



Mystic, Connecticut

THIS FACILITY, LIKE ALL OTHER CONTINUING CARE FACILITIES IN THE STATE OF CONNECTICUT, IS SUBJECT TO CHAPTER 319HH, CONNECTICUT GENERAL STATUTES, CONCERNING MANAGEMENT OF CONTINUING CARE FACILITIES. REGISTRATION UNDER THE LAW DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT OF THE FACILITY BY THE DEPARTMENT OF SOCIAL SERVICES OR THE STATE OF CONNECTICUT, NOR DOES SUCH REGISTRATION EVIDENCE THE ACCURACY OR COMPLETENESS OF THE INFORMATION IN THIS DISCLOSURE STATEMENT.

DISCLOSURE STATEMENT

MAY 2021

Equal Housing Opportunity

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**STONERIDGE
NOTICE TO PROSPECTIVE RESIDENT**

In accordance with Section 17b-522 of the Connecticut General Statutes, this Notice to Prospective Resident is required to be given to a prospective resident or his or her legal representative as set forth below.

Prior to the earlier of (a) the execution of a contract to provide continuing care or (b) the transfer of any money or other property to StoneRidge by or on behalf of the prospective resident, StoneRidge is required to provide the following notice:

- ii. A continuing-care contract is a financial investment and your investment may be at risk.
- ii. Our ability to meet our contractual obligations under such contract depends upon our financial performance.
- iii. You are advised to consult an attorney or other professional experienced in matters relating to investments in continuing-care facilities before you execute a contract for continuing care.
- iv. 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 the above Notice to Prospective Resident, the Disclosure Statement and a copy of the continuing-care contract prior to entering into a continuing-care contract or the transfer of any money or other property to StoneRidge.

Signature of Prospective Resident

Date

Signature of Prospective Resident, if two

Date

STONERIDGE
ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT

In accordance with Section 17b-522 of the Connecticut General Statutes, this Acknowledgment of Receipt of Disclosure Statement is required to be given to a prospective resident or his or her legal representative as set forth below.

StoneRidge is required to deliver to a prospective resident or his or her legal representative a current Disclosure Statement not more than 60 days or less than 10 days before the execution of a continuing care contract or the transfer of any money or other property to StoneRidge by or on behalf of the prospective resident.

Acknowledgment:

_____ I, or my legal representative, have received and reviewed a revised and up-to-date Disclosure Statement in that there have been revisions to the original Disclosure Statement I, or my legal representative, received and reviewed.

OR

_____ I, or my legal representative, have not received a revised and up-to-date Disclosure Statement in that there have been no revisions to the original Disclosure Statement I, or my legal representative, received and reviewed.

Signature of Prospective Resident Date

Signature of Prospective Resident, if two Date

INTRODUCTION

We are pleased you have expressed an interest in StoneRidge. We are very proud of our senior living community and appreciate the opportunity to tell you more about it. We are convinced that the more you learn about StoneRidge, the more comfortable you will be in deciding to make it your future home.

StoneRidge brings to Residents of a qualifying age a way of living known as "*ContinuingCare*[™]." This concept provides services that offer Residents the opportunity to pursue their personal interests. *ContinuingCare* communities, such as StoneRidge, encompass these important components: a private Residence, a wide array of personal services, and the security of access to on-site licensed assisted living services, memory care, rehabilitative care and nursing care (hereafter also collectively known as "Health Center Care Services") in the Health Center, all combined within a sound financial plan. StoneRidge Senior Care, LLC ("we," "our," or "the Provider") is a Delaware limited liability company, qualified to do business in Connecticut and conducts business as StoneRidge. As the Provider, we are committed to operating a quality senior living community which is financially sound and genuinely responsive to Resident desires and needs.

One of the purposes of this Disclosure Statement is to explain to prospective Residents, their families, and their advisors who and what is involved in the operation of StoneRidge. This Disclosure Statement was prepared on the basis of information available at the time of its publication and includes assumptions which were believed to be realistic as of that date. Such information and assumptions are, of course, subject to change, particularly in the areas of economics and design. StoneRidge can be significantly affected by changes in inflation and interest rates even though our projections are conservative and are formulated to take into account those influences. Because of these and other influences, future changes may be necessary, and we reserve the right to make those changes in the operation of StoneRidge.

Although we have prepared this Disclosure Statement carefully and have tried to use nontechnical language, it is possible that there may be some differences between the text of this Disclosure Statement and the language of the Residency Agreement or other documents which are summarized herein. Copies of the actual documents should be inspected to fully understand all of their terms and provisions. In the event of any differences, the provisions of the language of the Residency Agreement or other documents which are summarized herein shall govern. Capitalized terms used herein shall have the same meaning as given them in the Residency Agreement.

We are pledged to the letter and spirit of U.S. policy for achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, creed, ancestry, sexual orientation, marital status, learning disability, physical or mental disability, or the lawful source of Resident's income (e.g., social security, alimony, public or general assistance).

I. THE PEOPLE

STONERIDGE SENIOR CARE, LLC

The Provider is a Delaware limited liability company organized for the purpose of operating a *ContinuingCare* senior living community that conducts business as StoneRidge. Its address is 1000 Legion Place, Suite 1600, Orlando, FL 32801. The member of the Provider ("Member") is Mystic CT Senior Holdings, LLC, a Delaware limited liability company, which is a wholly owned subsidiary of ROC-LCS JV1, LLC. Members of ROC-LCS JV1, LLC consist of LCS Milwaukee I LLC, an Iowa limited liability company and ROC Seniors Housing Holdings II, LLC, a Delaware limited liability company. LCS Milwaukee I LLC is a wholly-owned subsidiary of Life Care Services Communities LLC, which in turn, is a wholly-owned subsidiary of Life Care Companies LLC, an Iowa limited liability company. The Provider is not affiliated with any religious, charitable, or nonprofit corporation or entity.

The Managers of ROC Seniors Housing Holdings II, LLC, the managing member of ROC-LCS JV1, LLC are:

Dean Allara, 1000 Legion Place, Suite 1600, Orlando, FL 32801
Blake H. Peeper, 1000 Legion Place, Suite 1600, Orlando, FL 32801
Phillip M. Anderson, 1000 Legion Place, Suite 1600, Orlando, FL 32801
Robert W. Chapin, Jr., 1000 Legion Place, Suite 1600, Orlando, FL 32801
Jonathan P. Slager, 1000 Legion Place, Suite 1600, Orlando, FL 32801

The Provider has the overall responsibility for StoneRidge. Before the Provider undertook the sponsorship of StoneRidge, a complete program was developed which included preliminary plans, budgets for capital costs, planned financing, and projected operating income and expenses. Local and state ordinances were investigated to be certain that the proposed *ContinuingCare* community would comply with applicable laws. Some of its primary duties include the approval of building design, capital expenditures, and operating budgets. The Provider reviews annually the insurance coverages on StoneRidge's property and personnel. Operational policies for StoneRidge and criteria for residency are subject to approval and periodic review by the Member. The Provider will also adopt and approve personnel policies for employees and other policies and rules required for operation of StoneRidge. The Provider will monitor compliance with the budget and the performance of StoneRidge and its management. These activities will be carried out by means of reports, studies, and on-site inspections.

None of the persons described herein have been convicted of a felony or pled nolo contendere to a felony charge, held liable or enjoined in a civil action by final judgment, or are subject to a currently effective injunction or restrictive or remedial order of a court of record, within the past five years, nor has any individual had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, rising 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, residential care home, or any facility subject to sections 17b-520 to 17b-535, inclusive, or a similar statute in another state or country.

The Provider is solely responsible for its obligations, including its obligations under the Residency Agreement. No other person or entity referred to herein has assumed any

financial responsibility for the fulfillment of the Provider's agreements, except as otherwise expressly stated.

RESIDENTS' ASSOCIATION AND RESIDENTS' COUNCIL

Membership in the Residents' Association is open to all Residents of StoneRidge. The Residents' Association nominates and elects certain Residents to become members of the Residents' Council. The Residents' Council usually meets monthly with administration. The Residents' Council and its various committees is advisory in nature and is intended to consolidate majority opinion, and advise on general interest topics related to the quality of life at StoneRidge which are presented to the Provider for consideration and action. At least twice a year, the Provider will meet with the Residents. The Provider retains full decision-making authority for the operation of StoneRidge.

LIFE CARE SERVICES LLC

The Provider has retained Life Care Services LLC ("Life Care Services") to manage the Community. As the nation's second largest operator of senior living communities, Life Care Services serves more than 40,000 seniors in more than 140 communities (see Exhibit A). With nearly 50 years of service, Life Care Services has developed expertise in nearly every facet of senior living management. For more information, visit Life Care Services' website: <https://www.senior-living-management.com/>.

Principal officers of Life Care Services include Joel Nelson, Diane Bridgewater, Rick Exline, Jason Victor, and Jill Sorenson.

Joel Nelson is President and Chief Executive Officer of Life Care Services. He is responsible for executing the business strategy across all business lines in the LCS Family of Companies. He provides leadership and direction for business growth, service excellence, and enhancing the company's stability and value among financial partners, property owners, and other stakeholders in the senior living field. Joel joined Life Care Services in 1986 and has held several executive roles. He is responsible for the oversight of serving more than 40,000 seniors in more than 140 communities. Joel serves on the board of managers for Life Care Companies, on the board of directors for LCS Holdings, and is a member of the Life Care Companies audit committee. He also serves on the Hexagon (insurance captive) board of directors and is a trustee for the company's 401(k) benefits program. Outside of the organization, Joel serves as co-chair of Argentum's public policy committee and sits on the National Investment Center (NIC) operator advisory board. He is past chair and current board member of ChildServe, Inc. and serves on the health services advisory board at Simpson College, Indianola, Iowa. Joel holds a bachelor's degree in business management and health care administration from Simpson College.

Diane Bridgewater is Executive Vice President and Secretary for Life Care Services. As a high-energy, results-driving executive, Diane directs all financial aspects and operating infrastructure to ensure corporate, field and community team members have the resources necessary to provide exceptional customer satisfaction to residents. She is responsible for directing all financial and business operations in addition to overseeing the company's insurance

business line, information technology, compliance, regulatory and legal matters. In her executive leadership role, Diane helps to drive strategy development and execution resulting in strong financial performance and growth. She serves on the board of managers for Life Care Companies LLC; board of directors for LCS Holdings, Inc.; audit committee for Life Care Companies LLC; 401K administrative committee, investment committee and enterprise risk management committee. Outside the organization, Diane is a member of the Argentum – CFO Roundtable. In addition, she sits on Casey's General Stores board, audit committee and compensation committee. Diane is also a member of the board and audit committee at Guide One Insurance. She holds bachelor's degrees in accounting and French from the University of Northern Iowa.

Serving as Executive Vice President/Senior Managing Director of Life Plan Communities, Rick Exline leads a team of highly skilled professionals dedicated to elevating senior living experience. With over four decades of knowledge and expertise, Rick oversees the company's Life Plan Community management services, national marketing and sales, and the health care group. Collaborating with the leadership team, Rick identifies growth strategies that maximize market opportunities for single site, affiliated, and third-party managed communities. With a precise focus on performance excellence, Rick's team developed and launched the next generation opportunity platform for third-party managed Life Plan Communities. This innovation transformed the regional operations support model by relocating regional and corporate support staff. He serves on the board of managers for Life Care Companies LLC; the board of directors for LCS Holdings, Inc.; and the executive leadership and senior living management teams. Rick is also a trustee for the company's 401(k) benefits program. Outside the organization, Rick serves on the Simpson College board of trustees and is a board member for Above & Beyond Cancer. He holds dual bachelor's degrees in business administration and health care leadership.

As the Senior Vice President and Senior Director of Life Plan Communities for Life Care Services, Jill Sorenson is dedicated to providing innovative strategies to achieve performance excellence at Life Plan Communities. Jill joined Life Care Services in 1982 and has held several executive roles. In October 2019, Jill assumed oversight over the Healthpeak portfolio and moved from San Diego to St. Petersburg, FL. In this role, Jill is overseeing the operations and marketing for 13 for-profit Life Plan Communities owned by Healthpeak, a healthcare REIT. The 13 Life Plan Communities are located in Florida (9), Texas (1), Alabama (1), Michigan (1) and Pennsylvania (1). In addition, she continues to provide operational oversight over a Life Plan Community in Cupertino, CA. Jill holds a master's degree and a bachelor's degree in business administration. She also served as a CARF/CCAC site evaluator from 2000-2007. Jill has presented at various national and state industry conferences on a variety of topics affecting the senior living industry.

Jason Victor is Senior Vice President, Controller and Treasurer of Life Care Services. In this role, he provides oversight and direction for the organization's financial matters, ensuring its consistent and efficient fiscal performance. Jason has responsibility for the organization's Corporate Accounting, Corporate Payroll, Community Payroll, Treasury and Tax departments. He oversees all aspects of general accounting, cash management, billing and receivables, accounts payable, payroll, consolidations, and financial reporting. In addition, Jason provides oversight and guidance related to audits, internal controls, technical accounting, tax, and financial management systems. Also, he serves on Hexagon (insurance captive) board of directors and is a trustee for the company's frozen ESOP. Jason holds a bachelor's degree in accounting and is a Certified Public Accountant with an active license in the State of Iowa. Jason began his career in 1991 with Ernst

& Young in Des Moines, and later worked 10 years for a Fortune 500 organization. He joined Life Care Services in 2007.

Life Care Services supervises the management and operation of StoneRidge on behalf of the Provider. In general, management services include: recruiting and training administrative personnel; supervising the licensing, equipping, and staffing of StoneRidge; preparing annual budgets; establishing and operating a system of financial controls for StoneRidge, including comparative analysis with other projects; supervising health care services; supervising food services; supervising the services relating to the Residences; and providing the highest possible level of services to Residents consistent with the approved budget. The Provider retains the ultimate responsibility for monitoring operating costs, wages, salaries, expenses, and overall fiscal viability of StoneRidge. Life Care Services does not guarantee the obligations of the Provider under the Residency Agreement. Life Care Services is entitled to full reimbursement for certain costs incurred by it in connection with providing management services to the Provider, including full reimbursement of the executive director and the administrator's salaries, and is paid a percentage fee based on the total operating revenue of StoneRidge.

EXECUTIVE DIRECTOR

Kathleen Dess is the Executive Director of The Community. Ms. Dess is a graduate of Central Connecticut State University with a Bachelor of Arts degree in psychology and biology. She has been a licensed nursing home administrator in the State of Connecticut since 1983, and an active member in several civic groups in Mystic and Madison, Connecticut. Ms. Dess currently serves as the treasurer for the Connecticut Assisted Living Association and a member and past Chairman of the Madison Youth and Family Services Commission in Madison. In accordance with the management agreement with Life Care Services, Ms. Dess is an employee of Life Care Services. Prior to serving as Executive Director at the Community, Ms. Dess was the Associate Executive Director of Essex Meadows from 2009 to 2017.

ADMINISTRATOR

Amy Welch is the administrator of Avalon Health Care Center at StoneRidge. She is responsible for overseeing operations of both TopSail and The Cottage at Avalon. She obtained her Bachelor of Arts in Psychology at Salve Regina University in Newport, RI and graduate degree in Long Term Care Administration at Quinnipiac University in Hamden, CT. She has been a licensed nursing home administrator since 2010 and is licensed in Massachusetts and Vermont as well. Prior to Avalon, Amy was the administrator at Apple Rehab Guilford. She joined LCS in 2021.

DIRECTOR OF OPERATIONS MANAGEMENT

Scott Doherty has been a member of the Life Care Services LLC family for over 10 years and has been a health care administrator since 1991. He began his career at Life Care Services as Administrator at Vista Grande Villa in Jackson, Michigan. He was executive director at Westminster Village in Spanish Fort, Alabama from January 2004 until February 2007 before being appointed the executive director at Timber Ridge in Issaquah, Washington. Prior to joining

LCS, Mr. Doherty served four years of active duty in the United States Navy. He has also served six years in the Naval Reserves. His four years of active duty included a tour aboard the aircraft carrier USS Theodore Roosevelt. Mr. Doherty earned a bachelor of science degree in health care administration from James Madison University in Harrisonburg, Virginia along with a minor in business management. In January 2013, Mr. Doherty was promoted to director of operation management and became a vice president of Life Care Services in 2014.

II. THE COMMUNITY

THE LOCATION

StoneRidge is located at the southwest corner of Jerry Browne Road and Pequotsepos Road in Mystic, Connecticut.

STONERIDGE

Phase I of StoneRidge consists of 166 Residences, common areas, and a 40-bed Health Center offering nursing care. The common areas include a dining room with a view of the woods; a library; an art studio; a fitness room; a beauty/barber shop; the Jerry Browne Pub; Mariner Grille; a residential health services office; a postal outlet, a meeting room; a computer room; a Resident-run country store; and a private dining room which may be reserved by Residents who wish to entertain a group. Outdoor amenities include a communal garden area, a golf putting green, and a perimeter walking path.

Marketing of Phase II commenced in December 2005, construction commenced in July 2006, and the first move-ins for Phase II occurred in October 2007. Phase II consists of 51 additional Residences and new common spaces including an enclosed swimming pool, dining enhancements, an auditorium, and lounge areas. Phase III marketing commenced in February 2007. Construction of Phase III commenced in April 2007 and the first move-ins for Phase III occurred in August 2008 and memory care in 2009. Phase III consists of 53 additional Residences and a 12 suite memory care cottage. StoneRidge also has the opportunity to construct an additional 20 Health Center beds pursuant to the provisions of its Certificate of Need.

The types of Residences that are available include: one (1) bedroom traditional, one bedroom (1) deluxe, one (1) bedroom with den, one (1) bedroom with den deluxe, two (2) bedroom traditional, two (2) bedroom deluxe, two (2) bedroom corner, two (2) bedroom end, two (2) bedroom with den, two (2) bedroom end with den. All Residences and common areas are connected by common corridors and elevators. This provides the Residents access throughout StoneRidge without going outdoors. All Residences are equipped with safety features such as grab rails in the bathrooms and emergency nurse call signals in the bedrooms and baths, full sprinkler systems, and smoke alarms. Every Residence has complete kitchen facilities with major appliances, central air, and other amenities.

Avalon Health Care Center at StoneRidge ("Health Center") is designed with both private and semiprivate rooms, and includes a large physical/occupational therapy room, arts and crafts therapy area, dining rooms, and lounges. Emphasis in the Health Center is on restorative care in order to return Residents to their Residences.

In addition to convenient access to on-site Health Center Care Services, StoneRidge is designed to create an environment that enriches the lives of the people who live and work there. The design of StoneRidge allows for creative and healthy lifestyle activities in a comfortable environment. However, the Provider reserves the right to modify the services and amenities to better serve StoneRidge Residents if justified by market demands or if design or construction technology advances or alternatives are made available.

THE PERSONNEL

With approval from the Provider, Life Care Services employs the executive director, and administrator of StoneRidge under the terms of its Client Services Agreement. Life Care Services or the Provider will also employ the director of accounting, and the marketing and sales staff at StoneRidge. The Provider employs all other personnel. In the Health Center this includes a director of nursing services, a dietary manager, registered nurses, licensed practical nurses, and nursing paraprofessionals. A medical director (M.D. or D.O.) has been contracted on a consulting basis to direct care in StoneRidge's Health Center. An occupational therapist, a physical therapist, a speech therapist, and a dietician are available on a consulting basis. Other employees of StoneRidge include receptionists, community life services director, a finance manager, maintenance workers, security personnel, residential health services staff, housekeeping staff, kitchen staff, dining room personnel, clerical staff, and transportation personnel.

THE SERVICES

The decision to move into a *ContinuingCare* senior living community demands careful consideration of many factors, including the services to be provided. A description of the services provided by the Provider is attached as Exhibit B to this Disclosure Statement. Briefly, in accordance with the terms of the StoneRidge Residency Agreement, and in addition to providing a Residence and community amenities for lifetime use by the Resident, the Provider provides the following services: (1) maintenance and cleaning of the common areas; (2) weekly flat laundry service; (3) full maintenance inside and out, including provided appliances in each Residence; (4) weekly housekeeping of each Residence; (5) dining services for Residents and their guests; (6) planned activities; (7) security services; (8) scheduled local transportation services; (9) Health Center Care Services; (10) a residential health services program; (11) emergency call monitoring and responses; (12) water, sewer, air conditioning, heating and electricity; (13) standard cable; (14) trash removal; (15) room service for up to 14 days when ordered by the appropriate personnel; and (16) various administrative services. Also, additional services are available to the Residents for an extra charge, as outlined in the Residency Agreement.

The choices at StoneRidge support a healthy way to live. StoneRidge's innovative *HealthyLife™ Services* Program offers an all-encompassing commitment to Resident's healthy lifestyle...including spiritual, physical, emotional, social, environmental, intellectual, vocational and health services. This dynamic principle underscores the nature of StoneRidge's services which are designed to promote personal wellness.

The Provider offers three (3) levels of health services that include: (1) residential health services (home care services); (2) assisted living; (3) memory care; and (4) short- and long-term rehabilitative and nursing care services. As an option, should the Resident not desire to transfer to the Health Center, the Resident may elect to receive in his/her Residence, home care services as long as the Resident's health or safety or that of others is not jeopardized. Such services will be coordinated by StoneRidge's Health & Wellness Navigator. Services provided by StoneRidge Assistance In Living staff or a home care or home health care provider serving the area are at the Resident's expense.

The Health & Wellness Navigator ("Navigator") will assist the Resident in obtaining personal care services from StoneRidge Assistance In Living an outside agency of Resident's choice in accordance with StoneRidge's Personal Service Provider Policy. At the Resident's direction, the Navigator may guide preventative wellness oriented services such as fitness and exercise activities, as well as healthy food choices. Other services may include: wellness screenings such as blood pressure checks, health fairs and life-long learning seminars geared to health and wellness. Should health care needs arise, the Navigator may support Residents with health and medical related services, such as assistance with physician appointments, emergency medical management, physician ordered on-site laboratory screenings, physical and other therapies, as well as private home health services designed to provide care in Resident's Residence during spells of illness or post hospitalization. The goal is to provide as much support as the Resident desires to promote wellness and to avoid admission to a more acute level of health care. If more acute care is needed, the Navigator will coordinate admitting details.

Residents who do not require ongoing care in the Health Center, but who need limited additional personal services to continue residing in their Residence, may contract for those additional services through StoneRidge's *HealthyLife Services* Program. These services include, but are not limited to bathing, dressing, additional housekeeping, shopping, escort, and personal laundry. These services are provided by StoneRidge through StoneRidge Assistance In Living. Such services may also be provided by a home health services provider serving the area. See "Home Health Care" below regarding Residents' right to utilize outside providers for these services. The Provider has the right to adjust the level of personal care services and the charges for such services. The services furnished through this program are provided for an extra charge to the Resident and enable the Resident to remain in their Residence without transfer to the Health Center.

Health Center services are available to all Residents of StoneRidge. Residents, under the direction of their attending physician and the Health Center's medical director (after consultation with the Resident's responsible party, if any, and Residents to the extent possible), may be directly admitted to the Health Center from their Residences. Residents of StoneRidge have priority access to the Health Center over non-residents desiring admission. Residents who are able to do so will be encouraged to return to their Residences as soon as possible. Residents who are unable to return to their Residences, however, will have the benefit of care in the health center. For a more complete description of the Health Center see "Health Center" below and Section 4 of the Residency Agreement.

HEALTH CENTER

StoneRidge has a Medicare-certified on-site Health Center ("Avalon Health Care Center at StoneRidge" or "Health Center") licensed to provide Health Center Care Services to StoneRidge Residents under the licensure requirements of the State of Connecticut. Our philosophy is to foster an atmosphere and a culture that support independence, dignity, and choice for all Residents regardless of physical or mental abilities. This is achieved through a culture that enhances personal care based on individual choices and quality of life options.

The Provider delivers to Residents quality Health Center Care Services within the limits of its license and consistent with the approved budget. Licensure for hospital-level care cannot be

obtained, and hospital level services are not provided within the Health Center. Such level of care must be provided by a hospital, and the costs related to hospitalization are the responsibility of the Resident.

Care in the Health Center. Health Center Care Services are provided pursuant to the *ContinuingCare* Residency Agreement to Residents of StoneRidge. The Health Center offers private and semi-private suites with preferred access to Residents of StoneRidge, but also markets any available suites to non-residents. The goal of the Health Center is to provide the highest quality Health Center Care Services in a state-of-the-art Health Center with a focus on personal choice and within the limits of its license.

Priority Access Plan. If, in the opinion of the Resident's attending physician or StoneRidge's medical director (after consultation with the Resident to the extent possible, and Resident's responsible party, if any), it is determined that the Resident requires care outside the Residence, the Resident shall pay the per diem charge for care in the Health Center. Whether the Resident continues to pay the Monthly Fee for the Residence while a Resident in the Health Center depends upon whether the Resident chooses to **release** or **retain** the Resident's Residence.

Reduced Health Center Fees Plan and the First 90 Days in the Health Center. If a Resident has entered into a Residency Agreement including the Reduced Health Center Fees, Plan, and, in the opinion of the Resident's attending physician or StoneRidge's medical director (after consultation with the Resident to the extent possible, and Resident's responsible party, if any), it is determined that the Resident requires care outside the Residence, the Resident is provided Health Center Care Services in the Health Center for a discounted rate for 90 cumulative days. During the Resident's first 90 cumulative days of Health Center Care Services, the Resident receives a 50 percent discount from the per diem charge for care in the Health Center. After the Resident's first 90 cumulative days of Health Center Care Services, the Resident receives a 10 percent discount from the per diem charge for care in the Health Center. Whether the Resident continues to pay the Monthly Fee for the Residence while a Resident in the Health Center depends upon whether the Resident chooses to **release** or **retain** the Resident's Residence.

Medicare-Qualified Stay. If the Resident's stay in the Health Center is fully covered as a Medicare-qualified stay, the discount towards the per diem charge as described in the above paragraph will not take effect until the termination of the Resident's Medicare-qualified stay, providing that the Resident has Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to StoneRidge. However, a Resident may choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage. If the Provider is a participating provider with the Resident's managed care program and the Resident's stay is a Medicare-qualified stay, the Provider agrees to be reimbursed at the rate negotiated with Resident's managed care program. Such a managed care stay in the Health Center will not reduce the discount towards the per diem charge that the Resident is eligible for when receiving Health Center Care Services in the Health Center.

Resident Priority Over Non-Residents. A Resident will be given priority over non-residents for admission to the Health Center. In the unlikely event the Health Center is fully occupied, the Resident will be provided care in another health care facility or in his/her apartment with Stoneridge Assistance In Living, if applicable, until space becomes available at the Health

Center. To the extent the Provider is responsible for the Resident's care and accommodations in the Health Center under the Residency Agreement, the Provider will be responsible for the charges associated with the alternate Health Center Care Services so long as the Resident continues to pay the applicable per diem charge for Health Center Care Services and the Monthly Fee if the Resident retains his or her Residence. The Resident agrees to relocate to the Health Center when a suite is available.

Section 4 and Exhibit B of the Residency Agreements (see Exhibit C) set forth in greater detail the extent to which Health Center Care Services will be provided and the terms for providing this care. Physical, occupational, and speech therapy services are provided on a contract basis.

CONTRACTS AND FEES

The services to be performed under the Residency Agreement are furnished pursuant to a management agreement between the Provider and Life Care Services. Life Care Services is the day-to-day manager of StoneRidge pursuant to a Client Services Agreement between Life Care Services and the Provider. Under the management agreement, the Provider pays Life Care Services a management fee for management of the Community. Life Care Services will also be entitled to reimbursement of certain costs incurred by it in connection with providing management services, including reimbursement of on-site Life Care Services staff salaries.

III. THE PROPOSAL

THE *ContinuingCare*[™] CONCEPT

The *ContinuingCare* concept ensures an individual lifetime use of a Residence, support services, access to 6 assisted living apartments, 12 memory care suites in The Cottage at Avalon, and access to long-term nursing care in the on-site Health Center. This concept has grown as an increasing number of men and women reaching retirement age have sought better alternatives to traditional retirement living. For those services and accommodations, a Resident pays a First Person Fee, a one-time Working Capital Fee, and makes a Loan to the Provider in accordance with the terms of the Residency Agreement. The Resident begins to pay the Monthly Fee on the earlier of the date the Resident moves into StoneRidge, or within 90 days of the Provider's approval of the Residency Agreement. A Resident may relocate from his or her Residence to the on-site Health Center as provided in the Residency Agreement.

The Residents of StoneRidge will have, through their *ContinuingCare* arrangement, another way of paying for long-term care, although not underwritten by an insurance company. The Provider will provide Health Center Care Services in The Cottage at Avalon and Health Center for as long as required at a discounted rate to the Resident. The *ContinuingCare* arrangement will make Health Center Care Services available to the Resident for significantly less cost than the cost to obtain these services in a well-rated comparable facility.

LONG-TERM CARE INSURANCE

Some Residents may have obtained coverage under some form of long-term care insurance prior to moving to StoneRidge. These policies are typically purchased to cover home health, assisted living, memory care, and/or nursing care expenses which are not covered by Medicare or other insurance. The terms of coverage vary among insurers and policies. Some policies are purchased directly by individuals, while others are provided through former employers. Some will directly reimburse an individual for qualified expenses incurred, while others provide an indemnity amount with payment going directly to the provider of the service. Many also provide some coverage for qualified home health care and assisted living care at a lower rate than for memory care or nursing care.

StoneRidge does not provide advice to its Residents as to whether an existing long-term care insurance policy should be maintained in effect following occupancy. This decision is one which will vary by individual and type and cost of the policy. The Provider recommends that the decision be made in consultation with the Resident's financial advisor. If coverage is maintained, the Provider has agreed pursuant to paragraph 4.7 of the Residency Agreement, to use reasonable efforts to assist the Resident in working with his or her insurance company to obtain the insurance benefits to which the Resident may be entitled. In some cases this will mean filing claims on behalf of the Resident with the insurance company for eligible benefits, while in others it will mean submitting bills to the Resident for services provided in the Health Center which, upon payment, can be used by the Resident to claim recovery of the charges covered by the policy. The Provider cannot undertake to represent a Resident in the event of a dispute with an insurer over the benefits payable under a policy.

The Residency Agreements are attached to this Disclosure Statement as Exhibit C.

THE RETURN-OF-CAPITAL™ PLAN

The *Continuing Care* concept has evolved over the years in many ways. Probably the most dramatic change is the handling of the historical, one-time "Entrance Payment." Originally, the Entrance Payment paid by a Resident became the property of the provider on the day the Resident assumed occupancy. This appeared to some to be inequitable for an individual who was a Resident for only a short time, despite the balancing effect for the long-term Resident. As a consequence, providers began offering partial repayments to the estates of Residents based on a Resident's term of residency. In other words, the provider "earned" the Entrance Payment over a period of time until the repayment became zero.

The Provider's Return-of-Capital™ Plan for Residency Agreement (the "Residency Agreement") provide an additional benefit. Under the Return-of-Capital Plan, an Entrance Payment consists of a First Person Fee and a Loan. The Loan constitutes a significant portion of the Entrance Payment and is repayable upon cancellation of the Residency Agreement according to the schedule below. If a Resident dies or decides to leave StoneRidge, the Entrance Payment is repayable to the Resident or Resident's estate net of amounts subject to offset pursuant to the Residency Agreement in the following manner:

- During the first ten (10) months of occupancy the Loan and a portion of the First Person Fee equal to 90% of the Entrance Payment will be repayable;
- During months 11 through 30 of occupancy the First Person Fee will be further reduced by 1 percent (1%) of the Entrance Payment per month of occupancy. The Loan, an amount equal to 65% of the Entrance Payment, will be repaid and the Second Person Fee, if there are two (2) Residents, will be non-repayable; and
- After 30 or more months of occupancy the Entrance Payment will be 65% repayable (i.e., the Loan) and the Second Person Fee, if there are two (2) Residents, will be non-repayable.

The Provider also offers a 50% Return-of-Capital™ Plan under its Residency Agreement for a limited number of Residences. The Provider may, at the Provider's sole discretion, offer the option of the 50% Return-of-Capital™ Plan for one or more Residences. The differences between these two Plans are the following:

- The Entrance Payment for the 65% Return-of-Capital™ Plan is greater than the Entrance Payment for the same residence under the 50% Return-of-Capital™ Plan;
- Under the 50% Return-of-Capital™ Plan, the Loan is 50% of the Entrance Payment and the First Person Fee is 50%; and
- Under the 50% Return-of-Capital™ Plan, during months 11 through 25 of occupancy the First Person Fee will be further reduced by 2 percent (2%) of the Entrance Payment per month of occupancy.

In the event of death or cancellation of the Residency Agreement and removal of all property from the Residence, the repayment will be made 14 days from the date the Entrance Payment is collected from a new Resident for the vacated Residence. In the event the Residence is reoccupied by an existing Resident of StoneRidge, repayment will occur on the date an Entrance Payment is received for the Residence vacated by the existing Resident. If more than one internal transfer of existing Residents occurs, repayment of the Loan will be tied to the last vacated

Residence. However, in no event shall such date be more than 36 months from the date of cancellation of the Residency Agreement. If the Residency Agreement is not cancelled within 30 years from the date of the Loan Agreement, the Loan shall be immediately due and payable by StoneRidge to the Resident or the Resident's estate.

In anticipation of meeting the needs of Residents over time, the Provider recognizes the need to be able to modify and develop new forms of residency agreements. To meet those needs, the Provider reserves the right to offer new prospective Residents alternative forms of residency agreements from time to time without said change being applied to existing Residents.

The Residency Agreements are attached to this Disclosure Statement as Exhibit C.

SUMMARY OF RESIDENCY AGREEMENT

Upon deciding to become a Resident of StoneRidge, a future Resident will execute a Residency Agreement to reserve the Residence selected. A prospective Resident will execute a Residency Agreement in one of the forms attached in Exhibit C. The current Entrance Payments, Monthly Fees, and Ancillary charges for Phases I, II, and III Residences are attached as Exhibit E.

Residency Agreements are subject to acceptance by the Provider. At the time of executing a Residency Agreement, a determination needs to be made as to whether a prospective Resident meets the residency criteria: age, financial qualifications, and the ability to live in a Residence with or without reasonable accommodation or reasonable modification. To determine if the prospective Resident meets the age and financial residency guidelines, a Confidential Data Application is completed. The Application requires the prospective Resident's birth date as well as a summary of assets and monthly income. The prospective Resident's signature on the Application is an acknowledgment that the information provided is correct and the prospective Resident agrees throughout his or her residency to maintain the minimum level of assets and income that initially qualified him or her for residency.

A summary of the Residency Agreement and terms of residency are set forth below. The summary explanation of the Residency Agreement contained in this Disclosure Statement is qualified by reference to the Residency Agreements (see Exhibit C) which shall prevail in the event of any conflict.

The basic terms and conditions of the Residency Agreement are summarized as follows:

1. **Payment of First Person Fee and Second Person Fee.** At the time the Residency Agreement is executed by a Resident, he or she will be required to pay a partial First Person Fee in an amount equal to ten percent (10%) of the Entrance Payment which will be deposited into an escrow account and will be released to the Provider pursuant to the escrow agreement. The balance of the First Person Fee will be paid at the time of the Loan payment and payment of the Working Capital Fee. If there are two (2) Residents, a Second Person Fee will be paid at the time of the Loan payment.

Before occupancy, the 10 percent will be fully repayable without interest if: (i) the Provider does not accept the prospective Resident for residency; (ii) the prospective Resident

changes his or her mind within the 30 day rescission period; or (iii) due to death, illness, injury or incapacity, the prospective Resident will be unable to occupy a Residence. In all other cases, if a Resident changes his or her mind prior to occupancy, the Provider will retain the lesser of two percent (2%) of the Resident's Entrance Payment or \$1,000 from the First Person Fee Resident paid, plus an amount equal to any costs specifically incurred by the Provider at the Resident's request, and will repay the balance without interest to the Resident within 60 days of written notice of cancellation.

After occupancy, the Resident's First Person Fee may be partially repayable as outlined in the Residency Agreement. After occupancy, the Second Person Fee is not repayable. Any non-repayable First Person Fee or Second Person Fee may be used by the Provider for any purpose related or unrelated to StoneRidge. The Provider may distribute any non-repayable First Person Fee or Second Person Fee to its Member.

2. **Payment of Loan.** A Resident will be required to make a Loan to the Provider. On the earlier of the date the Resident moves into StoneRidge or within 90 days of the Provider's approval of the Residency Agreement, the Resident will be required to make a Loan to the Provider. The Loan will be fully repaid as set forth in the Residency Agreement and the Loan Agreement that is part of the Residency Agreement.
3. **Payment of a Working Capital Fee.** A Resident will be required to pay a one-time Working Capital Fee to the Provider at the time the Resident makes the Loan under the Residency Agreement. The Working Capital Fee will be an amount equal to two (2) times the then-current Monthly Fee, including the Second Person Monthly Fee if there are two (2) Residents for the Residence. The Working Capital Fee is intended to be used only for purposes related to StoneRidge and will be non-repayable.
4. **Payment of a Monthly Fee.** A Resident will be required to pay a Monthly Fee which is determined annually by the Provider. For a more complete description of the Monthly Fee, see the section titled "Monthly Fee" in this Disclosure Statement and Section 1 of the Residency Agreement.
5. **Miscellaneous Additional Services and Extra Charges.** Section 2 of the Residency Agreement describes certain items that may be available for an extra charge, including, but not limited to, additional meals beyond the meal plan included in the Monthly Fee, extended tray service beyond 14 days to Resident's Residence, Residential Health Services (home health care) provided in Resident's Residence, use of the beauty/barber shop, and additional housekeeping.
6. **Charges for Assisted Living, Memory Care, Rehabilitative Care and Nursing Care Services in the Avalon Health Care Center at StoneRidge.** Section 4 of the Residency Agreement establishes the basis for charges for Health Center Care Services in StoneRidge's Health Center. In general, during the first 90 cumulative days of private assisted living or memory care or private or semiprivate nursing care in the Health Center, the Resident will be provided with a 50 percent discount from the market rate established as the per diem charge. After the first 90 days of accumulated private assisted living or memory care or private or semiprivate nursing care in the Health Center, the Resident will receive a 10 percent discount from the per diem charge for care in the Health Center.

Whether the Monthly Fee for the Residence continues will be based on whether the Residence is released or retained and whether there is one (1) Resident or two (2) Residents.

7. **Cancellation.** The Provider may cancel a Residency Agreement after it has been accepted only for the reasons set forth in Section 9 of the Residency Agreement. Prior to occupancy, the Residency Agreement may be rescinded by the Resident giving the Provider written notice within 30 days from the date of the Residency Agreement being executed. In such event, the First Person Fee paid by the Resident will be returned in full, without interest, less those costs specifically incurred by the Provider at the Resident's request and described in the Residency Agreement executed by the Resident and the Provider.

During the right of rescission period the Resident is not required to move into StoneRidge. Should the Resident cancel the Residency Agreement during or after the 30-day right of rescission period, the timing and amount of repayment will depend upon the circumstances surrounding cancellation as set forth in Section 8 of the Residency Agreement. A Resident may cancel the Residency Agreement after occupancy in accordance with Section 8 of the Residency Agreement. Information regarding the disposition of a resident's personal property in the event of cancellation following occupancy is described in Section 8 of the Residency Agreement.

The Provider may not cancel the Residency Agreement after occupancy except for just cause as described under Section 9 of the Residency Agreement.

8. **Financial Assistance.** In cases where a Resident's financial resources prove inadequate, the Resident may apply for special financial consideration by the Provider. It is the policy of the Provider not to require a Resident to leave StoneRidge because of justifiable inability to pay the full Monthly Fees or Health Center per diem charges as long as it does not impair the Provider's ability to operate on a sound financial basis. If this occurs, any deferred charges will be offset against any Loan repayment due the Resident. The circumstances under which a Resident will be allowed to remain in StoneRidge in the event of financial difficulty are set forth in Section 9 of the Residency Agreement. Further, when the Resident initially applies for residency, the Resident agrees to maintain throughout his or her residency the minimum level of assets and income that initially qualified him or her for residency.

SUMMARY OF TRADITIONAL RESIDENCY AGREEMENT

The Community will be offering a Traditional Plan for Repayment to prospective residents on a limited basis, in addition to the Return-of-Capital™ Plans. The primary difference between the Return-of-Capital Plans and the Traditional Plan is that the Traditional Plan will continue to amortize until the Resident's entire Entrance Payment has been earned by the Provider. There is no loan made to the Provider.

Payment of Entrance Payment and Second Person Fee. At the time the Residency Agreement is executed by a Resident, he or she will be required to pay an amount equal to 10% of the Entrance Payment, which will be deposited into an escrow account until it may be released to us pursuant to Connecticut law. The balance of the Entrance Payment will be paid on the earlier of the date

the Resident moves into the Community or within 90 days of the Provider's approval of the Residency Agreement. If there are two (2) Residents, a Second Person Fee, if applicable, will be paid at the time of the balance of the Entrance Payment and payment of the Working Capital Fee.

Before occupancy, the 10% will be fully repayable without interest if: (i) the Provider does not accept the prospective Resident for residency, (ii) the prospective Resident changes his or her mind within the 30 day rescission period or (iii) due to death, illness, injury, or incapacity, the Resident will be unable to occupy a Residence. In all other cases, if a Resident changes his or her mind prior to occupancy, the Provider will retain \$1,000 of the Entrance Payment paid plus an amount equal to any costs specifically incurred by the Provider at the Resident's request, and will repay the balance, without interest, within 60 days of cancellation. After occupancy, the Resident's Entrance Payment and Second Person Fee may be fully repayable or non-repayable as outlined in the Residency Agreement and summarized below.

No Loan. As the entire Entrance Payment may become earned by the Provider, the Resident will not be required to make a Loan to the Provider. The Entrance Payment is instead earned by the Provider pursuant to the amortization schedule summarized below.

Repayment of Entrance Payment After Occupancy. If a Resident dies or decides to leave StoneRidge, the Entrance Payment is repayable to the Resident or Resident's estate net of amounts subject to offset, pursuant to the Residency Agreement in the following manner:

- After occupancy, the Second Person Fee is not repayable;
- During the first 10 months of occupancy, an amount equal to ninety percent (90%) of the Entrance Payment will be repayable;
- During months 11 through 47 of occupancy, the Entrance Payment will be reduced by the total of six percent (6%) plus two percent (2%) of the Entrance Payment per month of occupancy until the Entrance Payment has fully amortized down to zero; and
- After 48 months of occupancy, the Resident will not receive any repayment of their Entrance Payment.
- After you assume occupancy at StoneRidge, you may cancel your Residency Agreement at any time by giving us one hundred twenty (120) days' advance written notice signed by you (both of you if there are two (2) of you) and sent by registered or certified mail. You will continue to pay your Monthly Fee until the later of (i) the expiration of such one hundred twenty (120) day period or (ii) your vacancy of the Residence, and removal of all your furniture and other property.

TRANSFER TO ANOTHER STONERIDGE RESIDENCE

Residents may determine that a transfer to another Residence may better meet their needs. A transfer policy has been developed to support aging in place and to meet the financial needs of the Residents and StoneRidge. If so desired, Residents who have already taken occupancy of a Residence at StoneRidge may transfer to another available Residence in accordance with our then-current policy and practices. Any transfers to a new Residence are subject to management approval and will require an Amendment to a Resident's Residency Agreement. Based upon the two apartments, a Resident desiring to transfer may be required to pay an additional Entrance Payment.

A Resident may need to complete a new Confidential Data Application and meet StoneRidge's financial qualifications to occupy the new Residence. A Refurbishment Fee to restore the condition of the previous Residence will be charged for each transfer. The Monthly Fee will also be adjusted to the then-current Monthly Fee for the new Residence. The amortization of the new Residence's Entrance Payment shall be calculated based upon the date of initial occupancy at Stoneridge. All repayments of the any Entrance Payment paid by the Resident (previous or new Residence) will be repaid upon cancellation and pursuant to the terms of the Residency Agreement.

MANAGED CARE

The Resident may choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and one supplemental insurance coverage. If the Provider is a participating provider with the Resident's managed care program and the Resident's stay is a Medicare-qualified stay, the Provider agrees to be reimbursed at the rate negotiated with the Resident's managed care program. Such a managed care stay in the Health Center will not reduce the discount towards the per diem charge that the Resident is eligible for when receiving Health Center Care Services in the Health Center.

If the Provider is not an approved participating provider with the Resident's managed care program and the Resident chooses to receive nursing care services at a managed care participating provider during a Medicare qualified stay, then the Resident understands and agrees that he or she must relocate for as long as necessary for those services, and will be responsible for all charges for those health care services. In addition, while receiving health care services at the managed care participating provider, the Resident understands and agrees that unless the Residency Agreement is canceled, he or she will continue to pay the Monthly Fee if the Resident chooses not to release his or her Residence. Such a Medicare-qualified stay at a managed care participating provider will not reduce the discount towards the per diem charge that the Resident is eligible for when receiving Health Center Care Services in the Health Center.

If the Provider is not a participating provider in the Resident's managed care program and the Resident would still like to receive nursing care in the Health Center during a Medicare-qualified stay, the Provider will attempt to negotiate an acceptable reimbursement rate with the Resident's managed care program. If the Provider is able to negotiate an acceptable rate, the Provider agrees to accept as full payment the rate provided by the Resident's managed care program. Such a managed care stay in the Health Center will not reduce by one day the discount towards the per diem charge that the Resident is eligible for when receiving Health Center Care Services in the Health Center. If a negotiated rate cannot be agreed upon and the Resident would still like to receive nursing care in the Health Center during a Medicare-qualified stay, then each day of the Resident's stay in the Health Center will reduce the discount towards the per diem charge that the Resident is eligible for when receiving Health Center Care Services in the Health Center. At the conclusion of each such Medicare-qualified stay, the Resident will be entitled to nursing care in the Health Center under the terms of the Residency Agreement, as adjusted to reflect any reduction during such stay in the number of discounted days of care the Resident is eligible to receive as provided in paragraph 4.2 of the Residency Agreement.

MONTHLY FEE

On the earlier of the date the Resident moves into StoneRidge or within 90 days of the date of the Provider's approval of the Residency Agreement, the Resident is required to pay the one-time Working Capital Fee, pay the balance of the First Person Fee, make the Loan, and begin paying the Monthly Fee (due upon receipt of a billing statement) as explained in Section 5 of the Residency Agreement.

The amount of the Monthly Fee in effect at the time the Residency Agreement is executed will be clearly stated in the Residency Agreement. The total Monthly Fee is higher when a second person also shares a Residence. The current Monthly Fees for Residences are attached as Exhibit E. The amount of the Monthly Fee is determined by the operating cash requirements for the preceding year, which shall mean all recurring and nonrecurring costs, expenses, and outlays incurred in connection with the operation and administration of StoneRidge. Operating cash requirements shall be determined by StoneRidge management and shall include, but not be limited to, salaries and wages and all fringe benefits paid to employees of StoneRidge and other persons stationed at StoneRidge and other persons having day-to-day administrative, marketing and/or management responsibilities; telephone; utilities; license fees; occupational taxes, payroll taxes, property taxes, sales taxes, permits, etc., associated with StoneRidge; lease payments, if any; legal and accounting services; bad debts and other losses; deductibles related to insurance claims; consulting fees for specialists such as dietitians and medical directors; food and supplies; marketing and sales expenses; capital improvements; costs of repair, maintenance, replacement and improvements to equipment, furniture, fixtures and buildings, except those costs paid from the Capital Asset Replacement Reserve Fund, management fees and other reimbursable costs, including costs of reasonable expenses incurred in performing management services for StoneRidge, such as transportation, living expenses, telephone expense, and photocopying expense; cost of maintenance and normal replacement of landscaping; principal and interest payments on all loans, including "permitted encumbrances, but excluding Loans under the Residency Agreement; and other similar items related to StoneRidge. Operating cash requirements shall not include income taxes.

The Monthly Fee is adjusted upon 30 days' written notice to the Residents. The Monthly Fee will be increased only if it is necessary to meet the operating cash requirements of StoneRidge. Adjustments are intended to reflect anticipated changes in operating cash requirements and anticipated inflation related to the operating cash requirements during the coming year. Each Resident's Monthly Fee increase will be computed by the Provider. Any adjustment to the Monthly Fee will take into account the amount of reserves and working capital necessary to assure StoneRidge's financial independence and the ability to deal with unforeseen circumstances.

FEE SCHEDULES

Limited historical Entrance Payments and Monthly Fees are available as the Provider began operating Stoneridge in 2016. Current Entrance Payments, Monthly Fees and Extra Charges are included as Exhibit F and G to this Disclosure Statement.

WORKING CAPITAL ACCOUNT

The Provider uses the one-time Working Capital Fees to maintain a Working Capital Account. The funds maintained in the Working Capital Account may be used for any purpose related to StoneRidge including the working capital needs of StoneRidge, for capital refurbishment needs of StoneRidge, and to make capital improvements, replacements, or additions at StoneRidge. The Working Capital Account is funded by Resident's payment of a one-time Working Capital Fee. The Working Capital Fees and the interest earned on the fees will be used by the Provider only for purposes related to StoneRidge.

ESTATE PLANNING

The 65% Return-of-Capital™ Plan provides for the payment of the Entrance Payment in two (2) parts: a First Person Fee and a Loan. The First Person Fee is an amount equal to 35% of the Entrance Payment. An amount equal to 10% of the Entrance Payment is paid upon execution of the Residency Agreement. A Resident is then required to pay the balance of the First Person Fee, the Second Person Fee, if applicable, a one-time Working Capital Fee, and make the Loan on the earlier of the date Resident moves into StoneRidge or within 90 days of the Provider's approval of the Residency Agreement. The Loan is repayable to the Resident's estate upon the death of the Resident, or in the case of a double-occupied Residence, upon the death of the surviving Resident, in accordance with the terms of the Loan Agreement.

In the absence of any agreement between the Residents of a double-occupied Residence which has been provided to the Provider, the Loan repayment or Entrance Payment will be paid to the estate of the surviving Resident. Residents of double-occupied Residences who wish to make other provisions as to whom the Loan repayment or portion of the Entrance Payment is to be repayable should consult their attorney for an appropriate agreement. It is the responsibility of the Resident to make the Provider aware of the existence of any such agreement and to provide a copy of the agreement to the Provider. No other rights under the Residency Agreement are assignable. Forms of Assignment of Rights to Repayments are available for review by the Resident or by the Resident's financial or legal advisor upon request.

IV. FINANCIAL

FINANCIAL PROJECTIONS

The following information is provided to future Residents, their families, and their advisors so that they may understand the financial basis on which StoneRidge is operated. The Provider's past experience regarding such items as wage rates, utilities, real estate taxes, supplies, etc., and the past experience of Life Care Services in successfully managing senior living communities, has been the basis for financial planning for StoneRidge.

CASH FLOW PROJECTION (PRO FORMA)

On the following pages are the January 1, 2021 through December 31, 2023 pro forma cash flow projection for the Provider. The pro forma projection is based on the assumptions stated in the notes attached thereto and are projections of future activity rather than historical financial statements. Such pro forma projection is based on cash flow concepts which make it unlike an income statement prepared in accordance with generally accepted accounting principles.

The pro forma cash flow projection is simply a projection of the estimated expenses and income of StoneRidge. The projected rates for income and expenses are not guaranteed. The percent of increase may be greater or lower based upon the increased cost to operate StoneRidge and other factors. Variances from these projections should be expected.

STONERIDGE PHASES I - III

Mystic, Connecticut

CASH FLOW PROJECTION

For the Period Beginning January 1, 2021

	Year 1	Year 2	Year 3
	2021	2022	2023
Beginning Cash (1)	8,641,711	8,398,488	9,425,101
Additions:			
Apartment Service Fees (2)	13,540,802	14,183,947	14,634,429
Health Center Revenue, Net of Life Care Discount (3)	8,512,380	8,849,367	9,040,392
Miscellaneous Income (4)	1,953	1,953	1,953
Working Capital Reserve Fees (5)	289,843	355,965	290,220
Entrance Fee Receipts, Net of Refunds (6)	4,069,311	5,462,459	5,925,153
Interest Income (7)	15,738	15,797	16,113
Disbursements:			
Operating Expenses (8)	(18,837,415)	(19,576,804)	(20,329,300)
Return to Partners (9)	(2,750,000)	(3,175,000)	(3,000,000)
Capital Expenses (10)	(1,914,988)	(1,920,088)	(2,307,400)
Debt Service (11)	(3,151,776)	(3,151,776)	(3,658,038)
Professional Fees (12)	(19,071)	(19,209)	(19,209)
Net Change	(243,222)	1,026,613	594,314
Ending Cash	8,398,488	9,425,101	10,019,415

- (1) Beginning Cash represents the Operations cash and Assets whose use is limited that are required to meet debt and statutory covenants at the beginning of each year. Below is the beginning balance at January 1, 2021.

Cash	\$4,947,409
Assets whose use is limited:	
Reserve Fund Escrow	\$2,236,593
Health Center Reserve	\$526,159
Capital Replacement Reserve	<u>\$931,550</u>
Total	\$8,641,711

The Reserve Fund Escrow, as required by the State of Connecticut, is equal to at least one month's cash operating costs of the project, plus six months' debt service.

The Health Center Reserve is fully funded at \$500,000 as required for CON licensing.

The Capital Replacement Reserve fund will be used for funding certain capital expenditures and improvements.

- (2) Apartment Revenue represents the total of first-person monthly Service Fees for all apartments based on an assumed average occupancy of:

<u>2021</u>	<u>2022</u>	<u>2023</u>
229	232	231

Also included in Apartment Service Fees are double occupancy fees that represents revenues from monthly

Service Fees required under the Residency Agreement for a second person occupying an apartment. The average number of apartments occupied by more than one person projected for 2021 through 2023 is:

<u>2021</u>	<u>2022</u>	<u>2023</u>
69	69	69

- (3) Health Center Revenue, Net of Life Care Discount assumes a 2021 daily rate of \$475 for semiprivate beds, \$525 for private beds, and \$236 for ALU. Out of 40 total SNF beds (22 semi-private and 18 private), 6 AL beds (all private), and 12 Dementia beds (all private), the average census projected for 2021 through 2023 is:

<u>2020</u>	<u>2021</u>	<u>2022</u>
52.43	53.14	53.14

The Life Care Discount represents the income never realized when residents become patients in the health center or assisted living center. Both “temporary assignments” and “permanent assignments” to the health center and assisted living center, based upon Milliman, Inc. population projections and LCS-generated data, are considered in determining life-care discount. Both temporary and permanent assignments are based upon the total number of life-care residents. The number of residents assigned temporary to the health center is projected at 1% percent of the non-Medicare life-care residents.

- (4) Miscellaneous Income represents projected income from meals, garage rentals, guest rooms, and beauty and barber shop.
- (5) Working Capital Reserve Fee represents a one-time non-refundable working capital fee due at closing which will be used for purposes related to StoneRidge.
- (6) Entrance Fee Receipts, Net of Refunds represents Admission Payments received from residents for apartments being occupied for the first time and/or units turning over due to health center assignment, death or move-out.
- (7) Interest Income is interest earned on interest-bearing bank accounts.
- (8) Operating Expenses includes the expenses for staffing, materials, and services. Expenses are projected to increase at 3% in all three projection years.
- (9) Return to Partners represents cash eligible for distribution in accordance with the partnership agreement.
- (10) Capital Expenses represents the cost for replacement of interior finishes and elements of the buildings and equipment.
- (11) Debt Service is based on the current loan; projection assumes continued financing on similar terms. The principal amounts are set forth in the amended loan documents. The interest portions are based on estimated LIBOR rates.
- (12) Professional Fees includes the cost of legal/professional expenses not related to operation of facility.

STONERIDGE PHASES I - III			
Mystic, Connecticut			
FORECASTED STATEMENT OF REVENUES & EXPENSES			
	Year 1	Year 2	Year 3
	2021	2022	2023
OPERATING INCOME			
Apartment Revenue	13,540,802	14,183,947	14,634,429
Health Center Revenues - Net	8,512,380	8,849,367	9,040,392
Other Income	1,953	1,953	1,953
TOTAL INCOME	22,055,136	23,035,268	23,676,774
EXPENSES:			
G&A	(4,696,003)	(4,863,463)	(5,110,582)
Plant	(3,006,897)	(3,049,741)	(3,155,311)
Housekeeping	(1,253,826)	(1,377,331)	(1,421,585)
Dietary	(3,611,843)	(3,810,660)	(3,935,708)
Resident Care	(6,268,846)	(6,475,609)	(6,706,114)
TOTAL OPERATING EXPENSES	(18,837,415)	(19,576,804)	(20,329,300)
NET OPERATING INCOME	3,217,721	3,458,464	3,347,474
NON OPERATING INCOME & EXPENSE			
Working Capital Fees	289,843	355,965	290,220
Endowment Amortization Income	3,505,884	3,505,884	4,774,539
Interest Income	15,738	15,797	16,113
Amortization Expense	(66,301)	(66,301)	(129,188)
Depreciation Expense	(3,209,799)	(3,545,529)	(3,634,473)
Interest Expense	(1,921,401)	(1,921,401)	(2,331,991)
Financing Cost Amortization	(14,337)	(14,337)	-
Professional Fees	(19,071)	(19,209)	(19,209)
NET INCOME	1,798,277	1,769,333	2,313,486

Explanation of Material Differences - Operating Statement					
	Budget 2020	Actual 2020	Variance	% Variance	Explanation Reference
Operating Income					
Earned Entrance Fee Income	2,834,880	3,390,018	555,138	20%	2
Monthly Service Fees	13,248,106	12,937,447	(310,658)	-2%	1
Working Capital Fees	350,605	238,670	(111,936)	-32%	3
Health Center Revenues - Net	8,579,385	7,487,738	(1,091,647)	-13%	4
Other Income	8,421	506,181	497,760	5911%	5
Total Income	25,021,397	24,560,054	(461,344)	-2%	
Expenses					
G&A	(4,786,449)	(4,703,794)	82,655	-2%	1
Plant	(3,056,624)	(2,730,392)	326,231	-11%	4
Housekeeping	(1,128,931)	(1,135,596)	(6,665)	1%	1
Dietary	(3,613,081)	(3,272,791)	340,290	-9%	6
Resident Care	(6,187,954)	(5,676,047)	511,907	-8%	7
Depreciation & Amortization	(3,418,392)	(3,451,497)	(33,105)	1%	1
Total Operating Expenses	(22,191,430)	(20,970,118)	1,221,313	-6%	
Income from Operations	2,829,967	3,589,936	759,969	27%	
Other Income/Expenses					
Interest Income	53,928	10,675	(43,253)	-80%	8
Interest Expense	(1,964,454)	(1,970,625)	(6,171)	0%	1
Total Other Expenses	(1,910,526)	(1,959,950)	(49,424)	3%	
Net Gain/Loss	919,441	1,629,986	710,545	77%	
Variance Explanation					
1 Actual performance in line with budgeted amount.					
2 Amortization of nonrefundable entrance fee payments was underestimated in the budget.					
3 Working Capital Reserve Fees were overestimated in the budget, COVID impact					
4 Operating Revenue/expenses, working capital, and EF/attrition impacted from COVID and limited resident inflow					
5 HHS/stimulus funds \$504,829 that were not expected/budgeted in 2020					
6 Dietary expenses were over budget due to implications from COVID-savings in dining and wait staff					
7 Resident Care expenses were over budget due to implications from COVID-savings in activities and therapy/care limitations					
8 Interest income over budgeted due to historically low interest rates throughout 2020					

RESIDENTIAL TURNOVER RATES

The residential turnover rate is calculated by dividing the number of apartments released by the average number of occupied apartments.

The residential turnover rates for the most recently completed fiscal year, and anticipated for the next three years, are as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
11.9%	11.7%	13.7%	12.8%

AVERAGE AGE OF RESIDENTS

The projected average age of residents for the next three years is as follows:

<u>2021</u>	<u>2022</u>	<u>2023</u>
85.5	85.9	86.1

NUMBER OF HEALTH CARE ADMISSIONS*

The number of health care admissions pursuant to continuing-care contracts for the most recently completed fiscal year, and anticipated for the next three years, is as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
50	65	72	80

* Skilled Nursing Only

HEALTH CARE UTILIZATION RATES*

Health care utilization rates, including admission rates and days per 100 residents by level of care for continuing care residents for the most recently completed fiscal year, and anticipated for the next three years, are as follows:

<u>Year</u>	<u>Utilization Rate</u>
FY 2020	62.5%
FY 2021	64.0%
FY 2022	67.1%
FY 2023	68.2%

* Skilled Nursing Only

DAYS OF CARE*

The days of care per year for the most recently completed fiscal year, and anticipated for the next three years for continuing care residents, are as follows:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
6,783	8,316	8,718	8,862

* Skilled Nursing Only

NUMBER OF PERMANENT TRANSFERS*

The number of permanent transfers of continuing care residents to the health center anticipated for the next three years is as follows:

<u>2021</u>	<u>2022</u>	<u>2023</u>
5	5	6

* Skilled Nursing Only

OCCUPANCY RATE

The Occupancy rate for the most recently completed fiscal year is 74.1%. The decline in occupancy was due to the pandemic.

AUDITED FINANCIAL STATEMENT

The fiscal year end of the Provider is December 31. Audited financial statements for the Provider's parent company covering the fiscal year end December 31, 2020 are attached as Exhibit D to this Disclosure Statement.

PROJECT FINANCING

Long term financing for StoneRidge is provided for by a loan with an original balance of \$43.3 million, secured by a first mortgage and security agreement on the real and personal property of, and the revenues generated by the Provider. The bank loan is structured with a 5-year floating rate transaction utilizing the LIBOR index and contains a number of financial covenants including debt service coverage ratio, minimum days cash on hand, and minimum occupancy test. Under the loan agreement, payments due during the first year of the loan will be interest only with an amortization schedule of 25 years thereafter.

Ongoing debt service will be paid from operating revenues generated by StoneRidge. Operating revenues consists of net operating income derived from Monthly Fees and Health Center revenues. From time to time and at the Provider's sole discretion, the Provider and/or its Member may provide financial support to StoneRidge in order to keep the Monthly Fees competitive.

PROVIDER'S COMPENSATION

The Provider's compensation for the risks of ownership of StoneRidge is comprised of the First Person Fees, the Second Person Fees (if there are two (2) Residents), the Loans (subject to the Provider's obligation to repay the Loans under the Return-of-Capital™ Residency Agreement), the potential appreciation of StoneRidge, and the tax benefits generally associated with the ownership of real estate. The Provider may make distributions to its Member that will be loaned or paid as cash to the extent there is excess cash. In order to maximize the appreciation of StoneRidge, there must be substantial future demand for StoneRidge's accommodations and services. This demand will, in part, be dependent upon maintaining viable, competitive Monthly Fees in connection with providing Residents services and amenities at StoneRidge.

V. REGULATORY MATTERS

CONTINUING CARE RETIREMENT COMMUNITY REGISTRATION

The Provider is subject to the provisions of Connecticut law on Management of Continuing Care Facilities, Chapter 319HH, Connecticut General Statutes Annotated. In compliance with the continuing care law, the Provider has filed the following documents with the Connecticut Department of Social Services:

- (1) a current Disclosure Statement;
- (2) Annual Filing Statement; and
- (3) Second Amended and Restated Admission Payments Escrow Agreement (Operations);

All documents filed are a matter of public record and may be reviewed at the Department's office at:

State Department of Social Services
Office of Certificate of Need and Rate Setting
25 Sigourney Street
Hartford, Connecticut 06106-5033

ASSISTED LIVING SERVICES AGENCY LICENSE AND MANAGED RESIDENTIAL COMMUNITY REGISTRATION

6 assisted living apartments were added to Stoneridge in late 2017. 12 memory care suites in the Health Center were added in Phase III to StoneRidge and are licensed by the Connecticut Department of Public Health to provide memory care services in addition to assisted living services. The department monitors compliance with the requirements for licensure and registration. The state will perform periodic surveys to maintain licensure of the memory care suites. The Managed Residential Community is not licensed by the Department of Health Systems Regulation.

HEALTH CENTER LICENSURE

The Health Center is licensed by the Connecticut Department of Public Health. The Provider has licensed 40 Health Center beds that provide skilled nursing care. All of the skilled nursing care beds are Medicare certified. The Health Center is required to pass periodic surveys to maintain licensure.

ENTRANCE PAYMENT ESCROW

Under the provisions of the continuing care law, the Provider has established an Entrance Payment escrow account for all Residences (The "Entrance Payment Escrow") for purposes of depositing payments made by Residents prior to their Residences becoming available for occupancy. The Entrance Payment Escrow has been established with:

U.S. Bank National Association (formerly State Street Bank and
Trust Company of Connecticut, N.A.)
Goodwin Square, 225 Asylum Street, 23rd Floor
Hartford, Connecticut 06103
(860) 244-1800

Monies are released from the Entrance Payment Escrow pursuant to the terms of the escrow agreement and the statutory requirements imposed upon StoneRidge by the Connecticut law on Management of Continuing Care Facilities. The Provider shall retain any interest earned on the monies in the Entrance Payment Escrow.

Residents desiring to rescind or cancel their Residency Agreement should send a written notice of cancellation by registered or certified mail to:

StoneRidge
186 Jerry Browne Road
Mystic, Connecticut 06355

Included as Exhibit E to this Disclosure Statement is a signed statement from the escrow agent, US Bank, verifying that the required Entrance Payments Escrow has been established and maintained.

RESERVE FUND ESCROW

As required by Section 9 of Section 17b-525 of the Connecticut General Statutes, the Provider has established and maintains reserves which shall cover:

- (1) all principal and interest, rental or lease payments, due during the next 6 months on account of any first mortgage loan or other long-term financing; and
- (2) the total cost of operations of StoneRidge for a one-month period, excluding debt service and capital expenditures.

As of the date of this filing, the funds maintained in the Provider's accounts pursuant to the terms of its long-term financing, which require Provider to maintain a certain number of days cash on hand, adequately satisfy the requirements of the statute.

INVESTMENT DIRECTION

Investment direction for the escrow accounts is made in accordance with the terms of the escrow agreements and upon direction of an officer or agent of the Provider. Under the provisions

of the continuing care law, funds in the Reserve Fund Escrow may not be invested in any building or health care facility of any kind, or used for capital construction or improvements, or for the purchase of real estate. Investment decisions are made with an expectation of reasonable return while maintaining the security of the funds.

HEALTH CENTER RESERVE

The Provider voluntarily established a reserve in the amount of \$500,000 to secure repayment of the Loans which the Provider is obligated to repay under the terms of the Loan Agreement. When a Resident moves permanently to StoneRidge's Health Center and chooses to release his or her Residence, the Provider will attempt to find a new Resident for the Residence. From the Entrance Payment paid by the new Resident, the Provider will deposit in the Health Center Reserve an amount equal to the balance of the Loan owed to the Resident residing in StoneRidge's Health Center. An exception is made to depositing the balance of the Loan if the reserve is fully funded at \$500,000. The deposit will be maintained jointly with all other similar deposits held in reserve for the benefit of Residents of the StoneRidge's Health Center whose Residences have been released and reoccupied. Such deposits and any earnings realized on the funds held in the reserve will be used by the Provider only for purposes related to StoneRidge. Upon cancellation of the Residency Agreement of a Health Center Resident, funds from such escrow will be used to repay the Resident's Loan.

MEDICAL EXPENSE DEDUCTIONS

Execution of the Residency Agreement and payment of the Entrance Payment and Monthly Fee gives rise to certain unique tax considerations. Each Resident is advised to consult with his/her personal tax advisor regarding the tax consideration associated with becoming a Resident of StoneRidge.

A Resident of StoneRidge may be allowed a tax benefit associated with his or her residency. A portion of the initial lump sum Entrance Fee and the ongoing Monthly Fees paid by a Resident may be taken as a medical expense deduction. In February of each year, the Provider will issue a letter to the Residents stating the portion of the prior year's fees paid that has been determined to be attributable to health related expenses at StoneRidge.

All deductions are, of course, subject to limitations imposed by the Internal Revenue Code of 1986, as amended. It is advisable that the Resident seek the advice of tax counsel before taking this deduction. The Provider is not a tax advisor and disclaims any responsibility for any tax advice relating to becoming a Resident of StoneRidge.

TAX DISCUSSION

The executing of the Residency Agreement and payment of the First Person Fee and Monthly Fee may give rise to certain unique tax considerations. Each Resident is advised to consult with his/her personal tax advisor regarding the tax considerations associated with becoming a Resident of StoneRidge. StoneRidge is not a tax advisor and disclaims any responsibility for any tax advice relating to becoming a Resident of StoneRidge.

JUDICIAL PROCEEDINGS

No judicial proceedings have been initiated against the Provider as defined under Section 17b-522(b)(4) of the Connecticut General Statutes Annotated or pursuant to State Regulation 17b-533-3(c)(3) which govern the management of continuing care facilities.

VI. EXHIBITS

EXHIBIT A

Senior Living Communities Managed by Life Care Services LLC as of 3/17/2021

Alabama, Birmingham – Galleria Woods
Alabama, Hoover – Danberry at Inverness
Arizona, Chandler – Clarendale of Chandler
Arizona, Peoria – Sierra Winds
Arizona, Phoenix – Clarendale Arcadia
Arizona, Phoenix – Sagewood
Arizona, Tempe (Phoenix) – Friendship Village of Tempe
California, Cupertino – Forum at Rancho San Antonio, The
California, San Diego – Casa de las Campanas
California, San Luis Obispo – Villaggio at San Luis Obispo
California, San Rafael – Aldersly
California, Santa Rosa – Arbol Residences of Santa Rosa
Connecticut, Essex – Essex Meadows
Connecticut, Mystic – StoneRidge
Connecticut, Southbury – Pomperaug Woods
Florida, Boca Raton – Toby & Leon Cooperman Sinai Residences of Boca Raton
Florida, Bradenton – Freedom Village of Bradenton
Florida, Celebration – Windsor at Celebration
Florida, Clearwater – Regency Oaks
Florida, Jacksonville – Cypress Village
Florida, Leesburg – Lake Port Square
Florida, Naples – The Glenview at Pelican Bay
Florida, Palm City – Sandhill Cove
Florida, Port Charlotte – South Port Square
Florida, Seminole – Freedom Square of Seminole
Florida, Seminole – Lake Seminole Square
Florida, Sun City Center – Freedom Plaza
Florida, The Villages – Freedom Point at The Villages
Georgia, Evans – Brandon Wilde
Georgia, Savannah – Marshes of Skidaway Island, The
Georgia, Stone Mountain – Park Springs
Hawaii, Honolulu – Hale Ola Kino
Illinois, Addison – Clarendale of Addison
Illinois, Algonquin – Clarendale of Algonquin
Illinois, Chicago – Clare, The
Illinois, Godfrey – Asbury Village
Illinois, Lincolnshire – Sedgebrook
Illinois, Mokena – Clarendale of Mokena
Illinois, Naperville – Monarch Landing
Illinois, St. Charles – River Glen of St. Charles
Illinois, Wheaton – Wyndemere
Indiana, Carmel – Magnolia Springs at Bridgewater
Indiana, Carmel – Rose Senior Living – Carmel
Indiana, Greenwood (Indianapolis) – Greenwood Village South
Indiana, Indianapolis – Magnolia Springs Southpointe
Indiana, Indianapolis – Marquette
Indiana, North Manchester – Peabody Retirement Community
Indiana, Schererville – Clarendale of Schererville

Indiana, Terre Haute – Westminster Village
Indiana, West Lafayette – Westminster Village West Lafayette
Iowa, Ames – Green Hills Community
Iowa, Cedar Rapids – Cottage Grove Place
Kansas, Atchison – Dooley Center
Kansas, Bel Aire – Catholic Care Center
Kentucky, Florence – Magnolia Springs Florence
Kentucky, Lexington – Magnolia Springs Lexington
Kentucky, Lexington – Richmond Place Senior Living
Kentucky, Louisville – Magnolia Springs East
Kentucky, Louisville – Magnolia Springs at Whipps Mill
Maryland, Annapolis – Baywoods of Annapolis
Maryland, Columbia – Residences at Vantage Point
Maryland, Pikesville (Baltimore) – North Oaks
Maryland, Timonium – Mercy Ridge
Maryland, Towson (Baltimore) – Blakehurst
Michigan, Battle Creek – NorthPointe Woods
Michigan, Clinton Township – Rose Senior Living – Clinton Township
Michigan, Dearborn – Henry Ford Village
Michigan, East Lansing – Burcham Hills
Michigan, Holland – Freedom Village
Michigan, Kalamazoo – Friendship Village
Michigan, Novi – Rose Senior Living at Providence Park
Michigan, Waterford – Canterbury-on-the-Lake
Minnesota, Champlin – Champlin Shores
Minnesota, Plymouth – Trillium Woods
Minnesota, Vadnais Heights – Gable Pines
Missouri, Higginsville – John Knox Village East
Missouri, St. Peters – Clarendale of St. Peters
Nebraska, Lincoln – Woodlands at Hillcrest, The
New Hampshire, Keene – Hillside Village
New Jersey, Bridgewater – Delaney of Bridgewater, The
New Jersey, Bridgewater – Laurel Circle
New Jersey, Burlington – Masonic Village at Burlington
New Jersey, Lakewood – Harrogate
New York, Levittown – Village Green A Carlisle Assisted Living Community
New York, Patchogue – Village Walk Patchogue
New York, Rye Brook – Broadview Senior Living at Purchase College
New York, Staten Island – Brielle at Seaview, The
North Carolina, Chapel Hill – Cedars of Chapel Hill, The
North Carolina, Charlotte – Cypress of Charlotte, The
North Carolina, Durham – Croasdaile Village
North Carolina, Greensboro – WhiteStone
North Carolina, Greenville – Cypress Glen Retirement Community
North Carolina, Lumberton – Wesley Pines Retirement Community
North Carolina, Raleigh – Cypress of Raleigh, The
North Carolina, Wilmington – Plantation Village
Ohio, Avon – Rose Senior Living – Avon
Ohio, Beachwood – Rose Senior Living – Beachwood
Ohio, Dublin – Friendship Village of Dublin
Ohio, Mason – Magnolia Springs Loveland
Oklahoma, Bartlesville – Green Country Village
Oregon, Dallas – Dallas Retirement Village
Oregon, Salem – Capital Manor

Pennsylvania, Coatesville – Freedom Village at Brandywine
Pennsylvania, Reading – Heritage of Green Hills, The
Pennsylvania, Warrington – Solana Doylestown, The
South Carolina, Greenville – Rolling Green Village
South Carolina, Hilton Head Island – Bayshore on Hilton Head Island
South Carolina, Hilton Head Island – Cypress of Hilton Head, The
Tennessee, Brentwood – Heritage at Brentwood, The
Tennessee, Hendersonville – Clarendale at Indian Lake
Tennessee, Memphis – Heritage at Irene Woods
Tennessee, Nashville – Clarendale at Bellevue Place
Texas, Austin – Westminster
Texas, Bedford – Parkwood Healthcare
Texas, Bedford – Parkwood Retirement
Texas, Dallas – Autumn Leaves
Texas, Dallas – Monticello West
Texas, Dallas – Signature Pointe
Texas, Dallas – Walnut Place
Texas, Georgetown – Delaney at Georgetown Village, The
Texas, League City – Delaney at South Shore, The
Texas, Lubbock – Carillon
Texas, Richmond – Delaney at Parkway Lakes, The
Texas, Spring – Village at Gleannloch Farms, The
Texas, The Woodlands – Village at the Woodlands Waterway, The
Texas, Waco – Delaney at Lake Waco, The
Vermont, White River – Village at White River Junction, The
Virginia, Fairfax – Virginian, The
Virginia, Gainesville – Heritage Village Assisted Living and Memory Care
Virginia, Virginia Beach – Atlantic Shores
Washington, Issaquah – Timber Ridge at Talus
Wisconsin, Greendale – Harbour Village
Wisconsin, Mequon – Newcastle Place
Wisconsin, Milwaukee – Eastcastle Place

EXHIBIT B

Description of the Services and Commonly Discussed Topics

DESCRIPTION OF THE SERVICES

The services available to Residents are listed in the Residency Agreement which governs all such obligations. To more fully explain the nature of these services, the following detailed description has been prepared. The procedures followed in furnishing these services may be modified by the Provider to allow the Provider to best meet the needs of StoneRidge Residents. Residents are advised of any changes in these services through StoneRidge's Residents Association.

Avalon Health Care Center at StoneRidge

A physician is retained on a consulting basis by the Provider to serve as the Health Center medical director. The Health Center medical director is responsible for medical supervision of Health Center operations, quality of care assurance, and Resident care planning. The Health Center medical director may also be called upon by StoneRidge staff to assist in determination of a Resident's health and whether or not the Resident requires additional care in the Health Center. The Resident is responsible for the services of his or her attending physician. In the event the Resident's attending physician or the Health Center medical director orders medication, therapy or various supplemental services for the Resident's care, the Resident will be responsible for the Extra Charge for such services and supplies.

Upon initial occupancy, a Resident will occupy a Residence. After occupancy, if a Resident requires Health Center Care Services, the Resident will be transferred to the Health Center. The Resident's attending physician or the Health Center medical director (after consultation with the Resident to the extent possible and Resident's responsible party, if any), will determine the appropriate level of Health Center services required by the Resident upon admission to the Health Center. As part of that determination, the Resident's long-term ability to return to his/her Residence will be evaluated. The nursing staff will provide an appropriate plan of care, the ultimate goal of which shall be, if at all possible, to return the Resident to his or her Residence as soon as possible. The Health Center is staffed to provide quality care to Residents of StoneRidge and to non-residents admitted from the surrounding area.

A Resident will receive nursing care services in a private or semiprivate suite in the Health Center. If a Resident desires an available private room, the Resident may obtain one upon agreement to pay the additional charge for the private room. Health center care includes basic nursing care services. The Health Center is not licensed to provide emergency medical care. However, if emergency medical care is needed, the Health Center staff will summon 911 services and the Resident's attending physician and the Resident's family or responsible party will be notified. Such emergency medical care will be at the Resident's expense. The Resident will be responsible for the services provided by his or her attending physician. In the event a Resident's attending physician or StoneRidge's medical director orders medication, therapy, or various supplemental services for the Resident's care, the Resident is responsible for the charges for such services and supplies.

Residents who are able to do so are encouraged to return to their Residences as soon as possible and may visit their Residences with the assistance of volunteers or home health aides as part of the rehabilitation process. Family, friends, and volunteers are encouraged to visit Residents in the Health Center. Friends, relatives, or spouses are able to eat meals with Health Center Residents upon advance notice.

Health Center Enrichment

The Provider provides a Therapeutic Recreation Director who is responsible for coordinating and directing the social and recreational activities for the Health Center Residents. The focus of these activities is to promote independence.

Cable Television

Each Residence has cable television jacks in various locations throughout the Residence. The Residents are provided with expanded basic cable service as part of the Monthly Fee. premium and digital are available to the Resident for an extra charge.

Community Life Services Coordinator

The Community Life Services Coordinator, with Resident input, is responsible for scheduling group events and transportation, preparing newsletters, conducting Resident orientation, and facilitating the cultural, social, physical, and recreational and education programs and activities of StoneRidge.

Dining Services

The Dining Program is a flexible meal plan where residents receive a number of points each month, which is designed to give them one meal a day equal to the number of days in the month. Residents also have the option to a reduced meal option of fewer points per month for a lower fee. The points provided for in the Monthly Fee may be taken at any scheduled time during the month and may be used for guest meals, to go meals, or dining room meals. The points can be used towards guest meals. Additional Resident and guest meals are to be available to Residents for an extra charge billed monthly. Monthly Service Fees are not reduced for points not used, and unused points do not roll over to the following month. However should the Resident notify StoneRidge that he or she will be absent from StoneRidge for more than 30 days, the Resident will receive a meal credit on his or her monthly billing statement. Meal plans can be changed once a year during enrollment period which usually takes place at the end of November.

Residents may dine in either the dining room or the Mariner Grille. The Dining Room and Mariner Grille are open for lunch and dinner daily and brunch on Sundays. There are service hours for meals offered in the dining venues. The usual form of food service in the dining room is waited-table service. The Mariner Grille serves a light lunch fare. A complimentary continental breakfast is served daily in the Jerry Browne Pub.

The Services of a dietician are available to Residents for a limited period of time when ordered by the Resident's attending physician. Upon request, the dietitian will assist the Resident in choosing menu items that will help the Resident meet his or her special diet needs. The services of the dietitian are also available to the Resident for an extra charge when not ordered by the attending physician or when extended dietitian services are necessary. Room service for up to 14 days is available to the Resident when ordered by the director of nursing services or the Health & Wellness Navigator. Room service beyond 14 days will be available for an extra charge.

Emergency Call System

All Residences have an emergency call system in each bedroom and bath. The purpose of the system is to summon help in an emergency. The emergency call system is connected to an indicator panel in the Health Center which identifies the Residence from which the signal initiated.

Community staff with emergency response training will respond to calls from the emergency call system and will summon any other appropriate emergency services that might be required. Personal pendants are available to Residents for an extra charge for coverage in an apartment Residence.

Health Center Ancillary Services

Any Health Center services, whether or not ordered by a physician, which are not explicitly listed in the Residency Agreement as services and amenities provided to all Residents as part of the Monthly Fee, will be regarded as ancillary Health Center services. If ancillary Health Center services will be provided to a Resident, they will be at an extra charge. A schedule of charges for ancillary Health Center services is available upon initial occupancy of the Health Center.

HealthyLife™ Services Program

The objective of StoneRidge is to offer a lifestyle with services that will foster Residents maintaining and improving their overall health and well-being. To achieve this objective StoneRidge Residents will be offered opportunities to enrich their sense of wellbeing through programs directed by Resident interests.

HealthyLife Services is a comprehensive program designed to enhance and enrich Residents' active lifestyle by offering new opportunities in five essential areas of life – fitness, health, nutrition, active life and well-being. Residents may choose from an array of one-on-one or group activities, including classes, workshops, lectures, physical activity and trips to meet their individual preferences. Each Resident has the opportunity to work with StoneRidge staff who are committed to maximizing the Residents' quality of life in eight dimensions of wellness: spiritual, physical, emotional, social, environmental, intellectual, vocational and health services.

The objective is to create opportunities that Residents prefer, facilitate their participation and monitor the satisfaction and success of these programs from an individual Resident perspective and make adjustments in the program to further enhance these opportunities on an ongoing basis. Key Components of the *HealthyLife Services* Program include:

- **Health & Wellness Navigator.** The Residential Health Services director services as a Health & Wellness Navigator ("Navigator") for StoneRidge Residents. At the Resident's direction, the Navigator may guide preventative wellness-oriented services such as fitness and exercise activities, as well as healthy food choices. Other services may include wellness screenings such as blood pressure checks, health fairs and life-long learning seminars geared to health and wellness. Should health care needs arise, the Navigator may support the Resident with health and medical related services, such as assistance with physician appointments, emergency medical management, physician ordered on-site laboratory screenings, physical and other therapies, as well as private home health services designed to provide care in Resident's Residence during spells of illness or post hospitalization. For additional services provided to the resident, please see Residential Health Services Program in this section. The goal of the Navigator is to

provide as much support as the Resident desires to promote wellness and avoid admission to a more acute level of health care.

- **StoneRidge Assistance In Living Program.** The StoneRidge Assistance In Living Program, also known as SAIL, provides the following: bathing, dressing, additional housekeeping, taking medication as prescribed, escort and laundry. Limited services are available as part of the Monthly Fee which include the following: internal transportation inside StoneRidge based on availability of staff, blood pressure clinics, and drop-in consultation with the Director of Resident Health Services during office hours. All SAIL services are available for an extra charge. The Provider reserves the right to add, delete, or modify such additional services from time to time. The purpose of the StoneRidge Assistance In Living Program is to offer services that enable Residents to continue living in their Residence for as long as possible or to return to their Residence as soon as possible after a stay in the Health Center and/or an acute care hospital.
- **Administrator of *HealthyLife*TM Services.** The Administrator of *HealthyLife Services* is responsible for the overall strategy, operations and performance of the *HealthyLife Services* program functions. *HealthyLife Services* is designed to support the health and well-being of the StoneRidge residents through physical, spiritual, emotional, intellectual, vocational, social, environmental, and health services programming. The Administrator of *HealthyLife Services* is also responsible for the contractual partnerships with other parties serving the StoneRidge residents.

Rounding out the *HealthyLife Services* Program are a variety of dining and beverage services designed to enhance the Resident's meal programming. Examples include: catering services, healthy food options identified on the menu, lite fare options, "to-go" take-out meals, and a variety of dining venues.

Housekeeping and Maintenance

The Provider maintains all common areas and provides weekly housekeeping services for all Residences. Such services are included in the Monthly Fee. Maintenance of the Residences includes: (1) installed appliances; (2) plumbing; (3) heating, ventilation, and air conditioning systems; (4) windows; (5) installed lighting; and (6) cabinetry. Housekeeping services include cleaning, dusting, and vacuuming the interior of the Residence; washing of hard surface floors; and cleaning of ovens and windows (as needed). Carpets are cleaned approximately every 24 months and, at other times, spot cleaning is done. Residences may be painted every six (6) to eight (8) years, and furniture is moved at least once a year for cleaning hard-to-reach areas. Staff will assist Residents in arranging and moving furniture as needed during the first 12 months of occupancy at no extra charge. Rearranging of Residence furniture is possible after that time at the Resident's expense. Extra cleaning services are available at an extra charge. Residents will be able to alter the regular list of services from week to week, as they wish. The cleaning schedule will be set in consultation with each Resident.

Internet Access

StoneRidge provides cable TV and telephone jacks using category five cable to each Residence. Through service providers using these installations, Residents may obtain internet access and high-speed internet access at the Residents' expense. StoneRidge provides a business

center where Residents may access the internet through StoneRidge's owned computers and highspeed internet access. Wireless internet access is also available throughout the community.

Laundry

The Provider provides weekly flat laundry service to the Residents. Flat laundry items supplied by the Resident are washed, dried, folded, and returned. Such service includes sheets, pillowcases, towels, facecloths, and dishcloths to be provided by the Resident. Although the use of permanent-press linen is strongly recommended, the staff will launder nonpermanent-press items, but will not iron flat laundry. Personal laundry service is available for an extra charge.

LifeSTYLE Promise™

LifeSTYLE Promise is our all-encompassing ideology that residents deserve choices, control and flexibility when it comes to living their lives. At Life Care Services communities, we focus on delivering an extensive variety of services for a rare level of individualization. When it comes to service, every Resident is given a person, attentive approach to hospitality and customer service, at the highest standard. This is our approach to all areas of living at StoneRidge, including health care. Examples are:

- Our flexible Dining Services program
- Housekeeping services organized and delivered according to Resident's preferences
- Residents Association and Residents Council
- Choices in the Health Center, including when to start each day, which activities to enjoy, and when to enjoy meals

Parking

One surface parking spot is provided for each Residence. Uncovered surface parking is available to guests at no extra charge. In addition, carports are available as an alternative for the one surface parking spot on a first-come, first-served basis for an additional fee. Execution of a Carport Agreement is required to reserve a spot. Details of the terms regarding maintaining a carport spot are located within the agreement.

Prescription Service

Delivery service from a local pharmacy is provided for the Residents' convenience.

Private Dining Room

Private dining rooms are available for use by Residents and their guests. Special meals and catering for private parties, if desired, are available for an extra charge. Advance reservations for use of the private dining room are required.

Receptionist

A receptionist is on duty from approximately 8:00 a.m. to 8:00 p.m., seven days a week. Additional hours may be scheduled depending on the needs of the Residents and staff. All payments of monthly billing statements, as well as maintenance requests and messages, are handled at the reception desk.

Residents Association and Residents Council

The Residents of StoneRidge established a Residents Association. Regularly scheduled Resident meetings are held to enable the Residents to ask questions and to permit the Provider to communicate with the Residents. These Resident meetings are usually held monthly. The

Residents Association nominates and elects Residents to become members of the Residents Council. The Residents Council usually meets monthly with administration. The Residents Association is an advisory sounding board for the Provider. The Provider retains full decision-making authority for the operation of StoneRidge.

Salon, Spa, and Barber

Salon, spa, and barber shop services will be available on-site at an extra charge.

Security

The Provider provides security personnel. For the Residents added safety, all entrance and exit doors (except the main entrance and Health Center entrance during the day) are locked 24 hours a day, requiring the Residents to use a key or other secure means to gain entrance.

Services Available for an Extra Charge

Additional services are provided to Residents for an extra charge, added to the monthly billing statement. Such services include guest accommodations (with a seven-day limit on usage), guest meals, beauty/barber shop services, additional Resident meals, additional housekeeping, Residential Health Services (home health care), ancillary Health Center services, and such other reasonable services as requested.

Telephone Service

Each Residence has live telephone jacks in various locations. Local and long-distance telephone service is the Resident's responsibility and expense.

The Cottage at Avalon

Avalon Health Care Center at StoneRidge includes The Cottage at Avalon, with 12 memory care suites licensed as an Assisted Living Services Agency and registered as a Managed Residential Community. The Cottage at Avalon has licensed and registered direct care staff who have had Alzheimer's and dementia-specific training. Residents may be admitted directly to The Cottage at Avalon from their Residences and need not come from a hospital. Resident's attending physician or the Health Center medical director will determine the appropriate level of memory care services required by the Resident upon admission to The Cottage at Avalon. The memory care staff will provide an appropriate plan of care, the ultimate goal of which shall be to provide the highest quality of life possible. The Cottage at Avalon is staffed adequately to provide a high-quality level of care, consistent with the approved budget.

While in The Cottage at Avalon, the Residents are provided memory care services in a one-bedroom suite. If emergency medical care is needed, the memory care staff summons the Resident's attending physician and the Resident's family or responsible party is notified. Such emergency medical care is at the Resident's expense.

The Resident is responsible for the charges for all memory care center meals in excess of the flexible meal program. Such extra charges are added to a Resident's monthly billing statement when he or she is admitted to The Cottage at Avalon. In addition, the Resident is responsible for any ancillary memory care services.

Visitors and volunteers are encouraged to visit the Resident. Friends, relatives or spouses may take meals with the memory care cottage Resident(s) with advance notification.

Transportation

Scheduled bus or other transportation services are provided during the week. Areas of regularly scheduled transportation generally include shopping centers and medical and other professional offices. Special transportation may be provided at extra charge to the Resident.

COMMONLY DISCUSSED TOPICS

Below is a brief overview of some commonly discussed topics. Should you have any questions about these or any other topics, you are encouraged to ask the Residency Counselor. At the time of closing on your Residence, you will receive a Resident Handbook that will address additional topics related to your residency at StoneRidge.

Financial Data

StoneRidge follows a disclosure policy and provides information according to this policy. Information regarding personnel salaries and employees' disciplinary decisions will not be made available. Residents' financial information is handled on a confidential basis. This Exhibit B is a part of the current Disclosure Statement for StoneRidge, which is available for inspection by the Residents, as updated, and includes a current audited financial statement. The Provider will also make available for inspection by the Residents, the most current Annual Financial Filing. Residents are informed of the budgeting process annually. Reports and other data required under various statutes are also available for review.

Gratuities

Gratuities are not permitted, and employees who accept them are subject to discharge. Residents may wish to contribute to the employee appreciation fund established for the benefit of employees. Proceeds from the fund will be distributed to employees on a basis determined by the Residents and administration. Additionally, the Resident's Association conducts an annual Scholarship Fund Drive and monies raised are awarded in scholarships to qualified community employees and their dependents each year.

Monthly Billing Statement

A monthly billing statement outlining the Monthly Service Fee and any extra charges is placed in the Resident's mailbox by the fifth working day of the month and is payable upon receipt.

Pets

The Provider permits pets. The current pet policy is available in the Resident Handbook.

Smoking

StoneRidge has developed a Smoke/Tobacco/Vapor Free Environment Policy. As part of the Smoke/Tobacco/Vapor Free Environment Policy, Residents are not allowed to use cigarettes, e-cigarettes, cigars, pipes, vaping devices, chewing tobacco, tobacco products and other devices that produce a vapor or smoke of nicotine or other substances for the purposes of smoking or simulating smoking in their Residences or on the property. Smoking by all residents, employees and visitors is permitted off StoneRidge property. The current Smoke/Tobacco/Vapor Free Environment Policy is available in the Resident Handbook.

EXHIBIT C

Residency Agreements

EXHIBIT D

Audited Financial Statement

EXHIBIT E

Statement from Escrow Agent

EXHIBIT F

Historic Entrance Payments

EXHIBIT G

Current Fee Schedules