization or other private insurance.

(d) Joint Residency - Unrelated Persons

When two or more unrelated persons intend to live in one Independent Living Apartment, the following conditions will apply:

- (1) Evidence of prior long-term compatibility of the Residents must be shown to Watermark.
- (2) All persons living in an Apartment shall sign a Residency Agreement and qualify as a Resident.
- (3) Cancellation rights and surviving Resident rights are the same as outlined in Section VIII, Cancellation of this Agreement and Refunds.

(e) Non-participating Occupant

The Resident may apply for the right to have a non-participating occupant live in the Apartment. Such right may be granted on the following conditions:

- (1) A Non-participating Occupant Application and Agreement is executed and approved by Watermark.
- (2) A Monthly Service Fee is paid for the second person.
- (3) The Non-participating Occupant agrees: (a) to abide by Watermark’s Resident Policies and Procedures; (b) that Watermark will not provide assisted living or nursing care under the non-participating arrangement; and (c) to vacate the Apartment within thirty (30) days after termination of residency in the Apartment by the Resident.

**V. JOINT OCCUPANCY**

(a) Separation, Divorce Or Death Of Joint Residents

- (1) If, after becoming Residents, the joint Residents become separated or divorced, the following possibilities could occur:
  - (i) Each party desires separate Apartment and one remains in the contracted Apartment. In this event, no refund is given and a new Residency Agreement must be submitted for Watermark’s approval, accompanied by the current Entrance Fee for the second Apartment. The first person Monthly Service Fee for each Apartment is charged to the respective Residents.
  - (ii) One party of the separated or divorced couple desires to terminate residency and move from Watermark. In this event, the remaining party retains full rights as a Resident. The second person Monthly Service Fee is discontinued, but there is no refund of the Entrance Fee to either party.
  - (iii) Both of the Residents desire to cancel this Agreement following the separation or divorce. In this event, the normal refund provisions of this Agreement shall apply.

- (2) In the case of the death of one of the joint Residents after establishing residency, the surviving Resident retains all rights as a Resident, with the privilege of residing in the same Apartment. The second person Monthly Service Fee is discontinued, but there is no refund of any part of the Entrance Fee. If the surviving Resident desires to move out of Watermark, the refund provisions of this Agreement shall apply.

(b) Joint Occupancy.

- (1) If the Resident and non-resident marry and desire to reside in the Resident's Apartment, a second-person Monthly Service Fee will be charged. A new Residency Agreement documenting the change, together with an Application for Residency for the new Resident, must be submitted to Watermark for approval. If the non-Resident spouse does not qualify under the guidelines established by Watermark for life-care residency, the non-Resident spouse may apply and be considered for residency under the non-Participating Occupant guidelines. The Residents will be charged the applicable first and second-person Monthly Service Fees.

- (2) If two Residents residing in separate Apartments wish to marry, they may either release one Apartment and reside together in the other or release both Apartments and move into another larger Apartment.

If they elect to release one Apartment and reside together in the other Apartment, a new Residency Agreement must be executed naming both persons as Residents. The agreed upon refund for the vacated Apartment will be made at such time as a similar style Apartment has been reoccupied and a new Entrance Fee has been received by Watermark.

If they elect to release both Apartments and move into another Apartment, a new Residency Agreement for the new Apartment must be executed naming both persons on the Residency Agreement. The current Entrance Fee for the new living Apartment will be charged. The Entrance Fee paid for the released apartments will be credited against the new Entrance Fee. Any deficit will be paid prior to occupancy and any excess will be refunded when the refund claim matures.

In any case, the Residents will be charged the applicable first and second-person Monthly Service Fees upon joint Residency in the single Apartment.

**VI. RELOCATION FROM INDEPENDENT LIVING APARTMENT**

(a) Moving To A Different Apartment

Residents who elect to move to a different Apartment are required to have the approval of Watermark and pay a transfer charge to offset the redecorating expense of the vacated Apartment. If the move is to a less expensive Apartment, no refund of the Entrance Fee is made at that time. Any refund due at the time the Resident cancels their Agreement will be calculated based on the original Entrance Fee. If a move is made to a more expensive Apartment, however, an additional Entrance Fee will be charged which is equal to the difference between the Entrance Fee originally paid for the vacated Apartment and the current Entrance Fee of the new Apartment. In all cases, the Resident's Monthly Service Fee will be the current fee applicable to the newly-occupied Apartment. Any moving expenses will be the responsibility of the Resident. If the Resident moves to a smaller apartment, the Resident's Monthly Service Fee will be the current fee applicable to the original Apartment. If the Resident moves to a larger apartment, the Resident's Monthly Service Fee will be the current fee applicable to the newly-occupied Apartment. Any moving expenses will be the responsibility of the Resident.

(b) Reassigning Of An Apartment By Watermark

A Resident's Apartment may be reassigned by Watermark upon any of the following conditions:

- (1) Fifteen (15) days following the death of the Resident(s).
- (2) Receipt of the Resident's written notice canceling this Agreement and the subsequent vacancy of the Apartment within thirty (30) days.
- (3) Cancellation of this Agreement by Watermark.
- (4) Permanent admission of the Resident to The Inn or The Springs. The permanent status of such a move is normally determined only after a stay in The Inn or The Springs has exceeded fifteen (15) days and is based on the judgment of Watermark, in consultation with the Resident's family and physician that the Resident is unable to live independently in the Apartment. The Resident's Apartment shall be vacated within fifteen (15) days after permanent status in The Inn or The Springs is determined. If the Resident should recover sufficiently to resume independent living at a later date, a similar or alternate Apartment will be provided to the Resident.

(c) Removal of Property

All personal property of the Resident must be removed from the Apartment and storage areas, if applicable, within thirty (30) days following the termination of this Agreement for any reason, including the Resident's death, or the permanent transfer of the Resident to The Inn or The Springs. The Resident (or the Resident's estate) shall be obligated to continue to pay the Monthly Service Fee until all such property is removed; provided, however, that in the event of the Resident's death, the Resident's estate or family will only be responsible for payment of the Monthly Service Fee for a period of time not to exceed fifteen (15) days following the date of death as long as the Resident's Apartment has been vacated.

If the Resident's personal property is not removed within the time-frames stated within this paragraph, Watermark may, in its sole discretion, remove and store all of the Resident's personal property and effects, at the expense of the Resident or the Resident's estate.

**VII. OBLIGATIONS OF RESIDENTS**

(a) Furnishings and Pets

- (1) In the Apartment, all furnishings, decorations, utensils and supplies, other than major appliances and standard painting, carpeting and sheer curtains provided by Watermark, are at the Resident's expense. The Resident agrees not to make any alterations to the Apartment without Watermark's approval.
- (2) Watermark prohibits excessively heavy items to be taken into the Apartments of multiple story structures. This includes, but is not limited to, pianos, safes and waterbeds.
- (3) Watermark reserves the right to monitor and, if necessary, to require changes in the furnishings, carpeting, appliances, etc. in any Apartment consistent with the health or safety of the Resident or the health, safety, and general welfare of other Residents.
- (4) Pets will be allowed in designated areas of Watermark upon approval by Watermark. Residents owning pets will be required to sign an addendum to their Residency Agreements agreeing that they will adhere to and abide by the policies and guidelines established by Watermark governing the accommodation of pets.

(b) Apartment Alterations By Resident

- (1) Alteration or renovation of, or addition to, any Apartment, building or grounds owned by Watermark shall be initiated in conformity with policies of Watermark. All alterations to Apartments by the Resident must meet the following conditions:
    - (i) Proposed alterations and the names of persons or companies doing work in Apartments must be submitted in writing to Watermark for approval.
    - (ii) Costs of alterations to be done by Watermark's staff are to be paid by the Resident before work commences and may include the cost of restoration to the original state.
    - (iii) All modifications, alterations, or additions to Apartments on behalf of Residents are considered permanent and become the property of Watermark. Costs of such alterations are not refundable.
  - (2) Enlarged Apartments created by combining two or more standard Apartments shall be considered a single Apartment and may be normally occupied by no more than two persons. Costs of this type of conversion must be approved in writing by Watermark and must be paid before work commences. Such payments are not refundable.
- (c) Watermark and emergency personnel must have access at all times to all Independent and Assisted Living Apartments. Except in the event of an emergency, unauthorized persons may not enter the Apartment unless the Resident has signed a release form providing access.

Watermark and its agents, employees and contractors may enter the Apartment during reasonable hours (or, in 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 Apartment or perform services for the Resident as Watermark deems necessary. Watermark may require you to eliminate any unsafe or unsanitary conditions.

- (d) The Resident is responsible for any damage that they or their guests or their vendors may cause to the community or its furnishings, equipment or property, except for ordinary wear and tear. Resident must not do, or cause to be done, any act which would violate the Fire Code or Health Code. This includes excessive clutter in the Apartment. Watermark may take immediate action to correct any violations of the Fire Code or Health Code. The Resident must pay the cost of correcting such violations.

**VIII. CANCELLATION OF THIS AGREEMENT AND REFUNDS**

(a) Refund Rights During Rescission Period

The thirty (30) day period after signing this Agreement will be referred to as the “Rescission Period”. The Resident may cancel this Agreement at any time during the Rescission Period. In order to cancel this Agreement, the Resident must send notice to Watermark’s Executive Director by registered or certified mail before the end of the Rescission Period. In the event of such cancellation, all deposits paid or all property transferred by the Resident to Watermark shall be fully refunded by Watermark to the Resident less the fee in the following paragraph. No interest on the deposit will be paid. No Resident shall be required to move into Watermark until after the expiration of the Rescission Period.

Watermark is allowed to deduct a reasonable administrative and processing fee not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the Entrance Fee from the Resident refund (“Administrative Fee”), plus any costs specifically incurred by Watermark at the request of the Resident which have been set forth in an exhibit to this Agreement.

(b) Refund Rights After Rescission Period and Prior to Date of Occupancy

After the expiration of the Rescission Period and prior to the Date of Occupancy, if the Resident dies or, due to illness, injury or incapacity, is precluded from residency under the terms of this Agreement, this Agreement shall be canceled and Watermark shall refund to the Resident or his or her legal representative the Entrance Fee deposit, less the Administrative Fee, described above in subsection (a) without interest. If the Resident is a couple, this Residency Agreement shall be canceled only for the deceased, ill, injured or incapacitated Resident and the remaining Resident may cancel this Agreement at his or her option without penalty or elect to continue this Agreement.

(c) Cancellation of This Agreement By Resident After Date of Occupancy

The Resident shall have the right to cancel this Agreement after establishing residency upon fulfilling the following terms and conditions:

- (1) The Resident must give ninety (90) days written notice of cancellation to Watermark’s Executive Director; and
- (2) The Resident must pay the Monthly Service Fee in full until the end of the ninety (90) day notice period. If a new Resident establishes residency in the terminating

Resident's Apartment during the ninety (90) day period, the terminating Resident will be reimbursed for the proportionate overlap period.

(d) Cancellation of This Agreement By Watermark After Date of Occupancy

Watermark may terminate this Agreement and thereby the residency of a Resident upon thirty (30) days written notice under the following conditions:

- (1) The Resident has failed to pay the Monthly Service Fee and is in default two months or more and does not qualify for, has not applied for in good faith, or is not granted special financial assistance;
- (2) Information was falsified or material facts affecting Watermark's decision to accept Resident were not reflected in the Application for Residency;
- (3) Upon a showing of good cause that the Resident is not complying with the policies of Watermark and/or is creating a disturbance which is detrimental to the health, safety, or peaceful lodging of other Residents;
- (4) The Resident is or becomes infected with a dangerous or contagious disease; or
- (5) The Resident becomes mentally or emotionally disordered to the degree that the health, safety, or peaceful lodging of other Residents is adversely affected and permanent transfer of the Resident to an appropriate off-site facility is determined to be necessary by Watermark in consultation with the Resident's family or guardian and physician.

(e) Refund Rights After Date of Occupancy

- (1) In the event of cancellation of this Agreement after the Date of Occupancy, Watermark shall refund the amount of the Entrance Fee as outlined in Section VIII ("Entrance Fee Refund"). The Entrance Fee Refund will be paid to the Resident within 30 (thirty) days of the following:
  - (i) Resident is no longer residing in an Apartment, The Inn Suite or The Springs; and
  - (ii) The earlier of either:
    - (A) The next apartment of similar style, (e.g., one bedroom deluxe), has been occupied and the full balance of a new entrance fee received. If there is more than one resident who meets the first

criteria, the resident with the earliest date of cancellation will be paid first. The resident with the next earliest date of cancellation will be paid within 30 days of the subsequent apartment of a similar style having been occupied and a full balance of a new entrance fee received; or

(B) The expiration of three (3) years from the date of cancellation of this Agreement.

- (2) The amount of the refund shall be reduced by (i) any amounts due Watermark for unpaid monthly fees, other fees and interest thereon and (2) at Watermark's option, nursing expenses incurred for care in The Springs, calculated on the basis of the semi-private daily rate for a non-resident patient current at the date of cancellation and (3) any additional unpaid expenses incurred by the Resident.
- (3) At the time of receiving the refund, the terminating Resident must sign a receipt supplied by Watermark terminating this Agreement and releasing Watermark from all further obligations.

(f) Death of A Resident After Date of Occupancy

If a Resident dies after establishing residency, Watermark shall refund the Entrance Fee as outlined in Section VIII(e). Any refund shall be paid to the Resident's estate.

**IX. GENERAL MATTERS**

(a) Guardianship

If a Resident should become mentally or emotionally incapacitated and is unable to handle personal or financial affairs, Watermark may petition a court of competent jurisdiction to appoint an independent conservator or guardian, if such arrangements have not previously been made by the Resident or Resident's family.

(b) Watermark Staff

All staff members are selected and trained to provide to the Resident the services and assistance set forth in this Residency Agreement. No employee of Watermark may act as an agent for or accept Power of Attorney for the personal affairs of any Resident. No employee of Watermark may be named as Executor of a Resident's estate unless such arrangements were made prior to employment of the employee by Watermark.

(c) Guest Policy

Guests are welcome in the Resident's Apartment. There will be no charge for lodging for a limited number of nights. If lodging needs should exceed the limit set by Watermark, the second-person Monthly Service Fee applicable to the Apartment will be billed to the Resident. A limited number of guest rooms may also be available as occupancy of Watermark permits. Details on the availability and charge for these rooms will be provided by Watermark.

(d) Resident Group Participation

Residents have the right to self governance and to organize and operate a resident organization at Watermark and to meet privately to conduct business. Any Resident group organized pursuant to this Section shall have the following rights:

- (1) The right to engage in group activities, including for the purpose of keeping informed of the daily happenings of Watermark.
- (2) The right to use Watermark's facilities to conduct meetings.
- (3) The right to obtain current copies of the Disclosure Statement and Annual Financial Report.

(e) Private Employees

All outside caregivers, companions, aides, housekeepers, maintenance workers, subcontractors and other personnel ("Private Employees") hired directly by the Resident, or contracted by the Resident through any agency, including a licensed home health agency, to render services to the Resident shall be subject to Watermark's policies for employment of Private Employees.

- (1) Resident acknowledges that Watermark is not, and will not be, responsible for (i) the quality or quantity of any services rendered by Private Employees to the Resident; (ii) claims made for breach of any obligation by the Resident 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 indemnification, 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.

(2) The Resident acknowledges that this indemnification 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 Section IX(h).

(f) Access to Resident Health Information

For purposes of determining the Resident's qualification for admission and the Resident's eligibility to remain in residence at Watermark, The Resident hereby consents that pertinent health and wellness records will be furnished if and when requested by Watermark. The Resident further consents that their attending physician or other health care provider shall furnish any additional information concerning the Resident's health or physical condition requested by Watermark. Watermark will keep all such records confidential unless disclosure of such records is required law. When requesting access to Resident 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 the Resident, which the Resident agrees to sign, prior to accessing health information.

(g) Tax Implications

Tax code changes enacted by Congress in June 1984 (Public Law 98-369) may affect a Resident's taxable income. The Internal Revenue Service may interpret section 172 of this law, pertaining to below-market interest rate loans, as imposing an income tax liability on the refundable portion of the Entrance Fee. The IRS might treat the refundable portion of this fee as a loan from the Resident to Watermark and attribute to the Resident receipt of interest income on the outstanding balance of such fee, even though the Resident will not receive interest payments. The Resident should consult with his or her accountant or attorney to determine how section 172 might be applied to the Resident.

(h) Indemnification

Watermark shall not be responsible for the loss of any personal property of the Resident due to any cause. The Resident agrees to indemnify and hold harmless Watermark from and against any injury to persons or to the property of Watermark or of others resulting from the negligence of the Resident. Each Resident should have personal liability insurance which specifically covers this indemnification obligation. Each Resident should also maintain personal property insurance to cover the Resident's personal property.

(i) Subordination

Watermark may have mortgages and other obligations relating to its property. The Resident's 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.

Notwithstanding the foregoing, the Entrance Fee Escrow Account shall not be subordinated to any other loans or obligations of Watermark or 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.

(j) Rights Granted

The rights and privileges granted to the Resident by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and improvements owned or administered by Watermark. The Resident's rights are primarily for services, with a contractual right of residency. Any rights, privileges, or benefits under this Agreement or any interest or contractual rights of any nature in Watermark, including the right to any refund of the Entrance Fee or other payments hereunder, are and shall be subordinate in priority, right, claim, and interest to the lien, charge, or security interest of any mortgage, deed of trust or security agreement now or hereafter placed on or affecting any of Watermark or any interest in the real property or personal property of Watermark, and to any amendment, modification, replacement, or refunding of any mortgage, deed of trust or security agreement. The Resident agrees that upon request, the Resident will execute and deliver any document which is required by Watermark or by the holder of any such mortgage, deed of trust, or security agreement to effect such subordination or to evidence the same.

The Community will comply with all municipal, state and federal laws and regulations regarding consumer protection and protection from financial exploitation and will afford the Resident all rights and privileges under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws.

Additional rights are outlined in Exhibit C of this Agreement.

(k) Grievance Procedure; Community Rules and Regulations

Watermark has adopted certain rules and regulations designed to promote the health, safety and welfare of residents of the Community. The current rules and regulations are contained in the Resident Handbook, incorporated into this Agreement as Exhibit D.

Watermark may amend its rules and regulations from time to time as it deems appropriate. The Resident agrees to comply with Watermark’s rules and regulations and any amendments thereto.

Watermark encourages residents and their family members and responsible parties to communicate any concerns or grievances they may have. Exhibit D of this Agreement sets forth the Community’s resident grievance policy.

(l) Entire Agreement

This Agreement, together with the attached Exhibits, contains the entire agreement between the parties hereto with respect to the services to and the obligations of the Resident and no amendment or addendum is to be recognized unless in writing executed by both parties hereto.

The invalidity or amendment of any restriction, condition, or other provision of this Agreement, or of any part of the same, shall not impair or affect in any way the validity, enforceability, or effect of the rest of this Agreement.

[signatures appear on following page]

**The Watermark at East Hill  
Residency Agreement – Fee for Service**

By signing this Agreement, the Resident agrees to all the terms that are contained in it.

**CT WATERMARK EAST HILL, LLC.**

By:

\_\_\_\_\_  
Its Authorized Agent (Executive Director)

\_\_\_\_\_  
Date

**RESIDENT**

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

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

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

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

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



THE WATERMARK  
AT EAST HILL

## *Exhibit A - Schedule of Fees* *Independent Living*

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

Date of Occupancy: \_\_\_\_/\_\_\_\_/\_\_\_\_ Physical Move In Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Health Care Option Selected:  Life Care  Fee for Service

One-time Fees	Amount
<input type="checkbox"/> 80% Refundable Entrance Fee Reservation Deposit: \$ _____ Down Payment: \$ _____ due when Agreement is signed Balance: \$ _____ due on Date of Occupancy	\$
<input type="checkbox"/> Traditional Declining Entrance Fee Reservation Deposit: \$ _____ Down Payment: \$ _____ due when Agreement Balance: \$ _____ due on Date of Occupancy	\$
<input type="checkbox"/> Second Person Entrance Fee (0% Refundable) due on Date of Occupancy	\$
Non-refundable Pet Fee	\$
Monthly Fees	Amount
Monthly Service Fee	\$
Monthly Second Person Fee	\$
Garage Parking	\$
Other:	\$
Other:	\$

**Change in Fees.** 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 (12<sup>th</sup>) day of the month in which the Monthly Service Fee is due and five dollars (\$5.00) for each day thereafter until the Monthly Service Fee and all late charges are fully paid. If your check is not honored, Watermark shall collect a twenty-five dollar (\$25.00) fee.

**ACH.** Watermark utilizes an ACH (Automated Clearing House) service for the payment of Monthly Service Fees. This service generates a monthly authorized electronic payment from Resident's bank account after Resident has provided the bank with written authorization. The payment will be withdrawn from Resident's bank account between the 6<sup>th</sup> and 9<sup>th</sup> day of the month. Should a Resident choose not to use the ACH service, a monthly service charge of twenty-five dollars (\$25.00) will be added to Resident's statement.

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

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



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

### Dining Services

Item or Service	Charge	Notes
Additional meals	\$8.00 per meal	
Guest meals	\$17.00 per meal	
Meal delivery/pick up service	\$5.00 meal	
Boxed Meal Paper Goods	\$3.00 per box	
A La Carte Items		
Entree	\$12.50	
Salad	\$2.50	
Soup-cup/bowl	\$2.50/\$3.00	
Dessert	\$3.00	
Coffee or tea	\$1.50	
Juice – small/large	\$1.50/\$ 1.75	
Sandwich	\$8.00	
Fruit Cup	\$2.50	
W Lounge	Priced per market	See menu for pricing
Mark of Elegance – Specialty Items	Priced per market	See menu for pricing
Parties or Special Events	Priced per market	See menu for pricing

### Ancillary Charges – Independent Living

Item or Service	Charge	Billed
<i>Additional services such as medication management and assurance checks are available through Watermark at Home, a licensed Assisted Living Services Agency (ALSA)</i>		
Item or Service	Charge	Billed
<b>INDEPENDENT LIVING: Miscellaneous Fees</b>		
Nurse Visit	\$70.00 per visit	15 minute increments
Dressing Supplies	\$6.50 per supply	In addition to Nurse Visit
One-time charge to start ongoing care or services	\$100.00	One-time
Certified Nurses Assistant	\$25.00 per hour	15 minute increments
Medication Management by Nurse	\$400.00	Per month
Medication Reminder – phone call or visit from Certified Nursing Assistant	\$525.00 per month	Once a Day
Medication Reminder – phone call or visit from Certified Nursing Assistant	\$670.00 per month	Twice a Day
Vitamin B-12 injections	\$15.00	Per injection
Registered Dietician Assessment and Consultation	\$60.00	Per hour
Wheel chair or scooter rental	\$5.00	Per day
Pet Fee - non-refundable	\$750.00	Two pet limit



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

### Ancillary Charges – Independent Living, cont.

Item or Service	Charge	Billed
<b>INDEPENDENT LIVING: ALSA PACKAGES</b>		
All packages include R.N. management of care plan, which will be reviewed at regular intervals		
<b>ALSA 1 Basic:</b> Aide will visit twice weekly Assist with bathing, dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)	\$360.00	Per month
<b>ALSA 1 with Medications:</b> Aide will visit twice weekly Assist with bathing twice weekly Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed) Medication visit once weekly, resident will take own meds. R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders.	\$600.00	Per month
<b>ALSA 2 Basic:</b> Aide will visit daily Assist with bathing twice a week Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)	\$850.00	Per month
<b>ALSA 2 with Medications:</b> Aide will visit daily Assist with bathing twice a week. Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed) Medication visit once weekly, ALSA will assist with administration once a day. R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders	\$1,085.00	Per month



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

<p><b>ALSA 2 with Evening Med Visit:</b>  Aide will visit daily  Assist with bathing twice a week  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Medication pre poured once weekly  Morning and evening visits will assist with medication administration  R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders</p>	<p>\$1,340.00</p>	<p>Per month</p>
<p><b>ALSA 3 Basic:</b>  Aide will visit daily  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Assist with bathing twice a week  ALSA will visit every evening to assist with evening care, i.e.. getting ready for bed, washing, etc.</p>	<p>\$1,370.00</p>	<p>Per month</p>
<p><b>ALSA 3 with Medication:</b>  Aide will visit every morning  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Assist with bathing twice a week  ALSA will visit every evening to assist with evening care, i.e. getting ready for bed, washing, etc.  Medications will be pre poured weekly and administered twice daily R.N.  Will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders</p>	<p>\$1,610.00</p>	<p>Per month</p>
<p><b>INDEPENDENT LIVING MEDICATION PLANS.</b> All Medication Plans include the following:</p> <ul style="list-style-type: none"> <li>• Assessments: Initial assessment upon admission; quarterly assessments thereafter</li> <li>• Plan of Care development with revision as indicated</li> <li>• Bi-weekly pre pour of medication</li> <li>• Prescription renewals and/or refills</li> <li>• Consultations with physicians, pharmacists, and families</li> </ul>		
<p><b>Medication Plan A</b>  Medication set-up (pre pour)</p>	<p>\$450.00</p>	<p>Bi-weekly</p>



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AT EAST HILL

## Exhibit B – Schedule of Additional Fees

<b>Medication Plan B</b> Medication set-up (pre pour) Medication administration or reminder	\$560.00	Bi-weekly Once daily
<b>Medication Plan C</b> Independent Living & Assisted Living Medication set-up (pre pour) Medication administration or reminder	\$710.00	Bi-weekly Twice daily
<i>Note: Medication Plan charges do not apply to residents with ALSA 1 with Medications, ALSA 2 with Medications, or ALSA 3 with Medications described above.</i>		

### Private Duty (Independent Living and Assisted Living)

Item or Service	Charge	Notes
<i>Note: For residents with any of the ALSA packages described above, the following private duty charges apply only to the extent the resident requests services beyond those covered by the package.</i>		
CNA to provide assistance with bathing, dressing, grooming, other ADL's, meal management, laundry, light tidying	\$25.00 per hour	Two hour minimum
Companion/Escort to provide assistance with short shopping trips and doctor's visit	\$30.00 per trip plus mileage	One hour maximum

### Ancillary Services – Assisted Living at The Inn at Cherrywood

Item or Service	Charge	Notes
<b>Non-refundable Entrance Fee</b> If not moving from Independent Living	Monthly Service Fee for selected suite	Upon move in, per person
<b>Meal and Miscellaneous Charge</b> Covers two additional meals per day, two snacks per day, referral services, wellness education, dietician, daily housekeeping, social services, laundry and maintenance	\$35.00	Per day, applicable only to Life Care Contract
<b>Additional assisted living services beyond seven (7) hours per week.</b> Available through a tiered system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark staff		
Tier One	\$800.00 per person	Per month
Tier Two	\$1,600.00 per person	Per month
Tier Three	\$2,400.00 per person	Per month
Tier Four	\$3,200.00 per person	Per month



THE WATERMARK  
AT EAST HILL

## *Exhibit B – Schedule of Additional Fees*

Custom Tier	Custom- Price per point	Per month
<b>Respite Stay at The Inn at Cherrywood for Life Care Residents</b>	\$150.00 per person	Per day basis
<b>Respite Stay at The Inn at Cherrywood for Non-Life Care Residents</b>	\$175.00 per person	Per day basis
<b>Market Rate for The Inn at Cherrywood</b>	\$3,095-\$6,295 per month	Not Applicable to Life Care Contract
<b>Private Apartment- Non Suite</b>	\$1,050.00 plus Monthly Service Fee	Life Care Residents

### Ancillary Services –Memory Care at The Villa

Item or Service	Charge	Notes
<b>Non-refundable Community Fee</b> If not moving from Independent Living	\$5,000.00	Upon move in, per person
<b>Additional Villa Services.</b> Available through a tiered system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark staff		
Tier One	\$1,500.00 per person	Per month
Tier Two	\$3,000.00 per person	Per month
Tier Three	\$4,500.00 per person	Per month
Custom Tier	Custom- Price per point	Per month
<b>Respite Stay at The Villa</b>	\$200.00	Per day
<b>Market Rate for The Villa (varies per room)</b>	\$6,235.00	Per Month

### Ancillary Services – Skilled Nursing

Item or Service	Charge	Notes
<b>Meal and Miscellaneous Charge</b> Covers two additional meals per day, two snacks per day, referral services, wellness education, dietician, daily housekeeping, social services, laundry and maintenance	\$35.00	Per day, applicable only to Life Care Contract
<b>Private Room</b>	\$50.00	Per day, applicable only to Life Care Contract
<b>Health Care Supplies – Bundled Packages (non-Medicare Residents)</b>		
Admission Kit	\$20.00	Per admission



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

Daily Hygiene	\$15.00	Per month
Gloves	\$20.00	Per month
Incontinent Supplies: Briefs/liners, Frequent Use (6-10 briefs daily)	\$217.00	Per month
Incontinent Supplies: Briefs/liners, Occasional Use (1-5 briefs daily)	\$115.00	Per month
Incontinent Supplies: Pull-Ups, Frequent Use (6-10 pull-ups daily)	\$235.00	Per month
Incontinent Supplies: Pull Ups, Occasional Use (1-5 pull-ups daily)	\$145.00	Per month
Incontinent Care Products	\$45.00	Per month
Fingerstick Glucose Testing	\$180.00	Per month
Pulse Oximetry	\$8.00	Per day
IV Start Supplies	\$33.00	Per IV start
IV Maintenance Supplies (not including fluids and medications)	\$28.00	Per day
Dietary Supplement Program: Fortified Shake/Ice Cream	\$45.00	Per month
Dietary Supplement: Standard	\$1.50	Per can
Dietary Supplement: Enhanced	\$1.75	Per can
Isolation Supplies	\$15.00	Per day
Urological Supplies	\$38.00	Per month
Wound Care – General	\$6.50	Per treatment
Wound Care – Specialty (per designated supplies)	Varies	Per treatment
Escort to Appointment	\$30.00 + mileage	One hour maximum
<b>Safety Items</b>		
Bed Mats	\$25.00	Per month
Bed Alarm	\$25.00	Per month
Chair Alarm	\$25.00	Per month
Wander Alert System	\$35.00	Per month
Pressure Relieving Cushion	Varies	Per type
Alarming Seatbelt	\$25.00	Per month
<b>Ambulation/Positioning</b>		
Wheelchair	\$30.00	Per month
Foot Cradle/Heels Up Cushion	\$10.00	Per month
Geri Chair	\$30.00	Per month
Mechanical Sling-Lift	\$30.00	Per month
<b>Specialty Beds/Mattresses</b>		
Air Mattress	Per mattress type	Per order
Air/gel Overlay Mattress Pad	Per type of overlay	Per order
<b>Miscellaneous</b>		
Foot pillows (pair)	\$25.00 pair	Per order



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

Geri gloves/ Geri legs	\$18.00 pair	Per order
Thermometer rectal plus probe covers	\$15.00 each	Per order
Over-the-counter Medications/Items	Varies	Per order/Per use
Ready Bath Body/ Shampoo (Bath in a Bag)	\$5.00	Per order
Glucose Testing Strips	Market	Per box
Miscellaneous Items per special order	Varies	Per order
<b>Market Rate for The Springs</b> (semi-private room)	\$425 per day	Not applicable to Life Care Contract only to Fee for Service Contract
<b>Market Rate for The Springs</b> (private room)	\$475 per day	Not applicable to Life Care Contract only to Fee for Service Contract

### Parking and Transportation (Independent Living, Assisted Living and Memory Care)

Item or Service	Charge	Notes
To medical facilities within a local radius of the community on scheduled medical appointment days	No charge	
To medical facilities within a local radius of the community that are NOT on scheduled medical appointment days	\$0.60 plus \$30.00 Associate Time	Per mile Per hour
To medical facilities in Waterbury or Danbury	\$0.60 plus \$25.00 Associate Time	Per mile Per hour
Daily transportation to/from meals	\$150.00	Per month
Garage Parking	\$55.00	Per month
Mileage for trips to Danbury or Waterbury	\$0.60	Per mile
Mileage for local transportation	\$0.60	Per mile

### Plant Operations/Maintenance

Item or Service	Charge	Notes
Additional basic maintenance services	\$27.00 per hour	Per associate
Moving furniture	\$27.00 per hour	Per associate
Replacement keys	\$8.00	Per key



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## Exhibit B – Schedule of Additional Fees

Life Line		
<ul style="list-style-type: none"> <li>• Supply and Install</li> <li>• Transfer Life Line to another location</li> <li>• Replacement- Pendant or Bracelet</li> </ul>	\$400.00 \$100.00 \$75.00	Per occurrence

### Housekeeping and Laundry

Item or Service	Charge	Notes
Additional basic housekeeping services	\$27.00 per hour	30 minute minimum
Additional trash/newspaper pickup	\$5.50 per pickup	
Additional specific housekeeping services, including: mattress turning, bed making, dish washing, carpet cleaning/extraction	\$27.00 per hour	30 minute minimum
Personal laundry: wash, dry and folding		
Half Load (1-15 items)	\$7.50 per load	
One Load (15-20 items)	\$10.50 per load	
Bedspreads	\$10.00 each	
Blankets	\$6.50 each	
Electric Blankets	\$8.50 each	
Personal laundry: wash, dry and ironing		
Pants, Shirts, Skirts	\$6.00 each	
Dresses	\$6.00 each	
Sheet sets	\$6.00 per set	

### Miscellaneous

Item or Service	Charge	Notes
Fuel Surcharge	\$1.00	Per day
Late Payment of Monthly Service Fee: Must be paid by fifteenth (15 <sup>th</sup> ) day of the month	\$25.00 \$5.00	First day late Each subsequent day
Long Term Care Insurance Assistance	\$25.00	Per hour 15 minute minimum
ACH Payment Decline	\$25.00	Per occurrence
Guest Suite:		
Single or Double Occupancy Rollaway	\$100.00 per night	
Cot or Crib	\$10.00 per night	
Faxes, sending and receiving:		
Domestic	\$0.50 per page	\$5.00 maximum for domestic faxes
International	\$2.50 per page	
Copies	\$0.10 per page	



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## *Exhibit B – Schedule of Additional Fees*

Typing	\$2.50 per page	
Beauty/Barber services	Prices vary – see posting	
Telephone	Based on usage	
Admission to off-site events/outings	Prices vary – see calendar	
Internal move fee to a different apartment with the same program	\$6,000.00	In addition to outside mover costs, etc
Parking Fines for private duty caregivers parking in designated visitor, resident and/or handicapped spaces	\$10.00	Per day
Clean up canine feces	\$10.00	Per incident

Watermark shall have the right to add, delete and modify the services and corresponding charges above 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.

Resident Name: \_\_\_\_\_ Apartment: \_\_\_\_\_

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



THE WATERMARK  
AT EAST HILL

## *Continuing Care Contract*

### *Exhibit C – Resident’s Bill of Rights*

Watermark supports your rights to:

- Live in a clean, safe and habitable private apartment;
- Be treated with consideration, respect and due recognition of your personal dignity, individuality, and the need for privacy;
- Privacy within your private apartment, subject to the Community’s rules reasonably designed to promote your health, safety and welfare;
- Keep and use your personal property within your apartment 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 apartment, 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 staff, 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;
- Have 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 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. If you rent your apartment, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

We hope 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:

Department of Public Health  
Facility Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308  
MS#1 2HSR  
Hartford, CT 06134-0308  
860-509-7400  
General: Loan Nguyen, R.N. (Supervising Nurse Consultant)  
Complaints: Janet Williams, R.N. (Public Health Services Manager)

Nancy Shaffer, State Long Term Care Ombudsman  
Office of the Long Term Care Ombudsman  
25 Sigourney Street Hartford,  
CT 06106  
866-388-1888 or 860-424-5200

Dan Lerman, Regional Ombudsman  
Region V/North West Regional Office  
249 Thomaston Avenue  
Waterbury, CT 06702  
Work: 203-597-4181  
Fax: 203-597-4048

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.

**COMMUNITY RULES AND REGULATIONS**

See Resident Handbook.

**GRIEVANCE POLICY**

**Policy**

It is the policy of Watermark that all concerns/grievances be addressed promptly, documented, investigated, replied to, reported on and reviewed in an effort to improve satisfaction. Concerns and grievances are defined as either **verbal or written** perceptions of discontent or injustice pertaining to the care provided in or condition of Independent Living, Assisted Living, Memory Care or Skilled Nursing programs which are expressed by residents, family members or associates and are not immediately resolvable on the spot by the individual hearing a concern expressed verbally. *This policy excludes those verbal comments or concerns that are immediately resolvable, but associates should bring these to the attention of department directors promptly.*

If the concern or grievance is expressed in writing (email or letter) or by phone, this policy applies. The concern or grievance requires either written response or documentation of personal discussion with the individual raising it. We are in a service business and will do all possible to ensure a satisfied individual.

**Procedure**

- I. Action and Time Frames
  - A. Immediate steps are to be taken to assure that the respective resident, family member and/or associate is free from harm.
  - B. The applicable department head or designee is to conduct an investigation.
  - C. It may be appropriate to reply to the individual raising the issue to indicate an investigation is occurring.
  - D. The time frame for an offer of an acceptable resolution to the individual will be seven (7) days.
  - E. There may be times where additional discussions are required to reach a resolution, but that time frame goal would be within thirty (30) days.

## II. Documentation

- A. The associate receiving the complaint/grievance is to complete a Concern/Grievance Report and submit it to their immediate supervisor by the end of the shift. If the immediate supervisor is not the department head, they will forward the Concern/Grievance Report to the appropriate department head or designee.
- B. The department head is to document the concern/grievance on the Concern/Grievance Log. They are also to document the results of all applicable investigations on the Concern/Grievance Report and forward this report to the Executive Director.
- C. There should be either a written reply or documentation of the verbal reply to the individual raising the issue.
- D. The Executive Director is to review and sign the Concern/Grievance Report and return it to the applicable department head or designee. There will be times where it is more appropriate for the Executive Director to respond or meet personally with the individuals raising a concern.
- E. A copy of each resident-related Concern/Grievance Report is to be maintained by the Executive Director, in a central, secured area. All original Concern/Grievance Reports are to be maintained in a single location by the department head along with documentation of response.

## III. Review

- A. A review of concerns/grievances is to be conducted quarterly or per state regulations, whichever is more frequent.
- B. Any trends or patterns found in this review are to have action plans in place to prevent recurrence. Action plans which require additional training are to be documented in the associate file on the Associate Training Record. The Executive Director should be informed of action plans and ensure completion.



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*Disclosure Statement*  
*Exhibit B*  
*Life Care Contract*



# *Continuing Care Contract Life Care Residency Agreement*

This is a Continuing Care Contract (“Agreement”) between CT Watermark East Hill, LLC, a Delaware limited liability company (“Watermark”) and \_\_\_\_\_ (the “Resident”). It will be referred to herein as “this Agreement.” The effective date of this Contract is \_\_\_\_\_, \_\_\_\_\_.

## **BACKGROUND**

A. Watermark owns and operates a continuing care retirement community located at 611 East Hill Road, Southbury, Connecticut 06488 (the “Community”). Watermark provides continuing care (as described in this Agreement) to Residents at costs commensurate with the services and facilities contemplated by this Agreement. It is the goal of Watermark to allow Residents to continue an independent lifestyle and to provide the peace of mind associated with knowing that certain additional attention and care is available if ever needed.

B. The person or persons who sign this Agreement on the signature page are referred to throughout this document as “Resident”, “you” or “your”, and this Agreement shall apply to both of them and to the survivor. Each Resident, having decided to move to Watermark to enjoy the facilities and services contemplated by this Agreement, agrees to comply with the policies and procedures of Watermark and, further, understands that such residency shall be subject to the terms and conditions set forth in this Agreement. The facilities of Watermark include independent living apartments, assisted living suites in The Inn at Cherrywood (“The Inn”), nursing beds in the Health Care Center (“The Springs”), and related common areas.

C. Subject to the Resident's performance of his or her duties and obligations under this Agreement, Watermark agrees to provide the services described in this Agreement to the Resident for life. Watermark also agrees to make the independent living apartment identified on Exhibit A (“the Apartment”) available to the Resident for the Resident's use for life or until permanent transfer to an assisted living suite in The Inn or The Springs , or until termination of this Agreement in accordance with Section VIII hereof.

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 a Resident or of a 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:

**I. THE APARTMENT**

**Substitution of Apartment.** Watermark reserves the right to substitute the Apartment with another comparable apartment at Watermark, 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 apartment means an apartment that has the same number of bedrooms and bathrooms and that is approximately the same size as your Apartment. Effective the date the occupancy transfers to the substituted apartment, the substituted apartment will be your Apartment as defined in this Agreement and shall be subject to all the same terms and conditions.

**Date of Occupancy.** The Resident may move into the Apartment on the date indicated on Exhibit A. In this Agreement, this date will be referred to as the “Date of Occupancy,” which is the date the Apartment will be ready for occupancy, even if the Resident is not ready to move into the Apartment. The Resident may continue to occupy the Apartment for the remainder of their lifetime, unless this Agreement is cancelled before the death of the Resident, or the Resident is relocated to another comparable apartment pursuant to this Section or removed from the Apartment pursuant to Section II(c)(1) hereof so as not to jeopardize the Resident’s health safety or welfare, or the health, safety or welfare of others. If this Agreement is signed by two persons, occupancy of the Apartment may continue until the last surviving person dies, unless this Agreement is cancelled before then.

**II. DESCRIPTION OF SERVICES**

(a) Items and Services Included in the Monthly Service Fee

Watermark will provide to the Resident, as long as the Resident resides in the Community, the services described below:

- A choice of lunch or dinner in one of the three dining venues each day. Residents who eat additional meals beyond the meal allowance, will pay for those meals and will be billed for them monthly. Each Resident will pay for guest meals if they exceed their monthly meal allowance and will be billed for them monthly. The Monthly Service Fee will not be reduced for meals not taken unless the Resident is absent for more than twenty-one (21) consecutive days, with prior notification. If such notification is given, the Resident will be credited with the approximate raw food costs of meals not eaten.

- Coffee and homemade muffins and/or coffee cake are available each morning in the Gallery Café.
- Bi-weekly Apartment housekeeping service; more frequent service available at extra charge. This cleaning will include vacuuming, dusting, cleaning of bathroom fixtures, bathroom and kitchen floors, kitchen counters, appliance faces and kitchen sink. The cleaning service will handle heavier cleaning such as window washing and oven cleaning on a periodic scheduled basis. Additional housecleaning services are available at an extra charge.
- Weekly flat linen service. Residents shall provide their own flat linens, which Watermark will wash and fold. Linens will be provided to Residents who transfer to The Springs.
- Washers and dryers are available for the Resident's use in each building without charge.
- Utilities, including heating, air conditioning, water, sewer, electricity and basic cable television services, and wiring for telephone. The Resident must contract with the telephone company and pay for all telephone services and with the cable company and pay for any service secured beyond that supplied by Watermark.
- Insurance. Watermark is insured against all reasonable and customary losses and liabilities. This does not include personal liability insurance on coverage of articles owned by the Residents and each Resident is required to purchase such insurance for his or her personal property. See Section IX(h) for additional information.
- Scheduled transportation to local shopping, medical appointments, recreational areas, community facilities and places of worship.
- Maintenance of the Apartments and Assisted Living Suites, including all Watermark-provided appliances, carpets and fixtures. Each Resident is responsible for the cost of repairing damage to any property or equipment caused by the Resident's misuse or neglect.
- Kitchens in each Apartment.
- Real estate, property and other taxes due on the facility and its property will be paid by Watermark.

- Emergency call system in each Apartment, Assisted Living Suite and Villa Suites response on a 24-hour per day basis.
- Tray service to Independent Living Apartments will be provided for short periods when it has been approved for medical reasons. In case of longer periods or non-medical reasons there is an additional charge.
- Activities as scheduled and planned for those Residents interested in participating. Watermark employs a Program Director to help Residents plan and carry out activities and special events.
- Access to and use of the common areas and facilities provided for the use and enjoyment of all Residents. Common areas include central dining area, a private dining room for parties and special events, lounge areas, library and communications center, game room, billiards room, creative arts studio, theater and auditorium, fitness center, indoor pool, walking paths and administrative areas. Rules and regulations with respect to the use of common areas will be established by Watermark from time to time and provided to each Resident.
- Building and grounds maintenance.
- Additional storage facilities for each Resident's personal belongings.
- Smoke detection and sprinklers in all areas of the buildings.
- Uncovered parking. The Resident may rent a garage space, if available, for an additional fee. In order to park or operate a motor vehicle on the premises the Resident must maintain automobile liability insurance with your own insurance agent to cover liability and medical expenses arising from injuries to yourself or others. Resident use of any motor vehicle, electric cart or power operated vehicle is subject to the rules and polices 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 if the Resident does not abide by the applicable rules, regulations, policies, and procedures.

(b) Items and Services Available for an Additional Charge

Watermark will provide or make available certain additional items and services to Residents for an additional charge (“Additional Fee”) pursuant to the terms of this

Agreement. The Additional Fees as of the Effective Date are outlined in Exhibit B of this Agreement (“Schedule of Additional Fees”). Watermark may change the nature and scope of additional services offered and/or increase the Additional Fees from time to time by giving the Resident thirty (30) days prior written notice of a change.

(c) Health Care Services – Life Care Program

In addition to the services described in Section II(a) and (b) of this Agreement, certain health care services shall be provided on the following basis, if the Resident has selected the Life Care Agreement (“Life Care”):

- (1) The Life Care benefit for a Resident pursuant to this Agreement includes the ability, upon written order of Watermark’s Medical Director or the Resident’s Primary Physician, to transfer to an Assisted Living Suite in The Inn or to receive nursing care in a semi-private room in The Springs for an unlimited period of time. In the event a nursing bed is not available in The Springs, the Resident will be admitted temporarily to a comparable facility at Watermark’s discretion and will be put on a priority list at The Springs. Upon transfer to The Inn or The Springs, the Resident agrees to sign a separate Assisted Living or The Springs Health Center Addendum to this Agreement, as appropriate. The Resident shall continue to be responsible for payment of the Monthly Service Fee and shall also be responsible for (a) a “Meal and Miscellaneous Ancillary Charge,” which covers two additional meals and two snacks per day, referral services and wellness education; plus (b) all “Non-covered Costs” as defined in Section II(c)(2) below. The Resident will continue to receive the services outlined in Section II(a) above, except as otherwise provided therein.
- (2) The Resident shall be responsible for 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, and drugs and medication;
  - (ii) All medical, therapeutic, and non-medical extras, including an individual telephone or occupancy, at the Resident’s request, in a private room;
  - (iii) The Inn only: Assisted living services beyond seven (7) hours per week. The Monthly Service Fee covers up to seven (7) hours per week of assisted

living services. Additional services beyond seven (7) hours per week require payment of an Additional Fee. If the Resident is transferred to The Inn , the Resident shall be responsible for payment for assisted living services beyond seven (7) hours per week as follows:

- (A) The Additional Fee amount for assisted living services beyond seven (7) hours per week is based on the level (or “Tier”) of additional services that the Resident requires. Additional Fees for each Tier as of the Effective Date of this Agreement are outlined in Exhibit B. Watermark may modify such fees at any time upon thirty (30) days prior written notice to the Resident.
  - (B) To determine whether and to what extent the Resident requires additional assisted living services, Watermark will conduct a baseline functional assessment of the Resident prior to or upon admission to The Inn , and periodically thereafter (e.g., when the Resident exhibits a change in condition). The Resident’s needs, and the appropriate Tier, if applicable, will be documented in an Individualized Service Plan that the Resident and his or her family or responsible party will sign.
  - (C) Watermark will update the Resident’s Individualized Service Plan and Tier designation as necessary to reflect changes in the Resident’s condition as determined by subsequent functional assessments of the Resident;
  - (D) 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 upon thirty (30) days prior written notice to the Resident.
- (iv) Any other ancillary items and services. Watermark may from time to time identify additional Non-covered Costs, whether of a medical/health nature or otherwise, for which the Resident will be financially responsible. Watermark will notify the Resident in writing at least thirty (30) days in advance of any such additional Non-covered Cost becoming effective.
- (3) If the Resident is admitted to The Inn or to The Springs, Watermark will receive (either directly or by payment by the Resident if the Resident receives the payment) any applicable payments made under Medicare or any other health insurance plan.

The Resident will be required to pay for any health services not covered by this Agreement, by Medicare, or by other insurance.

- (4) The Resident is required to arrange for a local personal physician who will attend the Resident in The Inn or in The Springs as necessary. The Resident will pay all charges for such care including the charges for an emergency physician, paramedic, ambulance, etc.
- (5) If the Resident requires the exclusive use of a wheelchair, walker, or gerichair, there will be a rental charge. Residents may obtain such equipment from outside sources. If such special equipment is required for long-term use, Residents are usually advised to purchase the equipment. Watermark will assist in the arrangements for the purchase of such equipment if the Resident desires.
- (6) If the Resident needs home care services, the Resident is responsible for the cost of such services. The Resident has the option to select a home health care agency of his or her choice. If requested, Watermark will assist the Resident in choosing an appropriate agency.
- (7) Watermark will offer an Alzheimer's special care program. Watermark will market the Community as providing specialized care and services for those persons suffering from Alzheimer's disease, dementia and similar disorders and will provide the appropriate disclosures as required by Connecticut law. The Resident will be responsible for the cost of such services and the Alzheimer's program will not be part of the life care benefit outlined in Section II(c)(1) of this Agreement.

### **III. SELECTION OF APARTMENT, REQUIRED FEES AND REFUND CALCULATION**

(a) Selection of Apartment and Refund Option

- (1) The Resident has selected the Apartment identified on Exhibit A hereof.
- (2) The Resident has selected either the 80% or Traditional plan as the refundable option as indicated on Exhibit A hereof.

(b) Required Fees

For the right to use the Apartment at Watermark and to receive the services described in this Agreement, the Resident agrees to pay to Watermark the following fees, which are due and payable as described below:

- (1) The Entrance Fee payable for the Apartment for the chosen Refund Option is set forth on Exhibit A hereof and due as follows:
    - (i) A deposit of 10% (ten percent) (the “Down Payment”) due upon the signing of this Agreement.
    - (ii) The remaining amount of the Entrance Fee (the “Balance”) must be paid in full with a certified check on the Date of Occupancy, even if the Resident does not move in to the Apartment at that time.
  - (2) Second Person Non-Refundable Entrance Fee. This fee is not refundable and is due on the Date of Occupancy.
  - (3) Monthly Service Fee
    - (i) The Monthly Service Fees for the Apartment for one person and for the second person, if any, are set forth on Exhibit A hereof. The Monthly Service Fee for the first month will be prorated to reflect the number of days of occupancy that month. The prorated amount is due prior to occupancy.
    - (ii) The Monthly Service Fee shall be paid by the Resident and is payable in advance on the first day of each month during the term of this Agreement. Watermark may increase the Monthly Service Fee by giving the Resident thirty (30) days prior written notice of a change, if Watermark, in its sole discretion, deems the increased fee to be necessary to meet the financial needs of Watermark. Watermark reserves the right to charge a late fee and/or an ACH fee as outlined in Exhibit A.
    - (iii) A first-person Monthly Service Fee must be paid for each Apartment. If two Apartments are combined, the applicable Monthly Service Fee for the combined apartments shall be a total of the first-person rate for each Apartment.
- (c) Entrance Fee Refund Calculation

Any applicable Entrance Fee Refund will be paid as outlined in Section VIII and will be calculated, less any charges as outlined in Section VIII, after the expiration of the Rescission Period and after the Date of Occupancy, whichever is later, as follows:

- (1) 80% Refundable Plan. The Resident is eligible for an Entrance Fee Refund of 80% (eighty percent) of the Entrance Fee.
- (2) Traditional Declining Plan. The Resident is eligible for an Entrance Fee Refund that declines to a zero balance over 46 (forty-six) months. It declines by 10% after the first full or partial month of occupancy and declines by an additional 2% (two percent) each month thereafter.

**IV. RESIDENT ACCEPTANCE POLICY**

(a) The Application and Review Procedure

The Resident must complete an Application for Residency and Residency Agreement prior to the Date of Occupancy which will be reviewed by the authorized officer or representative of Watermark in accordance with established acceptance policies. Special considerations or cases not meeting all of the admission criteria will be referred to the Executive Director of Watermark for consideration and action.

(b) Physical Requirements for Residency

To be accepted for residency, the Resident must meet the following conditions:

- (1) The Resident must be 65 years of age or more at the time of establishing residency, except where more than one Resident occupies an Apartment, in which case at least one Resident must be 65 years of age or more at the time of establishing residency.
- (2) The Resident must be free from communicable diseases and must be in sufficiently good health to live without assistance in the selected Apartment and be able to function independently.
- (3) The Resident must disclose any severe or chronic disorders. A physician's report is required for all Residents prior to the Date of Occupancy.

(c) Financial Requirements for Residency

To be accepted for residency the Resident must meet the following conditions:

- (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.
- (3) Have coverage under Medicare parts A and B (basic and supplemental coverage) if eligible, and one supplementary health insurance policy. Parts of this qualification may be waived or modified for certain groups of people such as retired Civil Service employees and those with comparable coverage with a Health Maintenance Organization or other private insurance.
- (4) If a Life Care Resident becomes unable to pay the Monthly Service Fee due to conditions beyond his or her control, the Resident may apply for special financial consideration and establish a subsidy need to the satisfaction of Watermark. A subsidy may be granted to the Resident provided it does not impair the ability of Watermark to operate on a sound financial basis. In the event such subsidy is granted by Watermark, any deficiency amount owing to Watermark plus interest shall be due and payable at such time as the Resident has sufficient funds therefore. Otherwise the amount of such financial assistance so provided plus interest shall be deducted from the amount of the refund due at the time this Agreement is terminated. Such subsidy shall be granted at the sole discretion of Watermark. Section VIII(d)(1) of this Agreement contains additional details related to the granting of such financial assistance.

(d) Joint Residency - Unrelated Persons

When two or more unrelated persons intend to live in one Independent Living Apartment, the following conditions will apply:

- (1) Evidence of prior long-term compatibility of the Residents must be shown to Watermark.
- (2) All persons living in an Apartment shall sign a Residency Agreement and qualify as a Resident.
- (3) Cancellation rights and surviving Resident rights are the same as outlined in Section VIII, Cancellation of this Agreement and Refunds.

(e) Non-participating Occupant

The Resident may apply for the right to have a non-participating occupant live in the Apartment without the protection of the life care program. A Non-participating Occupant may apply for and be accepted for life care residency provided all qualifications are met

and the applicable Entrance Fee is paid. Such right may be granted on the following conditions:

- (1) A Non-participating Occupant Application and Agreement is executed and approved by Watermark.
- (2) A Monthly Service Fee is paid for the second person.
- (3) The Non-participating Occupant agrees: (a) to abide by Watermark's Resident Policies and Procedures; (b) that Watermark will not provide assisted living or nursing care under the non-participating arrangement; and (c) to vacate the Apartment within thirty (30) days after termination of residency in the Apartment by the Resident.

**V. JOINT OCCUPANCY**

(a) Separation, Divorce Or Death Of Joint Residents

- (1) If, after becoming Residents, the joint Residents become separated or divorced, the following possibilities could occur:
  - (i) Each party desires separate Apartment and one remains in the contracted Apartment. In this event, no refund is given and a new Residency Agreement must be submitted for Watermark's approval, accompanied by the current Entrance Fee for the second Apartment. The first person Monthly Service Fee for each Apartment is charged to the respective Residents.
  - (ii) One party of the separated or divorced couple desires to terminate residency and move from Watermark. In this event, the remaining party retains full rights as a Resident. The second person Monthly Service Fee is discontinued, but there is no refund of the Entrance Fee to either party.
  - (iii) Both of the Residents desire to cancel this Agreement following the separation or divorce. In this event, the normal refund provisions of this Agreement shall apply.
- (2) In the case of the death of one of the joint Residents after establishing residency, the surviving Resident retains all rights as a Resident, with the privilege of residing in the same Apartment. The second person Monthly Service Fee is discontinued, but there is no refund of any part of the Entrance Fee. If the

surviving Resident desires to move out of Watermark, the refund provisions of this Agreement shall apply.

(b) Joint Occupancy.

- (1) If the Resident and non-resident marry and desire to reside in the Resident's Apartment, a second-person Monthly Service Fee will be charged. A new Residency Agreement documenting the change, together with an Application for Residency for the new Resident, must be submitted to Watermark for approval. If the non-Resident spouse does not qualify under the guidelines established by Watermark for life-care residency, the non-Resident spouse may apply and be considered for residency under the non-Participating Occupant guidelines. The Residents will be charged the applicable first and second-person Monthly Service Fees.
- (2) If two Residents residing in separate Apartments wish to marry, they may either release one Apartment and reside together in the other or release both Apartments and move into another larger Apartment.

If they elect to release one Apartment and reside together in the other Apartment, a new Residency Agreement must be executed naming both persons as Residents. The agreed upon refund for the vacated Apartment will be made at such time as a similar style Apartment has been reoccupied and a new Entrance Fee has been received by Watermark.

If they elect to release both Apartments and move into another Apartment, a new Residency Agreement for the new Apartment must be executed naming both persons on the Residency Agreement. The current Entrance Fee for the new living Apartment will be charged. The Entrance Fee paid for the released apartments will be credited against the new Entrance Fee. Any deficit will be paid prior to occupancy and any excess will be refunded when the refund claim matures.

In any case, the Residents will be charged the applicable first and second-person Monthly Service Fees upon joint Residency in the single Apartment.

**VI. RELOCATION FROM INDEPENDENT LIVING APARTMENT**

(a) Moving To A Different Apartment

Residents who elect to move to a different Apartment are required to have the approval of Watermark and pay a transfer charge to offset the redecorating expense of the vacated

Apartment. If the move is to a less expensive Apartment, no refund of the Entrance Fee is made at that time. Any refund due at the time the Resident cancels their Agreement will be calculated based on the original Entrance Fee. If a move is made to a more expensive Apartment, however, an additional Entrance Fee will be charged which is equal to the difference between the Entrance Fee originally paid for the vacated Apartment and the current Entrance Fee of the new Apartment. If the Resident moves to a smaller apartment, the Resident's Monthly Service Fee will be the current fee applicable to the original Apartment. If the Resident moves to a larger apartment, the Resident's Monthly Service Fee will be the current fee applicable to the newly-occupied Apartment. Any moving expenses will be the responsibility of the Resident.

(b) Reassigning Of An Apartment By Watermark

A Resident's Apartment may be reassigned by Watermark upon any of the following conditions:

- (1) Fifteen (15) days following the death of the Resident(s).
- (2) Receipt of the Resident's written notice canceling this Agreement and the subsequent vacancy of the Apartment within thirty (30) days.
- (3) Cancellation of this Agreement by Watermark.
- (4) Permanent admission of the Resident to The Inn or The Springs. The permanent status of such a move is normally determined only after a stay in The Inn or The Springs has exceeded fifteen (15) days and is based on the judgment of Watermark, in consultation with the Resident's family and physician that the Resident is unable to live independently in the Apartment. The Resident's Apartment shall be vacated within fifteen (15) days after permanent status in The Inn or The Springs is determined. If the Resident should recover sufficiently to resume independent living at a later date, a similar or alternate Apartment will be provided to the Resident.

(c) Removal of Property

All personal property of the Resident must be removed from the Apartment and storage areas, if applicable, within thirty (30) days following the termination of this Agreement for any reason, including the Resident's death, or the permanent transfer of the Resident to The Inn or The Springs. The Resident (or the Resident's estate) shall be obligated to continue to pay the Monthly Service Fee until all such property is removed; provided, however, that in the event of the Resident's death, the Resident's estate or family will only be responsible for payment of the Monthly Service Fee for a period of time not to

exceed fifteen (15) days following the date of death as long as the Resident's Apartment has been vacated.

If the Resident's personal property is not removed within the time-frames stated within this paragraph, Watermark may, in its sole discretion, remove and store all of the Resident's personal property and effects, at the expense of the Resident or the Resident's estate.

## **VII. OBLIGATIONS OF RESIDENTS**

### **(a) Furnishings and Pets**

- (1) In the Apartment, all furnishings, decorations, utensils and supplies, other than major appliances and standard painting, carpeting and sheer curtains provided by Watermark, are at the Resident's expense. The Resident agrees not to make any alterations to the Apartment without Watermark's approval.
- (2) Watermark prohibits excessively heavy items to be taken into the Apartments of multiple story structures. This includes, but is not limited to, pianos, safes and waterbeds.
- (3) Watermark reserves the right to monitor and, if necessary, to require changes in the furnishings, carpeting, appliances, etc. in any Apartment consistent with the health or safety of the Resident or the health, safety, and general welfare of other Residents.
- (4) Pets will be allowed in designated areas of Watermark upon approval by Watermark. Residents owning pets will be required to sign an addendum to their Residency Agreements agreeing that they will adhere to and abide by the policies and guidelines established by Watermark governing the accommodation of pets.

### **(b) Apartment Alterations By Resident**

- (1) Alteration or renovation of, or addition to, any Apartment, building or grounds owned by Watermark shall be initiated in conformity with policies of Watermark. All alterations to Apartments by the Resident must meet the following conditions:
  - (i) Proposed alterations and the names of persons or companies doing work in Apartments must be submitted in writing to Watermark for approval.

- (ii) Costs of alterations to be done by Watermark's staff are to be paid by the Resident before work commences and may include the cost of restoration to the original state.
  - (iii) All modifications, alterations, or additions to Apartments on behalf of Residents are considered permanent and become the property of Watermark. Costs of such alterations are not refundable.
- (2) Enlarged Apartments created by combining two or more standard Apartments shall be considered a single Apartment and may be normally occupied by no more than two persons. Costs of this type of conversion must be approved in writing by Watermark and must be paid before work commences. Such payments are not refundable.
- (c) Watermark and emergency personnel must have access at all times to all Independent and Assisted Living Apartments. Except in the event of an emergency, unauthorized persons may not enter the Apartment unless the Resident has signed a release form providing access.

Watermark and its agents, employees and contractors may enter the Apartment during reasonable hours (or, in 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 Apartment or perform services for the Resident as Watermark deems necessary. Watermark may require you to eliminate any unsafe or unsanitary conditions.

- (c) The Resident is responsible for any damage that they or their guests or their vendors may cause to the community or its furnishings, equipment or property, except for ordinary wear and tear. Resident must not do, or cause to be done, any act which would violate the Fire Code or Health Code. This includes excessive clutter in the Apartment. Watermark may take immediate action to correct any violations of the Fire Code or Health Code. The Resident must pay the cost of correcting such violations.

### **VIII. CANCELLATION OF THIS AGREEMENT AND REFUNDS**

(a) Refund Rights During Rescission Period

The thirty (30) day period after signing this Agreement will be referred to as the "Rescission Period". The Resident may cancel this Agreement at any time during the Rescission Period. In order to cancel this Agreement, the Resident must send notice to Watermark's Executive Director by registered or certified mail before the end of the Rescission Period. In the event of such cancellation, all deposits paid or all property transferred by the Resident to Watermark shall be fully refunded by Watermark to the

Resident less the fee in the following paragraph. No interest on the deposit will be paid. No Resident shall be required to move into Watermark until after the expiration of the Rescission Period.

Watermark is allowed to deduct a reasonable administrative and processing fee not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the Entrance Fee from the Resident refund (“Administrative Fee”), plus any costs specifically incurred by Watermark at the request of the Resident which have been set forth in an exhibit to this Agreement.

(b) Refund Rights After Rescission Period and Prior to Date of Occupancy

After the expiration of the Rescission Period and prior to the Date of Occupancy, if the Resident dies or, due to illness, injury or incapacity, is precluded from residency under the terms of this Agreement, this Agreement shall be canceled and Watermark shall refund to the Resident or his or her legal representative the Entrance Fee deposit, less the Administrative Fee, described above in subsection (a) without interest. If the Resident is a couple, this Residency Agreement shall be canceled only for the deceased, ill, injured or incapacitated Resident and the remaining Resident may cancel this Agreement at his or her option without penalty or elect to continue this Agreement.

(c) Cancellation of This Agreement By Resident After Date of Occupancy

The Resident shall have the right to cancel this Agreement after establishing residency upon fulfilling the following terms and conditions:

- (1) The Resident must give ninety (90) days written notice of cancellation to Watermark’s Executive Director; and
- (2) The Resident must pay the Monthly Service Fee in full until the end of the ninety (90) day notice period. If a new Resident establishes residency in the terminating Resident’s Apartment during the ninety (90) day period, the terminating Resident will be reimbursed for the proportionate overlap period.

(d) Cancellation of This Agreement By Watermark After Date of Occupancy

Watermark may terminate this Agreement and thereby the residency of a Resident upon thirty (30) days written notice under the following conditions:

- (1) The Resident has failed to pay the Monthly Service Fee and is in default two months or more and does not qualify for, has not applied for in good faith, or is not granted special financial assistance;

- (2) Information was falsified or material facts affecting Watermark’s decision to accept Resident were not reflected in the Application for Residency;
  - (3) Upon a showing of good cause that the Resident is not complying with the policies of Watermark and/or is creating a disturbance which is detrimental to the health, safety, or peaceful lodging of other Residents;
  - (4) The Resident is or becomes infected with a dangerous or contagious disease; or
  - (5) The Resident becomes mentally or emotionally disordered to the degree that the health, safety, or peaceful lodging of other Residents is adversely affected and permanent transfer of the Resident to an appropriate off-site facility is determined to be necessary by Watermark in consultation with the Resident’s family or guardian and physician.
- (e) Refund Rights After Date of Occupancy
- (1) In the event of cancellation of this Agreement after the Date of Occupancy, Watermark shall refund the amount of the Entrance Fee as outlined in Section VIII (“Entrance Fee Refund”). The Entrance Fee Refund will be paid to the Resident within 30 (thirty) days of the following:
    - (i) Resident is no longer residing in an Apartment, The Inn Suite or The Springs; and
    - (ii) The earlier of either:
      - (A) The next apartment of similar style, (e.g., one bedroom deluxe), has been occupied and the full balance of a new entrance fee received. If there is more than one resident who meets the first criteria, the resident with the earliest date of cancellation will be paid first. The resident with the next earliest date of cancellation will be paid within 30 days of the subsequent apartment of a similar style having been occupied and a full balance of a new entrance fee received; or
      - (B) The expiration of three (3) years from the date of cancellation of this Agreement.
  - (2) The amount of the refund shall be reduced by (i) any amounts due Watermark for unpaid monthly fees, other fees and interest thereon and (2) at Watermark’s

option, nursing expenses incurred for care in The Springs, calculated on the basis of the semi-private daily rate for a non-resident patient current at the date of cancellation and (3) any additional unpaid expenses incurred by the Resident.

- (3) At the time of receiving the refund, the terminating Resident must sign a receipt supplied by Watermark terminating this Agreement and releasing Watermark from all further obligations.

(f) Death of A Resident After Date of Occupancy

If a Resident dies after establishing residency, Watermark shall refund the Entrance Fee as outlined in Section VIII(e). Any refund shall be paid to the Resident's estate.

**IX. GENERAL MATTERS**

(a) Guardianship

If a Resident should become mentally or emotionally incapacitated and is unable to handle personal or financial affairs, Watermark may petition a court of competent jurisdiction to appoint an independent conservator or guardian, if such arrangements have not previously been made by the Resident or Resident's family.

(b) Watermark Staff

All staff members are selected and trained to provide to the Resident the services and assistance set forth in this Residency Agreement. No employee of Watermark may act as an agent for or accept Power of Attorney for the personal affairs of any Resident. No employee of Watermark may be named as Executor of a Resident's estate unless such arrangements were made prior to employment of the employee by Watermark.

(c) Guest Policy

Guests are welcome in the Resident's Apartment. There will be no charge for lodging for a limited number of nights. If lodging needs should exceed the limit set by Watermark, the second-person Monthly Service Fee applicable to the Apartment will be billed to the Resident. A limited number of guest rooms may also be available as occupancy of Watermark permits. Details on the availability and charge for these rooms will be provided by Watermark.

(d) Resident Group Participation

Residents have the right to self governance and to organize and operate a resident organization at Watermark and to meet privately to conduct business. Any Resident group organized pursuant to this Section shall have the following rights:

- (1) The right to engage in group activities, including for the purpose of keeping informed of the daily happenings of Watermark.
- (2) The right to use Watermark's facilities to conduct meetings.
- (3) The right to obtain current copies of the Disclosure Statement and Annual Financial Report.

(e) Private Employees

All outside caregivers, companions, aides, housekeepers, maintenance workers, subcontractors and other personnel (“Private Employees”) hired directly by the Resident, or contracted by the Resident through any agency, including a licensed home health agency, to render services to the Resident shall be subject to Watermark’s policies for employment of Private Employees.

- (1) Resident acknowledges that Watermark is not, and will not be, responsible for (i) the quality or quantity of any services rendered by Private Employees to the Resident; (ii) claims made for breach of any obligation by the Resident 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 indemnification, 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.
- (2) The Resident acknowledges that this indemnification 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 Section IX(h).

(f) Access to Resident Health Information

For purposes of determining the Resident’s qualification for admission and the Resident’s eligibility to remain in residence at Watermark, The Resident hereby consents that pertinent health and wellness records will be furnished if and when requested by Watermark. The Resident further consents that their attending physician or other health care provider shall furnish any additional information concerning the Resident’s health or physical condition requested by Watermark. Watermark will keep all such records

confidential unless disclosure of such records is required law. When requesting access to Resident 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 the Resident, which the Resident agrees to sign, prior to accessing health information.

(g) Tax Implications

Tax code changes enacted by Congress in June 1984 (Public Law 98-369) may affect a Resident's taxable income. The Internal Revenue Service may interpret section 172 of this law, pertaining to below-market interest rate loans, as imposing an income tax liability on the refundable portion of the Entrance Fee. The IRS might treat the refundable portion of this fee as a loan from the Resident to Watermark and attribute to the Resident receipt of interest income on the outstanding balance of such fee, even though the Resident will not receive interest payments. The Resident should consult with his or her accountant or attorney to determine how section 172 might be applied to the Resident.

(h) Indemnification

Watermark shall not be responsible for the loss of any personal property of the Resident due to any cause. The Resident agrees to indemnify and hold harmless Watermark from and against any injury to persons or to the property of Watermark or of others resulting from the negligence of the Resident. Each Resident should have personal liability insurance which specifically covers this indemnification obligation. Each Resident should also maintain personal property insurance to cover the Resident's personal property.

(i) Subordination

Watermark may have mortgages and other obligations relating to its property. The Resident's 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.

Notwithstanding the foregoing, the Entrance Fee Escrow Account shall not be subordinated to any other loans or obligations of Watermark or 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.

(j) Rights Granted

The rights and privileges granted to the Resident by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and improvements owned or administered by Watermark. The Resident's rights are primarily for services, with a contractual right of residency. Any rights, privileges, or benefits under this Agreement or any interest or contractual rights of any nature in Watermark, including the right to any refund of the Entrance Fee or other payments hereunder, are and shall be subordinate in priority, right, claim, and interest to the lien, charge, or security interest of any mortgage, deed of trust or security agreement now or hereafter placed on or affecting any of Watermark or any interest in the real property or personal property of Watermark, and to any amendment, modification, replacement, or refunding of any mortgage, deed of trust or security agreement. The Resident agrees that upon request, the Resident will execute and deliver any document which is required by Watermark or by the holder of any such mortgage, deed of trust, or security agreement to effect such subordination or to evidence the same.

The Community will comply with all municipal, state and federal laws and regulations regarding consumer protection and protection from financial exploitation and will afford the Resident all rights and privileges under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws.

Additional rights are outlined in Exhibit C of this Agreement.

(k) Grievance Procedure; Community Rules and Regulations

Watermark has adopted certain rules and regulations designed to promote the health, safety and welfare of residents of the Community. The current rules and regulations are contained in the Resident Handbook, incorporated into this Agreement as Exhibit D. Watermark may amend its rules and regulations from time to time as it deems appropriate. The Resident agrees to comply with Watermark's rules and regulations and any amendments thereto.

Watermark encourages residents and their family members and responsible parties to communicate any concerns or grievances they may have. Exhibit D of this Agreement sets forth the Community's resident grievance policy.

(l) Entire Agreement

This Agreement, together with the attached Exhibits, contains the entire agreement between the parties hereto with respect to the services to and the obligations of the

Resident and no amendment or addendum is to be recognized unless in writing executed by both parties hereto.

The invalidity or amendment of any restriction, condition, or other provision of this Agreement, or of any part of the same, shall not impair or affect in any way the validity, enforceability, or effect of the rest of this Agreement.

[signatures appear on following page]

By signing this Agreement, the Resident agrees to all the terms that are contained in it.

**CT WATERMARK EAST HILL, LLC.**

By:

\_\_\_\_\_  
Its Authorized Agent (Executive Director)

\_\_\_\_\_  
Date

**RESIDENT**

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

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

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

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

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



THE WATERMARK  
AT EAST HILL

## *Exhibit A - Schedule of Fees* *Independent Living*

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

Date of Occupancy: \_\_\_\_/\_\_\_\_/\_\_\_\_ Physical Move In Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Health Care Option Selected:  Life Care  Fee for Service

One-time Fees	Amount
<input type="checkbox"/> 80% Refundable Entrance Fee Reservation Deposit: \$ _____ Down Payment: \$ _____ due when Agreement is signed Balance: \$ _____ due on Date of Occupancy	\$
<input type="checkbox"/> Traditional Declining Entrance Fee Reservation Deposit: \$ _____ Down Payment: \$ _____ due when Agreement Balance: \$ _____ due on Date of Occupancy	\$
<input type="checkbox"/> Second Person Entrance Fee (0% Refundable) due on Date of Occupancy	\$
Non-refundable Pet Fee	\$
Monthly Fees	Amount
Monthly Service Fee	\$
Monthly Second Person Fee	\$
Garage Parking	\$
Other:	\$
Other:	\$

**Change in Fees.** 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 (12<sup>th</sup>) day of the month in which the Monthly Service Fee is due and five dollars (\$5.00) for each day thereafter until the Monthly Service Fee and all late charges are fully paid. If your check is not honored, Watermark shall collect a twenty-five dollar (\$25.00) fee.

**ACH.** Watermark utilizes an ACH (Automated Clearing House) service for the payment of Monthly Service Fees. This service generates a monthly authorized electronic payment from Resident's bank account after Resident has provided the bank with written authorization. The payment will be withdrawn from Resident's bank account between the 6<sup>th</sup> and 9<sup>th</sup> day of the month. Should a Resident choose not to use the ACH service, a monthly service charge of twenty-five dollars (\$25.00) will be added to Resident's statement.

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

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



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

### Dining Services

Item or Service	Charge	Notes
Additional meals	\$8.00 per meal	
Guest meals	\$17.00 per meal	
Meal delivery/pick up service	\$5.00 meal	
Boxed Meal Paper Goods	\$3.00 per box	
A La Carte Items		
Entree	\$12.50	
Salad	\$2.50	
Soup-cup/bowl	\$2.50/\$3.00	
Dessert	\$3.00	
Coffee or tea	\$1.50	
Juice – small/large	\$1.50/\$ 1.75	
Sandwich	\$8.00	
Fruit Cup	\$2.50	
W Lounge	Priced per market	See menu for pricing
Mark of Elegance – Specialty Items	Priced per market	See menu for pricing
Parties or Special Events	Priced per market	See menu for pricing

### Ancillary Charges – Independent Living

Item or Service	Charge	Billed
<i>Additional services such as medication management and assurance checks are available through Watermark at Home, a licensed Assisted Living Services Agency (ALSA)</i>		
Item or Service	Charge	Billed
<b>INDEPENDENT LIVING: Miscellaneous Fees</b>		
Nurse Visit	\$70.00 per visit	15 minute increments
Dressing Supplies	\$6.50 per supply	In addition to Nurse Visit
One-time charge to start ongoing care or services	\$100.00	One-time
Certified Nurses Assistant	\$25.00 per hour	15 minute increments
Medication Management by Nurse	\$400.00	Per month
Medication Reminder – phone call or visit from Certified Nursing Assistant	\$525.00 per month	Once a Day
Medication Reminder – phone call or visit from Certified Nursing Assistant	\$670.00 per month	Twice a Day
Vitamin B-12 injections	\$15.00	Per injection
Registered Dietician Assessment and Consultation	\$60.00	Per hour
Wheel chair or scooter rental	\$5.00	Per day
Pet Fee - non-refundable	\$750.00	Two pet limit



THE WATERMARK  
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## Exhibit B – Schedule of Additional Fees

### Ancillary Charges – Independent Living, cont.

Item or Service	Charge	Billed
<b>INDEPENDENT LIVING: ALSA PACKAGES</b>		
All packages include R.N. management of care plan, which will be reviewed at regular intervals		
<b>ALSA 1 Basic:</b> Aide will visit twice weekly Assist with bathing, dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)	\$360.00	Per month
<b>ALSA 1 with Medications:</b> Aide will visit twice weekly Assist with bathing twice weekly Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed) Medication visit once weekly, resident will take own meds. R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders.	\$600.00	Per month
<b>ALSA 2 Basic:</b> Aide will visit daily Assist with bathing twice a week Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)	\$850.00	Per month
<b>ALSA 2 with Medications:</b> Aide will visit daily Assist with bathing twice a week. Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed) Medication visit once weekly, ALSA will assist with administration once a day. R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders	\$1,085.00	Per month



THE WATERMARK  
AT EAST HILL

## Exhibit B – Schedule of Additional Fees

<p><b>ALSA 2 with Evening Med Visit:</b>  Aide will visit daily  Assist with bathing twice a week  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Medication pre poured once weekly  Morning and evening visits will assist with medication administration  R.N. will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders</p>	<p>\$1,340.00</p>	<p>Per month</p>
<p><b>ALSA 3 Basic:</b>  Aide will visit daily  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Assist with bathing twice a week  ALSA will visit every evening to assist with evening care, i.e.. getting ready for bed, washing, etc.</p>	<p>\$1,370.00</p>	<p>Per month</p>
<p><b>ALSA 3 with Medication:</b>  Aide will visit every morning  Assist with dressing, apartment tidying, assist as needed with care, laundry once weekly (as needed), meal management (if needed)  Assist with bathing twice a week  ALSA will visit every evening to assist with evening care, i.e. getting ready for bed, washing, etc.  Medications will be pre poured weekly and administered twice daily R.N.  Will manage all aspects of medications i.e. doctor's orders and updates, ordering refills, implementing new orders</p>	<p>\$1,610.00</p>	<p>Per month</p>
<p><b>INDEPENDENT LIVING MEDICATION PLANS.</b> All Medication Plans include the following:</p> <ul style="list-style-type: none"> <li>• Assessments: Initial assessment upon admission; quarterly assessments thereafter</li> <li>• Plan of Care development with revision as indicated</li> <li>• Bi-weekly pre pour of medication</li> <li>• Prescription renewals and/or refills</li> <li>• Consultations with physicians, pharmacists, and families</li> </ul>		
<p><b>Medication Plan A</b>  Medication set-up (pre pour)</p>	<p>\$450.00</p>	<p>Bi-weekly</p>



THE WATERMARK  
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## Exhibit B – Schedule of Additional Fees

<b>Medication Plan B</b> Medication set-up (pre pour) Medication administration or reminder	\$560.00	Bi-weekly Once daily
<b>Medication Plan C</b> Independent Living & Assisted Living Medication set-up (pre pour) Medication administration or reminder	\$710.00	Bi-weekly Twice daily
<i>Note: Medication Plan charges do not apply to residents with ALSA 1 with Medications, ALSA 2 with Medications, or ALSA 3 with Medications described above.</i>		

### Private Duty (Independent Living and Assisted Living)

Item or Service	Charge	Notes
<i>Note: For residents with any of the ALSA packages described above, the following private duty charges apply only to the extent the resident requests services beyond those covered by the package.</i>		
CNA to provide assistance with bathing, dressing, grooming, other ADL's, meal management, laundry, light tidying	\$25.00 per hour	Two hour minimum
Companion/Escort to provide assistance with short shopping trips and doctor's visit	\$30.00 per trip plus mileage	One hour maximum

### Ancillary Services – Assisted Living at The Inn at Cherrywood

Item or Service	Charge	Notes
<b>Non-refundable Entrance Fee</b> If not moving from Independent Living	Monthly Service Fee for selected suite	Upon move in, per person
<b>Meal and Miscellaneous Charge</b> Covers two additional meals per day, two snacks per day, referral services, wellness education, dietician, daily housekeeping, social services, laundry and maintenance	\$35.00	Per day, applicable only to Life Care Contract
<b>Additional assisted living services beyond seven (7) hours per week.</b> Available through a tiered system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark staff		
Tier One	\$800.00 per person	Per month
Tier Two	\$1,600.00 per person	Per month
Tier Three	\$2,400.00 per person	Per month
Tier Four	\$3,200.00 per person	Per month



THE WATERMARK  
AT EAST HILL

## *Exhibit B – Schedule of Additional Fees*

Custom Tier	Custom- Price per point	Per month
<b>Respite Stay at The Inn at Cherrywood for Life Care Residents</b>	\$150.00 per person	Per day basis
<b>Respite Stay at The Inn at Cherrywood for Non-Life Care Residents</b>	\$175.00 per person	Per day basis
<b>Market Rate for The Inn at Cherrywood</b>	\$3,095-\$6,295 per month	Not Applicable to Life Care Contract
<b>Private Apartment- Non Suite</b>	\$1,050.00 plus Monthly Service Fee	Life Care Residents

### Ancillary Services –Memory Care at The Villa

Item or Service	Charge	Notes
<b>Non-refundable Community Fee</b> If not moving from Independent Living	\$5,000.00	Upon move in, per person
<b>Additional Villa Services.</b> Available through a tiered system. The tiered rates are based on individual needs and determined through a personal assessment by Watermark staff		
Tier One	\$1,500.00 per person	Per month
Tier Two	\$3,000.00 per person	Per month
Tier Three	\$4,500.00 per person	Per month
Custom Tier	Custom- Price per point	Per month
<b>Respite Stay at The Villa</b>	\$200.00	Per day
<b>Market Rate for The Villa (varies per room)</b>	\$6,235.00	Per Month

### Ancillary Services – Skilled Nursing

Item or Service	Charge	Notes
<b>Meal and Miscellaneous Charge</b> Covers two additional meals per day, two snacks per day, referral services, wellness education, dietician, daily housekeeping, social services, laundry and maintenance	\$35.00	Per day, applicable only to Life Care Contract
<b>Private Room</b>	\$50.00	Per day, applicable only to Life Care Contract
<b>Health Care Supplies – Bundled Packages (non-Medicare Residents)</b>		
Admission Kit	\$20.00	Per admission



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## Exhibit B – Schedule of Additional Fees

Daily Hygiene	\$15.00	Per month
Gloves	\$20.00	Per month
Incontinent Supplies: Briefs/liners, Frequent Use (6-10 briefs daily)	\$217.00	Per month
Incontinent Supplies: Briefs/liners, Occasional Use (1-5 briefs daily)	\$115.00	Per month
Incontinent Supplies: Pull-Ups, Frequent Use (6-10 pull-ups daily)	\$235.00	Per month
Incontinent Supplies: Pull Ups, Occasional Use (1-5 pull-ups daily)	\$145.00	Per month
Incontinent Care Products	\$45.00	Per month
Fingerstick Glucose Testing	\$180.00	Per month
Pulse Oximetry	\$8.00	Per day
IV Start Supplies	\$33.00	Per IV start
IV Maintenance Supplies (not including fluids and medications)	\$28.00	Per day
Dietary Supplement Program: Fortified Shake/Ice Cream	\$45.00	Per month
Dietary Supplement: Standard	\$1.50	Per can
Dietary Supplement: Enhanced	\$1.75	Per can
Isolation Supplies	\$15.00	Per day
Urological Supplies	\$38.00	Per month
Wound Care – General	\$6.50	Per treatment
Wound Care – Specialty (per designated supplies)	Varies	Per treatment
Escort to Appointment	\$30.00 + mileage	One hour maximum
<b>Safety Items</b>		
Bed Mats	\$25.00	Per month
Bed Alarm	\$25.00	Per month
Chair Alarm	\$25.00	Per month
Wander Alert System	\$35.00	Per month
Pressure Relieving Cushion	Varies	Per type
Alarming Seatbelt	\$25.00	Per month
<b>Ambulation/Positioning</b>		
Wheelchair	\$30.00	Per month
Foot Cradle/Heels Up Cushion	\$10.00	Per month
Geri Chair	\$30.00	Per month
Mechanical Sling-Lift	\$30.00	Per month
<b>Specialty Beds/Mattresses</b>		
Air Mattress	Per mattress type	Per order
Air/gel Overlay Mattress Pad	Per type of overlay	Per order
<b>Miscellaneous</b>		
Foot pillows (pair)	\$25.00 pair	Per order



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## Exhibit B – Schedule of Additional Fees

Geri gloves/ Geri legs	\$18.00 pair	Per order
Thermometer rectal plus probe covers	\$15.00 each	Per order
Over-the-counter Medications/Items	Varies	Per order/Per use
Ready Bath Body/ Shampoo (Bath in a Bag)	\$5.00	Per order
Glucose Testing Strips	Market	Per box
Miscellaneous Items per special order	Varies	Per order
<b>Market Rate for The Springs</b> (semi-private room)	\$425 per day	Not applicable to Life Care Contract only to Fee for Service Contract
<b>Market Rate for The Springs</b> (private room)	\$475 per day	Not applicable to Life Care Contract only to Fee for Service Contract

### Parking and Transportation (Independent Living, Assisted Living and Memory Care)

Item or Service	Charge	Notes
To medical facilities within a local radius of the community on scheduled medical appointment days	No charge	
To medical facilities within a local radius of the community that are NOT on scheduled medical appointment days	\$0.60 plus \$30.00 Associate Time	Per mile Per hour
To medical facilities in Waterbury or Danbury	\$0.60 plus \$25.00 Associate Time	Per mile Per hour
Daily transportation to/from meals	\$150.00	Per month
Garage Parking	\$55.00	Per month
Mileage for trips to Danbury or Waterbury	\$0.60	Per mile
Mileage for local transportation	\$0.60	Per mile

### Plant Operations/Maintenance

Item or Service	Charge	Notes
Additional basic maintenance services	\$27.00 per hour	Per associate
Moving furniture	\$27.00 per hour	Per associate
Replacement keys	\$8.00	Per key



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## Exhibit B – Schedule of Additional Fees

Life Line		
• Supply and Install	\$400.00	Per occurrence
• Transfer Life Line to another location	\$100.00	
• Replacement- Pendant or Bracelet	\$75.00	

### Housekeeping and Laundry

Item or Service	Charge	Notes
Additional basic housekeeping services	\$27.00 per hour	30 minute minimum
Additional trash/newspaper pickup	\$5.50 per pickup	
Additional specific housekeeping services, including: mattress turning, bed making, dish washing, carpet cleaning/extraction	\$27.00 per hour	30 minute minimum
Personal laundry: wash, dry and folding		
Half Load (1-15 items)	\$7.50 per load	
One Load (15-20 items)	\$10.50 per load	
Bedspreads	\$10.00 each	
Blankets	\$6.50 each	
Electric Blankets	\$8.50 each	
Personal laundry: wash, dry and ironing		
Pants, Shirts, Skirts	\$6.00 each	
Dresses	\$6.00 each	
Sheet sets	\$6.00 per set	

### Miscellaneous

Item or Service	Charge	Notes
Fuel Surcharge	\$1.00	Per day
Late Payment of Monthly Service Fee: Must be paid by fifteenth (15 <sup>th</sup> ) day of the month	\$25.00 \$5.00	First day late Each subsequent day
Long Term Care Insurance Assistance	\$25.00	Per hour 15 minute minimum
ACH Payment Decline	\$25.00	Per occurrence
Guest Suite:		
Single or Double Occupancy Rollaway	\$100.00 per night	
Cot or Crib	\$10.00 per night	
Faxes, sending and receiving:		\$5.00 maximum for domestic faxes
Domestic	\$0.50 per page	
International	\$2.50 per page	
Copies	\$0.10 per page	



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## *Exhibit B – Schedule of Additional Fees*

Typing	\$2.50 per page	
Beauty/Barber services	Prices vary – see posting	
Telephone	Based on usage	
Admission to off-site events/outings	Prices vary – see calendar	
Internal move fee to a different apartment with the same program	\$6,000.00	In addition to outside mover costs, etc
Parking Fines for private duty caregivers parking in designated visitor, resident and/or handicapped spaces	\$10.00	Per day
Clean up canine feces	\$10.00	Per incident

Watermark shall have the right to add, delete and modify the services and corresponding charges above 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.

Resident Name: \_\_\_\_\_ Apartment: \_\_\_\_\_

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



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## *Continuing Care Contract* *Exhibit C – Resident’s Bill of Rights*

Watermark supports your rights to:

- Live in a clean, safe and habitable private apartment;
- Be treated with consideration, respect and due recognition of your personal dignity, individuality, and the need for privacy;
- Privacy within your private apartment, subject to the Community’s rules reasonably designed to promote your health, safety and welfare;
- Keep and use your personal property within your apartment 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 apartment, 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 staff, 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;
- Have 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 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. If you rent your apartment, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

We hope 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:

Department of Public Health  
Facility Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308  
MS#1 2HSR  
Hartford, CT 06134-0308  
860-509-7400  
General: Loan Nguyen, R.N. (Supervising Nurse Consultant)  
Complaints: Janet Williams, R.N. (Public Health Services Manager)

Nancy Shaffer, State Long Term Care Ombudsman  
Office of the Long Term Care Ombudsman  
25 Sigourney Street Hartford,  
CT 06106  
866-388-1888 or 860-424-5200

Dan Lerman, Regional Ombudsman  
Region V/North West Regional Office  
249 Thomaston Avenue  
Waterbury, CT 06702  
Work: 203-597-4181  
Fax: 203-597-4048

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.

**COMMUNITY RULES AND REGULATIONS**

See Resident Handbook.

**GRIEVANCE POLICY**

**Policy**

It is the policy of Watermark that all concerns/grievances be addressed promptly, documented, investigated, replied to, reported on and reviewed in an effort to improve satisfaction. Concerns and grievances are defined as either **verbal or written** perceptions of discontent or injustice pertaining to the care provided in or condition of Independent Living, Assisted Living, Memory Care or Skilled Nursing programs which are expressed by residents, family members or associates and are not immediately resolvable on the spot by the individual hearing a concern expressed verbally. *This policy excludes those verbal comments or concerns that are immediately resolvable, but associates should bring these to the attention of department directors promptly.*

If the concern or grievance is expressed in writing (email or letter) or by phone, this policy applies. The concern or grievance requires either written response or documentation of personal discussion with the individual raising it. We are in a service business and will do all possible to ensure a satisfied individual.

**Procedure**

- I. Action and Time Frames
  - A. Immediate steps are to be taken to assure that the respective resident, family member and/or associate is free from harm.
  - B. The applicable department head or designee is to conduct an investigation.
  - C. It may be appropriate to reply to the individual raising the issue to indicate an investigation is occurring.
  - D. The time frame for an offer of an acceptable resolution to the individual will be seven (7) days.
  - E. There may be times where additional discussions are required to reach a resolution, but that time frame goal would be within thirty (30) days.

## II. Documentation

- A. The associate receiving the complaint/grievance is to complete a Concern/Grievance Report and submit it to their immediate supervisor by the end of the shift. If the immediate supervisor is not the department head, they will forward the Concern/Grievance Report to the appropriate department head or designee.
- B. The department head is to document the concern/grievance on the Concern/Grievance Log. They are also to document the results of all applicable investigations on the Concern/Grievance Report and forward this report to the Executive Director.
- C. There should be either a written reply or documentation of the verbal reply to the individual raising the issue.
- D. The Executive Director is to review and sign the Concern/Grievance Report and return it to the applicable department head or designee. There will be times where it is more appropriate for the Executive Director to respond or meet personally with the individuals raising a concern.
- E. A copy of each resident-related Concern/Grievance Report is to be maintained by the Executive Director, in a central, secured area. All original Concern/Grievance Reports are to be maintained in a single location by the department head along with documentation of response.

## III. Review

- A. A review of concerns/grievances is to be conducted quarterly or per state regulations, whichever is more frequent.
- B. Any trends or patterns found in this review are to have action plans in place to prevent recurrence. Action plans which require additional training are to be documented in the associate file on the Associate Training Record. The Executive Director should be informed of action plans and ensure completion.



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

The Provider first assumed such position on June 1, 2016, the date of this Disclosure Statement, and therefore does not yet have financial statements for inclusion in this Disclosure Statement. The Provider's financial statements will be contained in subsequent updates to this Disclosure Statement as they become available. Provider expects to file its opening Balance Sheet within 90 days of the date hereof, and to file Income Statement and Statement of Cash Flow reports for periods commencing June 1, 2016 on a timely basis in accordance with applicable statutes.

The prior provider's disclosure statements remain on file with the Connecticut Department of Social Services. As of June 1, 2016, the prior provider's disclosure filings included audited financial statements through the year ending December 31, 2015. The prior provider will also prepare financial statements for the period January 1, 2016 through May 31, 2016. These financial statements and the prior provider's most recent Disclosure Statement with audited financial statements through December 31, 2015 are available for review at the Community.



*Disclosure Statement*  
*Exhibit D*  
**Sworn Statement of Escrow Agent**

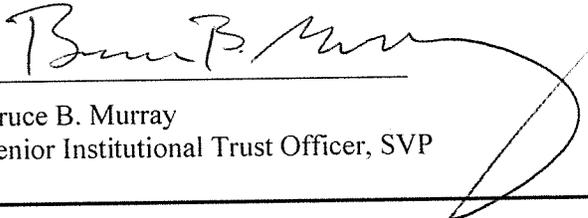
Statement appears on next page.

**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 CT Watermark East Hill, 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.

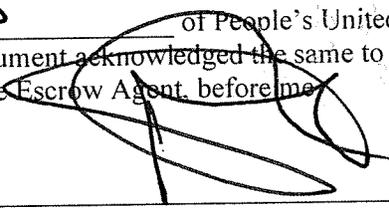
People's United Bank, N.A.

By:   
Bruce B. Murray  
Senior Institutional Trust Officer, SVP

STATE OF CONNECTICUT     )  
  )  
COUNTY OF FAIRFIELD     )

ss:

Personally appeared Bruce Murray 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



## *Disclosure Statement* *Exhibit E*

### *Cash Flow Projections*

#### ASSUMPTIONS USED IN PROJECTIONS

##### Fees

All Entrance Fees and Monthly Service Fees utilize current in-place and market rents, are based on projected occupancy and a 4.0% increase each year starting after 2016.

##### Amortization of Entrance Fees

Amortization of Entrance Fees is projected based on occupancy and the percentage of Continuing Care Contract type sold.

##### Other Income

Other Income includes laundry, housekeeping, additional meals, ancillary services, and Assisted Living Services Agency (ALSA) revenue. Other Income is forecasted based on The Watermark at East Hills's historical average adjusted for the elimination of extraordinary items, trended by an annual 4.0% inflation rate.

##### Net Entry Fees

Net Entry Fees are projected based on occupancy, current entry fee contract pricing, current entry fee resident refund liabilities that are triggered with each sale and the anticipated mix of Continuing Care Contract type sold.

##### Operating Expenses

Operating expenses and benefits are projected to increase at an average rate of 3.5% per annum.

##### Resident Turnover Rate

Resident Turnover Rates were projected based on The Watermark at East Hill's historical average by level of care which is approximately 7 years for Independent Living, 2.5 years for Assisted Living, 2 years for memory care with Skilled Nursing primarily comprised of short term rehab stays.

##### Average Age of Residents

The average age of residents is anticipated to remain consistent with The Watermark at East Hills's historical average. As of May 2016, the average age of existing residents is 87.

##### Health Care Utilization Rates

Health Care Utilization Rates were projected based on The Watermark at East Hill's historical experience.

(continued)

## **ASSUMPTIONS USED IN PROJECTIONS (continued)**

### Health Care Facility Admissions Per Year

Health Care Facility Admissions per Year are expected to remain consistent with the historical experience of the community which has averaged 68 per year since 2008 for Continuing Care Contracts.

### Days of Care Per Year

Days of Care Per Year were projected to remain consistent with the historical average for The Watermark at East Hill which has averaged 11,117 per year since 2008.

### Number of Permanent Transfers

Number of Permanent Transfers were projected to remain consistent with the historical average for The Watermark at East Hill which has averaged 12 per year since 2008.

### Lease Payment

Lease Payments are allocated per the terms of the Master Lease.



THE WATERMARK  
AT EAST HILL

**CASH FLOW STATEMENT  
PROJECTIONS (June 2016 through Dec 2019)**

	2016	2017	2018	2019
	(June-December, annualized)			
Operating Revenues				
Entrance Fee Amortization	262,457	272,955	283,873	295,228
Independent Living	5,400,003	5,870,036	6,104,837	6,349,031
Assisted Living, Memory Care	3,271,718	4,269,096	5,174,625	5,506,563
Health Center Revenues	3,276,555	4,262,323	4,262,323	4,411,504
Other Revenues	619,846	691,668	719,335	748,108
<b>Total Operating Revenue</b>	<b>12,830,579</b>	<b>15,366,078</b>	<b>16,544,993</b>	<b>17,310,434</b>
Operating Expenses				
Administration	3,186,774	3,298,311	3,413,752	3,533,233
Maintenance	1,958,627	2,027,179	2,098,130	2,171,564
Housekeeping/Laundry	391,972	405,691	419,890	434,586
Community Service	341,270	353,214	365,577	378,372
Transportation	53,640	55,518	57,461	59,472
Food Service	1,538,658	1,592,511	1,648,249	1,705,938
Nursing/Ancillaries	3,875,911	4,608,580	5,037,004	5,247,822
Marketing/Sales	660,553	683,672	707,601	732,367
<b>Operating Expenses</b>	<b>12,007,405</b>	<b>13,024,677</b>	<b>13,747,664</b>	<b>14,263,354</b>
<b>Net Operating Income (GAAP basis)</b>	<b>823,173</b>	<b>2,341,401</b>	<b>2,797,330</b>	<b>3,047,079</b>
Less: Amortized Entrance Fees	(262,457)	(272,955)	(283,873)	(295,228)
Plus: Net Entrance Fees	1,295,910	1,625,254	1,714,687	1,423,582
Less: Routine Capital Expenditures	(458,000)	(474,030)	(490,621)	(507,793)
<b>Net Cash Before Lease Payment</b>	<b>1,398,627</b>	<b>3,219,670</b>	<b>3,737,523</b>	<b>3,667,641</b>
Less: Lease Payment	(1,714,235)	(1,948,467)	(2,079,276)	(2,160,678)
<b>Net Operating Cash Flow</b>	<b>(315,609)</b>	<b>1,271,203</b>	<b>1,658,246</b>	<b>1,506,963</b>
<b>Portfolio Level Results<sup>1</sup></b>				
Net Cash Before Lease Payment	8,263,170	10,440,244	11,331,219	11,652,336
Less: Lease Payment	(4,504,786)	(5,051,091)	(5,369,987)	(5,578,960)
<b>Net Operating Cash Flow</b>	<b>3,758,384</b>	<b>5,389,153</b>	<b>5,961,232</b>	<b>6,073,376</b>
Lease Coverage Ratio <sup>2</sup>	1.83	2.07	2.11	2.09

<sup>1</sup> Portfolio Level Results present aggregate figures for The Watermark at East Hill and The Watermark at 3030 Park which together comprise the leased property under the Lease (see "Legal Organization and Capitalization" on page 8 of this Disclosure Statement).

<sup>2</sup> Lease Coverage Ratio is calculated by dividing Net Cash Before Lease Payments by the total Lease Payment.



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

Monthly Service Fees – Historical

<i>Apartment Type</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
One Bedroom Standard	\$3,177	\$3,304	\$3,304	\$3,495	\$3,495
One Bedroom Deluxe	\$3,695	\$3,843	\$3,843	\$3,595	\$3,595
One Bedroom with Den	\$3,857	\$4,136	\$4,136	\$4,395	\$4,395
Two Bedroom Deluxe	\$4,403	\$4,579	\$4,579	\$4,395	\$4,595
Two Bedroom Combo	\$4,680	\$4,867	\$4,867	\$5,195	\$5,195

Entrance Fees – Historical

Based on 80% Refund Option

<i>Apartment Type</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
One Bedroom Standard	\$ 239,850	\$239,850	\$135,442	\$119,850	\$119,850
One Bedroom Deluxe	\$ 290,250	\$209,385	\$186,250	\$206,175	\$187,350
One Bedroom with Den	\$ 322,250	\$274,400	\$259,504	\$247,688	\$299,850
Two Bedroom Deluxe	\$ 479,750	\$479,250	\$427,950	\$432,325	\$389,850
Two Bedroom Combo	\$ 543,750	\$543,750	\$520,625	\$494,850	\$494,850



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

**Entrance Fees**

Pricing is based upon the size of the apartment selected, the number of occupants and the type of refund plan selected. The two refund plans offered by the Community are an 80% Refund Contract Plan and Traditional Declining Refund Contract Plan. The Declining Refund Contract Plan amortizes to zero refund at the rate of ten percent (10%) for the first month or partial month of residency and two percent (2%) per month thereafter.

<i>Apartment Type</i>	<i>80% Refundable Plan</i>	<i>Traditional Declining Plan</i>
One Bedroom Standard	Starting at \$119,850	Starting at \$79,900
One Bedroom Deluxe	Starting at \$187,350	Starting at \$124,900
One Bedroom with Den	Starting at \$299,850	Starting at \$199,900
Two Bedroom Deluxe	Starting at \$389,850	Starting at \$259,900
Two Bedroom Combo	Starting at \$494,850	Starting at \$329,900

The Entrance Fee for a second occupant is \$13,000 (non-refundable).

**Monthly Service Fees**

Pricing is based upon the size of the apartment selected, the number of occupants and the type of health care plan selected. The two health care plans offered by the Community are a Life Care plan and a Fee for Service. The Monthly Service Fee includes choice of one meal per day, utilities (excluding telephone and cable service), twice-monthly housekeeping, weekly bed linen laundry, scheduled transportation, and use of all common recreational facilities.

<i>Apartment Type</i>	<i>Life Care First Person Monthly Service Fee</i>	<i>Fee for Service First Person Monthly Service Fee</i>
One Bedroom Standard	\$3,495	\$2,295
One Bedroom Deluxe	\$3,595	\$2,395
One Bedroom with Den	\$4,395	\$3,195
Two Bedroom Deluxe	\$4,595	\$3,395
Two Bedroom Combo	\$5,195	\$3,995

The Monthly Service Fee for a second occupant is \$1,637 for Life Care and \$1,237 for Fee for Service.

*Note: Shows rates in effect on June 1, 2016 and are subject to change.*