



# **Pomperaug Woods**

**80 Heritage Road  
Southbury, Connecticut**

**THIS COMMUNITY, LIKE ALL OTHER CONTINUING-CARE (LIFE-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.**

**February 2023**

**Equal Housing Opportunity**



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**Acknowledgment of Receipt  
of Disclosure Statement**

**Pomperaug Woods**

In accordance with Sections 17b-522(b) and (c)(1) of the Connecticut General Statutes, Pomperaug Woods is required to deliver to a prospective resident or his or her legal representative a current Disclosure Statement not more than 60 days nor less than 10 days before the execution of a continuing-care contract or the transfer of any money or other property to Pomperaug Woods by or on behalf of the prospective resident.

**Acknowledgment:**

I, or my legal representative, have received and reviewed a copy of the current Disclosure Statement and a copy of the continuing-care contract for Pomperaug Woods prior to the execution of the contract or the transfer of any money or other property to Pomperaug Woods.

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Notice  
to  
Prospective Resident  
  
Pomperaug Woods**

In accordance with Section 17b-522(a) of the Connecticut General Statutes, this Notice is required to be given to a prospective resident or his or her legal representative prior to the earlier of (i) the execution of a contract to provide continuing care or (ii) the transfer of any money or other property to us by or on behalf of the prospective resident.

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

**Acknowledgment:**

I, or my legal representative, have received and reviewed a copy of this Notice and a copy of the continuing-care contract prior to entering into a continuing-care contract or the transfer of any money or other property to Pomperaug Woods.

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

## INTRODUCTION

Pomperaug Woods (the "Community") brings to individuals aged 62 and over a way of senior living known as "life-care." The Community was designed to complement the style of New England architecture. As a life-care community, Pomperaug Woods encompasses these important components: an apartment residence of your choosing, a wide array of services and amenities, residential health/assisted living services, and the security of skilled nursing care in our on-site licensed Health Center.

The Community is owned by Pomperaug Woods, Inc., a Connecticut not-for-profit corporation which is committed to serving the best interests of the Community and its residents.

One of the purposes of this Disclosure Statement is to explain to residents, residents' family, and advisors exactly who and what is involved in the operation of the Community. This Disclosure Statement was prepared on the basis of information available at the time of its publication and on assumptions believed to be realistic as of that date. Such information and assumptions are, of course, subject to change and, in particular, are significantly affected by changes in inflation and interest rates.

Although we have tried to prepare this Disclosure Statement carefully and to use nontechnical language, it is possible that there may be some differences between the text in this statement and the Residency Agreement. In the event of any differences, the provisions of the Residency Agreement shall govern.

**We are pledged to the letter and spirit of U.S. policy for the 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, creed, color, religion, sex, marital status, lawful source of income, handicap/disability, national origin, ancestry, sexual orientation, or civil union status.**

# **I. THE PEOPLE**

## **A. POMPERAUG WOODS, INC.**

Pomperaug Woods, Inc. is a Connecticut not-for-profit corporation organized for the purpose of owning and operating the Community. Its principal address is 80 Heritage Road, Southbury, Connecticut 06488. Pomperaug Woods, Inc. is not affiliated with any religious, charitable, nonprofit or for-profit organization, and is exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

The Board of Directors of Pomperaug Woods, Inc. consists of 9 members. The officers and directors serve without compensation, and neither the officers, directors nor any person involved in the management of the Community has any proprietary interest in the Community. The officers and directors of Pomperaug Woods, Inc. are listed below:

### Helena Jedlinsky, Board Member

Mrs. Jedlinsky is a retired CEO of a not-for-profit home health care agency. She is active in Southbury civic activities.

### Janet Walker, CPA, Vice-President and Board Member

Mrs. Walker is a certified public accountant, and specializes in trust, gifts, and estate administration and planning. She is a partner at Diversified Financial Solutions, located in Southbury.

### Jane C. Connery, Vice-President and Board Member

Mrs. Connery is vice president/senior relationship manager at Bank of America.

### Lisa E. Wnuck, Treasurer and Board Member

Mrs. Wnuck is a private practicing attorney in the Town of Southbury. Her area of practice includes estate planning, probate and trust administration.

### James R. Strub, Secretary and Board Member

Mr. Strub is a partner at the law firm of Secor, Cassidy & McPartland, P.C. His areas of practice include land use and commercial transactional law. He is active in Woodbury civic affairs.

### Matthew Mihalcik, Board Member

Mr. Mihalcik is Assistant Vice President, Branch Manager at Newtown Savings Bank in Southbury. He is active in local community activities.

### Christine Edelson, Board Member

Mrs. Edelson previously owned and operated a Southbury Inn with her husband. She is an active volunteer in the Southbury community.

### Gail E. Seymour, Board Member

Ms. Seymour is a retired school teacher and active volunteer. She is a Middlebury resident.

### Maureen Weaver, Legal Counsel for Pomperaug Woods, Inc.



Ms. Weaver is a partner in the law firm of Wiggin and Dana located in New Haven, Connecticut.

Pomperaug Woods, Inc. has overall responsibility for the Community. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the agreements of Pomperaug Woods, Inc.

## **B. 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 140+ communities (see Exhibit A). With 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.lcsnet.com/management-services/management-services-overview>.

Joel Nelson: As Chief Executive Officer of Life Care Services, Joel Nelson 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 during his long tenured career with LCS. Today, he is responsible for the oversight of serving more than 40,000 seniors and 27,000 employees in 140+ communities.

Joel serves as Chairman on the Board of Directors of LCS Holding Company, LLC, is a member of the compensation committee and is a trustee of the Company's 401(k) benefits program. Outside LCS, Joel serves on various industry and community boards. Within the industry, Joel is the current chairman of the Argentum Board of Directors, and a member of the National Investment Center operator advisory board and an executive member of the American Senior Housing Association. Joel is active in the Des Moines community and serves as a trustee for ChildServe. As a past board member, he remains active with the Alzheimer's Association and the Central Iowa United Way Board of Directors.

Diane Bridgewater: As a high energy, results-driven executive, Diane Bridgewater directs all financial aspects and operating infrastructure at LCS to ensure corporate, field and community team members have the resources necessary to provide exceptional customer satisfaction to residents. Serving as executive vice president/chief financial and administrative officer at LCS, Diane 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.

At LCS, Diane serves on the Board of Directors of LCS Holding Company, LLC and its audit committee, 401(k) administrative committee, investment committee, and enterprise risk management committee. Outside the organization, she is a member of Argentum. In addition, Diane sits on the Casey's General Stores board, audit committee, and compensation committee.

She is also a member of the board and chair of the audit committee at Guide One Insurance. Diane holds bachelor's degrees in accounting and French from the University of Northern Iowa.

Chris Bird: Capitalizing on his reputation as a change agent, Chris Bird brings his expertise to the communities LCS serves. By leading operations, building community occupancy, fostering capital partner relationships, and developing new business, Chris implements strategies to deliver on the expectations of owners and shareholders. As president, chief operating officer, Chris oversees Life Care Services, CPS, asset management, procurement, and onboarding operations. His ability to analyze issues, devise continuous process improvements, and incorporate business process initiatives drives performance improvement for the overall operation.

At LCS, Chris mentors future leaders by providing guidance, expertise and resources to develop professional skills in the senior living industry. In addition, he is a member of the Board of Directors of LCS Holding Company, LLC. Chris is a member of the Argentum Advisory Council and the Argentum Chief Operating Officer Roundtable. He holds a bachelor's degree in history from the University of Memphis, Tennessee.

Jason Victor: Jason Victor is senior vice president, controller and treasurer for LCS. 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.

At LCS, Jason serves on the insurance captive, Hexagon, board of directors. Jason holds a bachelor's degree in accounting from the University of Northern Iowa. He is a certified public accountant with an active license in the state of Iowa.

Jill Sorenson: Leaning on her expertise to foster and maintain meaningful relationships, Jill Sorenson leads the regional team serving a portfolio of 13 Life Plan communities. Following her passion for serving seniors, Jill's responsibilities have grown during her career at LCS. From roles in accounting, information technology, and corporate resource development to receiving her nursing home administrator license, Jill is committed to serving others. Prior to her current position, Jill provided leadership to 22 Life Plan communities where she was successful in delivering on occupancy goals and achieving 4- and 5-star ratings from the Centers for Medicare and Medicaid Services.

To ensure Life Care Services is serving the customer first and foremost, Jill initiated client satisfaction surveys with client boards and owners to build stronger and more strategic relationships. Outside LCS, Jill has served on the San Diego Region for Aging Services of California and the Aging Services of California Board. She is a frequent presenter at national and state industry conferences on topics affecting the senior living industry. Jill holds a bachelor's in business administration from Simpson College and an MBA from the University of Phoenix.

As operations manager, Life Care Services supervises the management and operation of the Community on our behalf. In general, operations management services include recruiting and training administrative personnel; supervising the licensing, equipping, and staffing of the Community; preparing annual budgets; establishing and operating a system of financial controls for the Community, including comparative analyses with other projects; supervising health-care services; supervising food service; and supervising quality accommodations throughout the Community.

The Board of Directors of Pomperaug Woods, Inc. retains the ultimate responsibility for hiring managers and monitoring operating costs, wages, salaries, expenses, fees, and overall fiscal viability of the Community. Life Care Services does not assume or guarantee any of Pomperaug Woods, Inc.'s obligations under the Residency Agreements.

### **C. ADMINISTRATION**

Kevin Moshier is the on-site Executive Director of the Community and Administrator of the Health Center. Mr. Moshier has a Master of Social Work from Syracuse University. He is a licensed nursing home administrator and licensed clinical social worker in the State of Connecticut, and has been in long-term care administration since 2001. In accordance with the management agreement with Life Care Services, he is an employee of Life Care Services.

### **D. COMMUNICATION WITH RESIDENTS**

#### **Residents' Council**

The Residents' Council at The Community consists of 6 residents, who have been elected by the resident body of The Community. The Residents' Council represents the interests of the residents and functions in an advisory role to Administration and the Board of Directors of Pomperaug Woods, Inc. The Executive Director meets with the Residents' Council at least monthly to address resident concerns, which are then communicated to the Board of Directors. Certain members of the Board of the Directors periodically meet with the Residents' Council (current practice is quarterly), and discuss operations, progress of on-going projects, and the budgeting process (including fee increases).

#### **Residents' Association**

Membership in the Residents' Association is open to all residents of The Community. The Residents' Association annually elects members of the Residents' Council. The Executive Director (or designee) holds bi-monthly meetings with all residents to provide updates of on-going projects, discuss topics of interest to the residents, and discuss the completion and availability of the Disclosure Statement. The Executive Director presents the budget at one of these meetings (including fee increases). Residents can also become involved at The Community by serving on one of the numerous resident committees, including but not limited to: Finance Committee, Marketing Committee, Food Committee, Welcoming Committee, and Library Committee.

## **II. THE COMMUNITY**

## **A. THE LOCATION**

The Community is situated on 22 acres of rolling countryside in historic Southbury. It is located mid-way between Waterbury and Danbury on Interstate 84.

## **B. POMPERAUG WOODS**

The Community consists of 131 senior living residences, 16 memory care apartments, a 37-bed licensed and Medicare certified health center ("Health Center"), and extensive community amenities. The memory care apartments opened in 2020.

We offer a wide variety of floor plans to suit residents' individual needs and lifestyle. Each of our senior living residences has been carefully designed to assure the utmost in efficiency and comfort. All kitchens have maple or white cabinets, Corian counter tops, and stainless steel appliances including a dishwasher, full-size refrigerator, electric stove and garbage disposal to assure senior living that is convenient and comfortable. Most residences have washers and dryers. First floor residences all have patios. All senior living residences have walk-in showers and walk-in closets. All of the senior living residences are equipped with emergency nurse call signals in each bedroom and bath.

Our Health Center provides resident-centered health care services. The Health Center features common areas (including a well-stocked library and comfortable lounge), two intimate dining rooms, and private meeting rooms. Accommodations include both private and semiprivate rooms.

The following amenities are also available at the Community:

- Business Center
- Lounges
- Auditorium
- On-site bank
- Individual storage spaces
- Creative arts studio
- Walking paths
- Exercise room
- Full-service dining room
- Card room
- Private dining room
- Billiard room
- Library
- WiFi throughout
- Salon
- Cafe
- Postal Service
- Covered parking available
- Fire and smoke alarms throughout the Community

The Community has its own private bus system for scheduled transportation to doctors' offices, pharmacies, professional offices, shopping, and other areas as requested by the residents.

## **C. THE PERSONNEL**

Subject to our approval, Life Care Services employs the Executive Director and Associate Administrator of the Community under the terms of the management agreement. We employ all

other personnel, including a Social Services Director, Food and Beverage Director, Plant Director, Director of Nursing, Director of Resident Services, Director of Accounting, Director of Community Life Services, and Director of Marketing. Other employees include plant maintenance staff, environmental services personnel, accounting staff, marketing staff, food and beverage personnel, administrative support staff, security, transportation personnel, and nursing personnel in the Health Center. A medical director, dietician, and physical, speech and occupational therapists are available on a consulting basis.

## **D. SERVICES AND AMENITIES**

A description of the services and amenities available at the Community is attached as Exhibit B to this Disclosure Statement. Briefly, in accordance with the terms of the Residence Agreement pertaining to the Community, and, in addition to providing a residence and Community amenities for lifetime use by the resident, the Community provides the following services: (1) maintenance of the residences, commons areas, and grounds; (2) housekeeping and flat laundry services; (3) dining services for residents and their guests; (4) weekly planned activities; (5) on-site security; (6) transportation services; (7) certain Health Center services; ; (8) emergency call monitoring and response; and (9) various administrative services.

Residents who need personal services to continue living in their residences may receive additional services through the Community's licensed Resident Health Services Program, the Community's licensed Assisted Living Services Program, or through a licensed home care provider of the resident's choice and at the resident's expense. Services provided through the Assisted Living Services Program include assistance with the activities of daily living and/or nursing services in order to maximize the resident's level of living in his/her residence. An outline of the services available (with or without an extra charge) is included as Attachment A to the Residency Agreement.

The Community is expanding its campus by adding a Memory Care Residence, which will include 16 memory care suites, a dining room, activity room, and living room. The program emphasis is to facilitate meaningful and purposeful experiences for each resident every day.

The Community provides rehabilitative, skilled nursing, and long-term care in the Health Center. Accommodations include both private and semi-private rooms. Health Center services are available to all residents of the Community with a skilled nursing need, and residents have priority access to the Health Center over nonresident patients desiring admission. Emphasis in the Health Center is on restorative care in order to return residents to their residences as soon as possible. Residents who are unable to return to their residences, however, have the assurance of receiving permanent care in the Health Center. In the event that accommodations are not available in the Health Center, we will arrange for the resident's placement in accommodations at another area nursing facility, and once accommodations in the Health Center become available, the resident will relocate back to the Health Center.

## **E. CONTRACTS AND FEES**

The Community is managed by Life Care Services pursuant to a management contract with Pomperaug Woods, Inc., which was renewed effective December 28, 2018. Under the management agreement, Pomperaug Woods, Inc. pays Life Care Services a base management fee

equal to 4% of the current month's total gross operating revenue. The Community also pays Life Care Services a monthly information technology fee for use of Life Care Services furnished software.

### **III. THE PROPOSAL**



## **A. THE LIFE-CARE CONCEPT**

The life-care concept ensures an individual with the lifetime use of a residence, support services, and long-term nursing care in an on-site Health Center. This concept has grown as an increasing number of seniors have sought better alternatives to traditional senior living. The Community offers a full continuum of services and amenities all under one roof so that a resident will be able to remain an involved member of his/her chosen community, even if the resident's health care needs begin to change. Should the day come when a resident requires long-term care, the resident will not have to consider a move away from the Community to receive the care needed. A resident who requires assistance can receive Assisted Living Services in the privacy of the resident's own residence, or, subject to availability and as determined in our sole discretion on a case-by-case basis at the time such services are required, a resident who requires more than what Assisted Living Services may provide may release his or her current residence and transfer skilled nursing in the Health Center. Nursing care is available in the on-site Health Center. One of the most significant benefits to living at a life-care community is that it provides residents with the security of knowing that all their future health care needs will be taken care of.

There are also financial benefits to being a resident of a life-care community. Life care eliminates the worries about unforeseen long-term care expenses. That's because life-care services give you the financial security of knowing that your fees will remain predictable even if your health care needs change over the years. To maximize resident choice and flexibility, the Community has introduced a fee-for-service plan as an alternative to the life-care plan. Under the fee-for-service plan, a resident pays a lower Monthly Fee for residential living and pays the per diem fee for Assisted Living and Health Center care.

## **B. THE RETURN OF CAPITAL™ PLAN (Life Care and Fee-for-Service)**

The Community offers two types of Return of Capital™ Plans a life care plan and a fee-for-service plan. Under both plans, a resident pays an Entrance Fee upon residency at the Community, of which a certain percentage is refundable to the resident or the resident's estate upon cancellation of the Residency Agreement or upon the death of the resident after residency. If there are two residents, a Second Person Entrance Fee is also paid. The Second Person Entrance Fee is nonrefundable after 30 days of occupancy. Entrance Fees are the same under the Return of Capital™ life care plan and the Return of Capital™ fee-for-service plan. The life care plan provides the resident with care in the Health Center for essentially the same fee as would be paid if the resident were living in his/her residence. A resident under the fee-for-service plan pays a lower Monthly Fee for residential living and the per diem fee Assisted Living and nursing care in the Health Center. See Paragraph 6 on page 16 for more information on care in the Health Center. Copies of the Community's Return of Capital™ Residency Agreements are attached hereto as Exhibit C-1 and C-3. A list of current and historical Admission Payments charged under the Return of Capital™ Residency Agreement is included in Exhibit C to this Disclosure Statement.

## **C. THE DECLINIG BALANCE PLAN (Life Care)**

The Community also offers a Declining Balance life-care plan, wherein a resident pays a lower Entrance Fee, which Entrance Fee is earned over time by the Community until it reduces to zero. The resident receives care in the Health Center for essentially the same fee as would be paid if the resident were living in his/her residence. See Paragraph 6 on page 16 for more information on care in the Health Center. A copy of the Declining Balance Residency Agreement is attached hereto as Exhibit C-2.

## **D. THE RESIDENCY AGREEMENTS**

Upon deciding to become a resident of the Community, a future resident will execute a Residency Agreement to reserve the residence selected. The description of the Residency Agreements and the terms of residency contained in this Disclosure Statement are qualified by reference to the applicable form of Residency Agreement. The Community reserves the right to offer to prospective residents alternative forms of residency agreements from time to time.

Prospective residents are urged to review the details of the available forms of Residency Agreements very carefully before signing. The Residency Agreement is personal in nature and does not give any person who is not a party to the Residency Agreement any right to reside in the Community or to receive any services and amenities provided under the Residency Agreement. This would include a nonresident spouse.

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

1. Acceptance for Residency. At the time a resident applies for residency at the Community, he/she must be capable of residential living with or without reasonable accommodation or modification as defined in our current admissions policy. After full payment of the Entrance Fee (described below), the resident must have sufficient financial resources for payment of the Monthly Fees, per diem fees, plus other personal expenses which may reasonably be expected, and to meet anticipated increases in the cost of living, including increases in the Monthly Fees and per diem fees.

2. Payment of Entrance Fee. To live at the Community, a resident is required to pay an Entrance Fee to us, including a Second Person Entrance Fee if there are two people who will reside in the residence. At the time the resident executes the Residency Agreement, he/she will be required to pay a 10% deposit of the Entrance Fee and Second Person Entrance Fee, which will reserve the residence selected. The remaining 90% balance of the Entrance Fee and Second Person Entrance Fee is required to be paid to us on the earlier of (i) the date the resident moves into the Community; or (ii) within 90 days from the date of resident's execution of the Residency Agreement. Entrance Fees paid under a Return of Capital™ Residency Agreement (life care and fee-for-service) are higher than those paid under the Declining Balance Residency Agreement. An outline of the Entrance Fees is attached as Exhibit D to this Disclosure Statement.

3. Refund of Entrance Fee.

3.1 Nonacceptance – If we do not accept the prospective resident for residency at the Community, the full amount of the Entrance Fee deposit paid will be promptly refunded, without interest.

3.2 Right-of-Rescission – The Residency Agreement may be rescinded by the prospective resident by giving the Community and the escrow agent written notice of rescission by registered or certified mail within 30 days from the date of resident's execution of the Residency Agreement. In such event, the amount of the Entrance Fee deposit paid will be refunded, without interest, within 60 days of notice of rescission.

3.3 Cancellation Due to Change in Condition Prior to Residency – If there is a change in the prospective resident's condition, he/she (or his/her estate) may cancel the Residency Agreement upon written notice to us. In such event, the amount of the Entrance Fee deposit paid will be refunded, without interest, within 30 days of notice of cancellation. The refund may be reduced by amounts incurred by us at resident's request.

3.4 Cancellation Due to Other Reasons Prior to Residency – If the prospective resident cancels the Residency Agreement prior to residency for other reasons other than those listed in Paragraphs 3.2 and 3.3 above, the Entrance Fee deposit will be refunded, without interest, within 30 days of our receipt of the notice of cancellation. The refund will be reduced by a charge equal to 2% of the total Entrance Fee and any other amounts incurred by us at resident's request.

3.5 After Residency – The Second Person Entrance Fee is nonrefundable after 30 days of residency. After residency, the amount of refund of the Entrance Fee will depend on the type of Residency Agreement entered into with the prospective resident. Under the Return of Capital™ plans, a certain percentage of the Entrance Fee is refundable as outlined in the Return of Capital™ Residency Agreements. Under the Declining Balance plan, the Entrance Fee refund is determined as follows: (i) 10% of the total Entrance Fee is retained by the Community if the Residency Agreement is canceled during the first five months of residency; and (ii) 2% of the total Entrance Fee per month of residency is retained by the Community if the Residency Agreement is canceled after the first five months of residency - until the Entrance Fee is fully earned by the Community. After 50 months of residency, the Entrance Fee refund under the Declining Balance Residency Agreement will decline to a zero balance.

4. Payment of a Monthly Fee. To receive the services and amenities listed in Section 1 of the Residency Agreements, a resident is required to pay a Monthly Fee (including a second person Monthly Fee if there are two persons residing in the residence) to us on the first day of each month. The Monthly Fees vary according to the size and type of the residence selected and the type of residency plan the resident selects (life care plan vs. fee-for-service plan). The Monthly Fees required to be paid under the Return of Capital™ fee-for-service plan are less than the monthly fees required to be paid under the Return of Capital™ life care plan and Declining Balance life care plan. Monthly Fees will be used only for purposes related to the Community. Monthly Fees may be adjusted by Pomperaug Woods, Inc., in its sole discretion, following 60 days' advance written notice to residents in order to meet the financial needs of operating the Community or to

provide required services and amenities to the residents. A listing of current and historical Monthly Fees charged at The Community is included in Exhibit C to this Disclosure Statement.

5. Ancillary Services and Charges. Certain items are available to residents for an extra charge, such as additional meals beyond the one meal per day included in the Monthly Fee, guest meals and guest accommodations, use of the salon, additional housekeeping, special events transportation, etc. See Section 2 of the Residency Agreements for further details.

6. Charges for Nursing Care Services in the Health Center.

6.1 Under the Life Care Plans – If a resident or both residents are temporarily assigned to the Health Center, the Monthly Fees (first and second person, as applicable) for the residence will continue. Residents are considered permanently assigned to the Health Center when the resident (or residents, as applicable) have resided in the Health Center for 90 consecutive days. When permanently assigned to the Health Center, the Monthly Fees will be adjusted to the then-current first-person (and second person, as applicable) Monthly Fees for a two-bedroom Redding Apartment in effect for all residences. Residents in the Health Center will also pay the charges for additional meals per day not covered by the Monthly Fees, the charges for physician services, and the charges for any other additional health services received by the resident. Section 3 of the Residency Agreements describes in greater detail the charges for nursing care services in the Community's Health Center. When a resident (or both residents, as applicable) are permanently relocated to the Health Center, they may either release or retain their residence. If the residence is released, their Monthly Fee will change as described above. If the residence is retained, the resident (or residents) will be responsible for paying both the Monthly Fee for the Health Center which is equal to the then-current first-person (and second person, as applicable) Monthly Fees for a two-bedroom Redding Apartment and the Monthly Fee for their residence. Residents who retain their residence will also pay the charges for additional meals not covered by the Monthly Fees, the charges for physician services, and the charges for any other additional health services received by the resident.

6.2 Under the Fee-For-Service Plan – If a resident or both residents are temporarily assigned to the Health Center, the Monthly Fees (first and second person, as applicable) for the residence will continue. Both residents will also be required to pay the per diem fees for care in the Health Center, the charges for physician services, and the charges for any other additional health services received by the resident. When permanently assigned to the Health Center, the Monthly Fees for the residence will cease once the residence is vacated and the residents will continue to pay the charges outlined above. Section 3 of the Residency Agreement describes in greater detail the charges for nursing care services in the Community's Health Center.

7. Medicare and Supplemental Insurance. Residents of the Community are required to maintain Medicare Part A, Medicare Part B, Medicare Part D, and one supplemental health insurance policy or equivalent insurance coverage in order to fully cover a Medicare-qualified stay in the Community's Health Center. Supplemental insurance should cover Medicare co-insurance and deductibles. The resident is financially responsible for deductibles, co-insurance, and any other charges for each Medicare-qualified stay to the extent of any shortfall.

8. Managed Care. 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 Community's Health Center is a participating provider with the resident's managed care program and the resident's stay is a Medicare-qualified stay, Pomperaug Woods, Inc. agrees to be reimbursed at the rate negotiated with the resident's managed care program. If the Community's Health Center is not an approved participating provider with the resident's managed care program and the resident chooses to receive health care services at a managed care participating provider, then the resident will be required to relocate for as long as necessary for those services, and 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 will continue to pay the Monthly Fee for his/her residence unless the Residency Agreement is canceled. **If the Community's Health Center is not a participating provider in the resident's managed care program and the resident would still like to receive health care in the Community's Health Center during a Medicare-qualified stay, the resident will pay the per diem fee for his/her care in the Community's Health Center during such qualified stay, as well as the Monthly Fee for his/her residence.** At the conclusion of each such Medicare-qualified stay, the resident will be entitled to health center care under the terms of the Residency Agreement.

## **E. FEE SCHEDULES**

Historical Admission Payments, Entrance Fees and Monthly Fees are included as Exhibit D to this Disclosure Statement. Current Admission Payments, Entrance Fees, Monthly Fees and Extra Charges are included as Exhibit D to this Disclosure Statement.

## **F. SPECIAL FINANCIAL CONSIDERATION**

In cases where personal financial resources prove inadequate, a resident may apply for special financial consideration by Pomperaug Woods, Inc. It is the policy of Pomperaug Woods, Inc. to not ask a resident to leave solely because of a justifiable inability to pay the Monthly Fee.

Bequests or gifts received by Pomperaug Woods, Inc. will be used, if allowed by their terms, to offset expenses of the Community to provide financial deferrals for residents as needed, or to purchase non-budgeted items or services for use in the Community.

## **IV. REGULATORY MATTERS**

## **A. REGISTRATION**

The Community is subject to the provisions of Connecticut law on Management of Continuing-Care Facilities, Chapter 319hh, Connecticut General Statutes. In compliance with the Connecticut continuing-care law, we have filed the following documents with the Connecticut Department of Social Services:

- (1) A current Disclosure Statement (this booklet),
- (2) Financial and actuarial information, and
- (3) Escrow agreements and escrow account verifications.

All documents filed are a matter of public record and may be reviewed at the Department of Social Services; 25 Sigourney Street; Hartford, Connecticut 06106-2055.

## **B. ENTRANCE FEE ESCROW**

Under the provisions of the Connecticut continuing-care law, we have established an Entrance Fee Escrow Account with Newton Savings Bank for purposes of depositing Entrance Fees paid by residents prior to residency. We are required to maintain Entrance Fees received from residents in the Entrance Fee Escrow Account (i) for the 30-day right of rescission period, and (ii) until the residence becomes available for residency by the resident. Interest earned on the account will be credited to us. Residents desiring to rescind or cancel their Residency Agreements should send written notice to Pomperaug Woods, Inc.; 80 Heritage Road; Southbury, Connecticut 06488, and, if during the 30-day right of rescission period, to the Escrow Agent at:

Newtown Savings Bank  
39 Main Street  
Newtown, CT 06470  
203-426-2563

Included as Exhibit F to this Disclosure Statement is a statement from the escrow agent, Newtown Savings Bank, verifying that the required Admission Payments Escrow has been established and maintained.

## **C. RESERVE FUND ESCROW**

We are required to establish and maintain a Reserve Fund Escrow Account in an aggregate amount sufficient to cover the following:

- (1) All principal and interest, rental or lease payments due during the next 12 months on account of any first mortgage loan or other long-term financing; and
- (2) The total cost of operations of the Community for a one-month period, excluding debt service and capital expenditures.

The Reserve Fund Escrow Account is established at:  
Newtown Savings Bank  
39 Main Street  
Newtown, CT 06470

Included as Exhibit F to this Disclosure Statement is a statement from the escrow agent, Newton Savings Bank, verifying that the required Operating Reserve Escrow has been established and maintained.

#### **D. INVESTMENTS**

All investment decisions for all escrow and reserve funds will be made by our Board of Directors. The Board will invest the funds in a manner consistent with sound investment practices and consistent with Connecticut law.

#### **E. TAX DISCUSSION**

Execution of the Residency Agreement and payment of the Entrance Fee and Monthly Fee gives rise to certain unique tax considerations. The discussion below outlines the process which will be utilized to determine the percentage of the Entrance Fee and Monthly Fee that the resident may choose to deduct as a medical expense. Each resident is advised to consult with his/her personal tax advisor regarding the tax consequences associated with becoming a resident of the Community. We are not tax advisors and we disclaim any responsibility for any tax advice relating to your becoming a resident of the Community.

A percentage of the non-refundable portion of the Entrance Fee may be taken as a medical expense deduction in the year in which it is deemed finally paid. Also, a percentage of the Monthly Fees paid by a resident each year may be taken as a medical expense deduction. Each year, the Community will provide the residents with the percentage of the prior year's Monthly Fees that has been determined to be attributable to the operations of the Community's Health Center. All deductions are, of course, subject to limitations imposed by the Internal Revenue Code of 1986, as amended. It is advisable that the residents seek the advice of their tax counsel before taking any of these deductions.

#### **F. JUDICIAL PROCEEDINGS**

No judicial proceedings have been initiated against Pomperaug Woods, Inc. as defined under Section 17b-522(a)(4) of the Connecticut General Statutes or pursuant to State Regulation 17a-373-3(c)(3) which governs the management of continuing-care facilities.



## **V. FINANCIAL STATEMENTS AND PROJECTIONS**

## **A. FINANCIAL PROJECTIONS**

It is important for future residents, their families, and their advisors to understand the financial basis on which the Community is operated. The past experience of Life Care Services in successfully developing and managing senior living communities has been the basis for financial planning for the Community.

## **B. CASH FLOW PROJECTION (PRO FORMA)**

A pro forma cash flow projection for the Community for the period beginning October 1, 2023 through September 30, 2025 can be found on the following page. The pro forma is based on the assumptions stated in the notes attached thereto and is a projection of future activity rather than historical financial statements. Such pro forma projection is based on cash flow concepts, which makes 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 the Community. 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 the Community and other factors.

## POMPERAUG WOODS

Southbury, Connecticut

### CASH FLOW PROJECTION

For the Period Beginning October 1, 2022

|                           | Year 1       | Year 2       | Year 3       |
|---------------------------|--------------|--------------|--------------|
|                           | 2023         | 2024         | 2025         |
| Beginning Cash            | 2,149,610    | 1,519,511    | 1,997,647    |
| Interest Income           | 3,360        | 3,360        | 26,400       |
| Monthly Service Fees (1)  | 6,919,722    | 7,257,062    | 7,441,614    |
| Double Occupancy Fees (2) | 173,513      | 181,971      | 186,599      |
| Miscellaneous Income (3)  | 79,799       | 77,319       | 78,903       |
| Attrition Income (4)      | 5,056,500    | 4,947,652    | 4,996,829    |
| Health Center Income (5)  | 6,935,179    | 7,175,830    | 7,348,556    |
| Nursing Care Purchased    | 0            | 0            | 0            |
| Life Care Discount (6)    | (2,070,616)  | (2,104,339)  | (2,162,918)  |
| Operating Expenses (7)    | (11,862,272) | (12,206,547) | (12,484,579) |
| Capital Expenditures (8)  | (1,467,267)  | (1,500,000)  | (1,053,184)  |
| Loan Principal (9)        | (664,397)    | 200,012      | 200,012      |
| Loan Interest (10)        | 67,686       | 116,925      | 109,929      |
| Estate Refunds (11)       | (3,801,306)  | (3,671,110)  | (3,929,940)  |
| Net Change (12)           | (630,099)    | 478,136      | 758,220      |
| Ending Cash               | 1,519,511    | 1,997,647    | 2,755,867    |

\*

**POMPERAUG WOODS**

**Southbury, Connecticut**

**CASH FLOW PROJECTION FOOTNOTES**

- (1) Monthly Service Fees represents the total of first person monthly service fees for all independent living units at average occupancy of:

| <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> |
|---------------|---------------|---------------|
| 90.0%         | 92.1%         | 92.0%         |

- (2) Double Occupancy Fees represents second person fees, which are assumed to increase at the same rate as first person monthly service fees.
- (3) Miscellaneous Income represents revenue from such services as furnishing additional meals, special services, guest apartment rental, beauty shop, personal laundry, vending equipment, and gifts.
- (4) Attrition Income represents the additional income from re-reservation of living units based upon living unit turnovers. The data is based on historical data and recent/projected trends.
- (5) Health Center Income assumes average daily rates in Year 1 of \$555 for a private room and \$487 for a semiprivate room. There are 37 health center beds. The average census has been projected at 29 in Year 1, 28 in Year 2 and 28 in Year 3.
- (6) Life Care Discount is the expense of placing Pomperaug Woods' residents in the health center per the life-care contracts.
- (7) Operating Expenses are assumed to increase by 2.25 percent for Years 2 through 3.
- (8) Capital Expenditures are costs of repair or replacement of portions of the buildings and equipment. Such costs are assumed to be relatively low when the buildings are new and to increase gradually thereafter as the facility ages.
- (9) Loan Principal –Pomperaug Woods has closed on a \$2 million loan to finance renovations at the community. The loan will fund three projects included converting eight current apartments to sixteen studio memory care units, renovations and furnishings to the existing café and development of the outdoor areas.
- (10) Loan Interest –Loan interest reflects interest on the \$2 million loan to finance renovations at the community.
- (11) Estate Refunds is that portion of the entrance fee refunded due to the death of a resident. This refund is paid from the entrance fee received by the Community from the new resident. Attrition rates used in calculating estate refunds are based upon year-end actuarial data from the firm of Milliman of Omaha, Nebraska.

- (12) Net Change is the difference between ending cash and beginning cash in a given year.

**POMPERAUG WOODS  
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 anticipated for the next three years are as follows:

|                      |                       |                    |
|----------------------|-----------------------|--------------------|
| <u>2023</u><br>19.5% | <u>2024</u><br>17.82% | <u>2025</u><br>17% |
|----------------------|-----------------------|--------------------|

**POMPERAUG WOODS  
AVERAGE AGE OF RESIDENTS**

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

|                   |                   |                   |
|-------------------|-------------------|-------------------|
| <u>2023</u><br>90 | <u>2024</u><br>90 | <u>2025</u><br>90 |
|-------------------|-------------------|-------------------|

**POMPERAUG WOODS  
HEALTH CARE UTILIZATION RATES**

Health care utilization rates anticipated for the next three years are as follows:

| <u>Year</u> | <u>Utilization Rate</u> |
|-------------|-------------------------|
| FY 2023     | 81.6%                   |
| FY 2024     | 83%                     |
| FY 2025     | 83%                     |

**POMPERAUG WOODS  
NUMBER OF HEALTH CARE ADMISSIONS**

The number of health care admissions pursuant to continuing-care contracts anticipated for the next three years is as follows:

| <u>2023</u> | <u>2024</u> | <u>2025</u> |
|-------------|-------------|-------------|
| 139         | 141         | 141         |

**POMPERAUG WOODS  
DAYS OF CARE**

The days of care per year anticipated for the next three years, are as follows:

| <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-------------|-------------|-------------|
| 11,112      | 11,268      | 11,268      |

**POMPERAUG WOODS  
NUMBER OF PERMANENT  
TRANSFERS**

The number of permanent transfers to the health center in fiscal year ending September 30, 2022 was nine (9) residents.

**C. AUDITED FINANCIAL STATEMENTS**

Audited financial statements of Pomperaug Woods, Inc. for the years ended September 30, 2022 and 2021 and for the years ended September 30, 2021 and 2020 are attached as Exhibit E to this Disclosure Statement.

**D. FINANCING**

On June 5, 2020, Pomperaug Woods, Inc. entered into a 20-year loan agreement with Newtown Savings Bank for \$2 million, which will bear interest at a fixed rate of 3.25% per annum, (the initial rate) which rate shall continue in effect until the first change date, as defined as every 5 years, on the fifth, tenth, fifteenth and twentieth anniversaries of the note to a rate per annum equal to 180 basis points in excess of the Federal Home Loan Bank of Boston Classic Advance Regular Rate of 5 years, as made available by the Federal Home Loan bank of Boston and in effect on the date which is 5 days prior to the applicable change date. The interest rate which takes effect on a change date shall remain in effect until changed in accordance with the terms of the note. In no event shall the interest rate be less than 3.25% per annum for the life of the loan nor more than 6 % per annum for the life of the loan.

**Pomperaug Woods**  
**Explanation of Material Differences**  
**Cash Flow Projection for 2022 and 2022 Actual Results**

|                      | <b>2022<br/>Actual</b> | <b>2022<br/>Pro Forma</b> | <b>Difference</b> |
|----------------------|------------------------|---------------------------|-------------------|
| Beginning Cash       | 2,908,468              | 4,553,718                 | (1,645,250)       |
| Interest Income      | 23,056                 | 3,360                     | 19,696            |
| Monthly Service Fees | 6,477,642              | 6,252,537                 | 225,105           |
| Double Occupancy     |                        |                           |                   |
| Fees                 | 145,887                | 173,032                   | (27,145)          |
| Miscellaneous        |                        |                           |                   |
| Income               | 72,065                 | 59,134                    | 12,931            |
| Attrition Income (1) | 5,576,879              | 6,598,660                 | (1,021,781)       |
| Health Center Income |                        |                           |                   |
| (2)                  | 5,311,975              | 8,498,271                 | (3,186,296)       |
| Nursing Care         |                        |                           |                   |
| Purchased            | -                      | -                         | -                 |
| Life Care Discount   |                        |                           |                   |
| (3)                  | (2,085,800)            | (2,865,055)               | 779,255           |
| Operating Expenses   |                        |                           |                   |
| (4)                  | (13,112,291)           | (11,760,676)              | (1,351,615)       |
| Capital Expenditures |                        |                           |                   |
| (5)                  | (2,010,143)            | (1,471,209)               | (538,934)         |
| Loan Principal (6)   | (124,536)              | (828,562)                 | 704,026           |
| Loan Interest        | (42,693)               | (98,479)                  | 55,786            |
| Estate Refunds (7)   | (979,444)              | (5,071,000)               | 4,091,556         |
| Net Change           | (747,403)              | (509,987)                 | (237,416)         |
| Ending Cash          | 2,149,610              | 4,043,731                 | (1,894,121)       |

**Footnotes to Explanation of Material Differences**

- 1) Attrition Income - The Community experienced fewer closings due to COVID restrictions.
  
- 2) Life Care Discount - The positive variance to budget was due to the Health Center temporary occupancy being lower than budget. Residents were permanently assigned to HC & paid full daily HC rate sooner than budgeted.

## **VI. EXHIBITS**



**EXHIBIT A**  
**SENIOR LIVING COMMUNITIES MANAGED**  
**BY LIFE CARE SERVICES**  
**AS OF 2/14/2023**

Alabama, Birmingham – Galleria Woods  
Alabama, Hoover – Danberry at Inverness  
Arizona, Chandler – Clarendale of Chandler  
Arizona, Fountain Hills – Fountain View Village  
Arizona, Peoria – Sierra Winds  
Arizona, Phoenix – Clarendale of Arcadia  
Arizona, Phoenix – Sagewood  
Arizona, Tempe (Phoenix) – Friendship Village of Tempe  
California, Cupertino – Forum at Rancho San Antonio, The  
California, Palo Alto – Moldaw Residences  
California, San Diego – Casa de las Campanas  
California, San Rafael – Aldersly  
California, Santa Rosa – Arbol Residences of Santa Rosa  
California, Santa Rosa – Oakmont Gardens  
Connecticut, Essex – Essex Meadows  
Connecticut, Mystic – StoneRidge  
Connecticut, Southbury – Pomperaug Woods  
Delaware, Newark – Millcroft Living  
Delaware, Wilmington – Foulk Living  
Delaware, Wilmington – Shipley Living  
Florida, Aventura – Sterling Aventura  
Florida, Bradenton – Freedom Village of Bradenton  
Florida, Celebration – Windsor at Celebration  
Florida, Clearwater – Regency Oaks  
Florida, Hollywood – Presidential Place  
Florida, Jacksonville – Cypress Village  
Florida, Leesburg – Lake Port Square  
Florida, Naples – The Glenview at Pelican Bay  
Florida, Naples – The Arlington of Naples  
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  
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, 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, 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  
 Maryland, Columbia – Residences at Vantage Point  
 Maryland, Timonium – Mercy Ridge  
 Maryland, Towson (Baltimore) – Blakehurst  
 Michigan, Battle Creek – NorthPointe Woods  
 Michigan, Clinton Township – Rose Senior Living – Clinton Township  
 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  
 New Jersey, Bridgewater – Delaney of Bridgewater, The  
 New Jersey, Bridgewater – Laurel Circle  
 New Jersey, Burlington – Masonic Village at Burlington  
 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  
 North Carolina, Lumberton – Wesley Pines  
 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, 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, 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, Milwaukee – Eastcastle Place

## **EXHIBIT B**

### **DESCRIPTION OF SERVICES AND AMENITIES**

The services and amenities provided by the Community to residents are listed in the Residency Agreement which governs all such obligations. In an attempt to more fully explain the nature of these services and amenities, the following detailed description has been prepared. The procedures to be followed in furnishing these services and amenities may be modified by us in consultation with the Community's Association of Residents.

#### **Activities Director (Health Center)**

We provide an activities director who is responsible for coordinating and directing the arts and crafts, social, and recreational activities for residents of the Health Center.

#### **Additional Services**

Additional services are provided to residents for an extra charge. Such services include, but are not limited to, guest accommodations, guest meals over the monthly meal allowance, beauty salon services, additional resident meals, additional housekeeping, personal laundry service, and such other reasonable services as requested (if available). A list of ancillary charges is included in Exhibit C to this Disclosure Statement.

#### **Association of Residents and Residents' Council**

The residents of the Community have established an Association of Residents and a Residents' Council. Membership in the Association of Residents is open to all residents of the Community. Regularly scheduled meetings are held to enable the residents to ask questions and to permit administration and the Board of Directors to communicate with the residents. These resident meetings are usually held every other month. The Residents' Council is comprised of six residents who are elected for two-year terms. The Council meets monthly with the Executive Director and representatives of the Board of Directors.

#### **Dining Services**

Residents are provided with one meal per day, which may be taken for breakfast, lunch or dinner. Guest meals are also available for an extra charge. Unused monthly meal credits may be applied against guest meals served during the same calendar month. Any meals taken beyond the monthly meal credit will be added to the resident's monthly billing statement.

The Community offers a full-service dining room for residents' enjoyment. This dining venue is a typical restaurant style dining – offering three to six course meals, depending on the resident's desires. The items served include soup, salad, and choice of multiple entrees, starch, vegetable, beverage, and dessert options. Main entrees are the same at lunch and dinner. Lighter entrees are also offered for lunch and dinner. Also available for lunch or dinner is the community's Cafe which serves lighter fare where residents can feel free to dress more casual than the main dining room.

Residents must dress and conduct themselves in a socially acceptable manner.

Modified diet consultation is provided to residents when a modified diet has been ordered by a resident's physician, Medical Director or Director of Nursing Services. The services of a dietitian are available to the residents to provide special diet meal plans.

The Community also provides take out meal service for an extra charge.

### **Gratuities**

Gratuities are not permitted, and employees who accept them are subject to discharge. The Association of Residents has established an employee appreciation fund to be shared with each employee on a basis determined by the residents.

### **Guest Accommodations**

Guest accommodations are available for an extra charge per day plus an occupancy tax with a seven-day limit on usage.

### **Health Center**

A physician has been retained on a consulting basis to act as the Medical Director of the Health Center. The Medical Director is responsible for medical supervision of the Health Center operations, quality of care assurance, and resident care planning. The Medical Director may also be called upon by Community staff to assist in determination of a resident's health and whether or not the resident requires additional care in the Health Center.

If a resident requires nursing care, he or she will be transferred to the Community's Health Center from his/her residence upon a physician's order. The resident's attending physician or the Medical Director will determine the appropriate level of care required by the resident upon admission to the Health Center. The Community's nursing staff will provide an appropriate plan of care, the ultimate goal of which will be, if at all possible, to return the resident to his/her residence as soon as possible.

The Health Center will be staffed to provide quality care to residents of the Community and to nonresident patients admitted from the surrounding area. If a resident desires special additional nursing staff while a patient in the Health Center, arrangements may be made through the Health Center at additional charge to the resident.

While in the Health Center, the resident will receive nursing care services in a semiprivate room. If a resident desires a private room, the resident may obtain one (based on availability) upon agreement to pay the difference between the semiprivate room charge and private room charge. In our sole discretion, if the private room in which a resident is residing is needed for semiprivate use, resident will be required to reside in a semiprivate room until a private room is once again available (unless a private room is medically necessary). Care in the Community's Health Center includes skilled, rehabilitative, and long-term nursing care, depending upon the needs of each individual resident and which will be provided in accordance with the laws and regulations governing skilled nursing facilities.

The resident is also responsible for services provided by his/her own attending physician and/or the Medical Director. In the event a resident's attending physician or Medical Director orders medication, therapy, or various supplemental services for a resident's care, the resident will be responsible for the extra charges for such services and supplies. Because the Monthly Fee

includes only one meal per day, the charges for two additional meals per day will be added to a resident's monthly billing statement during his or her stay in the Health Center.

The resident is also responsible for the charges for all medical care received away from the Community (i.e., hospital care), except in the event the Community places the resident temporarily in an alternate health center facility because the Community Health Center is full. If placement in an alternate health center facility is required, the resident will pay the same rate as if he or she were a patient in the Community Health Center. The charges for care received at the alternate health center facility will be paid by us, which accommodations and services shall be comparable to the accommodations and services outlined in the Residency Agreement. The Community will approve and coordinate a resident's transfer to the alternate health center facility. The resident will be transferred back to the Community Health Center as soon as a room becomes available.

### **Health Center – Permanent Assignment**

Residents who are unable to return to their residences after 90 consecutive days of nursing care in the Health Center will be permanently assigned to the Health Center. A determination of permanent assignment will come only after a thorough evaluation of the resident's condition by a staff of health care professionals, including the resident's attending physician, the Medical Director, nursing and nursing support staff, and administration. The process of determining a resident's permanent assignment takes place over a 90-day period.

When a resident (or residents, as applicable) is permanently assigned to the Health Center, they may either release or retain their residence as described in Paragraph 6 on page 16.

Family, friends, and volunteers are encouraged to visit the resident. Friends, relatives, or spouses may take meals with Health Center residents upon advance notice to the Health Center.

### **Laundry**

We provide weekly flat laundry service. Flat laundry is washed, dried, folded, and returned to residents within seven days of pick up. This service includes the following items: sheets, pillowcases, towels, facecloths, and dishcloths. 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 also available for an extra charge.

### **Maintenance**

We maintain all buildings, grounds, and commons areas and also provide weekly housekeeping services. Housekeeping services include vacuuming, washing hard surface floors, cleaning, and dusting the interior of the residence. Ovens and windows are cleaned at a resident's special request. Community staff will assist residents in arranging and moving furniture as needed during the first 12 months of residency at no extra charge. This service is available after that time at an extra charge to the resident. Residences are painted during the sixth year of residency upon the resident's prior agreement.

### **Monthly Billing Statement**

A monthly billing statement outlining the Monthly Fee and any extra charges will be placed in the resident's mailbox or other appropriate place on approximately the first day of the month. Monthly billing statements are required to be paid by the tenth business day of each month. A late fee of 1.5% is added to all unpaid balances on the last business day of the month.

**Parking**

Surface parking is provided for each residence. A limited number of carports are available for an extra charge.

**Pets**

Residents are permitted to have pets in their residences in accordance with the Community's Pet Policy. The resident will be required to enter into a Pet Agreement and pay a nonrefundable Pet Fee. A copy of the Pet Policy and Pet Agreement can be obtained from Administration.

**Private Dining Room**

A private dining room is available for use by residents and their guests. Special meals are available at an extra charge. Advance reservations are required.

**Receptionist**

A receptionist is on duty from approximately 8:00 a.m. to 7:00 p.m., Monday through Friday, and on weekends from 8:00 a.m. to 7:00 p.m. Additional hours may be scheduled, depending on the needs of the residents and staff. Bus transportation arrangements and messages are handled at the reception desk.

**Resident Health Services Program**

The Community offers additional personal services to residents through its licensed Assisted Living Services Program. The purpose of this program is to provide assistance to residents should the need arise, so that living in their residences can continue for as long as possible. Resident health services include medication reminders, medication administration, escort service within the Community, and other personal services.

**Residence Transfers**

If a resident wishes to transfer to a different size residence, the Monthly Fee will be adjusted accordingly. The resident may be required to pay an additional Entrance Fee as well as a transfer fee to offset refurbishment of their occupied unit. The Community has established a policy regarding transfer procedures and charges for transfers, and may amend this policy from time to time. The resident will be required to sign an amendment to his/her Residency Agreement, setting forth the terms of the transfer.

**Salon**

Salon services are available in the Community's on-site salon for extra charge.

**Security**

We provide security personnel for two eight-hour shifts, Monday through Friday, and 24 hours a day on Saturday and Sunday. For the residents' added safety, all residence wing doors are locked 24 hours a day, and the main entrance doors are locked at specified times, depending on the season, requiring the residents to use a key to gain entrance. In addition, there are cameras in the interior and on the exterior of the building.

**Social Director**

The social director is responsible for scheduling group events and transportation, creating newsletters, conducting resident orientation, and overseeing the arts, crafts, and other activities of the Community.

**Telephone Service**

Pomperaug Woods contracts with a phone provider to provide basic phone coverage to residents as part of the monthly fee. Residents who choose not to participate with the Community's provider and to stay with or join another provider will **not** receive a credit for their phone service from the Community.

**Transportation**

Scheduled bus or other transportation services are provided according to a schedule set by the Community. Areas of regularly scheduled transportation generally include shopping centers and medical and other professional offices in the Southbury area. Special events transportation may be provided to residents for an extra charge.



**EXHIBIT C-1**

**RETURN OF CAPITAL™ RESIDENCY AGREEMENT  
(Life Care)**



**Pomperaug Woods**  
Southbury, Connecticut

**Return of Capital™**  
**Residency Agreement**  
**(Life Care)**

2020/04/20

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Attachment B – List of Extra Charges

Attachment C – Managed Residential Community Residents' Bill of Rights

Attachment D – Complaint Resolution Process

Attachment E – Acknowledgment of Receipt of Resident Handbook

## GLOSSARY

The following terms are described as used in the accompanying Residency Agreement. Reference to the Residency Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms:

**"Agreement"** refers to this Residency Agreement between the Resident and Pomperaug Woods, Inc., which delineates the contractual obligations of Pomperaug Woods, Inc. to the Resident for services and amenities provided by Pomperaug Woods.

**"Health Center"** refers to the portion of Pomperaug Woods, which is licensed to provide skilled nursing care as identified in Section 3 of this Agreement.

**"Entrance Fee"** refers to the fee paid to Pomperaug Woods, Inc. pursuant to Section 4 of this Agreement.

**"Extra Charges"** refers to the extra charges payable in consideration for the additional services and amenities set forth in Section 2 of this Agreement.

**"Managed Residential Community"** refers to a community registered with the Connecticut Department of Public Health in order to offer certain resident health services provided by a licensed assisted living services agency to residents. Pomperaug Woods is registered as a managed residential community.

**"Medical Director"** refers to a member in good standing of the New Haven County Medical Society, designated by us as the physician of the Health Center, who is available for emergency calls and consults with the Pomperaug Woods staff on medical issues.

**"Monthly Fee"** refers to that fee payable in consideration for the services and amenities provided to all residents, as set forth in Section 1 of this Agreement. The Monthly Fee includes a second person fee if there are two Residents.

**"Occupancy"** refers to the earlier of the date you move to Pomperaug Woods or pay the balance of the Entrance Fee.

**"Personal Service Provider"** refers to a private employee, an independent contractor, or a licensed home health care agency that may be contracted by the

Resident to provide additional personal services requested or required by the Resident, which are not covered by the Residency Agreement.

**"Personal Service Provider Policy"** refers to the policy established by Pomperaug Woods, which sets forth the guidelines of conduct which must be followed by any Personal Service Provider providing services to residents of Pomperaug Woods.

**"Pomperaug Woods" or "Community"** refers to the life care senior living community located in Southbury, Connecticut, including the residences, the Health Center, the common areas, and site amenities.

**"Pomperaug Woods, Inc." or "we" or "our" or "us"** refers to the owner of the life care senior living community known as Pomperaug Woods, including the residences, the Health Center, the common areas, and the site amenities associated with these areas. Pomperaug Woods, Inc. is a Connecticut not-for-profit corporation.

**"Residence"** refers to the residence identified in the introductory paragraph of this Agreement, which you are entitled to occupy in exchange for paying the Entrance Fee and the Monthly Fee.

**"Residency Policy"** refers to that policy developed by Pomperaug Woods, Inc., which outlines the requirements for initial residency at Pomperaug Woods.

**"Resident" or "you"** refers to the resident or residents who execute this Agreement. Sometimes a second resident (if there are two of you) is referred to in the Agreement as the "second person." Unless otherwise indicated, "you" refers to both of you if there are two of you.

**"Second Person Entrance Fee"** refers to the fee identified in Section 4.3 and paid to Pomperaug Woods when a second person occupies the Residence.



## **Pomperaug Woods**

### **Return of Capital™ Residency Agreement**

This Residency Agreement ("Agreement") is entered into by Pomperaug Woods, Inc. ("we," "us," or "our") and \_\_\_\_\_ (individually or collectively, "you," "your," or "Resident"). Pomperaug Woods (the "Community") is a life care senior living community owned and operated by us, and located at 80 Heritage Road; Southbury, CT 06488.

We will provide residential housing for people 62 or older, along with a wide array of services and amenities outlined in this Agreement. Subject to the conditions contained in this Agreement, we agree to make available to you the Residence described as follows:

Residence Number: \_\_\_\_\_

Residence Style: \_\_\_\_\_

As a Resident, you are offered lifetime use of your Residence and long-term nursing care in our Health Center, all in accordance with the terms of this Agreement.

To be accepted for residency, you must meet our residency criteria, which includes: having reached the age of 62 (or applying for residency with another person who is 62 or older); financial guidelines; and the ability to occupy a residence, with or without reasonable accommodation or reasonable modification.

The purpose of this Agreement is to set forth your rights and duties as a Resident of Pomperaug Woods and to delineate the services and amenities to be provided.



## **1. SERVICES AND AMENITIES PROVIDED TO RESIDENTS.**

For as long as you occupy the Residence, we will furnish the following services and amenities, which are included in the Monthly Fee:

- 1.1** One full meal per day in our dining venues;
- 1.2** Special diet and tray service to be provided upon order of the Medical Director or Director of Nursing Service;
- 1.3** Air conditioning, heating, electricity, water, and trash disposal;
- 1.4** Maintenance of buildings and grounds;
- 1.5** On-site security personnel;
- 1.6** Weekly housekeeping;
- 1.7** Weekly laundry of flat linens;
- 1.8** Washer and dryer (in many residences, but not in all), and availability of laundry facilities;
- 1.9** Planned events -- social, cultural, educational, spiritual, and recreational -- for those who wish to participate (a list of activities is available at the front desk);
- 1.10** One parking space per Resident provided you have a car and a valid operator's license;
- 1.11** Refrigerator, range, microwave, garbage disposal and dishwasher, except that there will be no dishwasher in a one-bedroom studio residence;
- 1.12** Scheduled local transportation (listed on the monthly calendar located at the front desk);
- 1.13** Local telephone service;
- 1.14** Emergency call system and emergency nursing services;
- 1.15** Use of site amenities;

**1.16** Emergency calls by the Medical Director when summoned by designated Health Center staff; and

**1.17** Appropriate nursing services (including personal care) in semiprivate accommodations in the Health Center, as outlined in Section 3.

**2. ADDITIONAL SERVICES AND AMENITIES PROVIDED FOR AN EXTRA CHARGE.**

At your request and for as long as you occupy the Residence, we will also make available to you the following additional services and amenities at the then prevailing rates of Extra Charge:

**2.1** Personal laundry;

**2.2** One or two additional meals per day in our dining venues;

**2.3** Carports, when available;

**2.4** Guest dining;

**2.5** Guest accommodations, when available;

**2.6** Special events transportation;

**2.7** Additional housekeeping;

**2.8** If and when you stay at the Health Center, two extra meals per day;

**2.9** Certain other services, as available from time to time, such as Medical Director services, medicine, drugs, prescribed therapy, nursing supplies, and other miscellaneous supplies and services associated with medical treatment;

**2.10** Other optional services related or unrelated to care in the Health Center as approved by us; and

**2.11** Private accommodations in the Health Center, if available.

A list of current Extra Charges for these additional services and amenities is attached to this Agreement as Attachment B. These Extra Charges are subject to change at

our discretion. A list of the most current Extra Charges can be obtained from the Health Center Social Services/Admissions Director.

### **3. THE POMPERAUG WOODS HEALTH CENTER.**

**3.1 Accommodations in the Health Center.** You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. If, in the opinion of your attending physician or the Medical Director, after consultation with you (to the extent possible), your family or your responsible party, you require nursing care, you will be requested to relocate to the Health Center (either temporarily or permanently). Nursing care will be provided in semiprivate accommodations, unless either (i) only private accommodations are available; or (ii) private accommodations are medically necessary. If private accommodations are not medically necessary and semiprivate accommodations are available, you may still choose to occupy private accommodations (if available) as long as you agree to pay the difference between the charges for private and semiprivate accommodations. This applies regardless of whether you are in the Health Center or another health center on an interim basis. At our sole discretion, if private accommodations in which you are residing are needed for semi-private use, you agree to reside in semi-private accommodations until private accommodations are once again available (unless private accommodations are medically necessary).

**3.2 Temporary Relocation to the Health Center.** If you (both of you if there are two of you) are temporarily relocated to the Health Center, you will continue to pay your Monthly Fee (first and second person) for your Residence, plus the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as described in Paragraph 3.8. A temporary stay is less than 90 consecutive days in the Health Center.

**3.3 Permanent Relocation to the Health Center When There is One of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If you are permanently relocated to the Health Center, you must either release or retain your Residence. If you release your Residence, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment and the terms in Paragraph 3.6 will apply. You will also be responsible for the charge for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

If you choose to retain your Residence, you will be responsible for the Monthly Fee for your Residence **in addition to** the then-current first person Monthly Fee for a two-bedroom Redding Apartment. You will also be responsible for the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

**3.4 One Permanently Relocated to the Health Center When There Are Two of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If there are two of you and one of you is permanently relocated to the Health Center, the Resident in the Health Center will pay the second-person Monthly Fee for a two-bedroom Redding Apartment, plus the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8. The Resident who remains in the Residence will continue to pay the first person Monthly Fee for the Residence.

**3.5 Both Permanently Relocated to the Health Center When There Are Two of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If both of you are permanently relocated to the Health Center you must either release or retain your Residence. If you release your Residence, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment and the then-current second-person Monthly Fee for a two-bedroom Redding Apartment and the terms in Paragraph 3.6 will apply. Each of you will also be responsible for the charge for the meals not covered by the Monthly Fees, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

If you choose to retain your Residence, both of you will be responsible for the first person and second person Monthly Fees for your Residence **in addition to** the first person and second person Monthly Fees for a two-bedroom Redding Apartment. Each of you will also be responsible for the charge for the meals not covered by the Monthly Fees, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

**3.6 Our Right to Reassign Your Residence.** If you release your Residence upon your permanent relocation (permanent relocation of both of you, if there are two of you) to the Health Center, we shall have the right to reassign your Residence for residency by others. Under such circumstances, you agree to have your property removed from the Residence as of the date you are permanently relocated to the Health Center (provided we give you 30 days' prior written notice of permanent relocation). If your property is not removed from the Residence within

30 days after the date notice is delivered to you of your permanent relocation to the Health Center, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such property remains in the Residence or remove and store such property at the expense and risk of you or your estate. Any such continuing Monthly Fee shall be equal to the amount of your then-current Monthly Fee as adjusted from time to time.

**3.7 Return to Residence.** If you released your Residence because you relocated to the Health Center, and if later you are able, in the opinion of the Medical Director, to return to a residence, we will provide you a residence of the same type as your prior residence as soon as one becomes available. Upon reoccupying such residence, your Monthly Fee will be based on the then-current charges for such residence as adjusted from time to time.

**3.8 Medical Director, Attending Physician, and Additional Health Services.** We have designated a member in good standing of the New Haven County Medical Society to act as Medical Director for the Health Center. You are at liberty to engage the services of the Medical Director or the services of any other physician of your choice at your own expense. The Medical Director or another physician will be on emergency call. We will not be responsible for the charges for medical treatment by the Medical Director or any other physician, nor will we be responsible for the charges for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment. If we incur or advance payment for your treatment or for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment (even though this treatment is given at the direction of your attending physician or the Medical Director without your prior approval), you will promptly reimburse us for such payments.

**3.9 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, Medicare Part D and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. If you are not eligible for Medicare Part D or if you choose not to participate in Medicare Part D, you agree to maintain a health insurance policy that provides creditable prescription drug coverage. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible for paying

deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Health Center. If failure to maintain Medicare Part A, Medicare Part B, Medicare Part D, or supplemental health insurance causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as described in Paragraph 8.4, and we retain the right to revoke your right to reside at Pomperaug Woods and cancel this Agreement as provided in Section 8.

**3.10 Managed Care.** If you choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, then the terms governing care in the Health Center will be as follows:

**3.10.1 Participating Provider.** If we are a participating provider with your managed care program and your stay is a Medicare-qualified stay, we agree to accept, as full payment, reimbursement at the rate negotiated with your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive services at a managed care participating provider during a Medicare-qualified stay, then you understand and agree that you must relocate for as long as necessary for those services, and be responsible for all charges for those services. In addition, while receiving services at the managed care participating provider, you will continue to pay the Monthly Fee for your Residence, unless you cancel this Agreement. Further, you will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.3 Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate an acceptable reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept, as full payment, the rate provided by your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.4 No Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and a negotiated rate is not agreed upon between your managed care program and us, and you desire to receive care in the Health Center during a Medicare-qualified stay, you agree to pay the per diem charge for your care in the Health Center and the Monthly Fee for your Residence. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to care in the Health Center in accordance with the terms of this Agreement other than as set forth in this Paragraph 3.10.

**3.11 Under Age 62.** If you are under age 62 when you occupy a Residence under this Agreement, you will be entitled to care in the Health Center at the then-current per diem charge being charged to non-residents until you attain the age of 62.

**3.12 Alternate Accommodations if Health Center is Full.** You shall be given priority over nonresidents for care in the Health Center. In the event the Health Center is fully occupied, upon your Agreement, you will be provided care at another health care facility. Upon your relocation, you will continue to be responsible for the charges set forth in this Section 3. You agree to relocate back to the Health Center when accommodations become available.

You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If you choose to relocate to a health center not designated by us, you will pay to us all applicable monthly charges under this Agreement, including the monthly charge for nursing care services. The monthly charges paid for nursing care services under this Agreement will be applied against the charges associated with your stay in a non-designated health center. Any charges for your stay in the non-designated health center in excess of the monthly charges paid by you for nursing care services under this Agreement will be solely your responsibility.

**3.13 Alternate Nursing Care Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If a bed is available in the Health Center and you choose to obtain nursing care from an alternate care facility and not from the Health Center, you will be responsible for making your own arrangements for such alternate accommodations. You will also be responsible for paying the alternate care facility direct for the services and supplies that you will be receiving from it. We will not be responsible for paying for any portion of your care and services. Further, you will continue to pay the Monthly Fee if you choose not to release your Residence.

**3.14 Absence from Pomperaug Woods.** In the event you are absent from Pomperaug Woods or choose to receive care at another health care facility not designated by us, we will not be responsible for any charges incurred by you.

**3.15 Reimbursement of Entrance Fee.** If you (or both of you, if there are two of you) are permanently relocated to the Health Center, this does not qualify you for immediate reimbursement of your Entrance Fee. A repayment as set forth in Paragraph 5.5 will be made after you (or both of you, if there are two of you) have died or this Agreement is canceled.

**3.16 Health Center Agreement.** If you require care in the Health Center, you agree to enter into a separate Health Center Agreement. The Health Center Agreement is available for review.

**4. ENTRANCE FEE.** You will pay to us an Entrance Fee of \$ \_\_\_\_\_ , payable as follows:

**4.1 Second Person Entrance Fee.** If there are two of you under this Agreement, you will pay a Second Person Entrance Fee of \$ \_\_\_\_\_. The Second Person Entrance Fee is nonrefundable after 30 days of occupancy.

**4.2 Entrance Fee Deposit.** At the time you execute this Agreement, you will pay a deposit equal to 10% (\$ \_\_\_\_\_) of the total Entrance Fee and Second Person Entrance Fee to reserve your Residence. Payment of your Entrance Fee deposit will be held in escrow pursuant to Connecticut law.

**4.3 Balance of Entrance Fee.** You will pay the remaining balance of the Entrance Fee and Second Person Entrance Fee equal to 90% (\$ \_\_\_\_\_) of the Entrance Fee and Second Person Entrance Fee on the earlier of (i) the date you move to Pomperaug Woods; or (ii) within 90 days after the date you execute this Agreement.

**5. REIMBURSEMENT OF ENTRANCE FEE.**

**5.1 Nonacceptance.** Except as waived by us after full disclosure, we require that you be at least 62 years of age or residing in the same residence with a resident who is 62 years of age or older, be capable of occupying the Residence with or without reasonable accommodation or reasonable modification as defined in our current Residency Policy, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations hereunder to meet ordinary and customary living expenses after residency. If we do not accept you for residency, the full amount of the Entrance Fee you have paid will be promptly repaid to you, without interest.



**5.2 Right of Rescission Period.** If, prior to residency, you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days from the date you execute this Agreement, this Agreement will automatically cancel. In such event, the Entrance Fee you paid will be repaid to you, without interest, within 60 days of notice, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in a separate addendum to this Agreement. Should you occupy the Residence during the rescission period, any money or property transferred to us will be repaid in full within 60 days following rescission, without interest, except we will retain those periodic charges (including Monthly Fees) set forth in this Agreement which are applicable to the period you occupied the Residence, and any nonstandard charges incurred by us at your request as described in any addendum to this Agreement. If you move to Pomperaug Woods and then cancel prior to the expiration of your right of rescission period, you must vacate the Residence within 30 days after we receive your cancellation notice. You are not required to move into the Residence prior to the expiration of your right of rescission.

**5.3 Cancellation Prior to Occupancy Due to Change in Condition.** If, prior to occupancy, you (or either of you if there are two of you) die, or become unable to occupy your Residence or the Health Center because of illness, injury or incapacity, or you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel. In such event, we will repay to you or to your estate the Entrance Fee or portion thereof (without interest), which you paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in writing in a separate addendum to this Agreement.

**5.4 Cancellation Prior to Occupancy for Reasons Other Than Set Forth in Paragraphs 5.1, 5.2 or 5.3.** If, prior to occupancy, you give us written notice of cancellation and Paragraphs 5.1, 5.2, or 5.3 do not apply, this Agreement will automatically cancel. In such event, we will repay to you the Entrance Fee or portion thereof (without interest), which you have paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain a service fee charge of 2% of the total Entrance Fee, and any nonstandard charges incurred by us at your request and as described in any addendum to this Agreement.

**5.5 Cancellation After Occupancy.** After 30 days of occupancy, the Second Person Entrance Fee is nonrefundable. If you or we cancel this Agreement pursuant to Section 7 or 8, or, in the event of your death (if there are two of you, the death of the survivor), we will repay to you or to your estate, without interest, an

amount equal to \_\_\_\_\_% of your Entrance Fee, not to exceed \$\_\_\_\_\_. Any repayment due to you will be delivered to you or your estate upon the earlier of (i) 30 days from our receipt of the then-current total Entrance Fee paid by a new resident for your Residence; or (ii) three years from the date your Residency Agreement is canceled and your residence is satisfactorily delivered to us (all personal property and furniture removed and turnover of keys). The Entrance Fee repayment shall be reduced and offset by the following the following:

**5.5.1 Unreimbursed Health Care Expenses.** The amount of unreimbursed health care expenses incurred by us for your care during the time you live in the Health Center;

**5.5.2 Monthly Fees.** The amount of any Monthly Fees or other sums owed by you to us under this Agreement;

**5.5.3 Other Sums.** The amount of any other sums incurred by us pursuant to your specific request and set forth in a separate addendum; and

**5.5.4 Deferred Monthly Fee or Other Sums.** The amount of any Monthly Fees or other sums deferred by us on your behalf under Paragraph 8.4.

## **6. MONTHLY FEE.**

You will pay a Monthly Fee, which covers the services and amenities listed under Section 1. In addition, you will pay Extra Charges for the additional services and amenities requested by you listed under Section 2.

**6.1 Payment of Monthly Fee.** You will pay the Monthly Fee for your first month of occupancy, or a pro-rated portion thereof, commencing on the earlier of (i) 90 days following the date you execute this Agreement; or (ii) on the date of occupancy. Thereafter, your Monthly Fee is payable in advance on the first day of each month. The current Monthly Fee is \$\_\_\_\_\_ per month for one person and an additional \$\_\_\_\_\_ per month if there are two of you.

**6.2 Monthly Fee Changes.** The Monthly Fee is subject to periodic increases and may be adjusted upon 60 days' written notice by our Board of Directors in its sole discretion, as necessary to provide for the support and financial needs of operating the Community (or without notice if such change in the Monthly Fee is required by local, state or federal laws or regulations). We utilize bequests or contributions, if any, and the income therefrom, for the benefit of the Community in

order to minimize the Monthly Fee, consistent with sound economic principles of operation.

**6.3 Use of Monthly Fee.** The Monthly Fee is used by us only for purposes related to Pomperaug Woods. The amount of the Monthly Fee is intended to provide for the services and amenities outlined in Section 1 and to provide for all other financial requirements of operating the Community. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the Community's support and financial security.

**6.4 Cancellation of Monthly Fee.** The Monthly Fee for your Residence cancels as provided in Section 7 or 8. Except as otherwise provided in Section 7 or 8, you will pay the Monthly Fee until removal of your property from the Residence by you, your representative, or us.

**6.5 Monthly Fee and the Health Center.** If you reside alone and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment. If there are two of you and one of you is permanently relocated to the Health Center, the change in Monthly Fee as described in Paragraph 3.4 will apply. If both of you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the then-current first-person and second-person Monthly Fee for a two-bedroom Redding Apartment.

**6.6 Adjustment of Monthly Fee Due to Absence.** In the event of your absence from the Community, your Monthly Fee will not be adjusted.

**6.7 Late Payment.** We permit a 60 day grace period before the imposition of a late payment charge for failure to pay the Monthly Fee or any Extra Charges when due. We will charge a late payment charge at the rate of 1.5% per month on total delinquent amounts due. Late payment charges are not compounded and are not included in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. We will waive the 1.5% late payment charge if payment is delayed due to slow processing by your insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Paragraph 8.1 of this Agreement.

**6.8 Monthly Statement.** You will receive a monthly statement from us outlining the Monthly Fee and any Extra Charges incurred by you.

## **7. YOUR CANCELLATION RIGHTS.**

**7.1 Prior to Occupancy.** Your cancellation rights prior to moving to Pomperaug Woods are described in Paragraphs 5.2, 5.3, and 5.4 of this Agreement.

**7.2 After Occupancy.** After occupancy at Pomperaug Woods, you may cancel this Agreement at any time by giving us 120 days' advance written notice executed by you (or both of you, if there are two of you). In such event, this Agreement cancels at the end of the notice period. You will pay the Monthly Fee until the later of (i) the expiration of such 120 days, or (ii) your vacancy of your Residence or the Health Center, as applicable, and removal of all of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so. You may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5. If you give us notice of cancellation, the notice may not be revoked by you without our written consent.

Upon your death (if there are two of you, the death of the survivor), this Agreement automatically cancels. Your estate will continue to pay your Monthly Fee until the later of (i) your death (if there are two of you, the death of the survivor), or (ii) your vacancy of the Residence or the Health Center, as applicable, and removal of all your personal property. Your estate or family will only be responsible for payment of the Monthly Fee for a period not to exceed 15 days following the date of your death as long as all of your property is removed from the Residence or the Health Center, as applicable. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of your estate, but we are not obligated to do so. Your estate may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **8. OUR CANCELLATION RIGHTS.**

**8.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause shall exist if:

**8.1.1 Noncompliance.** You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**8.1.2 Nonpayment.** Except as set forth in Paragraph 8.4, nonpayment of fees or charges;

**8.1.3 Threat to Health or Safety.** Health status or behavior which constitutes a substantial threat to the health or safety of yourself, other residents, or others, including your refusal to consent to relocation, or which would result in physical damage to our property or the property of others;

**8.1.4 Change in Condition.** There is a major change in your physical or mental condition and your condition cannot be cared for in the Health Center within the limits of our license; or

**8.1.5 Misrepresentations.** You materially misrepresent your financial condition, your health, and/or your medical history during your application for residency, or any of the warranties contained in Paragraph 10.1 were incorrect at either the time they were made or the time you became a resident of Pomperaug Woods.

**8.2 Notice of Cancellation.** Before any cancellation of this Agreement by us, we will give you notice in writing of the reasons. You will have such time as is stated in the notice (but no less than 30 days after the date of such notice) to correct the problem. If the problem is corrected within such time, this Agreement shall remain in effect. If we determine the problem is not corrected, this Agreement will be canceled by us and you must leave the Community within 14 days after we notify you of our cancellation. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the later of (i) 14 days after we notify you of our cancellation or (ii) the removal of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.3 Emergency Cancellation.** Should your residency at the Community pose an imminent threat of serious harm to you or other residents, and the Medical Director determines that either the giving of notice or the waiting period described in Paragraph 8.2 above might be detrimental to you or other residents, then such notice and/or waiting period will not be required. Under such circumstances, we are expressly authorized to transfer you to an appropriate hospital or other facility, and we will promptly notify your family or representative and your attending physician. After transfer, we will provide you with a notice of cancellation if you are unable to return to your Residence or to the Health Center. If there are two of you under this Agreement and one of you transfers to a hospital or other appropriate facility under the circumstances described in this Paragraph, the other Resident may continue to reside in the Residence or the Health Center under the terms of this Agreement. We are not responsible for any charges related to such transfer or relocation. This Agreement cancels 30 days following notice, unless your condition improves and you

subsequently return to your Residence or to the Health Center. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the removal of your property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.4 Financial Difficulty.** If, after you have paid the Entrance Fee, you encounter financial difficulties making it impossible for you to pay the full Monthly Fee and Extra Charges, then:

**8.4.1 Benefits.** You may remain until any applicable Title XVIII Medicare benefits and/or third party insurance benefits received by us on your behalf have been earned; and

**8.4.2 Terms of Stay.** Because it is and shall continue to be our policy to not cancel your residency solely by reason of your financial inability to pay the full Monthly Fee or Extra Charges, you will be able to remain at the Community at a reduced Monthly Fee or with reduced Extra Charges. Any reduction in the Monthly Fee or Extra Charges will be based on your ability to pay for so long as you establish facts to justify deferral of such charges, and the deferral of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis. This provision will not apply if you impair your ability to meet your financial obligations hereunder by transfer of assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, Medicare Part D, and/or supplemental insurance coverage. In determining whether you establish facts to justify deferral of your Monthly Fee or Extra Charges, we will consider factors, such as and including but not limited to, whether you submitted a correct Confidential Data Application, whether you made gifts of your property after the date of this Agreement which impaired your ability to meet your financial obligations, and whether you have breached any of your promises or representations to us. If you qualify for a reduced Monthly Fee or reduced Extra Charges, you agree to enter into a special Amendment to Residency Agreement with us at the time of such deferrals to reflect the reduced charges currently payable. Any payments otherwise due to you from us, including the repayment of your Entrance Fee, will be offset against any deferred charges.

**8.5 Reimbursement of Entrance Fee.** If we cancel this Agreement as provided in this Section 8, you may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **9. MISCELLANEOUS PROVISIONS REGARDING YOUR RESIDENCE.**

**9.1 Use of the Residence.** Your Residence is for living only and shall not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and only grants you the lifetime use of the Residence, use of the site amenities, and access to available services, subject to the terms and conditions of this Agreement.

**9.2 Duration of Your Right to Occupy the Residence.** You may reside in your Residence for as long as you (either of you) live unless you (both of you, if there are two of you) are not capable of occupying a residence with or without reasonable accommodation or modification, or this Agreement is canceled by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that nursing care services be given, you will be requested to relocate to the Health Center where we are licensed to provide such care. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If it is determined that you require hospitalization or care in another facility, we will assist in the coordination of your transfer to such appropriate facilities. Community staff will not accompany a resident to the hospital or other care facility.

**9.3 Occupants of the Residence.** Except as hereinafter provided, no person other than you (or both of you, if there are two of you) may occupy the Residence except with our express written approval. In the event that a second person who is not a party to this Agreement wishes to be accepted for residency under this Agreement after the date we execute this Agreement, said second person's acceptance will be based upon our then-current Residency Policy. If accepted, said person shall pay the then-current second person Entrance Fee and the then-current second person Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Residence for more than 30 days (except with our express written approval), and you may cancel this Agreement as provided in Paragraph 7.2.

**9.4 Changes in Residence.** Should it be necessary to make modifications to your Residence or to other areas of the Community to meet the requirements of any applicable law or regulation, and such modifications require you to temporarily vacate your Residence, we will provide alternate accommodations for you, within or

outside the Community, without additional charge to you, for any period during which your Residence is not habitable.

**9.5 Furnishings.** Furnishings within the Residence will not be provided by us except as stated in Section 1. Furnishings provided by you shall not interfere with your health or safety, or the health or safety of other residents or others.

**9.6 Emergency Entry and Relocation.** We may enter your Residence should it be necessary in an emergency to protect your health or safety or that of other residents. If emergency relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence or to the Health Center (or to a hospital or other care facility if we cannot provide the care you need in the Health Center) for the protection of your health or safety or for the health or safety of the other residents of the Community. Community staff will not accompany a resident to the hospital or other care facility.

**9.7 Alterations by You.** You may not make any alterations to your Residence without our prior written approval. We reserve the right, upon release of the Residence because you moved to the Health Center, or upon cancellation of this Agreement for any reason, to require that any alterations made by you be removed, and that the Residence be restored to its original condition at your expense. If you fail to do so, we may remove any such alterations, restore the Residence to its original condition, and withhold the charges of any such restoration from any Entrance Fee repayment due to you or your estate.

**9.8 Refurbishment.** Customary and normal refurbishment costs of your Residence will be borne by us. Any refurbishment costs beyond those which are customary and normal will be paid by you.

**9.9 Guests.** No one other than you shall have a right of occupancy in the Residence without the written consent of the Executive Director, unless otherwise permitted pursuant to policies established by us. The intent of the policies shall be to permit stays of short duration by your guests where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

**9.10 Disposition of Personal Property.** If you or your estate have not removed your property from the Residence in accordance with the terms of this Agreement, we may store your property at the expense and risk of you or your estate, but we are not obligated to do so.



## **10. REPRESENTATIONS.**

**10.1 Your Representations.** You represent and warrant to us the following:

**10.1.1** You are at least 62 years of age or applying for residency with a person who is 62 or older.

**10.1.2** You are capable of occupying a residence with or without reasonable accommodation or modification as defined in our current Residency Policy.

**10.1.3** You have assets and income which are sufficient under foreseeable circumstances and after provisions for payment of your obligations under this Agreement, to meet ordinary and customary living expenses after assuming occupancy at Pomperaug Woods.

**10.1.4** All facts stated by you in your application for residency are true and complete.

**10.1.5** You have not made any gift of your property in contemplation of executing this Agreement.

**10.2 Our Representations.** We represent and warrant to you that we are a not-for-profit corporation. We are not affiliated with any religious or other charitable organization.

## **11. PROMISES.**

**11.1 Our Promises.** We promise the following:

**11.1.1** To not cancel this Agreement without just cause as specified in Paragraph 8.1;

**11.1.2** To operate as a charitable organization;

**11.1.3** To not cancel your residency solely by reason of your financial inability to pay the total Monthly Fee or Extra Charges as specified in Paragraph 8.4 above; and

**11.1.4** To abide by all other terms of this Agreement.

**11.2 Your Promises.** You promise to do the following:

**11.2.1** To comply with all of our published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**11.2.2** To pay the Entrance Fee, Monthly Fee, and any Extra Charges provided for by this Agreement;

**11.2.3** To provide within 60 days after you occupy the Residence for the disposition of your personal property located at the Community, and to make funeral and burial arrangements at your expense;

**11.2.4** To not voluntarily take any action which could impair your ability to meet your financial obligations to us under this Agreement without our consent; and

**11.2.5** To abide by all other terms of this Agreement.

**12. MISCELLANEOUS LEGAL PROVISIONS.**

**12.1 Nature of Rights.** You understand and agree that:

**12.1.1** This Agreement or your rights under it (including the use of the Residence) may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees or representatives, except as to receipt of the amounts described in Section 5;

**12.1.2** This Agreement and your contractual right to occupy the Residence shall exist and continue to exist during your lifetime unless canceled pursuant to Section 7 or 8 or until your permanent transfer to the Health Center;

**12.1.3** This Agreement grants you the right to occupy and use space at the Community, but does not give you exclusive possession of the Residence against us, and you have no entitlement to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law;

**12.1.4** This Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and

**12.1.5** This Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

**12.2 Release.** We are not responsible for loss of or damage to your property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees. You hereby release us from any such liability. You may want to obtain insurance at your expense to protect against such losses. You will also be responsible for your individual tax obligations.

**12.3 Transfers.** If financially beneficial to us, the Community (or land upon which it is located) may be sold and leased back or assigned and leased back, but no such transaction would in any way alter our contractual obligations to you.

**12.4 Indemnity.** We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

**12.5 Reimbursement for Loss or Damage.** You or your representative, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional careless, or negligent acts or omissions or that of your guests.

**12.6 Subordination.** You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering Pomperaug Woods, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender(s) such further written evidence of such subordination as such lender(s) may reasonably require. Except to the extent of your obligation to pay the Monthly Fee, you will not be liable for any such indebtedness.

**12.7 Amendments.** This Agreement may be modified by us at any time in order to comply with future laws and regulations or changes in current laws and regulations applicable to this Agreement, or upon mutual agreement between the parties. No amendment or modification of this Agreement will be valid unless in writing and executed by you and us.

**12.8 Governing Law.** This Agreement will be governed, interpreted, and construed according to the laws of the State of Connecticut.

**12.9 Separability.** The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement.

**12.10 Resident.** When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

**12.11 Capacity.** We are organized under the general non-profit corporation law of the State of Connecticut. This Agreement has been executed by our duly authorized agent, and no officer, director, agent or employee shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.12 Entire Agreement.** This Agreement and any addenda or exhibits hereto contain our entire understanding with respect to your residency.

**12.13 Responsible Party.** You agree to execute and deliver to us within 60 days after assuming occupancy of your Residence a Durable Power of Attorney, trust document, or other documentation naming a responsible party for business and financial decision making. These documents should be drafted to remain effective notwithstanding your incompetence or disability. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of Pomperaug Woods.

**12.14 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, as more fully explained in our Disclosure Statement.

**12.15 Nonwaiver.** If we fail to insist in any instance upon performance of any of the terms, covenants, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions. Your obligations with respect to such future performances shall continue in full force and effect.

**12.16 Reimbursement of Costs.** You agree to reimburse us for any costs we incur to collect any unpaid amounts you owe to us under this Agreement.

**12.17 Arbitration.** You agree that any dispute, claim or controversy of any kind between the parties arising out of, in connection with, or relating to this

Agreement and any amendment hereof, or the breach hereof, which cannot be resolved by mutual agreement or in small claims court, will be submitted to and determined by arbitration in New Haven County, Connecticut in accordance with the Federal Arbitration Act and the then-current commercial arbitration rules of the Federal Arbitration Act. You and we will jointly agree on an arbitrator and the arbitrator will be selected according to the procedure set forth in State law, if applicable. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Any direct arbitration costs incurred by you will be borne by you. Costs of arbitration, including our legal costs and attorneys' fees, arbitrators' fees, and similar costs, will be borne by all residents of Pomperaug Woods, provided that the arbitrator may choose to award the costs of arbitration against us if the arbitrator determines that the proposed resolution urged by us was not reasonable. If the issue affects more than one resident, we may elect to join all affected residents into a single arbitration proceeding, and you hereby consent to such joinder.

You may withdraw your agreement to arbitrate within 30 days after executing this Agreement by giving written notice of your withdrawal to us. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

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Initials            Initials

**12.18 Private Employees of Resident.** If you need additional services, you can obtain those services from a private employee, an independent contractor, or through an agency. In such instances, we strongly advise you to obtain services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers and ensure that your private employee, independent contractor, or person you engage through an agency complies with our personal service provider policy and rules of conduct set forth therein. If you fail to follow or enforce the policy and rules of conduct, we may elect, at our sole option, to cancel this Agreement.

**12.19 Notices.** Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of Pomperaug Woods at 80 Heritage Road, Southbury, CT 06488. Such notices shall be dated and signed.

Any notice required to be given to you will be delivered to you at your Residence unless you have provided a different address to us in writing.

**12.20 Survival of Representations and Obligations.** Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed to us, and your agreement to indemnify us as set forth in Paragraph 12.4, and our representations and obligations under this Agreement, will survive any cancellation of your residency, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

**12.21 Resident Rights.** As a Resident, you have certain rights under the Connecticut continuing care law (see Conn. Gen. Stat. §17b-520 *et. seq.*), a copy of which is available upon request. You also have certain additional rights because we are registered with the Department of Public Health as a managed residential community. A copy of the Managed Residential Community Residents' Bill of Rights is attached hereto as Attachment C.

**12.22 Compliance with Laws and Regulations.** We will comply with all applicable Municipal, State, and Federal laws and regulations regarding consumer protection and protection from financial exploitation.

**12.23 Complaint Resolution Process.** We have established a complaint resolution process for residents and families, which is attached hereto as Attachment D. Residents and families may use the complaint resolution process without fear of reprisal of any kind.

**13. RESIDENT HANDBOOK.** We have adopted certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. This information can be found in the Resident Handbook, a copy of which is provided to each resident upon residency at Pomperaug Woods. We may revise the Resident Handbook from time to time and copies of any revisions are provided to the residents. Upon receipt of the Resident Handbook, you agree to execute an Acknowledgment form, a copy of which is attached hereto as Attachment E. Your executed Acknowledgment form will be placed in your resident file.

**14. ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS.** You hereby certify that you received a copy of this Agreement and a copy of our latest disclosure statement before the date hereof, and have been permitted to inspect any additional relevant materials requested to be reviewed by you or your representatives prior to executing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

POMPERAUG WOODS, INC.

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Witness

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

**Attachments:**

- A – Resident Health Services Program
- B – List of Extra Charges
- C – Managed Residential Community Residents' Bill of Rights
- D – Complaint Resolution Process
- E – Acknowledgment of Receipt of Resident Handbook



2020/04/20

Return of Capital (Life Care) (2020-04-20)

## ATTACHMENT A



### *Resident Health Services Program*

---

Pomperaug Woods offers residents the opportunity to “bridge the gap” between total independence and the need for assistance with activities of daily living and nursing care in their homes. Through the Resident Health Services Program, residents can receive the medical services they need especially for them.

#### **Eligibility for Services**

Any resident whose condition is classified as **chronic and stable** by their primary physician may receive services through the Resident Health Services Department. These services may include assistance with activities of daily living and/or nursing services in order to maximize the resident’s level of independent living.

#### **Non-Eligibility for Services**

When a resident’s condition is not considered chronic and stable, a nurse from the Resident Health Services Department will discuss with the resident and the resident’s primary physician the health issue and make suggestions for the resident either to receive services in his/her residence through a licensed home care agency or possibly be admitted to a skilled nursing facility.

A resident who receives services from a licensed home care agency is responsible for those fees privately. However, a home care agency will assess a resident to determine if a resident is eligible for services provided through Medicare. Any services provided in excess of Medicare’s allowable time is at the resident’s expense.

#### **Hospice**

Residents who are eligible may also receive hospice services within their homes.

#### **Office Hours**

Nurse on duty daily 8 am - 4 pm

Aide on duty daily 8 am - 8 pm

Health Center responds to emergency calls from 8 pm - 8 am

Resident Health Services phone: 203-262-6555



## ATTACHMENT B



### Attachment B

#### Pomperaug Woods Additional Charges

October 1, 2019 - September 30, 2020

|   |                    |
|---|--------------------|
| Food and Beverage   |                    |
| • Resident additional meal  | \$20.00            |
| • Guest meal  | \$22.00 + tax      |
| • Guest meal using meal credit (tax)  | \$ 2.00            |
| • Holiday guest meals<br><i>New Year's, Christmas, Easter, Thanksgiving</i> | \$30.28            |
| • Holiday guest meals using meal credit                                     | \$10.81            |
| • Meal absence credit per 30 days   | \$161.50           |
| Guest Services  |                    |
| • Guest room per day  | \$98.80 + tax      |
| • Cot rental per day  | \$10.50            |
| Carports  |                    |
| • Annual fee  | \$399              |
| • Monthly fee   | \$52.50 month      |
| Health Center   |                    |
| • Semi-private room (non-Life Care)   | \$476              |
| • Private room premium per day (non-Life Care)                              | \$539              |
| • Private room (Life Care)  | \$ 63              |
| • Life Care additional meal charge per day                                  | \$ 40.00           |
| Resident Health Services  |                    |
| • Apartment nursing services  | \$21.25 per 15 min |
| • Apartment aide service  | \$9.35 per 15 min. |
| • Instalert unit installation   | \$300 one-time fee |
| • Lost pendant replacement  | \$150              |
| Home Assisted Living  |                    |
| • Assisted Living fee   | \$1,433 per month  |
| • Initial ALSA admission fee  | \$350              |
| • 120 day ALSA/Change of condition  | \$78               |
| • Extra meal charge per day   | \$40               |
| Transportation (between 7 am -7 pm)   |                    |
| • Local fee (1 hour min.)   | \$ 21.50 hr.       |

- Long distance (1 hour min.)  
cent per mile \$21.50 hr. + .58
- Transportation (7pm -7am) \$100 + hourly rate

Housekeeping and Maintenance

- Personal laundry (per load) \$ 18.54
- Extra housekeeping services (per hour) \$ 19.00
- Apartment and outdoor key replacement \$ 8 per key
- Replacement of mail key \$ 8 per key
- Additional maintenance services (plus supplies) \$19.00 hr.

## ATTACHMENT C



### **MANAGED RESIDENTIAL COMMUNITY RESIDENTS' BILL OF RIGHTS**

You have the right to:

- Live in a clean, safe and habitable private residential unit (the "Residence");
- Be treated with consideration, respect and due recognition of your personal dignity, individuality and the need for privacy;
- Privacy within your Residence, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Retain and use your personal property within your Residence so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- Private communications, including receiving and sending unopened correspondence, telephone access and visiting with persons of your choice;
- Freedom to participate in and benefit from Community services and activities so as to achieve the highest possible level of independence, autonomy and interaction within the community;
- Directly engage or contract with licensed health care professionals and providers of your choice to obtain necessary health care services in your Residence, or such other space in the Community as may be available to residents for such purposes;
- Manage your own financial affairs;
- Exercise civil and religious liberties;
- Present grievances and recommend changes in policies, procedures and services to our Executive Director or staff, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from the Community, including access to representatives of the Department of Public Health or the Office of the Long-Term Care Ombudsman;

- Upon request, obtain the name of the Resident Health Services Director or any other persons responsible for resident care or the coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;
- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility or educational institution to the extent that such relationship relates to resident medical care or treatment and to receive an explanation about the relationship;
- Receive a copy of any rules or regulations of the Community;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community; and
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws. If you rent your Residence, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

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

Department of Public Health  
 Faculty Licensing and Investigations  
 410 Capitol Ave., P.O. Box 340308  
 MS#12HSR  
 Hartford, CT 06134-0308

Information/General: Loan Nguyen  
 Supervising Nurse Consultant (860) 509-7400

Complaints: Donna Ortelle, R.N., M.S.N.  
 Public Health Services Manager (860) 509-7400

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

Amber Hilyard, Regional Ombudsman  
Long-Term Care Ombudsman Program  
249 Thomaston Avenue  
Waterbury, CT 06702  
(203) 597-4181  
1-866-388-1888

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

Please sign below to acknowledge that we have provided you with a copy of the Managed Residential Community Residents' Bill of Rights and explained them to you.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

## **ATTACHMENT D**



### **POMPERAUG WOODS COMPLAINT RESOLUTION PROCESS**

#### **Policy:**

Residents are free to communicate grievances to the staff of Pomperaug Woods without restraint, interference, coercion, discrimination, or reprisal. All grievances will be properly documented and responded to. In the event a Resident is dissatisfied with treatment or services received at Pomperaug Woods, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

#### **Procedures:**

Below are the procedures for a Resident or his/her representative to follow in order to file a grievance with Pomperaug Woods. We reserve the right to change these procedures in order to better accommodate our Residents:

1. The grievance may be filed in writing with the Department Director of the area where the grievance occurs. Assistance, if necessary, will be available through Resident Services and/or the Administration office.
2. Information contained in the grievance will include the following:
  - Description of the grievance;
  - A list of all parties involved; and
  - Dates of specific incidents related to the grievance.
3. The Department Director will acknowledge in writing receipt of the grievance within five business days and provide the Resident or his/her representative with a time frame for an appropriate response.
4. If the grievance remains unresolved for 30 days after initial submission, the Department Director will address the grievance with the Executive Director.

5. The Executive Director will address, in writing, the grievance within 10 business days.
6. If the grievance remains unresolved for 60 days after the initial submission, the Executive Director will address the grievance with the Board of Directors of Pomperaug Woods and with the Management Company's Vice President.
7. The Board of Directors of Pomperaug Woods and the Management Company's Vice President will address the grievance within 10 business days.
8. If the grievance remains unresolved, the Resident will be informed of his/her right to contact appropriate State agencies, the State Long-Term Care Ombudsman or the Regional Long-Term Care Ombudsman.
9. All attempts at resolution will be documented in writing to the Resident with copies on file in the Administration office.

**ATTACHMENT E**



**POMPERAUG WOODS**

**Acknowledgment of Receipt of Resident Handbook**

I, the undersigned, acknowledge receipt of the Pomperaug Woods Resident Handbook dated \_\_\_\_\_, 20\_\_\_\_, which contains certain rules, policies, and guidelines in order to promote the health, safety and welfare of the residents of Pomperaug Woods.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident



**EXHIBIT C-2**

**DECLINING BALANCE PLAN RESIDENCY AGREEMENT  
(Life Care)**



**Pomperaug Woods**  
**Southbury, Connecticut**

**Declining Balance**  
**Residency Agreement**  
**(Life Care)**

2020/04/20

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Attachment A – Resident Health Services Program

Attachment B – List of Extra Charges

Attachment C – Managed Residential Community Residents' Bill of Rights

Attachment D – Complaint Resolution Process

Attachment E – Acknowledgment of Receipt of Resident Handbook

## GLOSSARY

The following terms are described as used in the accompanying Residency Agreement. Reference to the Residency Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms:

**"Agreement"** refers to this Residency Agreement between the Resident and Pomperaug Woods, Inc., which delineates the contractual obligations of Pomperaug Woods, Inc. to the Resident for services and amenities provided by Pomperaug Woods.

**"Health Center"** refers to the portion of Pomperaug Woods, which is licensed to provide skilled nursing care as identified in Section 3 of this Agreement.

**"Entrance Fee"** refers to the fee paid to Pomperaug Woods, Inc. pursuant to Section 4 of this Agreement.

**"Extra Charges"** refers to the extra charges payable in consideration for the additional services and amenities set forth in Section 2 of this Agreement.

**"Managed Residential Community"** refers to a community registered with the Connecticut Department of Public Health in order to offer certain resident health services provided by a licensed assisted living services agency to residents. Pomperaug Woods is registered as a managed residential community.

**"Medical Director"** refers to a member in good standing of the New Haven County Medical Society, designated by us as the physician of the Health Center, who is available for emergency calls and consults with the Pomperaug Woods staff on medical issues.

**"Monthly Fee"** refers to that fee payable in consideration for the services and amenities provided to all residents, as set forth in Section 1 of this Agreement. The Monthly Fee includes a second person fee if there are two Residents.

**"Occupancy"** refers to the earlier of the date you move to Pomperaug Woods or pay the balance of the Entrance Fee.

**"Personal Service Provider"** refers to a private employee, an independent contractor, or a licensed home health care agency that may be contracted by the

Resident to provide additional personal services requested or required by the Resident, which are not covered by the Residency Agreement.

**"Personal Service Provider Policy"** refers to the policy established by Pomperaug Woods, which sets forth the guidelines of conduct which must be followed by any Personal Service Provider providing services to residents of Pomperaug Woods.

**"Pomperaug Woods" or "Community"** refers to the life care senior living community located in Southbury, Connecticut, including the residences, the Health Center, the common areas, and site amenities.

**"Pomperaug Woods, Inc." or "we" or "our" or "us"** refers to the owner of the life care senior living community known as Pomperaug Woods, including the residences, the Health Center, the common areas, and the site amenities associated with these areas. Pomperaug Woods, Inc. is a Connecticut not-for-profit corporation.

**"Residence"** refers to the residence identified in the introductory paragraph of this Agreement, which you are entitled to occupy in exchange for paying the Entrance Fee and the Monthly Fee.

**"Residency Policy"** refers to that policy developed by Pomperaug Woods, Inc., which outlines the requirements for initial residency at Pomperaug Woods.

**"Resident" or "you"** refers to the resident or residents who execute this Agreement. Sometimes a second resident (if there are two of you) is referred to in the Agreement as the "second person." Unless otherwise indicated, "you" refers to both of you if there are two of you.

**"Second Person Entrance Fee"** refers to the fee identified in Section 4.3 and paid to Pomperaug Woods when a second person occupies the Residence.



## **Declining Balance Residency Agreement**

This Residency Agreement ("Agreement") is entered into by Pomperaug Woods, Inc. ("we," "us," or "our") and \_\_\_\_\_ (individually or collectively, "you," "your," or "Resident"). Pomperaug Woods (the "Community") is a life care senior living community owned and operated by us, and located at 80 Heritage Road; Southbury, CT 06488.

We will provide residential housing for people 62 or older, along with a wide array of services and amenities outlined in this Agreement. Subject to the conditions contained in this Agreement, we agree to make available to you the Residence described as follows:

Residence Number: \_\_\_\_\_  
Residence Style: \_\_\_\_\_

As a Resident, you are offered lifetime use of your Residence and long-term nursing care in our Health Center, all in accordance with the terms of this Agreement.

To be accepted for residency, you must meet our residency criteria, which includes: having reached the age of 62 (or applying for residency with another person who is 62 or older); financial guidelines; and the ability to occupy a residence, with or without reasonable accommodation or reasonable modification.

The purpose of this Agreement is to set forth your rights and duties as a Resident of Pomperaug Woods and to delineate the services and amenities to be provided.



## **1. SERVICES AND AMENITIES PROVIDED TO RESIDENTS.**

For as long as you occupy the Residence, we will furnish the following services and amenities, which are included in the Monthly Fee:

- 1.1** One full meal per day in our dining venues;
- 1.2** Special diet and tray service to be provided upon order of the Medical Director or Director of Nursing Service;
- 1.3** Air conditioning, heating, electricity, water, and trash disposal;
- 1.4** Maintenance of buildings and grounds;
- 1.5** On-site security personnel;
- 1.6** Weekly housekeeping;
- 1.7** Weekly laundry of flat linens;
- 1.8** Washer and dryer (in many residences, but not in all), and availability of laundry facilities;
- 1.9** Planned events -- social, cultural, educational, spiritual, and recreational – for those who wish to participate (a list of activities is available at the front desk);
- 1.10** One parking space per Resident provided you have a car and a valid operator's license;
- 1.11** Refrigerator, range, microwave, garbage disposal and dishwasher, except that there will be no dishwasher in a one-bedroom studio residence;
- 1.12** Scheduled local transportation (listed on the monthly calendar located at the front desk);
- 1.13** Local telephone service;
- 1.14** Emergency call system and emergency nursing services;

**1.15** Use of site amenities;

**1.16** Emergency calls by the Medical Director when summoned by designated Health Center staff; and

**1.17** Appropriate nursing services (including personal care) in semiprivate accommodations in the Health Center, as outlined in Section 3.

## **2. ADDITIONAL SERVICES AND AMENITIES PROVIDED FOR AN EXTRA CHARGE.**

At your request and for as long as you occupy the Residence, we will also make available to you the following additional services and amenities at the then prevailing rates of Extra Charge:

**2.1** Personal laundry;

**2.2** One or two additional meals per day in our dining venues;

**2.3** Carports, when available;

**2.4** Guest dining;

**2.5** Guest accommodations, when available;

**2.6** Special events transportation;

**2.7** Additional housekeeping;

**2.8** If and when you stay at the Health Center, two extra meals per day;

**2.9** Certain other services, as available from time to time, such as Medical Director services, medicine, drugs, prescribed therapy, nursing supplies, and other miscellaneous supplies and services associated with medical treatment;

**2.10** Other optional services related or unrelated to care in the Health Center as approved by us; and

**2.11** Private accommodations in the Health Center, if available.

A list of current Extra Charges for these additional services and amenities is attached

to this Agreement as Attachment B. These Extra Charges are subject to change at our discretion. A list of the most current Extra Charges can be obtained from the Health Center Social Services/Admissions Director.

### **3. THE POMPERAUG WOODS HEALTH CENTER.**

**3.1 Accommodations in the Health Center.** You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. If, in the opinion of your attending physician or the Medical Director, after consultation with you (to the extent possible), your family or your responsible party, you require nursing care, you will be requested to relocate to the Health Center (either temporarily or permanently). Nursing care will be provided in semiprivate accommodations, unless either (i) only private accommodations are available; or (ii) private accommodations are medically necessary. If private accommodations are not medically necessary and semiprivate accommodations are available, you may still choose to occupy private accommodations (if available) as long as you agree to pay the difference between the charges for private and semiprivate accommodations. This applies regardless of whether you are in the Health Center or another health center on an interim basis. At our sole discretion, if private accommodations in which you are residing are needed for semi-private use, you agree to reside in semi-private accommodations until private accommodations are once again available (unless private accommodations are medically necessary).

**3.2 Temporary Relocation to the Health Center.** If you (both of you if there are two of you) are temporarily relocated to the Health Center, you will continue to pay your Monthly Fee (first and second person) for your Residence, plus the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as described in Paragraph 3.8. A temporary stay is less than 90 consecutive days in the Health Center.

**3.3 Permanent Relocation to the Health Center When There is One of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If you are permanently relocated to the Health Center, you must either release or retain your Residence. If you release your Residence, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment and the terms in Paragraph 3.6 will apply. You will also be responsible for the charge for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

If you choose to retain your Residence, you will be responsible for the Monthly Fee for your Residence **in addition to** the then-current first person Monthly Fee for a two-bedroom Redding Apartment. You will also be responsible for the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

**3.4 One Permanently Relocated to the Health Center When There Are Two of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If there are two of you and one of you is permanently relocated to the Health Center, the Resident in the Health Center will pay the second-person Monthly Fee for a two-bedroom Redding Apartment plus the charges for the meals not covered by the Monthly Fee, charges for physician services, and any additional health services as outlined in Paragraph 3.8. The Resident who remains in the Residence will continue to pay the first person Monthly Fee for the Residence.

**3.5 Both Permanently Relocated to the Health Center When There Are Two of You.** Permanent relocation to the Health Center occurs when a Resident has resided in the Health Center for 90 consecutive days. If both of you are permanently relocated to the Health Center, you must either release or retain your Residence. If you release your Residence, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment and the then-current second-person Monthly Fee for a two-bedroom Redding Apartment and the terms in Paragraph 3.6 will apply. Each of you will also be responsible for the charge for the meals not covered by the Monthly Fees, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

If you choose to retain your Residence, both of you will be responsible for the first person and second person Monthly Fees for your Residence **in addition to** the first person and second person Monthly Fees for a two-bedroom Redding Apartment. Each of you will also be responsible for the charge for the meals not covered by the Monthly Fees, charges for physician services, and any additional health services as outlined in Paragraph 3.8.

**3.6 Our Right to Reassign Your Residence.** If you release your Residence upon your permanent relocation (permanent relocation of both of you, if there are two of you) to the Health Center, we shall have the right to reassign your Residence for residency by others. Under such circumstances, you agree to have your property removed from the Residence as of the date you are permanently relocated to the Health Center (provided we give you 30 days' prior written notice

of permanent relocation). If your property is not removed from the Residence within 30 days after the date notice is delivered to you of your permanent relocation to the Health Center, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such property remains in the Residence or remove and store such property at the expense and risk of you or your estate. Any such continuing Monthly Fee shall be equal to the amount of your then-current Monthly Fee as adjusted from time to time.

**3.7 Return to Residence.** If you released your Residence because you relocated to the Health Center, and if later you are able, in the opinion of the Medical Director, to return to a residence, we will provide you a residence of the same type as your prior residence as soon as one becomes available. Upon reoccupying such residence, your Monthly Fee will be based on the then-current charges for such residence as adjusted from time to time.

**3.8 Medical Director, Attending Physician, and Additional Health Services.** We have designated a member in good standing of the New Haven County Medical Society to act as Medical Director for the Health Center. You are at liberty to engage the services of the Medical Director or the services of any other physician of your choice at your own expense. The Medical Director or another physician will be on emergency call. We will not be responsible for the charges for medical treatment by the Medical Director or any other physician, nor will we be responsible for the charges for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment. If we incur or advance payment for your treatment or for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment (even though this treatment is given at the direction of your attending physician or the Medical Director without your prior approval), you will promptly reimburse us for such payments.

**3.9 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, Medicare Part D and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. If you are not eligible for Medicare Part D or if you choose not to participate in Medicare Part D, you agree to maintain a health insurance policy that provides creditable prescription drug coverage. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase

supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Health Center. If failure to maintain Medicare Part A, Medicare Part B, Medicare Part D, or supplemental health insurance causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as described in Paragraph 8.4, and we retain the right to revoke your right to reside at Pomperaug Woods and cancel this Agreement as provided in Section 8.

**3.10 Managed Care.** If you choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, then the terms governing care in the Health Center will be as follows:

**3.10.1 Participating Provider.** If we are a participating provider with your managed care program and your stay is a Medicare-qualified stay, we agree to accept, as full payment, reimbursement at the rate negotiated with your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive services at a managed care participating provider during a Medicare-qualified stay, then you understand and agree that you must relocate for as long as necessary for those services, and be responsible for all charges for those services. In addition, while receiving services at the managed care participating provider, you will continue to pay the Monthly Fee for your Residence, unless you cancel this Agreement. Further, you will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.3 Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate an acceptable reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept, as full payment, the rate provided by your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.4 No Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and a negotiated rate is not agreed upon between your managed care program and us, and you desire to receive

care in the Health Center during a Medicare-qualified stay, you agree to pay the per diem charge for your care in the Health Center and the Monthly Fee for your Residence. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to care in the Health Center in accordance with the terms of this Agreement other than as set forth in this Paragraph 3.10.

**3.11 Under Age 62.** If you are under age 62 when you occupy a Residence under this Agreement, you will be entitled to care in the Health Center at the then-current per diem charge being charged to non-residents until you attain the age of 62.

**3.12 Alternate Accommodations if Health Center is Full.** You shall be given priority over nonresidents for care in the Health Center. In the event the Health Center is fully occupied, upon your Agreement, you will be provided care at another health care facility. Upon your relocation, you will continue to be responsible for the charges set forth in this Section 3. You agree to relocate back to the Health Center when accommodations become available.

You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If you choose to relocate to a health center not designated by us, you will pay to us all applicable monthly charges under this Agreement, including the monthly charge for nursing care services. The monthly charges paid for nursing care services under this Agreement will be applied against the charges associated with your stay in a non-designated health center. Any charges for your stay in the non-designated health center in excess of the monthly charges paid by you for nursing care services under this Agreement will be solely your responsibility.

**3.13 Alternate Nursing Care Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If a bed is available in the Health Center and you choose to obtain nursing care from an alternate care facility and not from the Health Center, you will be responsible for making your own arrangements for such alternate accommodations. You will also be responsible for paying the alternate care facility direct for the services and supplies that you will be receiving from it. We will not be responsible for paying for

any portion of your care and services. Further, you will continue to pay the Monthly Fee if you choose not to release your Residence.

**3.14 Absence from Pomperaug Woods.** In the event you are absent from Pomperaug Woods or choose to receive care at another health care facility not designated by us, we will not be responsible for any charges incurred by you.

**3.15 Reimbursement of Entrance Fee.** If you (or both of you, if there are two of you) are permanently relocated to the Health Center, this does not qualify you for immediate reimbursement of your Entrance Fee. A repayment as set forth in Paragraph 5.5 will be made after you (or both of you, if there are two of you) have died or this Agreement is canceled.

**3.16 Health Center Agreement.** If you require care in the Health Center, you agree to enter into a separate Health Center Agreement. The Health Center Agreement is available for review.

**4. ENTRANCE FEE.** You will pay to us an Entrance Fee of \$ \_\_\_\_\_, payable as follows:

**4.1 Second Person Entrance Fee.** If there are two of you under this Agreement, you will pay a Second Person Entrance Fee of \$ \_\_\_\_\_. The Second Person Entrance Fee is nonrefundable after 30 days of occupancy.

**4.2 Entrance Fee Deposit.** At the time you execute this Agreement, you will pay a deposit equal to 10% (\$ \_\_\_\_\_) of the total Entrance Fee and Second Person Entrance Fee to reserve your Residence. Payment of your Entrance Fee deposit will be held in escrow pursuant to Connecticut law.

**4.3 Balance of Entrance Fee.** You will pay the remaining balance of the Entrance Fee and Second Person Entrance Fee equal to 90% (\$ \_\_\_\_\_) of the Entrance Fee and Second Person Entrance Fee on the earlier of (i) the date you move to Pomperaug Woods; or (ii) within 90 days after the date you execute this Agreement.

## **5. REIMBURSEMENT OF ENTRANCE FEE.**

**5.1 Nonacceptance.** Except as waived by us after full disclosure, we require that you be at least 62 years of age or residing in the same residence with a resident who is 62 years of age or older, be capable of occupying the Residence with



or without reasonable accommodation or reasonable modification as defined in our current Residency Policy, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations hereunder to meet ordinary and customary living expenses after residency. If we do not accept you for residency, the full amount of the Entrance Fee you have paid will be promptly repaid to you, without interest.

**5.2 Right of Rescission Period.** If, prior to residency, you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days from the date you execute this Agreement, this Agreement will automatically cancel. In such event, the Entrance Fee you paid will be repaid to you, without interest, within 60 days of notice, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in a separate addendum to this Agreement. Should you occupy the Residence during the rescission period, any money or property transferred to us will be repaid in full within 60 days following rescission, without interest, except we will retain those periodic charges (including Monthly Fees) set forth in this Agreement which are applicable to the period you occupied the Residence, and any nonstandard charges incurred by us at your request as described in any addendum to this Agreement. If you move to Pomperaug Woods and then cancel prior to the expiration of your right of rescission period, you must vacate the Residence within 30 days after we receive your cancellation notice. You are not required to move into the Residence prior to the expiration of your right of rescission.

**5.3 Cancellation Prior to Occupancy Due to Change in Condition.** If, prior to occupancy, you (or either of you if there are two of you) die, or become unable to occupy your Residence or the Health Center because of illness, injury or incapacity, or you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel. In such event, we will repay to you or to your estate the Entrance Fee or portion thereof (without interest), which you paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in writing in a separate addendum to this Agreement.

**5.4 Cancellation Prior to Occupancy for Reasons Other Than Set Forth in Paragraphs 5.1, 5.2 or 5.3.** If, prior to occupancy, you give us written notice of cancellation and Paragraphs 5.1, 5.2, or 5.3 do not apply, this Agreement will automatically cancel. In such event, we will repay to you the Entrance Fee or portion thereof (without interest), which you have paid to us within 30 days of our

receipt of your written notice of cancellation, except that we will retain a service fee charge of 2% of the total Entrance Fee, and any nonstandard charges incurred by us at your request and as described in any addendum to this Agreement.

**5.5 Cancellation After Occupancy.** After 30 days of occupancy, the Second Person Entrance Fee is nonrefundable. If you or we cancel this Agreement pursuant to Section 7 or 8, or, in the event of your death (if there are two of you, the death of the survivor), we will repay to you or to your estate, without interest, an amount equal to \_\_\_\_\_% of your Entrance Fee, not to exceed \$ \_\_\_\_\_. Any repayment due to you will be delivered to you or your estate upon the earlier of (i) 30 days from our receipt of the then-current total Entrance Fee paid by a new resident for your Residence; or (ii) three years from the date your Residency Agreement is canceled and your residence is satisfactorily delivered to us (all personal property and furniture removed and turnover of keys). The Entrance Fee repayment shall be reduced and offset by the following the following:

**5.5.1 During First Five Months.** If this Agreement is canceled during the first five months following the date of your occupancy, we shall retain from your repayment an amount equal to 10% of your Entrance Fee;

**5.5.2 After First Five Months.** If this Agreement is canceled after the first five months following the date of your occupancy, we shall retain from your refund an amount equal to 2% of your Entrance Fee for each month of occupancy; this means that if you reside at Pomperaug Woods for 50 months or more, your Entrance Fee refund declines to zero;

**5.5.3 Unreimbursed Health Care Expenses.** The amount of unreimbursed health care expenses incurred by us for your care during the time you live in the Health Center;

**5.5.4 Monthly Fees.** The amount of any Monthly Fees or other sums owed by you to us under this Agreement;

**5.5.5 Other Sums.** The amount of any other sums incurred by us pursuant to your specific request and set forth in a separate addendum; and

**5.5.6 Deferred Monthly Fees or Other Sums.** The amount of any Monthly Fees or other sums deferred by us on your behalf under Paragraph 8.4.

## **6. MONTHLY FEE.**

You will pay a Monthly Fee, which covers the services and amenities listed under Section 1. In addition, you will pay Extra Charges for the additional services and amenities requested by you listed under Section 2.

**6.1 Payment of Monthly Fee.** You will pay the Monthly Fee for your first month of occupancy, or a pro-rated portion thereof, commencing on the earlier of (i) 90 days following the date you execute this Agreement; or (ii) on the date of occupancy. Thereafter, your Monthly Fee is payable in advance on the first day of each month. The current Monthly Fee is \$\_\_\_\_\_ per month for one person and an additional \$\_\_\_\_\_ per month if there are two of you.

**6.2 Monthly Fee Changes.** The Monthly Fee is subject to periodic increases and may be adjusted upon 60 days' written notice by the Board of Directors, in its sole discretion, as necessary to provide for the support and financial needs of operating the Community (or without notice if such change in the Monthly Fee is required by local, state or federal laws or regulations). We utilize bequests or contributions, if any, and the income therefrom, for the benefit of the Community in order to minimize the Monthly Fee, consistent with sound economic principles of operation.

**6.3 Use of Monthly Fee.** The Monthly Fee is used by us only for purposes related to Pomperaug Woods. The amount of the Monthly Fee is intended to provide for the services and amenities outlined in Section 1 and to provide for all other financial requirements of operating the Community. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the Community's support and financial security.

**6.4 Cancellation of Monthly Fee.** The Monthly Fee for your Residence cancels as provided in Section 7 or 8. Except as otherwise provided in Section 7 or 8, you will pay the Monthly Fee until removal of your property from the Residence by you, your representative, or us.

**6.5 Monthly Fee and the Health Center.** If you reside alone and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the then-current first-person Monthly Fee for a two-bedroom Redding Apartment. If there are two of you and one of you is permanently relocated to the Health Center, the change in Monthly Fee as described in Paragraph 3.4 will apply. If both of you are permanently relocated to the Health Center, your Monthly Fee will be adjusted

to the then-current first-person and second-person Monthly Fee for a two-bedroom Redding Apartment.

**6.6 Adjustment of Monthly Fee Due to Absence.** In the event of your absence from the Community, your Monthly Fee will not be adjusted.

**6.7 Late Payment.** We permit a 60 day grace period before the imposition of a late payment charge for failure to pay the Monthly Fee or any Extra Charges when due. We will charge a late payment charge at the rate of 1.5% per month on total delinquent amounts due. Late payment charges are not compounded and are not included in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. We will waive the 1.5% late payment charge if payment is delayed due to slow processing by your insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Paragraph 8.1 of this Agreement.

**6.8 Monthly Statement.** You will receive a monthly statement from us outlining the Monthly Fee and any Extra Charges incurred by you.

## **7. YOUR CANCELLATION RIGHTS.**

**7.1 Prior to Occupancy.** Your cancellation rights prior to moving to Pomperaug Woods are described in Paragraphs 5.2, 5.3, and 5.4 of this Agreement.

**7.2 After Occupancy.** After occupancy at Pomperaug Woods, you may cancel this Agreement at any time by giving us 120 days' advance written notice executed by you (or both of you, if there are two of you). In such event, this Agreement cancels at the end of the notice period. You will pay the Monthly Fee until the later of (i) the expiration of such 120 days, or (ii) your vacancy of your Residence or the Health Center, if applicable, and removal of all of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so. You may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5. If you give us notice of cancellation, the notice may not be revoked by you without our written consent.

Upon your death (if there are two of you, the death of the survivor), this Agreement automatically cancels. Your estate will continue to pay your Monthly Fee until the later of (i) your death (if there are two of you, the death of the survivor), or (ii) your vacancy of the Residence or the Health Center, as applicable, and

removal of all your personal property. Your estate or family will only be responsible for payment of the Monthly Fee for a period not to exceed fifteen (15) days following the date of your death as long as all of your property is removed from the Residence or the Health Center, as applicable. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of your estate, but we are not obligated to do so. Your estate may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **8. OUR CANCELLATION RIGHTS.**

**8.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause shall exist if:

**8.1.1 Noncompliance.** You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**8.1.2 Nonpayment.** Except as set forth in Paragraph 8.4, nonpayment of fees or charges;

**8.1.3 Threat to Health or Safety.** Health status or behavior which constitutes a substantial threat to the health or safety of yourself, other residents, or others, including your refusal to consent to relocation, or which would result in physical damage to our property or the property of others;

**8.1.4 Change in Condition.** There is a major change in your physical or mental condition and your condition cannot be cared for in the Health Center within the limits of our license; or

**8.1.5 Misrepresentations.** You materially misrepresent your financial condition, your health, and/or your medical history during your application for residency, or any of the warranties contained in Paragraph 10.1 were incorrect at either the time they were made or the time you became a resident of Pomperaug Woods.

**8.2 Notice of Cancellation.** Before any cancellation of this Agreement by us, we will give you notice in writing of the reasons. You will have such time as is stated in the notice (but no less than 30 days after the date of such notice) to correct the problem. If the problem is corrected within such time, this Agreement shall remain in effect. If we determine the problem is not corrected, this Agreement will be canceled by us and you must leave the Community within 14 days after we notify

you of our cancellation. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the later of (i) 14 days after we notify you of our cancellation or (ii) the removal of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.3 Emergency Cancellation.** Should your residency at the Community pose an imminent threat of serious harm to you or other residents, and the Medical Director determines that either the giving of notice or the waiting period described in Paragraph 8.2 above might be detrimental to you or other residents, then such notice and/or waiting period will not be required. Under such circumstances, we are expressly authorized to transfer you to an appropriate hospital or other facility, and we will promptly notify your family or representative and your attending physician. After transfer, we will provide you with a notice of cancellation if you are unable to return to your Residence or to the Health Center. If there are two of you under this Agreement and one of you transfers to a hospital or other appropriate facility under the circumstances described in this Paragraph, the other Resident may continue to reside in the Residence or the Health Center under the terms of this Agreement. We are not responsible for any charges related to such transfer or relocation. This Agreement cancels 30 days following notice, unless your condition improves and you subsequently return to your Residence or to the Health Center. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the removal of your property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.4 Financial Difficulty.** If, after you have paid the Entrance Fee, you encounter financial difficulties making it impossible for you to pay the full Monthly Fee and Extra Charges, then:

**8.4.1 Benefits.** You may remain until any applicable Title XVIII Medicare benefits and/or third party insurance benefits received by us on your behalf have been earned; and

**8.4.2 Terms of Stay.** Because it is and shall continue to be our policy to not cancel your residency solely by reason of your financial inability to pay the full Monthly Fee or Extra Charges, you will be able to remain at the Community at a reduced Monthly Fee or with reduced Extra Charges. Any reduction in the Monthly Fee or Extra Charges will be based on your ability to pay for so long as you establish facts to justify deferral of such charges, and the deferral of such charges

can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis. This provision will not apply if you impair your ability to meet your financial obligations hereunder by transfer of assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, Medicare Part D, and/or supplemental insurance coverage. In determining whether you establish facts to justify deferment of your Monthly Fee or Extra Charges, we will consider factors, such as and including but not limited to, whether you submitted a correct Confidential Data Application, whether you made gifts of your property after the date of this Agreement which impaired your ability to meet your financial obligations, and whether you have breached any of your promises or representations to us. If you qualify for a reduced Monthly Fee or reduced Extra Charges, you agree to enter into a special Amendment to Residency Agreement with us at the time of such deferrals to reflect the reduced charges currently payable. Any payments otherwise due to you from us, including the repayment of your Entrance Fee, will be offset against any deferred charges.

**8.5 Reimbursement of Entrance Fee.** If we cancel this Agreement as provided in this Section 8, you may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **9. MISCELLANEOUS PROVISIONS REGARDING YOUR RESIDENCE.**

**9.1 Use of the Residence.** Your Residence is for living only and shall not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and only grants you the lifetime use of the Residence, use of the site amenities, and access to available services, subject to the terms and conditions of this Agreement.

**9.2 Duration of Your Right to Occupy the Residence.** You may reside in your Residence for as long as you (either of you) live unless you (both of you, if there are two of you) are not capable of occupying a residence with or without reasonable accommodation or modification, or this Agreement is canceled by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that nursing care services be given, you will be requested to relocate to the Health Center where we are licensed to provide such care. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services

from providers with which we do not have a contractual arrangement. If it is determined that you require hospitalization or care in another facility, we will assist in the coordination of your transfer to such appropriate facilities. Community staff will not accompany a resident to the hospital or other care facility.

**9.3 Occupants of the Residence.** Except as hereinafter provided, no person other than you (or both of you, if there are two of you) may occupy the Residence except with our express written approval. In the event that a second person who is not a party to this Agreement wishes to be accepted for residency under this Agreement after the date we execute this Agreement, said second person's acceptance will be based upon our then-current Residency Policy. If accepted, said person shall pay the then-current second person Entrance Fee and the then-current second person Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Residence for more than 30 days (except with our express written approval), and you may cancel this Agreement as provided in Paragraph 7.2.

**9.4 Changes in Residence.** Should it be necessary to make modifications to your Residence or to other areas of the Community to meet the requirements of any applicable law or regulation, and such modifications require you to temporarily vacate your Residence, we will provide alternate accommodations for you, within or outside the Community, without additional charge to you, for any period during which your Residence is not habitable.

**9.5 Furnishings.** Furnishings within the Residence will not be provided by us except as stated in Section 1. Furnishings provided by you shall not interfere with your health or safety, or the health or safety of other residents or others.

**9.6 Emergency Entry and Relocation.** We may enter your Residence should it be necessary in an emergency to protect your health or safety or that of other residents. If emergency relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence or to the Health Center (or to a hospital or other care facility if we cannot provide the care you need in the Health Center) for the protection of your health or safety or for the health or safety of the other residents of the Community. Community staff will not accompany a resident to the hospital or other care facility.

**9.7 Alterations by You.** You may not make any alterations to your Residence without our prior written approval. We reserve the right, upon release of the Residence because you moved to the Health Center, or upon cancellation of this



Agreement for any reason, to require that any alterations made by you be removed, and that the Residence be restored to its original condition at your expense. If you fail to do so, we may remove any such alterations, restore the Residence to its original condition, and withhold the charges of any such restoration from any Entrance Fee repayment due to you or your estate.

**9.8 Refurbishment.** Customary and normal refurbishment costs of your Residence will be borne by us. Any refurbishment costs beyond those which are customary and normal will be paid by you.

**9.9 Guests.** No one other than you shall have a right of occupancy in the Residence without the written consent of the Executive Director, unless otherwise permitted pursuant to policies established by us. The intent of the policies shall be to permit stays of short duration by your guests where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

**9.10 Disposition of Personal Property.** If you or your estate have not removed your property from the Residence in accordance with the terms of this Agreement, we may store your property at the expense and risk of you or your estate, but we are not obligated to do so.

## **10. REPRESENTATIONS.**

**10.1 Your Representations.** You represent and warrant to us the following:

**10.1.1** You are at least 62 years of age or applying for residency with a person who is 62 or older.

**10.1.2** You are capable of occupying a residence with or without reasonable accommodation or modification as defined in our current Residency Policy.

**10.1.3** You have assets and income which are sufficient under foreseeable circumstances and after provisions for payment of your obligations under this Agreement, to meet ordinary and customary living expenses after assuming occupancy at Pomperaug Woods.

**10.1.4** All facts stated by you in your application for residency are true and complete.

**10.1.5** You have not made any gift of your property in contemplation of executing this Agreement.

**10.2 Our Representations.** We represent and warrant to you that we are a not-for-profit corporation. We are not affiliated with any religious or other charitable organization.

## **11. PROMISES.**

**11.1 Our Promises.** We promise the following:

**11.1.1** To not cancel this Agreement without just cause as specified in Paragraph 8.1;

**11.1.2** To operate as a charitable organization;

**11.1.3** To not cancel your residency solely by reason of your financial inability to pay the total Monthly Fee or Extra Charges as specified in Paragraph 8.4 above; and

**11.1.4** To abide by all other terms of this Agreement.

**11.2 Your Promises.** You promise to do the following:

**11.2.1** To comply with all of our published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**11.2.2** To pay the Entrance Fee, Monthly Fee, and any Extra Charges provided for by this Agreement;

**11.2.3** To provide within 60 days after you occupy the Residence for the disposition of your personal property located at the Community, and to make funeral and burial arrangements at your expense;

**11.2.4** To not voluntarily take any action which could impair your ability to meet your financial obligations to us under this Agreement without our consent; and

**11.2.5** To abide by all other terms of this Agreement.

## **12. MISCELLANEOUS LEGAL PROVISIONS.**

### **12.1 Nature of Rights.** You understand and agree that:

**12.1.1** This Agreement or your rights under it (including the use of the Residence) may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees or representatives, except as to receipt of the amounts described in Section 5;

**12.1.2** This Agreement and your contractual right to occupy the Residence shall exist and continue to exist during your lifetime unless canceled pursuant to Section 7 or 8 or until your permanent transfer to the Health Center;

**12.1.3** This Agreement grants you the right to occupy and use space at the Community, but does not give you exclusive possession of the Residence against us, and you have no entitlement to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law;

**12.1.4** This Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and

**12.1.5** This Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

**12.2 Release.** We are not responsible for loss of or damage to your property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees. You hereby release us from any such liability. You may want to obtain insurance at your expense to protect against such losses. You will also be responsible for your individual tax obligations.

**12.3 Transfers.** If financially beneficial to us, the Community (or land upon which it is located) may be sold and leased back or assigned and leased back, but no such transaction would in any way alter our contractual obligations to you.

**12.4 Indemnity.** We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

**12.5 Reimbursement for Loss or Damage.** You or your representative, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional careless, or negligent acts or omissions or that of your guests.

**12.6 Subordination.** You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering Pomperaug Woods, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender(s) such further written evidence of such subordination as such lender(s) may reasonably require. Except to the extent of your obligation to pay the Monthly Fee, you will not be liable for any such indebtedness.

**12.7 Amendments.** This Agreement may be modified by us at any time in order to comply with future laws and regulations or changes in current laws and regulations applicable to this Agreement, or upon mutual agreement between the parties. No amendment or modification of this Agreement will be valid unless in writing and executed by you and us.

**12.8 Governing Law.** This Agreement will be governed, interpreted, and construed according to the laws of the State of Connecticut.

**12.9 Separability.** The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement.

**12.10 Resident.** When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

**12.11 Capacity.** We are organized under the general non-profit corporation law of the State of Connecticut. This Agreement has been executed by our duly authorized agent, and no officer, director, agent or employee shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.12 Entire Agreement.** This Agreement and any addenda or exhibits hereto contain our entire understanding with respect to your residency.

**12.13 Responsible Party.** You agree to execute and deliver to us within 60 days after assuming occupancy of your Residence a Durable Power of Attorney, trust

document, or other documentation naming a responsible party for business and financial decision making. These documents should be drafted to remain effective notwithstanding your incompetence or disability. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of Pomperaug Woods.

**12.14 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, as more fully explained in our Disclosure Statement.

**12.15 Nonwaiver.** If we fail to insist in any instance upon performance of any of the terms, covenants, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions. Your obligations with respect to such future performances shall continue in full force and effect.

**12.16 Reimbursement of Costs.** You agree to reimburse us for any costs we incur to collect any unpaid amounts you owe to us under this Agreement.

**12.17 Arbitration.** You agree that any dispute, claim or controversy of any kind between the parties arising out of, in connection with, or relating to this Agreement and any amendment hereof, or the breach hereof, which cannot be resolved by mutual agreement or in small claims court, will be submitted to and determined by arbitration in New Haven County, Connecticut in accordance with the Federal Arbitration Act and the then-current commercial arbitration rules of the Federal Arbitration Act. You and we will jointly agree on an arbitrator and the arbitrator will be selected according to the procedure set forth in State law, if applicable. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Any direct arbitration costs incurred by you will be borne by you. Costs of arbitration, including our legal costs and attorneys' fees, arbitrators' fees, and similar costs, will be borne by all residents of Pomperaug Woods, provided that the arbitrator may choose to award the costs of arbitration against us if the arbitrator determines that the proposed resolution urged by us was not reasonable. If the issue affects more than one resident, we may elect to join all affected residents into a single arbitration proceeding, and you hereby consent to such joinder.

You may withdraw your agreement to arbitrate within 30 days after executing this Agreement by giving written notice of your withdrawal to us. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives,

executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

\_\_\_\_\_  
Initials

\_\_\_\_\_  
Initials

**12.18 Private Employees of Resident.** If you need additional services, you can obtain those services from a private employee, an independent contractor, or through an agency. In such instances, we strongly advise you to obtain services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers and ensure that your private employee, independent contractor, or person you engage through an agency complies with our personal service provider policy and rules of conduct set forth therein. If you fail to follow or enforce the policy and rules of conduct, we may elect, at our sole option, to cancel this Agreement.

**12.19 Notices.** Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of Pomperaug Woods at 80 Heritage Road, Southbury, CT 06488. Such notices shall be dated and signed.

Any notice required to be given to you will be delivered to you at your Residence unless you have provided a different address to us in writing.

**12.20 Survival of Representations and Obligations.** Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed to us, and your agreement to indemnify us as set forth in Paragraph 12.4, and our representations and obligations under this Agreement, will survive any cancellation of your residency, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

**12.21 Resident Rights.** As a Resident, you have certain rights under the Connecticut continuing care law (see Conn. Gen. Stat. §17b-520 *et. seq.*), a copy of which is available upon request. You also have certain additional rights because we are registered with the Department of Public Health as a managed residential community. A copy of the Managed Residential Community Residents' Bill of Rights is attached hereto as Attachment C.

**12.22 Compliance with Laws and Regulations.** We will comply with all applicable Municipal, State, and Federal laws and regulations regarding consumer protection and protection from financial exploitation.

**12.23 Complaint Resolution Process.** We have established a complaint resolution process for residents and families, which is attached hereto as Attachment D. Residents and families may use the complaint resolution process without fear of reprisal of any kind.

**13. RESIDENT HANDBOOK.** We have adopted certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. This information can be found in the Resident Handbook, a copy of which is provided to each resident upon residency at Pomperaug Woods. We may revise the Resident Handbook from time to time and copies of any revisions are provided to the residents. Upon receipt of the Resident Handbook, you agree to execute an Acknowledgment form, a copy of which is attached hereto as Attachment E. Your executed Acknowledgment form will be placed in your resident file.

*[Signature Page Follows]*

**14. ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS.** You hereby certify that you received a copy of this Agreement and a copy of our latest disclosure statement before the date hereof, and have been permitted to inspect any additional relevant materials requested to be reviewed by you or your representatives prior to executing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

POMERAUG WOODS, INC.

By: \_\_\_\_\_  
Authorized Representative

**Attachments:**

- A – Resident Health Services Program
- B – List of Extra Charges
- C – Managed Residential Community Residents' Bill of Rights
- D – Complaint Resolution Process
- E – Acknowledgment of Receipt of Resident Handbook



2020-04-20

Declining Balance (Life Care) (2020-04-20)





*Resident Health Services Program*

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Pomperaug Woods offers residents the opportunity to “bridge the gap” between total independence and the need for assistance with activities of daily living and nursing care in their homes. Through the Resident Health Services Program, residents can receive the medical services they need especially for them.

**Eligibility for Services**

Any resident whose condition is classified as **chronic and stable** by their primary physician may receive services through the Resident Health Services Department. These services may include assistance with activities of daily living and/or nursing services in order to maximize the resident’s level of independent living.

**Non-Eligibility for Services**

When a resident’s condition is not considered chronic and stable, a nurse from the Resident Health Services Department will discuss with the resident and the resident’s primary physician the health issue and make suggestions for the resident either to receive services in his/her residence through a licensed home care agency or possibly be admitted to a skilled nursing facility.

A resident who receives services from a licensed home care agency is responsible for those fees privately. However, a home care agency will assess a resident to determine if a resident is eligible for services provided through Medicare. Any services provided in excess of Medicare’s allowable time is at the resident’s expense.

**Hospice**

Residents who are eligible may also receive hospice services within their homes.

**Office Hours**

Nurse on duty daily 8 am - 4 pm

Aide on duty daily 8 am - 8 pm

Health Center responds to emergency calls from 8 pm - 8 am

Resident Health Services phone: 203-262-6555



**Attachment B**

October 1, 2019 - September 30, 2020

|   |                            |
|---|----------------------------|
| <b>Food and Beverage</b>  |                            |
| • Resident additional meal  | \$20.00                    |
| • Guest meal  | \$22.00 + tax              |
| • Guest meal using meal credit (tax)  | \$ 2.00                    |
| • Holiday guest meals<br><i>New Year's, Christmas, Easter, Thanksgiving</i> | \$30.28                    |
| • Holiday guest meals using meal credit                                     | \$10.81                    |
| • Meal absence credit per 30 days   | \$161.50                   |
| <b>Guest Services</b>   |                            |
| • Guest room per day  | \$98.80 + tax              |
| • Cot rental per day  | \$10.50                    |
| <b>Carports</b>   |                            |
| • Annual fee  | \$399                      |
| • Monthly fee   | \$52.50 month              |
| <b>Health Center</b>  |                            |
| • Semi-private room (non-Life Care)   | \$476                      |
| • Private room premium per day (non-Life Care)                              | \$539                      |
| • Private room (Life Care)  | \$ 63                      |
| • Life Care additional meal charge per day                                  | \$ 40.00                   |
| <b>Resident Health Services</b>   |                            |
| • Apartment nursing services  | \$21.25 per 15 min         |
| • Apartment aide service  | \$9.35 per 15 min.         |
| • Instalert unit installation   | \$300 one-time fee         |
| • Lost pendant replacement  | \$150                      |
| <b>Home Assisted Living</b>   |                            |
| • Assisted Living fee   | \$1,433 per month          |
| • Initial ALSA admission fee  | \$350                      |
| • 120 day ALSA/Change of condition  | \$78                       |
| • Extra meal charge per day   | \$40                       |
| <b>Transportation (between 7 am -7 pm)</b>                                  |                            |
| • Local fee (1 hour min.)   | \$ 21.50 hr.               |
| • Long distance (1 hour min.)<br>mile                                       | \$21.50 hr. + .58 cent per |
| • Transportation (7pm -7am)   | \$100 + hourly rate        |
| <b>Housekeeping and Maintenance</b>   |                            |

**ATTACHMENT B**

- Personal laundry (per load) \$ 18.54
- Extra housekeeping services (per hour) \$ 19.00
- Apartment and outdoor key replacement \$ 8 per key
- Replacement of mail key \$ 8 per key
- Additional maintenance services (plus supplies) \$19.00 hr.

## ATTACHMENT C



### **MANAGED RESIDENTIAL COMMUNITY RESIDENTS' BILL OF RIGHTS**

You have the right to:

- Live in a clean, safe and habitable private residential unit (the "Residence");
- Be treated with consideration, respect and due recognition of your personal dignity, individuality and the need for privacy;
- Privacy within your Residence, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Retain and use your personal property within your Residence so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- Private communications, including receiving and sending unopened correspondence, telephone access and visiting with persons of your choice;
- Freedom to participate in and benefit from Community services and activities so as to achieve the highest possible level of independence, autonomy and interaction within the community;
- Directly engage or contract with licensed health care professionals and providers of your choice to obtain necessary health care services in your Residence, or such other space in the Community as may be available to residents for such purposes;
- Manage your own financial affairs;
- Exercise civil and religious liberties;
- Present grievances and recommend changes in policies, procedures and services to our Executive Director or staff, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from the Community, including access to representatives of the

Department of Public Health or the Office of the Long-Term Care Ombudsman;

- Upon request, obtain the name of the Resident Health Services Director or any other persons responsible for resident care or the coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;
- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility or educational institution to the extent that such relationship relates to resident medical care or treatment and to receive an explanation about the relationship;
- Receive a copy of any rules or regulations of the Community;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community; and
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws. If you rent your Residence, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

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

Department of Public Health  
Faculty Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308  
MS#12HSR  
Hartford, CT 06134-0308

Information/General: Loan Nguyen  
Supervising Nurse Consultant (860) 509-7400

Complaints: Donna Ortelle, R.N.  
Public Health Services Manager (860) 509-7400  
Nancy Shaffer, State Long Term Care Ombudsman  
Office of the Long Term Care Ombudsman  
25 Sigourney Street  
Hartford, CT 06106  
(866) 388-1888 or (860) 424-5200

Dan Lerman, Regional Ombudsman  
Long-Term Care Ombudsman Program  
249 Thomaston Avenue  
Waterbury, CT 06702  
(203) 597-4181  
1-866-388-1888

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

Please sign below to acknowledge that we have provided you with a copy of the Managed Residential Community Residents' Bill of Rights and explained them to you.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident



**POMPERAUG WOODS  
COMPLAINT RESOLUTION PROCESS**

**Policy:**

Residents are free to communicate grievances to the staff of Pomperaug Woods without restraint, interference, coercion, discrimination, or reprisal. All grievances will be properly documented and responded to. In the event a Resident is dissatisfied with treatment or services received at Pomperaug Woods, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

**Procedures:**

Below are the procedures for a Resident or his/her representative to follow in order to file a grievance with Pomperaug Woods. We reserve the right to change these procedures in order to better accommodate our Residents:

1. The grievance may be filed in writing with the Department Director of the area where the grievance occurs. Assistance, if necessary, will be available through Resident Services and/or the Administration office.
2. Information contained in the grievance will include the following:
  - Description of the grievance;
  - A list of all parties involved; and
  - Dates of specific incidents related to the grievance.
3. The Department Director will acknowledge in writing receipt of the grievance within five business days and provide the Resident or his/her representative with a time frame for an appropriate response.
4. If the grievance remains unresolved for 30 days after initial submission, the Department Director will address the grievance with the Executive Director.

5. The Executive Director will address, in writing, the grievance within 10 business days.
6. If the grievance remains unresolved for 60 days after the initial submission, the Executive Director will address the grievance with the Board of Directors of Pomperaug Woods and with the Management Company's Vice President.
7. The Board of Directors of Pomperaug Woods and the Management Company's Vice President will address the grievance within 10 business days.
8. If the grievance remains unresolved, the Resident will be informed of his/her right to contact appropriate State agencies, the State Long-Term Care Ombudsman or the Regional Long-Term Care Ombudsman.
9. All attempts at resolution will be documented in writing to the Resident with copies on file in the Administration office.





**Acknowledgment of Receipt of Resident Handbook**

I, the undersigned, acknowledge receipt of the Pomperaug Woods Resident Handbook dated \_\_\_\_\_, 20\_\_\_\_, which contains certain rules, policies, and guidelines in order to promote the health, safety and welfare of the residents of Pomperaug Woods.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

**EXHIBIT C-3**

**RETURN OF CAPITAL™ RESIDENCY AGREEMENT  
(Fee-for-Service)**



**Pomperaug Woods**  
**Southbury, Connecticut**

**Return of Capital™**  
**Residency Agreement**  
**(Fee-for-Service)**

2022/02/11

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Attachment A – Resident Health Services Program

Attachment B – List of Extra Charges

Attachment C – Managed Residential Community Residents' Bill of Rights

Attachment D – Complaint Resolution Process

Attachment E – Acknowledgment of Receipt of Resident Handbook

## GLOSSARY

The following terms are described as used in the accompanying Residency Agreement. Reference to the Residency Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms:

**"Agreement"** refers to this Residency Agreement between the Resident and Pomperaug Woods, Inc., which delineates the contractual obligations of Pomperaug Woods, Inc. to the Resident for services and amenities provided by Pomperaug Woods.

**"Health Center"** refers to the portion of Pomperaug Woods, which is licensed to provide skilled nursing care as identified in Section 3 of this Agreement.

**"Entrance Fee"** refers to the fee paid to Pomperaug Woods, Inc. pursuant to Section 4 of this Agreement.

**"Extra Charges"** refers to the extra charges payable in consideration for the additional services and amenities set forth in Section 2 of this Agreement.

**"Managed Residential Community"** refers to a community registered with the Connecticut Department of Public Health in order to offer certain resident health services provided by a licensed assisted living services agency to residents. Pomperaug Woods is registered as a managed residential community.

**"Medical Director"** refers to a member in good standing of the New Haven County Medical Society, designated by us as the physician of the Health Center, who is available for emergency calls and consults with the Pomperaug Woods staff on medical issues.

**"Monthly Fee"** refers to that fee payable in consideration for the services and amenities provided to residents, as set forth in Section 1 of this Agreement. The Monthly Fee includes a second person fee if there are two Residents.

**"Occupancy"** refers to the earlier of the date you move to Pomperaug Woods or pay the balance of the Entrance Fee.

**"Personal Service Provider"** refers to a private employee, an independent contractor, or a licensed home health care agency that may be contracted by the

Resident to provide additional personal services requested or required by the Resident, which are not covered by the Residency Agreement.

**"Personal Service Provider Policy"** refers to the policy established by Pomperaug Woods, which sets forth the guidelines of conduct which must be followed by any Personal Service Provider providing services to residents of Pomperaug Woods.

**"Pomperaug Woods" or "Community"** refers to the life care senior living community located in Southbury, Connecticut, including the residences, the Health Center, the common areas, and site amenities.

**"Pomperaug Woods, Inc." or "we" or "our" or "us"** refers to the owner of the life care senior living community known as Pomperaug Woods, including the residences, the Health Center, the common areas, and the site amenities associated with these areas. Pomperaug Woods, Inc. is a Connecticut not-for-profit corporation.

**"Residence"** refers to the residence identified in the introductory paragraph of this Agreement, which you are entitled to occupy in exchange for paying the Entrance Fee and the Monthly Fee.

**"Residency Policy"** refers to that policy developed by Pomperaug Woods, Inc., which outlines the requirements for initial residency at Pomperaug Woods.

**"Resident" or "you"** refers to the resident or residents who execute this Agreement. Sometimes a second resident (if there are two of you) is referred to in the Agreement as the "second person." Unless otherwise indicated, "you" refers to both of you if there are two of you.

**"Second Person Entrance Fee"** refers to the fee identified in Section 4.3 and paid to Pomperaug Woods when a second person occupies the Residence.





## **Pomperaug Woods**

### **Return of Capital™ Residency Agreement (Fee-for-Service)**

This Residency Agreement ("Agreement") is entered into by Pomperaug Woods, Inc. ("we," "us," or "our") and \_\_\_\_\_ (individually or collectively, "you," "your," or "Resident"). Pomperaug Woods (the "Community") is a life care senior living community owned and operated by us, and located at 80 Heritage Road; Southbury, CT 06488.

We will provide residential housing for people 62 or older, along with a wide array of services and amenities outlined in this Agreement. Subject to the conditions contained in this Agreement, we agree to make available to you the Residence described as follows:

Residence Number: \_\_\_\_\_

Residence Style: \_\_\_\_\_

As a Resident, you are offered lifetime use of your Residence and long-term nursing care in our Health Center, all in accordance with the terms of this Agreement.

To be accepted for residency, you must meet our residency criteria, which includes: having reached the age of 62 (or applying for residency with another person who is 62 or older); financial guidelines; and the ability to occupy a residence, with or without reasonable accommodation or reasonable modification.

The purpose of this Agreement is to set forth your rights and duties as a Resident of Pomperaug Woods and to delineate the services and amenities to be provided.

## **1. SERVICES AND AMENITIES PROVIDED TO RESIDENTS.**

For as long as you occupy the Residence, we will furnish the following services and amenities, which are included in the Monthly Fee:

- 1.1** One (1) full meal per day in our dining venues;
- 1.2** Special diet and tray service to be provided upon order of the Medical Director or Director of Nursing Service;
- 1.3** Air conditioning, heating, electricity, water, and trash disposal;
- 1.4** Maintenance of buildings and grounds;
- 1.5** On-site security personnel;
- 1.6** Weekly housekeeping;
- 1.7** Weekly laundry of flat linens;
- 1.8** Washer and dryer (in many residences, but not in all), and availability of laundry facilities;
- 1.9** Planned events -- social, cultural, educational, spiritual, and recreational -- for those who wish to participate (a list of activities is available at the front desk);
- 1.10** One (1) parking space per Resident provided you have a car and a valid operator's license;
- 1.11** Refrigerator, range, microwave, garbage disposal and dishwasher, except that there will be no dishwasher in a one-bedroom studio residence;
- 1.12** Scheduled local transportation (listed on the monthly calendar located at the front desk);
- 1.13** Local telephone service;
- 1.14** Emergency call system and emergency nursing services;
- 1.15** Use of site amenities;

**1.16** Emergency calls by the Medical Director when summoned by designated Health Center staff; and

**1.17** Priority access to nursing services (including personal care) in the Health Center, as outlined in Section 3.

**2. ADDITIONAL SERVICES AND AMENITIES PROVIDED FOR AN EXTRA CHARGE.**

At your request and for as long as you occupy the Residence, we will also make available to you the following additional services and amenities at the then prevailing rates of Extra Charge:

**2.1** Personal laundry;

**2.2** One or two additional meals per day in our dining venues;

**2.3** Carports, when available;

**2.4** Guest dining;

**2.5** Guest accommodations, when available;

**2.6** Special events transportation;

**2.7** Additional housekeeping;

**2.8** Certain other services, as available from time to time, such as Medical Director services, medicine, drugs, prescribed therapy, nursing supplies, and other miscellaneous supplies and services associated with medical treatment;

**2.9** Other optional services related or unrelated to care in the Health Center as approved by us; and

**2.10** Nursing services in either private or semi-private accommodations in the Health Center, if available.

A list of current Extra Charges for these additional services and amenities is attached to this Agreement as Attachment B. These Extra Charges are subject to change at our discretion. A list of the most current Extra Charges can be obtained from the Health Center Social Services/Admissions Director.

### **3. THE POMPERAUG WOODS HEALTH CENTER.**

**3.1 Accommodations in the Health Center.** You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. We will provide you with priority over nonresidents for admission to our Health Center on a space available basis. If, in the opinion of your attending physician or the Medical Director, after consultation with you (to the extent possible), your family or your responsible party, you require nursing care, you will be requested to relocate to the Health Center (either temporarily or permanently). Nursing care will be provided in semi-private accommodations, unless either (i) only private accommodations are available; or (ii) private accommodations are medically necessary. If private accommodations are not medically necessary and semi-private accommodations are available, you may still choose to occupy private accommodations (if available) as long as you agree to pay the difference between the charges for private and semi-private accommodations. This applies regardless of whether you are in the Health Center or another health center on an interim basis. At our sole discretion, if private accommodations in which you are residing are needed for semi-private use, you agree to reside in semi-private accommodations until private accommodations are once again available (unless private accommodations are medically necessary).

**3.2 Temporary Relocation to the Health Center.** If you (both of you if there are two of you) are temporarily relocated to the Health Center, you will continue to pay your Monthly Fee (first and second person) for your Residence, plus the per diem charges then in effect for nursing services in the Health Center, charges for physician services and any additional health services as described in Paragraph 3.8.

**3.3 Permanent Relocation to the Health Center When There is One of You.** If there is one of you and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. You will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph 3.8.

**3.4 One Permanently Relocated to the Health Center When There Are Two of You.** If there are two of you and one of you is permanently relocated to the Health Center, the second person Monthly Fee will be adjusted to the per diem charges then in effect for nursing services received by the Resident in the Health Center. The Resident in the Health Center will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph

3.8. The Resident who remains in the Residence will continue to pay the first person Monthly Fee for the Residence.

**3.5 Both Permanently Relocated to the Health Center When There Are Two of You.** If both of you are permanently relocated to the Health Center, your Monthly Fee (first and second person) will be adjusted to the per diem charges then in effect for nursing services in the Health Center. Each of you will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph 3.8.

**3.6 Our Right to Reassign Your Residence.** Following your permanent relocation (permanent relocation of both of you, if there are two of you) to the Health Center, we shall have the right to reassign your Residence for residency by others. Under such circumstances, you agree to have your property removed from the Residence as of the date you are permanently relocated to the Health Center (provided we give you 30 days' prior written notice of permanent relocation). If your property is not removed from the Residence within 30 days after the date notice is delivered to you of your permanent relocation to the Health Center, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such property remains in the Residence or remove and store such property at the expense and risk of you or your estate. Any such continuing Monthly Fee shall be equal to the amount of your then-current Monthly Fee as adjusted from time to time.

**3.7 Return to Residence.** If you released your Residence because you relocated to the Health Center, and if later you are able, in the opinion of the Medical Director, to return to a residence, we will provide you a residence of the same type as your prior residence as soon as one becomes available. Upon reoccupying such residence, your Monthly Fee will be based on the then-current charges for such residence as adjusted from time to time.

**3.8 Medical Director, Attending Physician, and Additional Health Services.** We have designated a member in good standing of the New Haven County Medical Society to act as Medical Director for the Health Center. You are at liberty to engage the services of the Medical Director or the services of any other physician of your choice at your own expense. The Medical Director or another physician will be on emergency call. We will not be responsible for the charges for medical treatment by the Medical Director or any other physician, nor will we be responsible for the charges for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment. If we incur or advance payment for your treatment or for medicine, drugs,

prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment (even though this treatment is given at the direction of your attending physician or the Medical Director without your prior approval), you will promptly reimburse us for such payments.

**3.9 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, Medicare Part D and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. If you are not eligible for Medicare Part D or if you choose not to participate in Medicare Part D, you agree to maintain a health insurance policy that provides creditable prescription drug coverage. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Health Center. If failure to maintain Medicare Part A, Medicare Part B, Medicare Part D, or supplemental health insurance causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as described in Paragraph 8.4, and we retain the right to revoke your right to reside at Pomperaug Woods and cancel this Agreement as provided in Section 8.

**3.10 Managed Care.** If you choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, then the terms governing care in the Health Center will be as follows:

**3.10.1 Participating Provider.** If we are a participating provider with your managed care program and your stay is a Medicare-qualified stay, we agree to accept, as full payment, reimbursement at the rate negotiated with your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive services at a managed care participating provider during a Medicare-qualified stay, then you understand and agree that you must relocate for as long as necessary for those services, and be responsible for all charges for those services. In addition, while

receiving services at the managed care participating provider, you will continue to pay the Monthly Fee for your Residence, unless you cancel this Agreement. Further, you will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.3 Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate an acceptable reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept, as full payment, the rate provided by your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.4 No Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and a negotiated rate is not agreed upon between your managed care program and us, and you desire to receive care in the Health Center during a Medicare-qualified stay, you agree to pay the per diem charge for your care in the Health Center and the Monthly Fee for your Residence. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to care in the Health Center in accordance with the terms of this Agreement other than as set forth in this Paragraph 3.10.

**3.11 Alternate Accommodations if Health Center is Full.** You shall be given priority over nonresidents for care in the Health Center. In the event the Health Center is fully occupied, upon your Agreement, you will be provided care at another health care facility. Upon your relocation, you will continue to be responsible for the charges set forth in this Section 3. You agree to relocate back to the Health Center when accommodations become available.

You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If you choose to relocate to a health center not designated by us, you will pay to us all applicable monthly charges under this Agreement, including the monthly charge for nursing care services. The monthly charges paid for nursing care services under this Agreement will be applied against the charges associated with your stay in a non-designated health center. Any charges for your stay in the non-designated health center in excess of the monthly charges paid by you for nursing care services under this Agreement will be solely your responsibility.

**3.12 Alternate Nursing Care Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If a bed is available in the Health Center and you choose to obtain nursing care from an alternate care facility and not from the Health Center, you will be responsible for making your own arrangements for such alternate accommodations. You will also be responsible for paying the alternate care facility direct for the services and supplies that you will be receiving from it. We will not be responsible for paying for any portion of your care and services. Further, you will continue to pay the Monthly Fee if you choose not to release your Residence.

**3.13 Absence from Pomperaug Woods.** In the event you are absent from Pomperaug Woods or choose to receive care at another health care facility not designated by us, we will not be responsible for any charges incurred by you.

**3.14 Reimbursement of Entrance Fee.** If you (or both of you, if there are two of you) are permanently relocated to the Health Center, this does not qualify you for immediate reimbursement of your Entrance Fee. A repayment as set forth in Paragraph 5.5 will be made after you (or both of you, if there are two of you) have died or this Agreement is canceled.

**3.15 Health Center Agreement.** If you require care in the Health Center, you agree to enter into a separate Health Center Agreement. The Health Center Agreement is available for review.

**4. ENTRANCE FEE.** You will pay to us an Entrance Fee of \$ \_\_\_\_\_ payable as follows:

**4.1 Second Person Entrance Fee.** If there are two of you under this Agreement, you will pay a Second Person Entrance Fee of \$ \_\_\_\_\_. The Second Person Entrance Fee is nonrefundable after 30 days of occupancy.

**4.2 Entrance Fee Deposit.** At the time you execute this Agreement, you will pay a deposit equal to 10% (\$ \_\_\_\_\_) of the total Entrance Fee and Second Person Entrance Fee to reserve your Residence. Payment of your Entrance Fee deposit will be held in escrow pursuant to Connecticut law.

**4.3 Balance of Entrance Fee.** You will pay the remaining balance of the Entrance Fee and Second Person Entrance Fee equal to 90% (\$ \_\_\_\_\_) of the Entrance Fee and Second Person Entrance Fee on the earlier of (i) the date you move to Pomperaug Woods; or (ii) within 90 days after the date you execute this Agreement.



## **5. REIMBURSEMENT OF ENTRANCE FEE.**

**5.1 Nonacceptance.** Except as waived by us after full disclosure, we require that you be at least 62 years of age or residing in the same residence with a resident who is 62 years of age or older, be capable of occupying the Residence with or without reasonable accommodation or reasonable modification as defined in our current Residency Policy, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations hereunder to meet ordinary and customary living expenses after residency. If we do not accept you for residency, the full amount of the Entrance Fee you have paid will be promptly repaid to you, without interest.

**5.2 Right of Rescission Period.** If, prior to residency, you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days from the date you execute this Agreement, this Agreement will automatically cancel. In such event, the Entrance Fee you paid will be repaid to you, without interest, within 60 days of notice, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in a separate addendum to this Agreement. Should you occupy the Residence during the rescission period, any money or property transferred to us will be repaid in full within 60 days following rescission, without interest, except we will retain those periodic charges (including Monthly Fees) set forth in this Agreement which are applicable to the period you occupied the Residence, and any nonstandard charges incurred by us at your request as described in any addendum to this Agreement. If you move to Pomperaug Woods and then cancel prior to the expiration of your right of rescission period, you must vacate the Residence within 30 days after we receive your cancellation notice. You are not required to move into the Residence prior to the expiration of your right of rescission.

**5.3 Cancellation Prior to Occupancy Due to Change in Condition.** If, prior to occupancy, you (or either of you if there are two of you) die, or become unable to occupy your Residence or the Health Center because of illness, injury or incapacity, or you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel. In such event, we will repay to you or to your estate the Entrance Fee or portion thereof (without interest), which you paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in writing in a separate addendum to this Agreement.

**5.4 Cancellation Prior to Occupancy for Reasons Other Than Set Forth in Paragraphs 5.1, 5.2 or 5.3.** If, prior to occupancy, you give us written notice of cancellation and Paragraphs 5.1, 5.2, or 5.3 do not apply, this Agreement will automatically cancel. In such event, we will repay to you the Entrance Fee or portion thereof (without interest), which you have paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain a service fee charge of 2% of the total Entrance Fee, and any nonstandard charges incurred by us at your request and as described in any addendum to this Agreement.

**5.5 Cancellation After Occupancy.** After 30 days of occupancy, the Second Person Entrance Fee is nonrefundable. If you or we cancel this Agreement pursuant to Section 7 or 8, or, in the event of your death (if there are two of you, the death of the survivor), we will repay to you or to your estate, without interest, an amount equal to \_\_\_\_\_% of your Entrance Fee, not to exceed \$\_\_\_\_\_. Any repayment due to you will be delivered to you or your estate upon the earlier of (i) 30 days from our receipt of the then-current total Entrance Fee paid by a new resident for your Residence; or (ii) three years from the date your Residency Agreement is cancelled and your Residence is satisfactorily delivered to us (all personal property and furniture removed and turnover of keys). The Entrance Fee repayment shall be reduced and offset by the following:

**5.5.1 Unreimbursed Health Care Expenses.** The amount of unreimbursed health care expenses incurred by us for your care during the time you live in the Health Center;

**5.5.2 Monthly Fees.** The amount of any Monthly Fees or other sums owed by you to us under this Agreement;

**5.5.3 Other Sums.** The amount of any other sums incurred by us pursuant to your specific request and set forth in a separate addendum; and

**5.5.4 Deferred Monthly Fee or Other Sums.** The amount of any Monthly Fees or other sums deferred by us on your behalf under Paragraph 8.4.

## **6. MONTHLY FEE.**

You will pay a Monthly Fee, which covers the services and amenities listed under Section 1. In addition, you will pay Extra Charges for the additional services and amenities requested by you listed under Section 2.

**6.1 Payment of Monthly Fee.** You will pay the Monthly Fee for your first month of occupancy, or a pro-rated portion thereof, commencing on the earlier of (i) 90 days following the date you execute this Agreement; or (ii) on the date of occupancy. Thereafter, your Monthly Fee is payable in advance on the first day of each month. The current Monthly Fee is \$\_\_\_\_\_ per month for one person and an additional \$\_\_\_\_\_ per month if there are two of you.

**6.2 Monthly Fee Changes.** The Monthly Fee is subject to periodic increases and may be adjusted upon 60 days' written notice by our Board of Directors, in its sole discretion, as necessary to provide for the support and financial needs of operating the Community (or without notice if such change in the Monthly Fee is required by local, state or federal laws or regulations). We utilize bequests or contributions, if any, and the income therefrom, for the benefit of the Community in order to minimize the Monthly Fee, consistent with sound economic principles of operation.

**6.3 Use of Monthly Fee.** The Monthly Fee is used by us only for purposes related to Pomperaug Woods. The amount of the Monthly Fee is intended to provide for the services and amenities outlined in Section 1 and to provide for all other financial requirements of operating the Community. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the Community's support and financial security.

**6.4 Cancellation of Monthly Fee.** The Monthly Fee for your Residence cancels as provided in Section 7 or 8. Except as otherwise provided in Section 7 or 8, you will pay the Monthly Fee until removal of your property from the Residence by you, your representative, or us.

**6.5 Monthly Fee and the Health Center.** If you reside alone and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. If there are two of you and one of you is permanently relocated to the Health Center, the second person Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. If both of you are permanently relocated to the Health Center, your Monthly Fee (first and second person) will be adjusted to the per diem charges then in effect for nursing services in the Health Center.

**6.6 Adjustment of Monthly Fee Due to Absence.** In the event of your absence from the Community, your Monthly Fee will not be adjusted.

**6.7 Late Payment.** We permit a 60 day grace period before the imposition of a late payment charge for failure to pay the Monthly Fee, any Extra Charges or the per diem charges when due. We will charge a late payment charge at the rate of 1.5% per month on total delinquent amounts due. Late payment charges are not compounded and are not included in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. We will waive the 1.5% late payment charge if payment is delayed due to slow processing by your insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Paragraph 8.1 of this Agreement.

**6.8 Monthly Statement.** You will receive a monthly statement from us outlining the Monthly Fee, per diem charges, and any Extra Charges incurred by you.

## **7. YOUR CANCELLATION RIGHTS.**

**7.1 Prior to Occupancy.** Your cancellation rights prior to moving to Pomperaug Woods are described in Paragraphs 5.2, 5.3, and 5.4 of this Agreement.

**7.2 After Occupancy.** After occupancy at Pomperaug Woods, you may cancel this Agreement at any time by giving us 120 days' advance written notice executed by you (or both of you, if there are two of you). In such event, this Agreement cancels at the end of the notice period. You will pay the Monthly Fee until the later of (i) the expiration of such 120 days, or (ii) your vacancy of your Residence or the Health Center, as applicable, and removal of all of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so. You may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5. If you give us notice of cancellation, the notice may not be revoked by you without our written consent.

Upon your death (if there are two of you, the death of the survivor), this Agreement automatically cancels. Your estate will continue to pay your Monthly Fee until the later of (i) your death (if there are two of you, the death of the survivor), or (ii) your vacancy of the Residence or the Health Center, as applicable, and removal of all your personal property. Your estate or family will only be responsible for payment of the Monthly Fee for a period not to exceed 15 days following the date of your death as long as all of your property is removed from the Residence or the Health Center, as applicable. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of your estate, but

we are not obligated to do so. Your estate may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **8. OUR CANCELLATION RIGHTS.**

**8.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause shall exist if:

**8.1.1 Noncompliance.** You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**8.1.2 Nonpayment.** Except as set forth in Paragraph 8.4, nonpayment of fees or charges;

**8.1.3 Threat to Health or Safety.** Health status or behavior which constitutes a substantial threat to the health or safety of yourself, other residents, or others, including your refusal to consent to relocation, or which would result in physical damage to our property or the property of others;

**8.1.4 Change in Condition.** There is a major change in your physical or mental condition and your condition cannot be cared for in the Health Center within the limits of our license; or

**8.1.5 Misrepresentations.** You materially misrepresent your financial condition, your health, and/or your medical history during your application for residency, or any of the warranties contained in Paragraph 10.1 were incorrect at either the time they were made or the time you became a resident of Pomperaug Woods.

**8.2 Notice of Cancellation.** Before any cancellation of this Agreement by us, we will give you notice in writing of the reasons. You will have such time as is stated in the notice (but no less than 30 days after the date of such notice) to correct the problem. If the problem is corrected within such time, this Agreement shall remain in effect. If we determine the problem is not corrected, this Agreement will be canceled by us and you must leave the Community within 14 days after we notify you of our cancellation. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the later of (i) 14 days after we notify you of our cancellation or (ii) the removal of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.3 Emergency Cancellation.** Should your residency at the Community pose an imminent threat of serious harm to you or other residents, and the Medical Director determines that either the giving of notice or the waiting period described in Paragraph 8.2 above might be detrimental to you or other residents, then such notice and/or waiting period will not be required. Under such circumstances, we are expressly authorized to transfer you to an appropriate hospital or other facility, and we will promptly notify your family or representative and your attending physician. After transfer, we will provide you with a notice of cancellation if you are unable to return to your Residence or to the Health Center. If there are two of you under this Agreement and one of you transfers to a hospital or other appropriate facility under the circumstances described in this Paragraph, the other Resident may continue to reside in the Residence or the Health Center under the terms of this Agreement. We are not responsible for any charges related to such transfer or relocation. This Agreement cancels 30 days following notice, unless your condition improves and you subsequently return to your Residence or to the Health Center. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the removal of your property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.4 Financial Difficulty.** If, after you have paid the Entrance Fee, you encounter financial difficulties making it impossible for you to pay the full Monthly Fee and Extra Charges, then:

**8.4.1 Benefits.** You may remain until any applicable Title XVIII Medicare benefits and/or third party insurance benefits received by us on your behalf have been earned; and

**8.4.2 Terms of Stay.** Because it is and shall continue to be our policy to not cancel your residency solely by reason of your financial inability to pay the full Monthly Fee or Extra Charges, you will be able to remain at the Community at a reduced Monthly Fee or with reduced Extra Charges. Any reduction in the Monthly Fee or Extra Charges will be based on your ability to pay for so long as you establish facts to justify deferral of such charges, and the deferral of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis. This provision will not apply if you impair your ability to meet your financial obligations hereunder by transfer of assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, Medicare Part D, and/or supplemental insurance coverage. In determining whether you establish facts to justify deferment of your Monthly Fee or Extra Charges, we will consider factors, such as and including but

not limited to, whether you submitted a correct Confidential Data Application, whether you made gifts of your property after the date of this Agreement which impaired your ability to meet your financial obligations, and whether you have breached any of your promises or representations to us. If you qualify for a reduced Monthly Fee or reduced Extra Charges, you agree to enter into a special Amendment to Residency Agreement with us at the time of such deferrals to reflect the reduced charges currently payable. Any payments otherwise due to you from us, including the repayment of your Entrance Fee, will be offset against any deferred charges.

**8.5 Reimbursement of Entrance Fee.** If we cancel this Agreement as provided in this Section 8, you may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **9. MISCELLANEOUS PROVISIONS REGARDING YOUR RESIDENCE.**

**9.1 Use of the Residence.** Your Residence is for living only and shall not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and only grants you the lifetime use of the Residence, use of the site amenities, and access to available services, subject to the terms and conditions of this Agreement.

**9.2 Duration of Your Right to Occupy the Residence.** You may reside in your Residence for as long as you (either of you) live unless you (both of you, if there are two of you) are not capable of occupying a residence with or without reasonable accommodation or modification, or this Agreement is canceled by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that nursing services be given, you will be requested to relocate to the Health Center where we are licensed to provide such care. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If it is determined that you require hospitalization or care in another facility, we will assist in the coordination of your transfer to such appropriate facilities. Community staff will not accompany a resident to the hospital or other care facility.

**9.3 Occupants of the Residence.** Except as hereinafter provided, no person other than you (or both of you, if there are two of you) may occupy the Residence except with our express written approval. In the event that a second

person who is not a party to this Agreement wishes to be accepted for residency under this Agreement after the date we execute this Agreement, said second person's acceptance will be based upon our then-current Residency Policy. If accepted, said person shall pay the then-current second person Entrance Fee and the then-current second person Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Residence for more than 30 days (except with our express written approval), and you may cancel this Agreement as provided in Paragraph 7.2.

**9.4 Changes in Residence.** Should it be necessary to make modifications to your Residence or to other areas of the Community to meet the requirements of any applicable law or regulation, and such modifications require you to temporarily vacate your Residence, we will provide alternate accommodations for you, within or outside the Community, without additional charge to you, for any period during which your Residence is not habitable.

**9.5 Furnishings.** Furnishings within the Residence will not be provided by us except as stated in Section 1. Furnishings provided by you shall not interfere with your health or safety, or the health or safety of other residents or others.

**9.6 Emergency Entry and Relocation.** We may enter your Residence should it be necessary in an emergency to protect your health or safety or that of other residents. If emergency relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence or to the Health Center (or to a hospital or other care facility if we cannot provide the care you need in the Health Center) for the protection of your health or safety or for the health or safety of the other residents of the Community. Community staff will not accompany a resident to the hospital or other care facility.

**9.7 Alterations by You.** You may not make any alterations to your Residence without our prior written approval. We reserve the right, upon release of the Residence because you moved to the Health Center, or upon cancellation of this Agreement for any reason, to require that any alterations made by you be removed, and that the Residence be restored to its original condition at your expense. If you fail to do so, we may remove any such alterations, restore the Residence to its original condition, and withhold the charges of any such restoration from any Entrance Fee repayment due to you or your estate.

**9.8 Refurbishment.** Customary and normal refurbishment costs of your Residence will be borne by us. Any refurbishment costs beyond those which are customary and normal will be paid by you.



**9.9 Guests.** No one other than you shall have a right of occupancy in the Residence without the written consent of the Executive Director, unless otherwise permitted pursuant to policies established by us. The intent of the policies shall be to permit stays of short duration by your guests where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

**9.10 Disposition of Personal Property.** If you or your estate have not removed your property from the Residence in accordance with the terms of this Agreement, we may store your property at the expense and risk of you or your estate, but we are not obligated to do so.

## **10. REPRESENTATIONS.**

**10.1 Your Representations.** You represent and warrant to us the following:

**10.1.1** You are at least 62 years of age or applying for residency with a person who is 62 or older.

**10.1.2** You are capable of occupying a residence with or without reasonable accommodation or modification as defined in our current Residency Policy.

**10.1.3** You have assets and income which are sufficient under foreseeable circumstances and after provisions for payment of your obligations under this Agreement, to meet ordinary and customary living expenses after assuming occupancy at Pomperaug Woods.

**10.1.4** All facts stated by you in your application for residency are true and complete.

**10.1.5** You have not made any gift of your property in contemplation of executing this Agreement.

**10.2 Our Representations.** We represent and warrant to you that we are a not-for-profit corporation. We are not affiliated with any religious or other charitable organization.

## **11. PROMISES.**

### **11.1 Our Promises.** We promise the following:

**11.1.1** To not cancel this Agreement without just cause as specified in Paragraph 8.1;

**11.1.2** To operate as a charitable organization;

**11.1.3** To not cancel your residency solely by reason of your financial inability to pay the total Monthly Fee or Extra Charges as specified in Paragraph 8.4 above; and

**11.1.4** To abide by all other terms of this Agreement.

### **11.2 Your Promises.** You promise to do the following:

**11.2.1** To comply with all of our published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**11.2.2** To pay the Entrance Fee, Monthly Fee, per diem charges, and any Extra Charges provided for by this Agreement;

**11.2.3** To provide within 60 days after you occupy the Residence for the disposition of your personal property located at the Community, and to make funeral and burial arrangements at your expense;

**11.2.4** To not voluntarily take any action which could impair your ability to meet your financial obligations to us under this Agreement without our consent; and

**11.2.5** To abide by all other terms of this Agreement.

## **12. MISCELLANEOUS LEGAL PROVISIONS.**

### **12.1 Nature of Rights.** You understand and agree that:

**12.1.1** This Agreement or your rights under it (including the use of the Residence) may not be assigned, and no rights or benefits under this Agreement shall

inure to the benefit of your heirs, legatees, assignees or representatives, except as to receipt of the amounts described in Section 5;

**12.1.2** This Agreement and your contractual right to occupy the Residence shall exist and continue to exist during your lifetime unless canceled pursuant to Section 7 or 8 or until your permanent transfer to the Health Center;

**12.1.3** This Agreement grants you the right to occupy and use space at the Community, but does not give you exclusive possession of the Residence against us, and you have no entitlement to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law;

**12.1.4** This Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and

**12.1.5** This Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

**12.2 Release.** We are not responsible for loss of or damage to your property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees. You hereby release us from any such liability. You may want to obtain insurance at your expense to protect against such losses. You will also be responsible for your individual tax obligations.

**12.3 Transfers.** If financially beneficial to us, the Community (or land upon which it is located) may be sold and leased back or assigned and leased back, but no such transaction would in any way alter our contractual obligations to you.

**12.4 Indemnity.** We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

**12.5 Reimbursement for Loss or Damage.** You or your representative, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional careless, or negligent acts or omissions or that of your guests.

**12.6 Subordination.** You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering Pomperaug Woods, which have been or will be executed

by us. Upon request, you agree to execute, acknowledge and deliver to such lender(s) such further written evidence of such subordination as such lender(s) may reasonably require. Except to the extent of your obligation to pay the Monthly Fee, you will not be liable for any such indebtedness.

**12.7 Amendments.** This Agreement may be modified by us at any time in order to comply with future laws and regulations or changes in current laws and regulations applicable to this Agreement, or upon mutual agreement between the parties. No amendment or modification of this Agreement will be valid unless in writing and executed by you and us.

**12.8 Governing Law.** This Agreement will be governed, interpreted, and construed according to the laws of the State of Connecticut.

**12.9 Separability.** The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement.

**12.10 Resident.** When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

**12.11 Capacity.** We are organized under the general non-profit corporation law of the State of Connecticut. This Agreement has been executed by our duly authorized agent, and no officer, director, agent or employee shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.12 Entire Agreement.** This Agreement and any addenda or exhibits hereto contain our entire understanding with respect to your residency.

**12.13 Responsible Party.** You agree to execute and deliver to us within sixty (60) days after assuming occupancy of your Residence a Durable Power of Attorney, trust document, or other documentation naming a responsible party for business and financial decision making. These documents should be drafted to remain effective notwithstanding your incompetence or disability. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of Pomperaug Woods.

**12.14 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, as more fully explained in our Disclosure Statement.

**12.15 Nonwaiver.** If we fail to insist in any instance upon performance of any of the terms, covenants, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions. Your obligations with respect to such future performances shall continue in full force and effect.

**12.16 Reimbursement of Costs.** You agree to reimburse us for any costs we incur to collect any unpaid amounts you owe to us under this Agreement.

**12.17 Arbitration.** You agree that any dispute, claim or controversy of any kind between the parties arising out of, in connection with, or relating to this Agreement and any amendment hereof, or the breach hereof, which cannot be resolved by mutual agreement or in small claims court, will be submitted to and determined by arbitration in New Haven County, Connecticut in accordance with the Federal Arbitration Act and the then-current commercial arbitration rules of the Federal Arbitration Act. You and we will jointly agree on an arbitrator and the arbitrator will be selected according to the procedure set forth in State law, if applicable. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Any direct arbitration costs incurred by you will be borne by you. Costs of arbitration, including our legal costs and attorneys' fees, arbitrators' fees, and similar costs, will be borne by all residents of Pomperaug Woods, provided that the arbitrator may choose to award the costs of arbitration against us if the arbitrator determines that the proposed resolution urged by us was not reasonable. If the issue affects more than one resident, we may elect to join all affected residents into a single arbitration proceeding, and you hereby consent to such joinder.

You may withdraw your agreement to arbitrate within 30 days after executing this Agreement by giving written notice of your withdrawal to us. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

\_\_\_\_\_  
Initials

\_\_\_\_\_  
Initials

**12.18 Force Majeure.** The occurrence of an event which materially interferes with the ability of Community to perform its obligations or duties hereunder which is not within the reasonable control of Community or any of its Affiliates, and which could not with the exercise of diligent efforts have been avoided (“Force Majeure Event”), including, but not limited to, war, rebellion, natural disasters (including floods, earthquake, fire, hurricanes, windstorms, tornadoes), accident, strike, riot, civil commotion, act of God, pandemic, epidemic, outbreak of infectious diseases or other public health crisis, including quarantine or other employee restrictions, acts of authority or change in Law, shall not relieve Community from the performance of its obligations or duties under this Agreement, but shall merely suspend such performance during the Force Majeure Event. Community shall promptly notify Resident of the occurrence and particulars of such Force Majeure Event and shall provide Resident, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. Community shall use diligent efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable. Upon termination of the Force Majeure Event, the performance of any suspended obligation or duty shall recommence upon the implementation by Community of its reconstituted operations. Community shall not be liable to Resident for any default, breach or damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason of the occurrence of a Force Majeure Event, provided Community complies in all material respects with its obligations under this Section.

**12.19 Private Employees of Resident.** If you need additional services, you can obtain those services from a private employee, an independent contractor, or through an agency. In such instances, we strongly advise you to obtain services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers and ensure that your private employee, independent contractor, or person you engage through an agency complies with our personal service provider policy and rules of conduct set forth therein. If you fail to follow or enforce the policy and rules of conduct, we may elect, at our sole option, to cancel this Agreement.

**12.20 Notices.** Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director

of Pomperaug Woods at 80 Heritage Road, Southbury, CT 06488. Such notices shall be dated and signed.

Any notice required to be given to you will be delivered to you at your Residence unless you have provided a different address to us in writing.

**12.21 Survival of Representations and Obligations.** Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed to us, and your agreement to indemnify us as set forth in Paragraph 12.4, and our representations and obligations under this Agreement, will survive any cancellation of your residency, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

**12.22 Resident Rights.** As a Resident, you have certain rights under the Connecticut continuing care law (see Conn. Gen. Stat. §17b-520 *et. seq.*), a copy of which is available upon request. You also have certain additional rights because we are registered with the Department of Public Health as a managed residential community. A copy of the Managed Residential Community Residents' Bill of Rights is attached hereto as Attachment C.

**12.23 Compliance with Laws and Regulations.** We will comply with all applicable Municipal, State, and Federal laws and regulations regarding consumer protection and protection from financial exploitation.

**12.24 Complaint Resolution Process.** We have established a complaint resolution process for residents and families, which is attached hereto as Attachment D. Residents and families may use the complaint resolution process without fear of reprisal of any kind.

**13. RESIDENT HANDBOOK.** We have adopted certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. This information can be found in the Resident Handbook, a copy of which is provided to each resident upon residency at Pomperaug Woods. We may revise the Resident Handbook from time to time and copies of any revisions are provided to the residents. Upon receipt of the Resident Handbook, you agree to execute an Acknowledgment form, a copy of which is attached hereto as Attachment E. Your executed Acknowledgment form will be placed in your resident file.

*[Signature Page Follows]*





**14. ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS.** You hereby certify that you received a copy of this Agreement and a copy of our latest disclosure statement before the date hereof, and have been permitted to inspect any additional relevant materials requested to be reviewed by you or your representatives prior to executing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

POMPERAUG WOODS, INC.

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Witness

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

**Attachments:**

- A – Resident Health Services Program
- B – List of Extra Charges
- C – Managed Residential Community Residents' Bill of Rights
- D – Complaint Resolution Process
- E – Acknowledgment of Receipt of Resident Handbook



2022/02/11

Return of Capital (Fee for Service) (2022-02-11) URM Ready



*Resident Health Services Program*

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Pomperaug Woods offers residents the opportunity to “bridge the gap” between total independence and the need for assistance with activities of daily living and nursing care in their homes. Through the Resident Health Services Program, residents can receive the medical services they need especially for them.

**Eligibility for Services**

Any resident whose condition is classified as **chronic and stable** by their primary physician may receive services through the Resident Health Services Department. These services may include assistance with activities of daily living and/or nursing services in order to maximize the resident’s level of independent living.

**Non-Eligibility for Services**

When a resident’s condition is not considered chronic and stable, a nurse from the Resident Health Services Department will discuss with the resident and the resident’s primary physician the health issue and make suggestions for the resident either to receive services in his/her residence through a licensed home care agency or possibly be admitted to a skilled nursing facility.

A resident who receives services from a licensed home care agency is responsible for those fees privately. However, a home care agency will assess a resident to determine if a resident is eligible for services provided through Medicare. Any services provided in excess of Medicare’s allowable time is at the resident’s expense.

**Hospice**

Residents who are eligible may also receive hospice services within their homes.

**Office Hours**

Nurse on duty daily 8 am - 4 pm

Aide on duty daily 8 am - 8 pm

Health Center responds to emergency calls from 8 pm - 8 am

Resident Health Services phone: 203-262-6555

## ATTACHMENT B



### **Attachment B**

### **Pomperaug Woods Additional Charges**

October 1, 2019 - September 30, 2020

|   |                            |
|---|----------------------------|
| <b>Food and Beverage</b>  |                            |
| • Resident additional meal  | \$20.00                    |
| • Guest meal  | \$22.00 + tax              |
| • Guest meal using meal credit (tax)  | \$ 2.00                    |
| • Holiday guest meals<br><i>New Year's, Christmas, Easter, Thanksgiving</i> | \$30.28                    |
| • Holiday guest meals using meal credit                                     | \$10.81                    |
| • Meal absence credit per 30 days   | \$161.50                   |
| <b>Guest Services</b>   |                            |
| • Guest room per day  | \$98.80 + tax              |
| • Cot rental per day  | \$10.50                    |
| <b>Carports</b>   |                            |
| • Annual fee  | \$399                      |
| • Monthly fee   | \$52.50 month              |
| <b>Health Center</b>  |                            |
| • Semi-private room (non-Life Care)   | \$476                      |
| • Private room premium per day (non-Life Care)                              | \$539                      |
| • Private room (Life Care)  | \$ 63                      |
| • Life Care additional meal charge per day                                  | \$ 40.00                   |
| <b>Resident Health Services</b>   |                            |
| • Apartment nursing services  | \$21.25 per 15 min         |
| • Apartment aide service  | \$9.35 per 15 min.         |
| • Instalert unit installation   | \$300 one-time fee         |
| • Lost pendant replacement  | \$150                      |
| <b>Home Assisted Living</b>   |                            |
| • Assisted Living fee   | \$1,433 per month          |
| • Initial ALSA admission fee  | \$350                      |
| • 120 day ALSA/Change of condition  | \$78                       |
| • Extra meal charge per day   | \$40                       |
| <b>Transportation (between 7 am -7 pm)</b>                                  |                            |
| • Local fee (1 hour min.)   | \$ 21.50 hr.               |
| • Long distance (1 hour min.)<br>mile                                       | \$21.50 hr. + .58 cent per |
| • Transportation (7pm -7am)   | \$100 + hourly rate        |
| <b>Housekeeping and Maintenance</b>   |                            |
| • Personal laundry (per load)   | \$ 18.54                   |
| • Extra housekeeping services (per hour)                                    | \$ 19.00                   |

## ATTACHMENT B

- Apartment and outdoor key replacement \$ 8 per key
- Replacement of mail key \$ 8 per key
- Additional maintenance services (plus supplies) \$19.00 hr.

## ATTACHMENT C



### **MANAGED RESIDENTIAL COMMUNITY RESIDENTS' BILL OF RIGHTS**

You have the right to:

- Live in a clean, safe and habitable private residential unit (the "Residence");
- Be treated with consideration, respect and due recognition of your personal dignity, individuality and the need for privacy;
- Privacy within your Residence, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Retain and use your personal property within your Residence so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- Private communications, including receiving and sending unopened correspondence, telephone access and visiting with persons of your choice;
- Freedom to participate in and benefit from Community services and activities so as to achieve the highest possible level of independence, autonomy and interaction within the community;
- Directly engage or contract with licensed health care professionals and providers of your choice to obtain necessary health care services in your Residence, or such other space in the Community as may be available to residents for such purposes;
- Manage your own financial affairs;
- Exercise civil and religious liberties;
- Present grievances and recommend changes in policies, procedures and services to our Executive Director or staff, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from the Community, including access to representatives of the

Department of Public Health or the Office of the Long-Term Care Ombudsman;

- Upon request, obtain the name of the Resident Health Services Director or any other persons responsible for resident care or the coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;
- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility or educational institution to the extent that such relationship relates to resident medical care or treatment and to receive an explanation about the relationship;
- Receive a copy of any rules or regulations of the Community;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community; and
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws. If you rent your Residence, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

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

Department of Public Health  
Faculty Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308  
MS#12HSR  
Hartford, CT 06134-0308

Information/General: Loan Nguyen  
Supervising Nurse Consultant (860) 509-7400

Complaints: Donna Ortelle, R.N.  
Public Health Services Manager (860) 509-7400  
Nancy Shaffer, State Long Term Care Ombudsman  
Office of the Long Term Care Ombudsman  
25 Sigourney Street  
Hartford, CT 06106  
(866) 388-1888 or (860) 424-5200

Dan Lerman, Regional Ombudsman  
Long-Term Care Ombudsman Program  
249 Thomaston Avenue  
Waterbury, CT 06702  
(203) 597-4181  
1-866-388-1888

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

Please sign below to acknowledge that we have provided you with a copy of the Managed Residential Community Residents' Bill of Rights and explained them to you.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

## **ATTACHMENT D**



### **POMPERAUG WOODS COMPLAINT RESOLUTION PROCESS**

#### **Policy:**

Residents are free to communicate grievances to the staff of Pomperaug Woods without restraint, interference, coercion, discrimination, or reprisal. All grievances will be properly documented and responded to. In the event a Resident is dissatisfied with treatment or services received at Pomperaug Woods, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

#### **Procedures:**

Below are the procedures for a Resident or his/her representative to follow in order to file a grievance with Pomperaug Woods. We reserve the right to change these procedures in order to better accommodate our Residents:

1. The grievance may be filed in writing with the Department Director of the area where the grievance occurs. Assistance, if necessary, will be available through Resident Services and/or the Administration office.
2. Information contained in the grievance will include the following:
  - Description of the grievance;
  - A list of all parties involved; and
  - Dates of specific incidents related to the grievance.
3. The Department Director will acknowledge in writing receipt of the grievance within five business days and provide the Resident or his/her representative with a time frame for an appropriate response.
4. If the grievance remains unresolved for 30 days after initial submission, the Department Director will address the grievance with the Executive Director.



5. The Executive Director will address, in writing, the grievance within 10 business days.
6. If the grievance remains unresolved for 60 days after the initial submission, the Executive Director will address the grievance with the Board of Directors of Pomperaug Woods and with the Management Company's Vice President.
7. The Board of Directors of Pomperaug Woods and the Management Company's Vice President will address the grievance within 10 business days.
8. If the grievance remains unresolved, the Resident will be informed of his/her right to contact appropriate State agencies, the State Long-Term Care Ombudsman or the Regional Long-Term Care Ombudsman.
9. All attempts at resolution will be documented in writing to the Resident with copies on file in the Administration office.

**ATTACHMENT E**



**POMPERAUG WOODS**

**Acknowledgment of Receipt of Resident Handbook**

I, the undersigned, acknowledge receipt of the Pomperaug Woods Resident Handbook dated \_\_\_\_\_, 20\_\_\_\_, which contains certain rules, policies, and guidelines in order to promote the health, safety and welfare of the residents of Pomperaug Woods.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

**EXHIBIT C-4**

**DECLINING BALANCE PLAN RESIDENCY AGREEMENT  
(Fee-for-Service)**



**Pomperaug Woods**  
**Southbury, Connecticut**

**Declining Balance**  
**Residency Agreement**  
**(Fee-for-Service)**

2022/02/11

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Attachment B – List of Extra Charges

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## GLOSSARY

The following terms are described as used in the accompanying Residency Agreement. Reference to the Residency Agreement and the context in which the terms are used is recommended to provide a fuller understanding of each of the terms:

**"Agreement"** refers to this Residency Agreement between the Resident and Pomperaug Woods, Inc., which delineates the contractual obligations of Pomperaug Woods, Inc. to the Resident for services and amenities provided by Pomperaug Woods.

**"Health Center"** refers to the portion of Pomperaug Woods, which is licensed to provide skilled nursing care as identified in Section 3 of this Agreement.

**"Entrance Fee"** refers to the fee paid to Pomperaug Woods, Inc. pursuant to Section 4 of this Agreement.

**"Extra Charges"** refers to the extra charges payable in consideration for the additional services and amenities set forth in Section 2 of this Agreement.

**"Managed Residential Community"** refers to a community registered with the Connecticut Department of Public Health in order to offer certain resident health services provided by a licensed assisted living services agency to residents. Pomperaug Woods is registered as a managed residential community.

**"Medical Director"** refers to a member in good standing of the New Haven County Medical Society, designated by us as the physician of the Health Center, who is available for emergency calls and consults with the Pomperaug Woods staff on medical issues.

**"Monthly Fee"** refers to that fee payable in consideration for the services and amenities provided to residents, as set forth in Section 1 of this Agreement. The Monthly Fee includes a second person fee if there are two Residents.

**"Occupancy"** refers to the earlier of the date you move to Pomperaug Woods or pay the balance of the Entrance Fee.

**"Personal Service Provider"** refers to a private employee, an independent contractor, or a licensed home health care agency that may be contracted by the



Resident to provide additional personal services requested or required by the Resident, which are not covered by the Residency Agreement.

**"Personal Service Provider Policy"** refers to the policy established by Pomperaug Woods, which sets forth the guidelines of conduct which must be followed by any Personal Service Provider providing services to residents of Pomperaug Woods.

**"Pomperaug Woods" or "Community"** refers to the life care senior living community located in Southbury, Connecticut, including the residences, the Health Center, the common areas, and site amenities.

**"Pomperaug Woods, Inc." or "we" or "our" or "us"** refers to the owner of the life care senior living community known as Pomperaug Woods, including the residences, the Health Center, the common areas, and the site amenities associated with these areas. Pomperaug Woods, Inc. is a Connecticut not-for-profit corporation.

**"Residence"** refers to the residence identified in the introductory paragraph of this Agreement, which you are entitled to occupy in exchange for paying the Entrance Fee and the Monthly Fee.

**"Residency Policy"** refers to that policy developed by Pomperaug Woods, Inc., which outlines the requirements for initial residency at Pomperaug Woods.

**"Resident" or "you"** refers to the resident or residents who execute this Agreement. Sometimes a second resident (if there are two of you) is referred to in the Agreement as the "second person." Unless otherwise indicated, "you" refers to both of you if there are two of you.

**"Second Person Entrance Fee"** refers to the fee identified in Section 4.3 and paid to Pomperaug Woods when a second person occupies the Residence.



## **Pomperaug Woods**

### **Declining Balance Residency Agreement (Fee-for-Service)**

This Residency Agreement ("Agreement") is entered into by Pomperaug Woods, Inc. ("we," "us," or "our") and \_\_\_\_\_ (individually or collectively, "you," "your," or "Resident"). Pomperaug Woods (the "Community") is a life care senior living community owned and operated by us, and located at 80 Heritage Road; Southbury, CT 06488.

We will provide residential housing for people 62 or older, along with a wide array of services and amenities outlined in this Agreement. Subject to the conditions contained in this Agreement, we agree to make available to you the Residence described as follows:

Residence Number: \_\_\_\_\_

Residence Style: \_\_\_\_\_

As a Resident, you are offered lifetime use of your Residence and long-term nursing care in our Health Center, all in accordance with the terms of this Agreement.

To be accepted for residency, you must meet our residency criteria, which includes: having reached the age of 62 (or applying for residency with another person who is 62 or older); financial guidelines; and the ability to occupy a residence, with or without reasonable accommodation or reasonable modification.

The purpose of this Agreement is to set forth your rights and duties as a Resident of Pomperaug Woods and to delineate the services and amenities to be provided.

## **1. SERVICES AND AMENITIES PROVIDED TO RESIDENTS.**

For as long as you occupy the Residence, we will furnish the following services and amenities, which are included in the Monthly Fee:

- 1.1** One (1) full meal per day in our dining venues;
- 1.2** Special diet and tray service to be provided upon order of the Medical Director or Director of Nursing Service;
- 1.3** Air conditioning, heating, electricity, water, and trash disposal;
- 1.4** Maintenance of buildings and grounds;
- 1.5** On-site security personnel;
- 1.6** Weekly housekeeping;
- 1.7** Weekly laundry of flat linens;
- 1.8** Washer and dryer (in many residences, but not in all), and availability of laundry facilities;
- 1.9** Planned events -- social, cultural, educational, spiritual, and recreational -- for those who wish to participate (a list of activities is available at the front desk);
- 1.10** One (1) parking space per Resident provided you have a car and a valid operator's license;
- 1.11** Refrigerator, range, microwave, garbage disposal and dishwasher, except that there will be no dishwasher in a one-bedroom studio residence;
- 1.12** Scheduled local transportation (listed on the monthly calendar located at the front desk);
- 1.13** Local telephone service;
- 1.14** Emergency call system and emergency nursing services;
- 1.15** Use of site amenities;

**1.16** Emergency calls by the Medical Director when summoned by designated Health Center staff; and

**1.17** Priority access to nursing services (including personal care) in the Health Center, as outlined in Section 3.

**2. ADDITIONAL SERVICES AND AMENITIES PROVIDED FOR AN EXTRA CHARGE.**

At your request and for as long as you occupy the Residence, we will also make available to you the following additional services and amenities at the then prevailing rates of Extra Charge:

**2.1** Personal laundry;

**2.2** One or two additional meals per day in our dining venues;

**2.3** Carports, when available;

**2.4** Guest dining;

**2.5** Guest accommodations, when available;

**2.6** Special events transportation;

**2.7** Additional housekeeping;

**2.8** Certain other services, as available from time to time, such as Medical Director services, medicine, drugs, prescribed therapy, nursing supplies, and other miscellaneous supplies and services associated with medical treatment;

**2.9** Other optional services related or unrelated to care in the Health Center as approved by us; and

**2.10** Nursing services in either private or semi-private accommodations in the Health Center, if available.

A list of current Extra Charges for these additional services and amenities is attached to this Agreement as Attachment B. These Extra Charges are subject to change at our discretion. A list of the most current Extra Charges can be obtained from the Health Center Social Services/Admissions Director.

### **3. THE POMPERAUG WOODS HEALTH CENTER.**

**3.1 Accommodations in the Health Center.** You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. We will provide you with priority over nonresidents for admission to our Health Center on a space available basis. If, in the opinion of your attending physician or the Medical Director, after consultation with you (to the extent possible), your family or your responsible party, you require nursing care, you will be requested to relocate to the Health Center (either temporarily or permanently). Nursing care will be provided in semi-private accommodations, unless either (i) only private accommodations are available; or (ii) private accommodations are medically necessary. If private accommodations are not medically necessary and semi-private accommodations are available, you may still choose to occupy private accommodations (if available) as long as you agree to pay the difference between the charges for private and semi-private accommodations. This applies regardless of whether you are in the Health Center or another health center on an interim basis. At our sole discretion, if private accommodations in which you are residing are needed for semi-private use, you agree to reside in semi-private accommodations until private accommodations are once again available (unless private accommodations are medically necessary).

**3.2 Temporary Relocation to the Health Center.** If you (both of you if there are two of you) are temporarily relocated to the Health Center, you will continue to pay your Monthly Fee (first and second person) for your Residence, plus the per diem charges then in effect for nursing services in the Health Center, charges for physician services and any additional health services as described in Paragraph 3.8.

**3.3 Permanent Relocation to the Health Center When There is One of You.** If there is one of you and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. You will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph 3.8.

**3.4 One Permanently Relocated to the Health Center When There Are Two of You.** If there are two of you and one of you is permanently relocated to the Health Center, the second person Monthly Fee will be adjusted to the per diem charges then in effect for nursing services received by the Resident in the Health Center. The Resident in the Health Center will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph

3.8. The Resident who remains in the Residence will continue to pay the first person Monthly Fee for the Residence.

**3.5 Both Permanently Relocated to the Health Center When There Are Two of You.** If both of you are permanently relocated to the Health Center, your Monthly Fee (first and second person) will be adjusted to the per diem charges then in effect for nursing services in the Health Center. Each of you will also be responsible for the charges for physician services and any additional health services as outlined in Paragraph 3.8.

**3.6 Our Right to Reassign Your Residence.** Following your permanent relocation (permanent relocation of both of you, if there are two of you) to the Health Center, we shall have the right to reassign your Residence for residency by others. Under such circumstances, you agree to have your property removed from the Residence as of the date you are permanently relocated to the Health Center (provided we give you 30 days' prior written notice of permanent relocation). If your property is not removed from the Residence within 30 days after the date notice is delivered to you of your permanent relocation to the Health Center, then we may, in our sole discretion, either charge you an additional Monthly Fee for each month thereafter during which such property remains in the Residence or remove and store such property at the expense and risk of you or your estate. Any such continuing Monthly Fee shall be equal to the amount of your then-current Monthly Fee as adjusted from time to time.

**3.7 Return to Residence.** If you released your Residence because you relocated to the Health Center, and if later you are able, in the opinion of the Medical Director, to return to a residence, we will provide you a residence of the same type as your prior residence as soon as one becomes available. Upon reoccupying such residence, your Monthly Fee will be based on the then-current charges for such residence as adjusted from time to time.

**3.8 Medical Director, Attending Physician, and Additional Health Services.** We have designated a member in good standing of the New Haven County Medical Society to act as Medical Director for the Health Center. You are at liberty to engage the services of the Medical Director or the services of any other physician of your choice at your own expense. The Medical Director or another physician will be on emergency call. We will not be responsible for the charges for medical treatment by the Medical Director or any other physician, nor will we be responsible for the charges for medicine, drugs, prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment. If we incur or advance payment for your treatment or for medicine, drugs,

prescribed therapy, personal laundry, nursing supplies, and other miscellaneous supplies and services associated with medical treatment (even though this treatment is given at the direction of your attending physician or the Medical Director without your prior approval), you will promptly reimburse us for such payments.

**3.9 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, Medicare Part D and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in the Health Center. If you are not eligible for Medicare Part D or if you choose not to participate in Medicare Part D, you agree to maintain a health insurance policy that provides creditable prescription drug coverage. Such supplemental insurance should cover Medicare co-insurance and deductibles. You will furnish to us such evidence of coverage as we may from time to time request. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in the Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Health Center, you will be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Health Center. If failure to maintain Medicare Part A, Medicare Part B, Medicare Part D, or supplemental health insurance causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as described in Paragraph 8.4, and we retain the right to revoke your right to reside at Pomperaug Woods and cancel this Agreement as provided in Section 8.

**3.10 Managed Care.** If you choose to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, then the terms governing care in the Health Center will be as follows:

**3.10.1 Participating Provider.** If we are a participating provider with your managed care program and your stay is a Medicare-qualified stay, we agree to accept, as full payment, reimbursement at the rate negotiated with your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive services at a managed care participating provider during a Medicare-qualified stay, then you understand and agree that you must relocate for as long as necessary for those services, and be responsible for all charges for those services. In addition, while

receiving services at the managed care participating provider, you will continue to pay the Monthly Fee for your Residence, unless you cancel this Agreement. Further, you will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.3 Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate an acceptable reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept, as full payment, the rate provided by your managed care program. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.4 No Negotiated Managed Care Rate.** If we are not a participating provider with your managed care program and a negotiated rate is not agreed upon between your managed care program and us, and you desire to receive care in the Health Center during a Medicare-qualified stay, you agree to pay the per diem charge for your care in the Health Center and the Monthly Fee for your Residence. You will continue to be responsible for the charges outlined in Paragraph 3.8.

**3.10.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to care in the Health Center in accordance with the terms of this Agreement other than as set forth in this Paragraph 3.10.

**3.11 Alternate Accommodations if Health Center is Full.** You shall be given priority over nonresidents for care in the Health Center. In the event the Health Center is fully occupied, upon your Agreement, you will be provided care at another health care facility. Upon your relocation, you will continue to be responsible for the charges set forth in this Section 3. You agree to relocate back to the Health Center when accommodations become available.

You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If you choose to relocate to a health center not designated by us, you will pay to us all applicable monthly charges under this Agreement, including the monthly charge for nursing care services. The monthly charges paid for nursing care services under this Agreement will be applied against the charges associated with your stay in a non-designated health center. Any charges for your stay in the non-designated health center in excess of the monthly charges paid by you for nursing care services under this Agreement will be solely your responsibility.



**3.12 Alternate Nursing Care Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If a bed is available in the Health Center and you choose to obtain nursing care from an alternate care facility and not from the Health Center, you will be responsible for making your own arrangements for such alternate accommodations. You will also be responsible for paying the alternate care facility direct for the services and supplies that you will be receiving from it. We will not be responsible for paying for any portion of your care and services. Further, you will continue to pay the Monthly Fee if you choose not to release your Residence.

**3.13 Absence from Pomperaug Woods.** In the event you are absent from Pomperaug Woods or choose to receive care at another health care facility not designated by us, we will not be responsible for any charges incurred by you.

**3.14 Reimbursement of Entrance Fee.** If you (or both of you, if there are two of you) are permanently relocated to the Health Center, this does not qualify you for immediate reimbursement of your Entrance Fee. A repayment as set forth in Paragraph 5.5 will be made after you (or both of you, if there are two of you) have died or this Agreement is canceled.

**3.15 Health Center Agreement.** If you require care in the Health Center, you agree to enter into a separate Health Center Agreement. The Health Center Agreement is available for review.

**4. ENTRANCE FEE.** You will pay to us an Entrance Fee of \$ \_\_\_\_\_, payable as follows:

**4.1 Second Person Entrance Fee.** If there are two of you under this Agreement, you will pay a Second Person Entrance Fee of \$ \_\_\_\_\_. The Second Person Entrance Fee is nonrefundable after 30 days of occupancy.

**4.2 Entrance Fee Deposit.** At the time you execute this Agreement, you will pay a deposit equal to 10% (\$ \_\_\_\_\_) of the total Entrance Fee and Second Person Entrance Fee to reserve your Residence. Payment of your Entrance Fee deposit will be held in escrow pursuant to Connecticut law.

**4.3 Balance of Entrance Fee.** You will pay the remaining balance of the Entrance Fee and Second Person Entrance Fee equal to 90% (\$ \_\_\_\_\_) of the Entrance Fee and Second Person Entrance Fee on the earlier of (i) the date you move to Pomperaug Woods; or (ii) within 90 days after the date you execute this Agreement.

## **5. REIMBURSEMENT OF ENTRANCE FEE.**

**5.1 Nonacceptance.** Except as waived by us after full disclosure, we require that you be at least 62 years of age or residing in the same residence with a resident who is 62 years of age or older, be capable of occupying the Residence with or without reasonable accommodation or reasonable modification as defined in our current Residency Policy, and have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations hereunder to meet ordinary and customary living expenses after residency. If we do not accept you for residency, the full amount of the Entrance Fee you have paid will be promptly repaid to you, without interest.

**5.2 Right of Rescission Period.** If, prior to residency, you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days from the date you execute this Agreement, this Agreement will automatically cancel. In such event, the Entrance Fee you paid will be repaid to you, without interest, within 60 days of notice, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in a separate addendum to this Agreement. Should you occupy the Residence during the rescission period, any money or property transferred to us will be repaid in full within 60 days following rescission, without interest, except we will retain those periodic charges (including Monthly Fees) set forth in this Agreement which are applicable to the period you occupied the Residence, and any nonstandard charges incurred by us at your request as described in any addendum to this Agreement. If you move to Pomperaug Woods and then cancel prior to the expiration of your right of rescission period, you must vacate the Residence within 30 days after we receive your cancellation notice. You are not required to move into the Residence prior to the expiration of your right of rescission.

**5.3 Cancellation Prior to Occupancy Due to Change in Condition.** If, prior to occupancy, you (or either of you if there are two of you) die, or become unable to occupy your Residence or the Health Center because of illness, injury or incapacity, or you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel. In such event, we will repay to you or to your estate the Entrance Fee or portion thereof (without interest), which you paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any charges specifically incurred by us at your request and which are set forth in writing in a separate addendum to this Agreement.

**5.4 Cancellation Prior to Occupancy for Reasons Other Than Set Forth in Paragraphs 5.1, 5.2 or 5.3.** If, prior to occupancy, you give us written notice of cancellation and Paragraphs 5.1, 5.2, or 5.3 do not apply, this Agreement will automatically cancel. In such event, we will repay to you the Entrance Fee or portion thereof (without interest), which you have paid to us within 30 days of our receipt of your written notice of cancellation, except that we will retain a service fee charge of 2% of the total Entrance Fee, and any nonstandard charges incurred by us at your request and as described in any addendum to this Agreement.

**5.5 Cancellation After Occupancy.** After occupancy, should you or we cancel this Agreement pursuant to Section 7 or 8, or, in the event of your death (if there are two of you, the death of the survivor), we will repay to you or to your estate, without interest, a portion of your Entrance Fee. Any repayment due to you will be delivered to you or your estate upon the earlier of (i) 30 days from our receipt of the then-current total Entrance Fee paid by a new resident for your Residence; or (ii) three years from the date your Residency Agreement is canceled and your residence is satisfactorily delivered to us (all personal property and furniture removed and turnover of keys). The Entrance Fee repayment shall be reduced and offset by the following:

**5.5.1 Second Person Entrance Fee Nonrefundable.** The Second Person Entrance Fee is nonrefundable after 30 days of occupancy.

**5.5.2 During First Five Months.** If this Agreement is canceled during the first five months following the date of your occupancy, we shall retain from your repayment an amount equal to 10% of your Entrance Fee;

**5.5.3 After First Five Months.** If this Agreement is canceled after the first five months following the date of your occupancy, we shall retain from your refund an amount equal to 2% of your Entrance Fee for each month of occupancy; this means that if you reside at Pomperaug Woods for 50 months or more, your Entrance Fee refund declines to zero;

**5.5.4 Unreimbursed Health Care Expenses.** The amount of unreimbursed health care expenses incurred by us for your care during the time you live in the Health Center;

**5.5.5 Monthly Fees.** The amount of any Monthly Fees or other sums owed by you to us under this Agreement;

**5.5.6 Other Sums.** The amount of any other sums incurred by us pursuant to your specific request and set forth in a separate addendum; and

**5.6.7 Deferred Monthly Fees or Other Sums.** The amount of any Monthly Fees or other sums deferred by us on your behalf under Paragraph 8.4.

## **6. MONTHLY FEE.**

You will pay a Monthly Fee, which covers the services and amenities listed under Section 1. In addition, you will pay Extra Charges for the additional services and amenities requested by you listed under Section 2.

**6.1 Payment of Monthly Fee.** You will pay the Monthly Fee for your first month of occupancy, or a pro-rated portion thereof, commencing on the earlier of (i) 90 days following the date you execute this Agreement; or (ii) on the date of occupancy. Thereafter, your Monthly Fee is payable in advance on the first day of each month. The current Monthly Fee is \$\_\_\_\_\_ per month for one person and an additional \$\_\_\_\_\_ per month if there are two of you.

**6.2 Monthly Fee Changes.** The Monthly Fee is subject to periodic increases and may be adjusted upon 60 days' written notice by our Board of Directors, in its sole discretion, as necessary to provide for the support and financial needs of operating the Community (or without notice if such change in the Monthly Fee is required by local, state or federal laws or regulations). We utilize bequests or contributions, if any, and the income therefrom, for the benefit of the Community in order to minimize the Monthly Fee, consistent with sound economic principles of operation.

**6.3 Use of Monthly Fee.** The Monthly Fee is used by us only for purposes related to Pomperaug Woods. The amount of the Monthly Fee is intended to provide for the services and amenities outlined in Section 1 and to provide for all other financial requirements of operating the Community. The amount of the Monthly Fee is and will continue to be affected by our policy of maintaining reserve funds for the Community's support and financial security.

**6.4 Cancellation of Monthly Fee.** The Monthly Fee for your Residence cancels as provided in Section 7 or 8. Except as otherwise provided in Section 7 or 8, you will pay the Monthly Fee until removal of your property from the Residence by you, your representative, or us.

**6.5 Monthly Fee and the Health Center.** If you reside alone and you are permanently relocated to the Health Center, your Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. If there are two of you and one of you is permanently relocated to the Health Center, the second person Monthly Fee will be adjusted to the per diem charges then in effect for nursing services in the Health Center. If both of you are permanently relocated to the Health Center, your Monthly Fee (first and second person) will be adjusted to the per diem charges then in effect for nursing services in the Health Center.

**6.6 Adjustment of Monthly Fee Due to Absence.** In the event of your absence from the Community, your Monthly Fee will not be adjusted.

**6.7 Late Payment.** We permit a 60 day grace period before the imposition of a late payment charge for failure to pay the Monthly Fee, any Extra Charges or the per diem charges when due. We will charge a late payment charge at the rate of 1.5% per month on total delinquent amounts due. Late payment charges are not compounded and are not included in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. We will waive the 1.5% late payment charge if payment is delayed due to slow processing by your insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Paragraph 8.1 of this Agreement.

**6.8 Monthly Statement.** You will receive a monthly statement from us outlining the Monthly Fee, per diem charges, and any Extra Charges incurred by you.

## **7. YOUR CANCELLATION RIGHTS.**

**7.1 Prior to Occupancy.** Your cancellation rights prior to moving to Pomperaug Woods are described in Paragraphs 5.2, 5.3, and 5.4 of this Agreement.

**7.2 After Occupancy.** After occupancy at Pomperaug Woods, you may cancel this Agreement at any time by giving us 120 days' advance written notice executed by you (or both of you, if there are two of you). In such event, this Agreement cancels at the end of the notice period. You will pay the Monthly Fee until the later of (i) the expiration of such 120 days, or (ii) your vacancy of your Residence or the Health Center, as applicable, and removal of all of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so. You may be entitled to a repayment of a portion of your Entrance Fee

pursuant to the provisions of Paragraph 5.5. If you give us notice of cancellation, the notice may not be revoked by you without our written consent.

Upon your death (if there are two of you, the death of the survivor), this Agreement automatically cancels. Your estate will continue to pay your Monthly Fee until the later of (i) your death (if there are two of you, the death of the survivor), or (ii) your vacancy of the Residence or the Health Center, as applicable, and removal of all your personal property. Your estate or family will only be responsible for payment of the Monthly Fee for a period not to exceed 15 days following the date of your death as long as all of your property is removed from the Residence or the Health Center, as applicable. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of your estate, but we are not obligated to do so. Your estate may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **8. OUR CANCELLATION RIGHTS.**

**8.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause shall exist if:

**8.1.1 Noncompliance.** You do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**8.1.2 Nonpayment.** Except as set forth in Paragraph 8.4, nonpayment of fees or charges;

**8.1.3 Threat to Health or Safety.** Health status or behavior which constitutes a substantial threat to the health or safety of yourself, other residents, or others, including your refusal to consent to relocation, or which would result in physical damage to our property or the property of others;

**8.1.4 Change in Condition.** There is a major change in your physical or mental condition and your condition cannot be cared for in the Health Center within the limits of our license; or

**8.1.5 Misrepresentations.** You materially misrepresent your financial condition, your health, and/or your medical history during your application for residency, or any of the warranties contained in Paragraph 10.1 were incorrect at either the time they were made or the time you became a resident of Pomperaug Woods.

**8.2 Notice of Cancellation.** Before any cancellation of this Agreement by us, we will give you notice in writing of the reasons. You will have such time as is stated in the notice (but no less than 30 days after the date of such notice) to correct the problem. If the problem is corrected within such time, this Agreement shall remain in effect. If we determine the problem is not corrected, this Agreement will be canceled by us and you must leave the Community within 14 days after we notify you of our cancellation. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the later of (i) 14 days after we notify you of our cancellation or (ii) the removal of your personal property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.3 Emergency Cancellation.** Should your residency at the Community pose an imminent threat of serious harm to you or other residents, and the Medical Director determines that either the giving of notice or the waiting period described in Paragraph 8.2 above might be detrimental to you or other residents, then such notice and/or waiting period will not be required. Under such circumstances, we are expressly authorized to transfer you to an appropriate hospital or other facility, and we will promptly notify your family or representative and your attending physician. After transfer, we will provide you with a notice of cancellation if you are unable to return to your Residence or to the Health Center. If there are two of you under this Agreement and one of you transfers to a hospital or other appropriate facility under the circumstances described in this Paragraph, the other Resident may continue to reside in the Residence or the Health Center under the terms of this Agreement. We are not responsible for any charges related to such transfer or relocation. This Agreement cancels 30 days following notice, unless your condition improves and you subsequently return to your Residence or to the Health Center. You are obligated to pay the Monthly Fee and any Extra Charges you incur until the removal of your property. If removal of your property is not accomplished, we may remove and store your property at the expense and risk of you or your estate, but we are not obligated to do so.

**8.4 Financial Difficulty.** If, after you have paid the Entrance Fee, you encounter financial difficulties making it impossible for you to pay the full Monthly Fee and Extra Charges, then:

**8.4.1 Benefits.** You may remain until any applicable Title XVIII Medicare benefits and/or third party insurance benefits received by us on your behalf have been earned; and

**8.4.2 Terms of Stay.** Because it is and shall continue to be our policy to not cancel your residency solely by reason of your financial inability to pay the full Monthly Fee or Extra Charges, you will be able to remain at the Community at a reduced Monthly Fee or with reduced Extra Charges. Any reduction in the Monthly Fee or Extra Charges will be based on your ability to pay for so long as you establish facts to justify deferral of such charges, and the deferral of such charges can, in our sole discretion, be granted without impairing our ability to operate the Community on a sound financial basis. This provision will not apply if you impair your ability to meet your financial obligations hereunder by transfer of assets, other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B, Medicare Part D, and/or supplemental insurance coverage. In determining whether you establish facts to justify deferral of your Monthly Fee or Extra Charges, we will consider factors, such as and including but not limited to, whether you submitted a correct Confidential Data Application, whether you made gifts of your property after the date of this Agreement which impaired your ability to meet your financial obligations, and whether you have breached any of your promises or representations to us. If you qualify for a reduced Monthly Fee or reduced Extra Charges, you agree to enter into a special Amendment to Residency Agreement with us at the time of such deferrals to reflect the reduced charges currently payable. Any payments otherwise due to you from us, including the repayment of your Entrance Fee, will be offset against any deferred charges.

**8.5 Reimbursement of Entrance Fee.** If we cancel this Agreement as provided in this Section 8, you may be entitled to a repayment of a portion of your Entrance Fee pursuant to the provisions of Paragraph 5.5.

## **9. MISCELLANEOUS PROVISIONS REGARDING YOUR RESIDENCE.**

**9.1 Use of the Residence.** Your Residence is for living only and shall not be used for carrying on any business or profession, nor in any manner in violation of zoning restrictions. This Agreement is not a lease, and only grants you the lifetime use of the Residence, use of the site amenities, and access to available services, subject to the terms and conditions of this Agreement.

**9.2 Duration of Your Right to Occupy the Residence.** You may reside in your Residence for as long as you (either of you) live unless you (both of you, if there are two of you) are not capable of occupying a residence with or without reasonable accommodation or modification, or this Agreement is canceled by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that nursing services be given, you will be



requested to relocate to the Health Center where we are licensed to provide such care. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Health Center. You have the right to be independent in decisions regarding your medical care, and we shall not prevent or otherwise infringe upon your right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If it is determined that you require hospitalization or care in another facility, we will assist in the coordination of your transfer to such appropriate facilities. Community staff will not accompany a resident to the hospital or other care facility.

**9.3 Occupants of the Residence.** Except as hereinafter provided, no person other than you (or both of you, if there are two of you) may occupy the Residence except with our express written approval. In the event that a second person who is not a party to this Agreement wishes to be accepted for residency under this Agreement after the date we execute this Agreement, said second person's acceptance will be based upon our then-current Residency Policy. If accepted, said person shall pay the then-current second person Entrance Fee and the then-current second person Monthly Fee. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Residence for more than 30 days (except with our express written approval), and you may cancel this Agreement as provided in Paragraph 7.2.

**9.4 Changes in Residence.** Should it be necessary to make modifications to your Residence or to other areas of the Community to meet the requirements of any applicable law or regulation, and such modifications require you to temporarily vacate your Residence, we will provide alternate accommodations for you, within or outside the Community, without additional charge to you, for any period during which your Residence is not habitable.

**9.5 Furnishings.** Furnishings within the Residence will not be provided by us except as stated in Section 1. Furnishings provided by you shall not interfere with your health or safety, or the health or safety of other residents or others.

**9.6 Emergency Entry and Relocation.** We may enter your Residence should it be necessary in an emergency to protect your health or safety or that of other residents. If emergency relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence or to the Health Center (or to a hospital or other care facility if we cannot provide the care you need in the Health Center) for the protection of your health or safety or for the health or safety of the other residents of the Community. Community staff will not accompany a resident to the hospital or other care facility.

**9.7 Alterations by You.** You may not make any alterations to your Residence without our prior written approval. We reserve the right, upon release of the Residence because you moved to the Health Center, or upon cancellation of this Agreement for any reason, to require that any alterations made by you be removed, and that the Residence be restored to its original condition at your expense. If you fail to do so, we may remove any such alterations, restore the Residence to its original condition, and withhold the charges of any such restoration from any Entrance Fee repayment due to you or your estate.

**9.8 Refurbishment.** Customary and normal refurbishment costs of your Residence will be borne by us. Any refurbishment costs beyond those which are customary and normal will be paid by you.

**9.9 Guests.** No one other than you shall have a right of occupancy in the Residence without the written consent of the Executive Director, unless otherwise permitted pursuant to policies established by us. The intent of the policies shall be to permit stays of short duration by your guests where such stays shall not, in the opinion of the Executive Director, adversely affect the operation of the Community or be inconsistent with the welfare of other residents.

**9.10 Disposition of Personal Property.** If you or your estate have not removed your property from the Residence in accordance with the terms of this Agreement, we may store your property at the expense and risk of you or your estate, but we are not obligated to do so.

## **10. REPRESENTATIONS.**

**10.1 Your Representations.** You represent and warrant to us the following:

**10.1.1** You are at least 62 years of age or applying for residency with a person who is 62 or older.

**10.1.2** You are capable of occupying a residence with or without reasonable accommodation or modification as defined in our current Residency Policy.

**10.1.3** You have assets and income which are sufficient under foreseeable circumstances and after provisions for payment of your obligations under this Agreement, to meet ordinary and customary living expenses after assuming occupancy at Pomperaug Woods.

**10.1.4** All facts stated by you in your application for residency are true and complete.

**10.1.5** You have not made any gift of your property in contemplation of executing this Agreement.

**10.2 Our Representations.** We represent and warrant to you that we are a not-for-profit corporation. We are not affiliated with any religious or other charitable organization.

## **11. PROMISES.**

**11.1 Our Promises.** We promise the following:

**11.1.1** To not cancel this Agreement without just cause as specified in Paragraph 8.1;

**11.1.2** To operate as a charitable organization;

**11.1.3** To not cancel your residency solely by reason of your financial inability to pay the total Monthly Fee or Extra Charges as specified in Paragraph 8.4 above; and

**11.1.4** To abide by all other terms of this Agreement.

**11.2 Your Promises.** You promise to do the following:

**11.2.1** To comply with all of our published operating procedures, covenants, rules, regulations, and policies now existing or later amended or developed by us;

**11.2.2** To pay the Entrance Fee, Monthly Fee, per diem charges, and any Extra Charges provided for by this Agreement;

**11.2.3** To provide within 60 days after you occupy the Residence for the disposition of your personal property located at the Community, and to make funeral and burial arrangements at your expense;

**11.2.4** To not voluntarily take any action which could impair your ability to meet your financial obligations to us under this Agreement without our consent; and

**11.2.5** To abide by all other terms of this Agreement.

## **12. MISCELLANEOUS LEGAL PROVISIONS.**

**12.1 Nature of Rights.** You understand and agree that:

**12.1.1** This Agreement or your rights under it (including the use of the Residence) may not be assigned, and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees or representatives, except as to receipt of the amounts described in Section 5;

**12.1.2** This Agreement and your contractual right to occupy the Residence shall exist and continue to exist during your lifetime unless canceled pursuant to Section 7 or 8 or until your permanent transfer to the Health Center;

**12.1.3** This Agreement grants you the right to occupy and use space at the Community, but does not give you exclusive possession of the Residence against us, and you have no entitlement to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law;

**12.1.4** This Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and

**12.1.5** This Agreement grants to us complete decision-making authority regarding the management and operation of the Community.

**12.2 Release.** We are not responsible for loss of or damage to your property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees. You hereby release us from any such liability. You may want to obtain insurance at your expense to protect against such losses. You will also be responsible for your individual tax obligations.

**12.3 Transfers.** If financially beneficial to us, the Community (or land upon which it is located) may be sold and leased back or assigned and leased back, but no such transaction would in any way alter our contractual obligations to you.

**12.4 Indemnity.** We shall not be liable for, and you agree to indemnify, defend and hold us harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your negligent or intentional act or omission or that of your guests.

**12.5 Reimbursement for Loss or Damage.** You or your representative, if applicable, agree to reimburse us for any loss or damage to the Community caused by your intentional careless, or negligent acts or omissions or that of your guests.

**12.6 Subordination.** You agree that all your rights under this Agreement will always be subordinate and junior to the lien of all mortgages or other documents creating liens encumbering Pomperaug Woods, which have been or will be executed by us. Upon request, you agree to execute, acknowledge and deliver to such lender(s) such further written evidence of such subordination as such lender(s) may reasonably require. Except to the extent of your obligation to pay the Monthly Fee, you will not be liable for any such indebtedness.

**12.7 Amendments.** This Agreement may be modified by us at any time in order to comply with future laws and regulations or changes in current laws and regulations applicable to this Agreement, or upon mutual agreement between the parties. No amendment or modification of this Agreement will be valid unless in writing and executed by you and us.

**12.8 Governing Law.** This Agreement will be governed, interpreted, and construed according to the laws of the State of Connecticut.

**12.9 Separability.** The invalidity or unenforceability of any part of this Agreement will not impair or affect in any way the validity or enforceability of the rest of this Agreement.

**12.10 Resident.** When there are two of you, the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

**12.11 Capacity.** We are organized under the general non-profit corporation law of the State of Connecticut. This Agreement has been executed by our duly authorized agent, and no officer, director, agent or employee shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.12 Entire Agreement.** This Agreement and any addenda or exhibits hereto contain our entire understanding with respect to your residency.

**12.13 Responsible Party.** You agree to execute and deliver to us within sixty (60) days after assuming occupancy of your Residence a Durable Power of Attorney, trust document, or other documentation naming a responsible party for

business and financial decision making. These documents should be drafted to remain effective notwithstanding your incompetence or disability. You agree to keep such documents in effect as long as this Agreement is in effect. The person(s) named as your responsible party shall not be a person(s) employed by us or any other entity engaged in the management of Pomperaug Woods.

**12.14 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement, as more fully explained in our Disclosure Statement.

**12.15 Nonwaiver.** If we fail to insist in any instance upon performance of any of the terms, covenants, or conditions of this Agreement, it shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions. Your obligations with respect to such future performances shall continue in full force and effect.

**12.16 Reimbursement of Costs.** You agree to reimburse us for any costs we incur to collect any unpaid amounts you owe to us under this Agreement.

**12.17 Arbitration.** You agree that any dispute, claim or controversy of any kind between the parties arising out of, in connection with, or relating to this Agreement and any amendment hereof, or the breach hereof, which cannot be resolved by mutual agreement or in small claims court, will be submitted to and determined by arbitration in New Haven County, Connecticut in accordance with the Federal Arbitration Act and the then-current commercial arbitration rules of the Federal Arbitration Act. You and we will jointly agree on an arbitrator and the arbitrator will be selected according to the procedure set forth in State law, if applicable. In reaching a decision, the arbitrator shall prepare findings of fact and conclusions of law. Any direct arbitration costs incurred by you will be borne by you. Costs of arbitration, including our legal costs and attorneys' fees, arbitrators' fees, and similar costs, will be borne by all residents of Pomperaug Woods, provided that the arbitrator may choose to award the costs of arbitration against us if the arbitrator determines that the proposed resolution urged by us was not reasonable. If the issue affects more than one resident, we may elect to join all affected residents into a single arbitration proceeding, and you hereby consent to such joinder.

You may withdraw your agreement to arbitrate within 30 days after executing this Agreement by giving written notice of your withdrawal to us. This arbitration clause binds all parties to this Agreement and their spouses, heirs, representatives, executors, administrators, successors, and assigns, as applicable. After cancellation

of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

\_\_\_\_\_  
Initials            Initials

**12.18 Force Majeure.** The occurrence of an event which materially interferes with the ability of Community to perform its obligations or duties hereunder which is not within the reasonable control of Community or any of its Affiliates, and which could not with the exercise of diligent efforts have been avoided (“Force Majeure Event”), including, but not limited to, war, rebellion, natural disasters (including floods, earthquake, fire, hurricanes, windstorms, tornadoes), accident, strike, riot, civil commotion, act of God, pandemic, epidemic, outbreak of infectious diseases or other public health crisis, including quarantine or other employee restrictions, acts of authority or change in Law, shall not relieve Community from the performance of its obligations or duties under this Agreement, but shall merely suspend such performance during the Force Majeure Event. Community shall promptly notify Resident of the occurrence and particulars of such Force Majeure Event and shall provide Resident, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. Community shall use diligent efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable. Upon termination of the Force Majeure Event, the performance of any suspended obligation or duty shall recommence upon the implementation by Community of its reconstituted operations. Community shall not be liable to Resident for any default, breach or damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason of the occurrence of a Force Majeure Event, provided Community complies in all material respects with its obligations under this Section.

**12.19 Private Employees of Resident.** If you need additional services, you can obtain those services from a private employee, an independent contractor, or through an agency. In such instances, we strongly advise you to obtain services from a licensed and/or certified home health agency. In any event, you must comply with our policy regarding personal service providers and ensure that your private employee, independent contractor, or person you engage through an agency complies with our personal service provider policy and rules of conduct set forth

therein. If you fail to follow or enforce the policy and rules of conduct, we may elect, at our sole option, to cancel this Agreement.

**12.20 Notices.** Any notice required to be given to us under this Agreement shall be in writing and sent certified mail or hand-delivered to the Executive Director of Pomperaug Woods at 80 Heritage Road, Southbury, CT 06488. Such notices shall be dated and signed.

Any notice required to be given to you will be delivered to you at your Residence unless you have provided a different address to us in writing.

**12.21 Survival of Representations and Obligations.** Your representations and obligations under this Agreement, including but not limited to, your obligation to pay all sums owed to us, and your agreement to indemnify us as set forth in Paragraph 12.4, and our representations and obligations under this Agreement, will survive any cancellation of your residency, regardless of the reason for such cancellation and regardless of whether it is initiated by you or by us.

**12.22 Resident Rights.** As a Resident, you have certain rights under the Connecticut continuing care law (see Conn. Gen. Stat. §17b-520 *et. seq.*), a copy of which is available upon request. You also have certain additional rights because we are registered with the Department of Public Health as a managed residential community. A copy of the Managed Residential Community Residents' Bill of Rights is attached hereto as Attachment C.

**12.23 Compliance with Laws and Regulations.** We will comply with all applicable Municipal, State, and Federal laws and regulations regarding consumer protection and protection from financial exploitation.

**12.24 Complaint Resolution Process.** We have established a complaint resolution process for residents and families, which is attached hereto as Attachment D. Residents and families may use the complaint resolution process without fear of reprisal of any kind.

**13. RESIDENT HANDBOOK.** We have adopted certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. This information can be found in the Resident Handbook, a copy of which is provided to each resident upon residency at Pomperaug Woods. We may revise the Resident Handbook from time to time and copies of any revisions are provided to the residents. Upon receipt of the Resident Handbook, you agree to execute an



Acknowledgment form, a copy of which is attached hereto as Attachment E. Your executed Acknowledgment form will be placed in your resident file.

*[Signature Page Follows]*

**14. ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS.** You hereby certify that you received a copy of this Agreement and a copy of our latest disclosure statement before the date hereof, and have been permitted to inspect any additional relevant materials requested to be reviewed by you or your representatives prior to executing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

Approved this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

POMERAUG WOODS, INC.

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
RESIDENT OR  
RESIDENT'S REPRESENTATIVE

\_\_\_\_\_  
Witness

**Attachments:**

- A – Resident Health Services Program
- B – List of Extra Charges
- C – Managed Residential Community Residents' Bill of Rights
- D – Complaint Resolution Process
- E – Acknowledgment of Receipt of Resident Handbook



2022/02/11

Declining Balance (Fee For Service) (2022-02-11) URM Ready

## ATTACHMENT A



### Attachment A

#### *Resident Health Services Program*

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Pomperaug Woods offers residents the opportunity to “bridge the gap” between total independence and the need for assistance with activities of daily living and nursing care in their homes. Through the Resident Health Services Program, residents can receive the medical services they need especially for them.

#### **Eligibility for Services**

Any resident whose condition is classified as **chronic and stable** by their primary physician may receive services through the Resident Health Services Department. These services may include assistance with activities of daily living and/or nursing services in order to maximize the resident’s level of independent living.

#### **Non-Eligibility for Services**

When a resident’s condition is not considered chronic and stable, a nurse from the Resident Health Services Department will discuss with the resident and the resident’s primary physician the health issue and make suggestions for the resident either to receive services in his/her residence through a licensed home care agency or possibly be admitted to a skilled nursing facility.

A resident who receives services from a licensed home care agency is responsible for those fees privately. However, a home care agency will assess a resident to determine if a resident is eligible for services provided through Medicare. Any services provided in excess of Medicare’s allowable time is at the resident’s expense.

#### **Hospice**

Residents who are eligible may also receive hospice services within their homes.

#### **Office Hours**

Nurse on duty daily 8 am - 4 pm

Aide on duty daily 8 am - 8 pm

Health Center responds to emergency calls from 8 pm - 8 am

Resident Health Services phone: 203-262-6555

## ATTACHMENT B



### **Attachment B**

### **Pomperaug Woods Additional Charges**

October 1, 2019 - September 30, 2020

#### Food and Beverage

- Resident additional meal \$20.00
- Guest meal \$22.00 + tax
- Guest meal using meal credit (tax) \$ 2.00
- Holiday guest meals  
*New Year's, Christmas, Easter, Thanksgiving* \$30.28
- Holiday guest meals using meal credit \$10.81
- Meal absence credit per 30 days \$161.50

#### Guest Services

- Guest room per day \$98.80 + tax
- Cot rental per day \$10.50

#### Carports

- Annual fee \$399
- Monthly fee \$52.50 month

#### Health Center

- Semi-private room (non-Life Care) \$476
- Private room premium per day (non-Life Care) \$539
- Private room (Life Care) \$ 63
- Life Care additional meal charge per day \$ 40.00

#### Resident Health Services

- Apartment nursing services \$21.25 per 15 min
- Apartment aide service \$9.35 per 15 min.
- Instalert unit installation \$300 one-time fee
- Lost pendant replacement \$150

#### Home Assisted Living

- Assisted Living fee \$1,433 per month
- Initial ALSA admission fee \$350
- 120 day ALSA/Change of condition \$78
- Extra meal charge per day \$40

#### Transportation (between 7 am -7 pm)

- Local fee (1 hour min.) \$ 21.50 hr.
- Long distance (1 hour min.) \$21.50 hr. + .58 cent  
per mile
- Transportation (7pm -7am) \$100 + hourly rate

Housekeeping and Maintenance

- Personal laundry (per load) \$ 18.54
- Extra housekeeping services (per hour) \$ 19.00
- Apartment and outdoor key replacement \$ 8 per key
- Replacement of mail key \$ 8 per key
- Additional maintenance services (plus supplies) \$19.00 hr.

## ATTACHMENT C



### **MANAGED RESIDENTIAL COMMUNITY RESIDENTS' BILL OF RIGHTS**

You have the right to:

- Live in a clean, safe and habitable private residential unit (the "Residence");
- Be treated with consideration, respect and due recognition of your personal dignity, individuality and the need for privacy;
- Privacy within your Residence, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Retain and use your personal property within your Residence so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- Private communications, including receiving and sending unopened correspondence, telephone access and visiting with persons of your choice;
- Freedom to participate in and benefit from Community services and activities so as to achieve the highest possible level of independence, autonomy and interaction within the community;
- Directly engage or contract with licensed health care professionals and providers of your choice to obtain necessary health care services in your Residence, or such other space in the Community as may be available to residents for such purposes;
- Manage your own financial affairs;
- Exercise civil and religious liberties;
- Present grievances and recommend changes in policies, procedures and services to our Executive Director or staff, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from the Community, including access to representatives of the

Department of Public Health or the Office of the Long-Term Care Ombudsman;

- Upon request, obtain the name of the Resident Health Services Director or any other persons responsible for resident care or the coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;
- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility or educational institution to the extent that such relationship relates to resident medical care or treatment and to receive an explanation about the relationship;
- Receive a copy of any rules or regulations of the Community;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community; and
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq. and any other applicable laws. If you rent your Residence, all rights and privileges afforded to tenants under title 47a of the Connecticut General Statutes (Connecticut's landlord tenant laws).

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

Department of Public Health  
Faculty Licensing and Investigations  
410 Capitol Ave., P.O. Box 340308  
MS#12HSR  
Hartford, CT 06134-0308

Information/General: Loan Nguyen  
Supervising Nurse Consultant (860) 509-7400

Complaints: Donna Ortelle, R.N.  
Public Health Services Manager (860) 509-7400

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

Dan Lerman, Regional Ombudsman  
Long-Term Care Ombudsman Program  
249 Thomaston Avenue  
Waterbury, CT 06702  
(203) 597-4181  
1-866-388-1888

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

Please sign below to acknowledge that we have provided you with a copy of the Managed Residential Community Residents' Bill of Rights and explained them to you.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident



## **ATTACHMENT D**



### **POMPERAUG WOODS COMPLAINT RESOLUTION PROCESS**

#### **Policy:**

Residents are free to communicate grievances to the staff of Pomperaug Woods without restraint, interference, coercion, discrimination, or reprisal. All grievances will be properly documented and responded to. In the event a Resident is dissatisfied with treatment or services received at Pomperaug Woods, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

#### **Procedures:**

Below are the procedures for a Resident or his/her representative to follow in order to file a grievance with Pomperaug Woods. We reserve the right to change these procedures in order to better accommodate our Residents:

1. The grievance may be filed in writing with the Department Director of the area where the grievance occurs. Assistance, if necessary, will be available through Resident Services and/or the Administration office.
2. Information contained in the grievance will include the following:
  - Description of the grievance;
  - A list of all parties involved; and
  - Dates of specific incidents related to the grievance.
3. The Department Director will acknowledge in writing receipt of the grievance within five business days and provide the Resident or his/her representative with a time frame for an appropriate response.
4. If the grievance remains unresolved for 30 days after initial submission, the Department Director will address the grievance with the Executive Director.

5. The Executive Director will address, in writing, the grievance within 10 business days.
6. If the grievance remains unresolved for 60 days after the initial submission, the Executive Director will address the grievance with the Board of Directors of Pomperaug Woods and with the Management Company's Vice President.
7. The Board of Directors of Pomperaug Woods and the Management Company's Vice President will address the grievance within 10 business days.
8. If the grievance remains unresolved, the Resident will be informed of his/her right to contact appropriate State agencies, the State Long-Term Care Ombudsman or the Regional Long-Term Care Ombudsman.
9. All attempts at resolution will be documented in writing to the Resident with copies on file in the Administration office.

**ATTACHMENT E**



**POMPERAUG WOODS**

**Acknowledgment of Receipt of Resident Handbook**

I, the undersigned, acknowledge receipt of the Pomperaug Woods Resident Handbook dated \_\_\_\_\_, 20\_\_\_\_, which contains certain rules, policies, and guidelines in order to promote the health, safety and welfare of the residents of Pomperaug Woods.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

\_\_\_\_\_  
Resident's Representative

\_\_\_\_\_  
Relationship to Resident

**EXHIBIT D**

**FEE SCHEDULES AND OCCUPANCY RATES**

**ENTRANCE FEES**  
**80% RETURN OF CAPITAL™ PLAN**  
**(Life Care and Fee-for-Service)**  
**(Current and Historical)**

| <b>RESIDENCE</b>                              | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Putnam<br>1 Bedroom, 1<br>Bath                | \$252,500   | \$252,500   | \$252,500   | \$256,288   | \$256,288   |
| Windsor<br>1 Bedroom,<br>1½ Bath              | \$306,000   | \$306,000   | \$306,000   | \$310,590   | \$310,590   |
| Newtown<br>1 Bedroom,<br>1½ Bath              | \$326,400   | \$326,400   | \$326,400   | \$331,296   | \$331,296   |
| Stratford<br>1 Bedroom,<br>1½ Bath            | \$351,900   | \$351,900   | \$351,900   | \$357,179   | \$357,179   |
| Salisbury<br>1 Bedroom,<br>Den, 1½ Bath       | \$418,200   | \$418,200   | \$418,200   | \$424,473   | \$424,473   |
| Bridgewater<br>2 Bedroom, 2<br>Bath w/ Patio  | \$453,900   | \$453,900   | \$453,900   | \$460,709   | \$460,709   |
| Redding<br>2 Bedroom, 2<br>Bath w/<br>Terrace | \$525,000   | \$525,000   | \$525,000   | \$532,875   | \$532,875   |
| Cornwall<br>2 Bedroom,<br>2½ Bath             | \$565,000   | \$565,000   | \$565,000   | \$573,475   | \$573,475   |
| Second<br>Person:                             | \$15,000    | \$15,000    | \$15,000    | \$15,000    | \$15,000    |

**ENTRANCE FEES  
DECLINING BALANCE PLAN  
(Life Care)  
(Current and Historical)**

| <b>RESIDENCE</b>                              | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Putnam<br>1 Bedroom, 1<br>Bath                | \$152,000   | \$132,468   | \$132,468   | \$134,455   | \$134,455   |
| Windsor<br>1 Bedroom,<br>1½ Bath              | \$190,800   | \$160,536   | \$160,536   | \$162,944   | \$162,944   |
| Newtown<br>1 Bedroom,<br>1½ Bath              | \$202,000   | \$171,238   | \$171,238   | \$173,807   | \$173,807   |
| Stratford<br>1 Bedroom,<br>1½ Bath            | \$220,300   | \$184,616   | \$184,616   | \$187,385   | \$187,385   |
| Salisbury<br>1 Bedroom,<br>Den, 1½ Bath       | \$257,100   | \$219,399   | \$219,399   | \$222,690   | \$222,690   |
| Bridgewater<br>2 Bedroom, 2<br>Bath w/ Patio  | \$278,500   | \$238,129   | \$238,129   | \$241,701   | \$241,701   |
| Redding<br>2 Bedroom, 2<br>Bath w/<br>Terrace | \$330,500   | \$275,430   | \$275,430   | \$279,561   | \$279,561   |
| Cornwall<br>2 Bedroom,<br>2½ Bath             | \$399,000   | \$269,415   | \$269,415   | \$300,861   | \$300,861   |
| Second<br>Person:                             | \$15,000    | \$15,000    | \$15,000    | \$15,000    | \$15,000    |

**ENTRANCE FEES  
50% RETURN OF CAPITAL™ PLAN**

| <b>RESIDENCE</b>                             | <b>2021 Entrance Fee</b> | <b>2022 Entrance Fee</b> | <b>2023 Entrance Fee</b> |
|--|--------------------------|--------------------------|--------------------------|
| Putnam<br>1 Bedroom, 1 Bath                  | \$173,353                | \$175,953                | \$175,953                |
| Windsor<br>1 Bedroom, 1½ Bath                | \$210,084                | \$213,235                | \$213,235                |
| Newtown<br>1 Bedroom, 1½ Bath                | \$224,089                | \$227,450                | \$227,450                |
| Stratford<br>1 Bedroom, 1½ Bath              | \$241,596                | \$245,220                | \$245,220                |
| Salisbury<br>1 Bedroom, Den, 1½ Bath         | \$287,114                | \$291,421                | \$291,421                |
| Bridgewater<br>2 Bedroom, 2 Bath w/<br>Patio | \$311,624                | \$316,298                | \$316,298                |
| Redding<br>2 Bedroom, 2 Bath w/<br>Terrace   | \$360,437                | \$365,844                | \$365,844                |
| Cornwall<br>2 Bedroom, 2½ Bath               | \$387,899                | \$393,717                | \$393,717                |
| Second Person:                               | \$15,000                 | \$15,000                 | \$15,000                 |

**MONTHLY FEES  
RETURN OF CAPITAL™ AND DECLINING BALANCE PLANS  
(Life Care)  
(Current and Historical)**

| <b>RESIDENCE</b>                             | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Putnam<br>1 Bedroom, 1 Bath                  | \$3,658     | \$3,767     | \$3,899     | \$4,027     | \$4,269     |
| Windsor<br>1 Bedroom, 1½ Bath                | \$4,145     | \$4,269     | \$4,418     | \$4,563     | \$4,837     |
| Newtown<br>1 Bedroom, 1½ Bath                | \$4,145     | \$4,269     | \$4,418     | \$4,563     | \$4,837     |
| Stratford<br>1 Bedroom, 1½ Bath              | \$4,348     | \$4,478     | \$4,635     | \$4,787     | \$5,074     |
| Salisbury<br>1 Bedroom, Den, 1½<br>Bath      | \$4,505     | \$4,639     | \$4,801     | \$4,959     | \$5,257     |
| Bridgewater<br>2 Bedroom, 2 Bath w/<br>Patio | \$4,531     | \$4,666     | \$4,829     | \$4,988     | \$5,287     |
| Redding<br>2 Bedroom, 2 Bath w/<br>Terrace   | \$4,855     | \$5,000     | \$5,175     | \$5,345     | \$5,666     |
| Cornwall<br>2 Bedroom, 2½ Bath               | \$6,259     | \$6,446     | \$6,672     | \$6,892     | \$7,306     |
| Second Person:                               | \$2,019     | \$2,079     | \$2,152     | \$2,223     | \$2,356     |



**MONTHLY FEES  
RETURN OF CAPITAL™ PLAN  
(Fee-for-Service)  
(Current and Historical)**

| <b>RESIDENCE</b>                             | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Putnam<br>1 Bedroom, 1 Bath                  | \$2,804     | \$2,923     | \$3,067     | \$3,207     | \$3,471     |
| Windsor<br>1 Bedroom, 1½ Bath                | \$3,300     | \$3,434     | \$3,596     | \$3,754     | \$4,051     |
| Newtown<br>1 Bedroom, 1½ Bath                | \$3,300     | \$3,434     | \$3,596     | \$3,754     | \$4,051     |
| Stratford<br>1 Bedroom, 1½ Bath              | \$3,507     | \$3,647     | \$3,817     | \$3,982     | \$4,293     |
| Salisbury<br>1 Bedroom, Den, 1½<br>Bath      | \$3,667     | \$3,812     | \$3,987     | \$4,158     | \$4,479     |
| Bridgewater<br>2 Bedroom, 2 Bath w/<br>Patio | \$3,694     | \$3,840     | \$4,016     | \$4,188     | \$4,511     |
| Redding<br>2 Bedroom, 2 Bath w/<br>Terrace   | \$4,024     | \$4,180     | \$4,368     | \$4,551     | \$4,896     |
| Cornwall<br>2 Bedroom, 2½ Bath               | \$5,197     | \$5,388     | \$4,368     | \$5,843     | \$6,266     |
| Second Person:                               | \$819       | \$879       | \$952       | \$1,023     | \$1,156     |

**Pomperaug Woods Ancillary Charges**

**POMPERAUG WOODS  
OCCUPANCY RATES**

Occupancy rate for the most recent fiscal year end is as follows:

2022  
85.38%

**EXHIBIT E**  
**AUDITED FINANCIAL STATEMENTS**

**POMPERAUG WOODS, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**POMPERAUG WOODS, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pomperaug Woods, Inc.  
Southbury, Connecticut

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Pomperaug Woods, which comprise the statements of financial position of September 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pomperaug Woods as of September 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pomperaug Woods and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pomperaug Woods's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pomperaug Woods's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pomperaug Woods's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 2, 2022

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2022 AND 2021**

| <b>ASSETS</b>                         | 2022          | 2021          |
|---------------------------------------|---------------|---------------|
| <b>CURRENT ASSETS</b>                 |               |               |
| Cash and Cash Equivalents             | \$ 2,149,610  | \$ 2,908,468  |
| Entrance Fees Receivable              | -             | 1,292,072     |
| Accounts Receivable, Net              | 587,196       | 303,640       |
| Operating Reserve                     | 1,656,704     | 1,645,249     |
| Other Current Assets                  | 458,864       | 462,313       |
| Total Current Assets                  | 4,852,374     | 6,611,742     |
| <br>                                  |               |               |
| <b>OTHER ASSETS</b>                   | 110,783       | 110,446       |
| <br>                                  |               |               |
| <b>RETURN OF CAPITAL DISCOUNTS</b>    | 2,600         | -             |
| <br>                                  |               |               |
| <b>PROPERTY, PLANT, AND EQUIPMENT</b> |               |               |
| Land                                  | 962,264       | 962,264       |
| Land Improvements                     | 2,508,792     | 2,354,210     |
| Buildings and Improvements            | 35,519,906    | 34,944,713    |
| Furniture, Fixtures, and Equipment    | 3,853,173     | 3,857,203     |
| Construction in Process               | 321,753       | 291,722       |
| Total                                 | 43,165,888    | 42,410,112    |
| Less: Accumulated Depreciation        | 29,112,920    | 27,911,152    |
| Net Property, Plant, and Equipment    | 14,052,968    | 14,498,960    |
| <br>                                  |               |               |
| Total Assets                          | \$ 19,018,725 | \$ 21,221,148 |

See accompanying Notes to Financial Statements.



**POMPERAUG WOODS, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**SEPTEMBER 30, 2022 AND 2021**

| <b>LIABILITIES AND NET ASSETS</b>  | 2022          | 2021          |
|--|---------------|---------------|
| <b>LIABILITIES</b>   |               |               |
| Current Portion of Capital Lease   | \$ 12,239     | \$ 41,689     |
| Accounts Payable and Accrued Liabilities                                       | 939,141       | 1,007,874     |
| Unearned Entrance Fees   | -             | 1,435,636     |
| Current Portion of Entrance Fee Refunds Payable                                | 1,901,320     | 3,269,108     |
| Current Portion of Long-Term Debt  | 79,826        | -             |
| Other Current Liabilities  | 51,090        | 46,417        |
| Total Current Liabilities  | 2,983,616     | 5,800,724     |
| <b>CAPITAL LEASE, NET OF CURRENT PORTION</b>                                   | 17,298        | 29,537        |
| <b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>                                  | 1,295,974     | 1,171,438     |
| <b>DEFERRED REVENUE FROM ENTRANCE FEES</b>                                     |               |               |
| Net of Accumulated Amortization of \$7,013,275 in 2022 and \$6,670,865 in 2021 | 5,576,879     | 5,178,967     |
| <b>ENTRANCE FEE REFUNDS PAYABLE, NET OF CURRENT PORTION</b>                    | 22,595,790    | 21,616,346    |
| Total Liabilities  | 32,469,557    | 33,797,012    |
| <b>NET ASSETS</b>  |               |               |
| Without Donor Restrictions   | (13,570,781)  | (12,688,481)  |
| With Donor Restrictions  | 119,949       | 112,617       |
| Total Net Assets   | (13,450,832)  | (12,575,864)  |
| Total Liabilities and Net Assets   | \$ 19,018,725 | \$ 21,221,148 |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

|   | <u>2022</u>            | <u>2021</u>            |
|---|------------------------|------------------------|
| <b>REVENUES</b>   |                        |                        |
| Net Assets Without Donor Restrictions:  |                        |                        |
| Resident Service Revenue  | \$ 7,851,190           | \$ 6,843,666           |
| Amortization of Entrance Fees   | 1,051,200              | 1,362,108              |
| Health Center Patient Revenue, Net of Discounts of<br>\$2,085,800 in 2022 and \$2,469,255 in 2021 | 3,226,175              | 2,344,682              |
| Interest and Dividend Income  | 23,056                 | 3,340                  |
| Contributions   | 46,772                 | 188,170                |
| Grant Revenues and Other  | 103,479                | 93,294                 |
| Contribution Income - Paycheck Protection Program   | -                      | 100,287                |
| Total Revenues  | <u>12,301,872</u>      | <u>10,935,547</u>      |
| <b>EXPENSES</b>   |                        |                        |
| Resident Care   | 4,559,625              | 3,874,063              |
| General and Administrative  | 3,451,916              | 3,181,423              |
| Dietary   | 1,794,389              | 1,585,016              |
| Plant   | 1,388,919              | 1,234,977              |
| Depreciation  | 1,426,475              | 1,397,894              |
| Housekeeping  | 463,268                | 471,251                |
| Interest  | 42,693                 | 30,252                 |
| Amortization and Other  | 27,699                 | 37,273                 |
| Total Expenses  | <u>13,154,984</u>      | <u>11,812,149</u>      |
| <b>INCOME (LOSS) FROM OPERATIONS</b>  | (853,112)              | (876,602)              |
| <b>LOSS ON DISPOSAL OF ASSETS</b>   | <u>(29,188)</u>        | <u>(52,710)</u>        |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>  | (882,300)              | (929,312)              |
| Net Assets With Donor Restrictions:   |                        |                        |
| Contributions   | <u>7,332</u>           | <u>18,904</u>          |
| <b>INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>   | <u>7,332</u>           | <u>18,904</u>          |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>  | (874,968)              | (910,408)              |
| Net Assets - Beginning of Year  | <u>(12,575,864)</u>    | <u>(11,665,456)</u>    |
| <b>NET ASSETS - END OF YEAR</b>   | <u>\$ (13,450,832)</u> | <u>\$ (12,575,864)</u> |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2022**

|   | Program<br>Services  | General<br>and<br>Administrative | Total                |
|---|----------------------|----------------------------------|----------------------|
| Salaries and Wages                            | \$ 4,716,950         | \$ 1,090,675                     | \$ 5,807,625         |
| Benefits                                      | 699,961              | 86,573                           | 786,534              |
| Payroll Taxes                                 | 360,909              | 63,993                           | 424,902              |
| Depreciation and Amortization                 | 1,445,126            | 7,262                            | 1,452,388            |
| Resident Activities, Pharmacy, and Laboratory | 187,689              | 19,570                           | 207,259              |
| Contracted Services                           | 117,222              | 501,461                          | 618,683              |
| Occupancy                                     | 775,859              | -                                | 775,859              |
| Food and Supplies                             | 585,299              | 59,417                           | 644,716              |
| Therapy Services                              | 351,569              | -                                | 351,569              |
| Promotional Sales                             | 55,518               | 603,670                          | 659,188              |
| Office Expenses                               | 231,275              | 235,443                          | 466,718              |
| Insurance                                     | 55,831               | 171,292                          | 227,123              |
| Real Estate and Property Taxes                | 462,926              | 1,027                            | 463,953              |
| Other   | 174,043              | 94,424                           | 268,467              |
| <b>Total Expenses</b>                         | <b>\$ 10,220,177</b> | <b>\$ 2,934,807</b>              | <b>\$ 13,154,984</b> |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2021**

|   | Program<br>Services | General<br>and<br>Administrative | Total                |
|---|---------------------|----------------------------------|----------------------|
| Salaries and Wages                            | \$ 4,141,643        | \$ 1,079,486                     | \$ 5,221,129         |
| Benefits                                      | 692,103             | 76,633                           | 768,736              |
| Payroll Taxes                                 | 323,744             | 62,508                           | 386,252              |
| Depreciation and Amortization                 | 1,423,929           | 7,155                            | 1,431,084            |
| Resident Activities, Pharmacy, and Laboratory | 97,582              | 11,089                           | 108,671              |
| Contracted Services                           | 76,392              | 433,589                          | 509,981              |
| Occupancy                                     | 666,355             | -                                | 666,355              |
| Food and Supplies                             | 464,166             | 30,480                           | 494,646              |
| Therapy Services                              | 402,177             | -                                | 402,177              |
| Promotional Sales                             | 25,944              | 491,789                          | 517,733              |
| Office Expenses                               | 220,944             | 222,681                          | 443,625              |
| Insurance                                     | 49,283              | 173,839                          | 223,122              |
| Real Estate and Property Taxes                | 460,128             | 1,600                            | 461,728              |
| Other   | 105,203             | 71,707                           | 176,910              |
|   | <u>\$ 9,149,593</u> | <u>\$ 2,662,556</u>              | <u>\$ 11,812,149</u> |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

|  | 2022         | 2021         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ (874,968) | \$ (910,408) |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided by Operating Activities: |              |              |
| Proceeds from Entrance Fees, Net of Refunds Paid   | 917,204      | 1,367,301    |
| Depreciation and Amortization  | 1,452,388    | 1,431,084    |
| Amortization of Entrance Fees  | (1,051,200)  | (1,362,108)  |
| Contribution Income - Paycheck Protection Program  | -            | -            |
| Loss on Disposal of Assets   | 29,188       | 52,710       |
| (Increase) Decrease in Operating Assets:   |              |              |
| Accounts Receivable  | (283,556)    | 13,992       |
| Other Current Assets   | 3,449        | (8,523)      |
| Other Assets   | (26,250)     | (33,383)     |
| Return of Capital Discounts  | (2,600)      | -            |
| Increase (Decrease) in Operating Liabilities:  |              |              |
| Accounts Payable and Accrued Liabilities   | (81,076)     | (234,717)    |
| Deferred Revenue   | -            | (100,287)    |
| Other Current Liabilities  | 4,673        | (7,580)      |
| Net Cash Provided by Operating Activities  | 87,252       | 208,081      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Sale of Property, Plant, and Equipment   | 3,900        | -            |
| Purchases of Property, Plant, and Equipment  | (847,545)    | (1,606,467)  |
| Net Cash Used by Investing Activities  | (843,645)    | (1,606,467)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Payments on Capital Lease Obligations  | (41,689)     | (47,630)     |
| Payments on Long Term Debt   | (46,815)     | -            |
| Proceeds from Construction Loan  | 97,494       | 1,046,438    |
| Net Cash Provided by Financing Activities  | 8,990        | 998,808      |
| <b>NET DECREASE IN CASH, CASH EQUIVALENTS,<br/>AND RESTRICTED CASH</b>                         | (747,403)    | (399,578)    |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year                                | 4,553,717    | 4,953,295    |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH -<br/>END OF YEAR</b>                           | \$ 3,806,314 | \$ 4,553,717 |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Pomperaug Woods, Inc. (the Company) is a nonprofit corporation that owns and operates a continuing care retirement facility (the Facility) in Southbury, Connecticut. The Facility consists of 130 independent living units. In addition, the Facility currently provides a health center (the Health Center) with 37 skilled nursing beds. The Facility also operated 8 assisted living units through February 28, 2021 and converted those units to 16 assisted living memory care units effective March 1, 2021.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Net Assets Categories**

To ensure observance of limitations and restrictions placed on the use of resources available to the Company, the accounts of the Company are maintained in the following net asset categories:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions represent resources that may be expended at the direction of the board of directors.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions represent contributions that are restricted by the donor either as to purpose or as to time of expenditure. When the purpose or timing restrictions have been met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions as of September 30, 2022 and 2021 were available to support the arts and crafts program, the Health Center garden, and other purposes.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The key financial statement area where management applies the use of estimates is the amortization of deferred revenue from entrance fees (see Note 2). It is management's opinion that the estimates applied in the accompanying financial statements are reasonable.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant, and Equipment**

Property, plant, and equipment is stated at historical cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

|                                    |               |
|------------------------------------|---------------|
| Buildings                          | 40 Years      |
| Land and Building Improvements     | 5 to 20 Years |
| Furniture, Fixtures, and Equipment | 5 to 15 Years |

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures in excess of \$500 for renewals and betterments are capitalized.

**Functional Allocation of Expenses**

The costs of providing health care service programs and general and administrative costs have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Management has also determined that fundraising expenses are not significant to the Company and are included in general and administrative expenses.

The expenses that are allocated include the following:

| Expense                        | Method of Allocation |
|--------------------------------|----------------------|
| Salaries and Wages             | Time and Effort      |
| Benefits                       | Salaries and Wages   |
| Payroll Taxes                  | Salaries and Wages   |
| Occupancy                      | Square Footage       |
| Insurance                      | Square Footage       |
| Real Estate and Property Taxes | Square Footage       |
| Depreciation and Amortization  | Square Footage       |

**Income Taxes**

The Company is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal and state income taxes.

**Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid instruments purchased with a maturity of three months or less. The fair value of these investments approximates carrying value. The Company maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted. Management maintains an allowance for doubtful accounts that is based on its review of significant balances where it believes realizability is at risk. Management's position was that there was no need for an allowance for doubtful accounts as of September 30, 2022 and 2021.

**Management Agreement**

Under a management agreement, the Company utilizes Life Care Services, LLC (LCS) to supervise operations of the Facility. The management fees and salary for the LCS administrator, included as a component of general and administrative expenses in the accompanying statements of activities and changes in net assets, were \$718,200 and \$628,009 for the years ended September 30, 2022 and 2021, respectively.

**Revenue Recognition**

The Company recognizes revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Company satisfies a performance obligation

See Note 3 for details on how the above five-step process is applied to the Company's contracts with customers.

**Operating Reserve**

The State of Connecticut Department of Social Services (DSS) monitors Connecticut retirement communities and their compliance with existing state regulations. DSS requires that retirement communities maintain an operating reserve equal to approximately one month's cash operating costs. In addition, the state requires the Company to maintain a reserve equivalent to one year in principal and interest payments on their term loan. The Company maintained an adequate operating reserve as of September 30, 2022 and 2021.

**COVID-19**

On March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID) to be a global pandemic. The situation is ongoing and dynamic. For the years ended September 30, 2022 and 2021, the Company incurred costs related to the pandemic response totaling \$110,327 and \$88,471, respectively. Certain of these costs were eligible for recovery during fiscal 2022 and 2020 under various federal grants and state programs as discussed in Note 5. The duration of uncertainties related to the COVID pandemic and its ultimate financial effects cannot be reasonably estimated at this time.



**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through December 2, 2022, which represents the date the financial statements were available to be issued.

**NOTE 2 RESIDENCY AGREEMENTS**

The Company offers two types of residency agreements: traditional and return-of-capital (ROC). Some of the principal terms and conditions are as follows:

In consideration for a resident's payment of an entrance fee, the Company agrees to furnish the resident with a living unit for the resident's personal use and occupancy for the balance of the resident's lifetime, unless sooner terminated under the provisions of the agreement. The entrance fee must be paid in full prior to occupancy.

For the duration of the resident's lifetime or until termination of the agreement, the Company agrees to furnish to the resident certain services and use of facilities according to the terms and conditions of the agreement. The resident agrees to pay the Company monthly service fees that are subject to periodic adjustments deemed necessary to maintain reserve funds and the financial security of the Facility.

Traditional agreements provide for a portion of the entrance fee to be repaid to the resident (or the resident's estate) in the event of death of the resident or termination of the agreement, upon reoccupancy of the living unit and receipt of the then current entrance fee. The refund amount shall equal the entrance fee reduced by 10% if within five months of move-in, or reduced by 2% a month (up to 50 months) if after the first five months of move-in. The entrance fee is amortized into revenue over the estimated remaining life of the resident as determined by the Facility's actuaries.

The ROC agreements provide for a refund of a portion of the entrance fee. The refundable portions of the entrance fees received under the ROC agreements are recorded as entrance fee refunds payable on the statements of financial position. The nonrefundable portion is amortized over the estimated remaining life of the resident.

At the time of signing the residency agreement, 10% of the life care entrance fee is required as a deposit. The remaining 90% of the entrance fee is paid upon occupancy of the reserved living unit and, before payment, is included in entrance fees receivable and unearned entrance fees on the accompanying statements of financial position.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 2 RESIDENTIAL AGREEMENTS (CONTINUED)**

The 10% deposit is fully refundable to the resident or to the resident's estate if the agreement is rescinded within 30 days or, if prior to move-in, the resident dies or becomes unable to occupy the Facility due to illness, injury or incapacity. For all other cancellations prior to occupancy, 2% of the entrance fee (20% of the deposit) is forfeited. Amounts forfeited are recognized as income at the time of forfeiture. The current portion of entrance fee refunds payable represents the estimated amount of entrance fees to be refunded to the Health Center residents or their estates over the next 12 months.

The Company also offers certain alternative contract structures as follows:

***Fee-for-Service ROC Contract*** – Under this contract, residents would pay a lower monthly fee than the ROC contracts noted above. Additionally, if the resident entered the Health Center, they would pay the private day rate instead of the monthly service fee paid while living in the independent living units. There were two and four Fee-for-Service ROC contracts in place as of September 30, 2022 and 2021, respectively.

***Lease Contract*** – Under this contract, residents pay no entrance fee and only a monthly service fee. There are no health center benefits under this contract type. There were two Lease contracts in place as of September 30, 2022.

In July 2012, the board of directors approved the conversion of the second floor of C wing into an Assisted Living Wing to give residents an additional option for their care. The Assisted Living Wing consisted of nine apartments, one of which was converted into a common room for the residents in the Assisted Living program. All apartments have a full kitchen, living room and at least one bathroom. There is also one two-bedroom unit. The Assisted Living Wing provides a more affordable option to 24-hour home health care in a resident's apartment. Effective March 1, 2021, the 8 Assisted Living units were converted into 16 Memory Care units.

Annually, the Company (in conjunction with the actuaries at LCS) estimate the net cost of future services and use of facilities to be provided to current residents and compare that amount with the estimated future net cash inflows. Should the net cost of future services and use of facilities exceed the estimated future net cash inflows, a liability will be recorded with a corresponding charge to income. As of September 30, 2022 and 2021, no obligation was recorded.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Revenue**

Resident services, assisted living, and health center patient revenue are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors. Performance obligations are determined based on the nature of the services provided. Resident services, assisted living, and health center patient revenue is recognized as performance obligations are satisfied. The Company recognizes revenue in accordance with the provisions of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

**Performance Obligations**

At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. The Company determines that the following distinct goods and services represent separate performance obligations:

- Resident Service Revenue
- Health Center Patient Revenue
- Assisted Living Services Revenue
- Other Services Revenue

The Company's specific revenue recognition policies and performance obligations are as follows:

***Resident Service Revenue*** – Under the Company's independent living agreements, the Company provides senior living services to residents for a stated monthly service fee. Resident agreements are for a term of 30 days, with options. Revenue is recognized on a monthly basis upon the provision of the related service.

The Company's independent living agreements require the resident to pay an upfront entrance fee prior to moving into the community, which is partially refundable in certain circumstances. The nonrefundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated actuarial life of the resident. This amount is considered a contract liability under ASC 606. The refundable portion of a resident's entrance fee is recorded as a liability and refundable upon the resale and re-occupancy of the unit. The refundable portion of the fee is not amortized and is included in refundable entrance fees. The refundable portion of the entrance fees is not considered part of contract liabilities under ASC 606.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

***Health Center Patient Revenue*** – The Company recognizes health center patient revenue at estimated net realizable amounts from patients, third-party payors and others for services rendered on a per diem basis. Rates charged for health center services rendered, other than private-pay patients and third-party payors, are regulated by Medicare. The Company does not participate in the Medicaid program. Revenue under certain third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Changes in estimates of prior year settlements were not significant in 2022 or 2021. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as result of an audit.

Laws and regulations governing the Medicare program are complex and subject to interpretation. Management believes that the Company is in compliance with the licensure, accreditation, government health care program participation requirements and other Medicare fraud and abuse legislation, and with other government regulatory and statutory laws and provisions. While no material regulatory inquiries have been initiated by government agencies, compliance with such laws and regulations can be subject to future government review and can lead to other new statutory and regulatory interpretations, as well as other regulatory actions unknown or unasserted at this time.

***Assisted Living Services Revenue*** – Under the assisted living agreements, the Company provides senior living services to residents for a stated daily service fee for private-pay patients. The Company's assisted living agreements are for a term of 30 days, with resident fees billed monthly for room and board. Residents are charged on a fee schedule for any additional ancillary services. Revenue is recognized on a monthly basis for room and board fees and a daily basis for ancillary services provided.

***Other Income*** – Other income represents revenue from services from amenities and convenience services provided to residents and guests. This revenue is recognized on a daily basis upon the provision of the respective service.

The Company has elected the practical expedient under ASC 606 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component, due to the Company's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Company does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Other Income (continued)** – The Company capitalizes incremental customer contract acquisition costs as they occur if the expected amortization period is greater than one year. As of September 30, 2022 and 2021, the Company has recorded assets for contract acquisition costs of \$261,067 and \$258,239 less accumulated amortization of \$150,284 and \$147,793, respectively. This amount is shown as other assets on the accompanying statements of financial position. Amortization expense was \$25,913 and \$33,190 for the years ended September 30, 2022 and 2021, respectively.

The opening and closing contract balances were as follows:

|                                  | Deferred<br>Revenue,<br>Including<br>Entrance Fees<br>Deferred | Accounts<br>Receivables,<br>Including<br>Entrance Fees<br>Receivable |
|----------------------------------|--|--|
| Balance as of October 1, 2020    | \$ 5,087,763   | \$ 855,775   |
| Balance as of September 30, 2021 | 5,178,967  | 1,595,712  |
| Balance as of September 30, 2022 | 5,576,879  | 587,196  |

**NOTE 4 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| Cash and Cash Equivalents   | \$ 2,149,610        | \$ 2,908,468        |
| Operating Reserve   | 1,656,704           | 1,645,249           |
| Total Cash, Cash Equivalents and Restricted<br>Cash Shown in the Statements of Cash Flows | <u>\$ 3,806,314</u> | <u>\$ 4,553,717</u> |

Please refer to Note 1 for further discussion on the purpose of the operating reserve.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 5 COVID PROGRAMS**

During the years ended September 30, 2022 and 2021, the Company received \$78,532 and \$56,273 in grant proceeds through the Provider Relief Fund Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under this program, the Company is required to use the grant proceeds to cover certain expenditures or lost health care revenues that occurred due to the COVID pandemic. For fiscal year 2021, the Company calculated lost revenue as the decrease in patient care revenues in fiscal 2020 compared to fiscal 2019. The Company recognized revenue under the Provider Relief Program of \$78,532 and \$69,282 during the years ended September 30, 2022 and 2021, respectively.

On May 6, 2020, the Company received a \$1,071,000 loan through the Paycheck Protection Program (PPP) granted by the Small Business Administration (SBA) under the CARES Act. The Company considers PPP loans to be conditional contributions, with a right-of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Company considers reviews of its application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. The loan was formally forgiven by the SBA on December 14, 2020. For the years ended September 30, 2022 and 2021, the Company has recognized \$- and \$100,287, respectively, in forgiveness income related to the Paycheck Protection Program. These amounts are shown as contribution income on the accompanying statements of activities and changes in net assets.

**NOTE 6 DEFINED CONTRIBUTION PLAN**

The Company maintains a defined contribution tax deferred annuity plan (the Plan). Employees become eligible to participate in the Plan upon attainment of 21 years of age and one year of employment (1,000 hours of service). Employees vest at a rate of 20% per year starting after their first year, becoming fully vested after six years. The employer contribution is discretionary. As of September 30, 2022, the Plan had approximately 116 participants. The total expense incurred for the Plan in 2022 and 2021 was \$54,474 and \$55,999, respectively.

**NOTE 7 LINE OF CREDIT**

The Company had a revolving line of credit convertible to a term loan with a bank, which was signed on March 27, 2019. The line of credit was to be used to fund improvements and renovations to the property and to provide working capital. The line of credit was converted to a term loan effective June 5, 2020 (see Note 8). As of September 30, 2021, the interest rate was 4.25%. The amount outstanding on the line of credit was \$125,000 as of September 30, 2020 and was transferred into the construction loan in 2021.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 8 LONG-TERM DEBT**

The revolving line of credit was converted to a term construction loan effective June 5, 2020. The maximum availability under the loan is \$2,000,000. As of September 30, 2022 and 2021, the total outstanding draws on the loan were \$1,268,932 and \$1,171,438, respectively. The Company expects to draw the remaining available amounts during fiscal 2023. The loan requires interest only payments until either the loan is fully funded or 36 months from the date of the note. Monthly payments of principal and interest will commence on the fifth day of the month following the end of the interest only period with a maturity date of June 5, 2043. The initial fixed interest rate is 3.25% and will change every five years. All assets of the Company were pledged as collateral under the loan.

In October 2021, the Organization entered into an agreement with a third-party financing company to borrow \$153,683 related to an energy-efficient lighting project. The loan will be repaid over a three-year period.

Future obligations on the maximum construction loan of \$2,000,000 (as referenced above) and energy-efficient lighting project are as of September 30, 2022 are as follows:

| <u>Year Ending September 30,</u> | <u>Amount</u>       |
|----------------------------------|---------------------|
| 2023                             | \$ 79,826           |
| 2024                             | 124,045             |
| 2025                             | 79,460              |
| 2026                             | 77,693              |
| 2027                             | 80,256              |
| Thereafter                       | 1,665,588           |
| Total                            | <u>\$ 2,106,868</u> |

**NOTE 9 CAPITAL LEASES**

The Company has a lease for certain equipment that is classified as a capital lease. The Company records the present value of the future minimum lease payments related to this lease as a liability on the statements of financial position with a corresponding asset within its property, plant, and equipment balance on the statements of financial position. Capital assets are depreciated over their useful lives on a straight-line basis, while the obligation is reduced upon each payment by the amount of the payment that represents the principal balance. The Company is obligated under capital leases for equipment with a net book value totaling \$27,692 as of September 30, 2022.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 9 CAPITAL LEASES (CONTINUED)**

Future obligations on the equipment capital lease together with the present value of the net minimum lease payments as of September 30, 2022 are as follows:

| <u>Year Ending September 30,</u>                | <u>Amount</u>    |
|---|------------------|
| 2023  | \$ 13,438        |
| 2024  | 13,438           |
| 2025  | 4,479            |
| Total   | 31,355           |
| Less: Amount Representing Interest              | 1,818            |
| Present Value of Minimum Capital Lease Payments | <u>\$ 29,537</u> |

**NOTE 10 HEALTH CARE INDUSTRY**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.



**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022 AND 2021**

**NOTE 11 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Company's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

|  |    |           |
|--|----|-----------|
| Cash and Cash Equivalents  | \$ | 2,149,610 |
| Accounts Receivable, Net   |    | 587,196   |
| Entrance Fees Receivable   |    | -         |
| Total Financial Assets Available Within One Year                                       |    | 2,736,806 |
| Less: Amounts Unavailable for General Expenditures                                     |    |           |
| Within One Year, Due to:   |    |           |
| Restricted by Donor With Purpose Restrictions  |    | 119,949   |
| Restricted by Board for Capital Expenditures and Services                              |    | 214,364   |
| Total Amounts Unavailable for General Expenditure Within One Year                      |    | 334,313   |
| Total Financial Assets Available to Management for General Expenditure Within One Year | \$ | 2,402,493 |

**Liquidity Management**

The Company maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**NOTE 12 NET ASSETS**

**Net Assets with Donor Restrictions**

The following is the composition of the Company's net assets with donor restrictions at September 30:

|  | 2022       | 2021       |
|--|------------|------------|
| Art Funds                                | \$ 87,045  | \$ 87,045  |
| Health Center Garden Funds               | 5,585      | 5,585      |
| Brick Campaign Funds                     | 19,688     | 17,456     |
| Other Funds                              | 7,631      | 2,531      |
| Total Net Assets With Donor Restrictions | \$ 119,949 | \$ 112,617 |

**POMPERAUG WOODS, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**



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**POMPERAUG WOODS, INC.  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pomperaug Woods, Inc.  
Southbury, Connecticut

We have audited the accompanying financial statements of Pomperaug Woods, Inc., which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

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

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

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

Board of Directors  
Pomperaug Woods, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pomperaug Woods, Inc., as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

*2020 Financial Statements*

The financial statements as of September 30, 2020, were audited by Blum, Shapiro and Company, P.C., whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro and Company, P.C.'s report dated December 7, 2020, expressed an unmodified opinion on those statements.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 14, 2021

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021 AND 2020**

| <b>ASSETS</b>                         | <b>2021</b>   | <b>2020</b>   |
|---------------------------------------|---------------|---------------|
| <b>CURRENT ASSETS</b>                 |               |               |
| Cash and Cash Equivalents             | \$ 2,908,468  | \$ 3,310,267  |
| Entrance Fees Receivable              | 1,292,072     | 538,143       |
| Accounts Receivable, Net              | 303,640       | 317,632       |
| Operating Reserve                     | 1,645,249     | 1,643,028     |
| Other Current Assets                  | 462,313       | 453,790       |
| Total Current Assets                  | 6,611,742     | 6,262,860     |
| <br>                                  |               |               |
| <b>OTHER ASSETS</b>                   | 110,446       | 114,336       |
| <br>                                  |               |               |
| <b>PROPERTY, PLANT, AND EQUIPMENT</b> |               |               |
| Land                                  | 962,264       | 962,264       |
| Land Improvements                     | 2,354,210     | 2,340,184     |
| Buildings and Improvements            | 34,944,713    | 33,804,754    |
| Furniture, Fixtures, and Equipment    | 3,857,203     | 3,660,723     |
| Construction in Process               | 291,722       | 257,885       |
| Total                                 | 42,410,112    | 41,025,810    |
| Less: Accumulated Depreciation        | 27,911,152    | 26,686,796    |
| Net Property, Plant, and Equipment    | 14,498,960    | 14,339,014    |
| <br>                                  |               |               |
| Total Assets                          | \$ 21,221,148 | \$ 20,716,210 |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**SEPTEMBER 30, 2021 AND 2020**

|  | 2021          | 2020          |
|--|---------------|---------------|
| <b>LIABILITIES AND NET ASSETS</b>  |               |               |
| <b>LIABILITIES</b>   |               |               |
| Current Portion of Capital Lease   | \$ 41,689     | \$ 47,630     |
| Accounts Payable and Accrued Liabilities                                       | 1,007,874     | 1,242,591     |
| Unearned Entrance Fees   | 1,435,636     | 597,937       |
| Current Portion of Entrance Fee Refunds Payable                                | 3,269,108     | 3,590,601     |
| Line of Credit   | -             | 125,000       |
| Deferred Revenue - Paycheck Protection Program                                 | -             | 100,287       |
| Other Current Liabilities  | 46,417        | 53,997        |
| Total Liabilities  | 5,800,724     | 5,758,043     |
| <b>CAPITAL LEASE, NET OF CURRENT PORTION</b>                                   | 29,537        | 71,226        |
| <b>CONSTRUCTION LOAN, NET OF CURRENT PORTION</b>                               | 1,171,438     | -             |
| <b>DEFERRED REVENUE FROM ENTRANCE FEES</b>                                     |               |               |
| Net of Accumulated Amortization of \$6,670,865 in 2021 and \$6,579,639 in 2020 | 5,178,967     | 5,087,763     |
| <b>ENTRANCE FEE REFUNDS PAYABLE, NET OF CURRENT PORTION</b>                    | 21,616,346    | 21,464,634    |
| Total Liabilities  | 33,797,012    | 32,381,666    |
| <b>NET ASSETS</b>  |               |               |
| Without Donor Restrictions   | (12,688,481)  | (11,759,169)  |
| With Donor Restrictions  | 112,617       | 93,713        |
| Total Net Assets   | (12,575,864)  | (11,665,456)  |
| Total Liabilities and Net Assets   | \$ 21,221,148 | \$ 20,716,210 |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

|   | 2021            | 2020            |
|---|-----------------|-----------------|
| <b>REVENUES</b>   |                 |                 |
| Net Assets Without Donor Restrictions:  |                 |                 |
| Resident Service Revenue  | \$ 6,843,666    | \$ 7,180,503    |
| Amortization of Entrance Fees   | 1,362,108       | 1,513,150       |
| Health Center Patient Revenue, Net of Discounts of<br>\$2,469,255 in 2021 and \$3,099,957 in 2020 | 2,344,682       | 2,953,545       |
| Interest and Dividend Income  | 3,340           | 25,257          |
| Contributions   | 188,170         | 12,892          |
| Grant Revenues and Other  | 93,294          | 451,444         |
| Contribution Income - Paycheck Protection Program   | 100,287         | 970,813         |
| Total Revenues  | 10,935,547      | 13,107,604      |
| <b>EXPENSES</b>   |                 |                 |
| Resident Care   | 3,874,063       | 4,631,404       |
| General and Administrative  | 3,181,423       | 3,327,518       |
| Dietary   | 1,585,016       | 1,540,264       |
| Plant   | 1,234,977       | 1,245,469       |
| Depreciation  | 1,397,894       | 1,355,307       |
| Housekeeping  | 471,251         | 472,506         |
| Interest  | 30,252          | 9,398           |
| Amortization and Other  | 37,273          | 27,156          |
| Total Expenses  | 11,812,149      | 12,609,022      |
| <b>INCOME (LOSS) FROM OPERATIONS</b>  | (876,602)       | 498,582         |
| <b>LOSS ON DISPOSAL OF ASSETS</b>   | (52,710)        | (67,667)        |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>  | (929,312)       | 430,915         |
| Net Assets With Donor Restrictions:   |                 |                 |
| Contributions   | 18,904          | 3,449           |
| <b>INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>   | 18,904          | 3,449           |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>  | (910,408)       | 434,364         |
| Net Assets - Beginning of Year, as Previously Reported  | (11,665,456)    | (12,222,726)    |
| <b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>  | -               | 122,906         |
| Net Assets - Beginning of Year, as Adjusted   | (11,665,456)    | (12,099,820)    |
| <b>NET ASSETS - END OF YEAR</b>   | \$ (12,575,864) | \$ (11,665,456) |

See accompanying Notes to Financial Statements.



**POMPERAUG WOODS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2021**

|   | Program<br>Services | General<br>and<br>Administrative | Total                |
|---|---------------------|----------------------------------|----------------------|
| Salaries and Wages                            | \$ 4,141,643        | \$ 1,079,486                     | \$ 5,221,129         |
| Benefits                                      | 692,103             | 76,633                           | 768,736              |
| Payroll Taxes                                 | 323,744             | 62,508                           | 386,252              |
| Depreciation and Amortization                 | 1,423,929           | 7,155                            | 1,431,084            |
| Resident Activities, Pharmacy, and Laboratory | 97,582              | 11,089                           | 108,671              |
| Contracted Services                           | 76,392              | 433,589                          | 509,981              |
| Occupancy                                     | 666,355             | -                                | 666,355              |
| Food and Supplies                             | 464,166             | 30,480                           | 494,646              |
| Therapy Services                              | 402,177             | -                                | 402,177              |
| Promotional Sales                             | 25,944              | 491,789                          | 517,733              |
| Office Expenses                               | 220,944             | 222,681                          | 443,625              |
| Insurance                                     | 49,283              | 173,839                          | 223,122              |
| Real Estate and Property Taxes                | 460,128             | 1,600                            | 461,728              |
| Other   | 105,203             | 71,707                           | 176,910              |
|   | <u>\$ 9,149,593</u> | <u>\$ 2,662,556</u>              | <u>\$ 11,812,149</u> |
| <b>Total Expenses</b>                         | <u>\$ 9,149,593</u> | <u>\$ 2,662,556</u>              | <u>\$ 11,812,149</u> |

*See accompanying Notes to Financial Statements.*

**POMPERAUG WOODS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2020**

|   | Program<br>Services | General<br>and<br>Administrative | Total                |
|---|---------------------|----------------------------------|----------------------|
| Salaries and Wages                            | \$ 4,457,879        | \$ 1,135,901                     | \$ 5,593,780         |
| Benefits                                      | 688,154             | 97,063                           | 785,217              |
| Payroll Taxes                                 | 336,445             | 56,780                           | 393,225              |
| Depreciation and Amortization                 | 1,373,705           | 6,777                            | 1,380,482            |
| Resident Activities, Pharmacy, and Laboratory | 125,636             | 14,209                           | 139,845              |
| Contracted Services                           | 88,917              | 516,396                          | 605,313              |
| Occupancy                                     | 661,695             | -                                | 661,695              |
| Food and Supplies                             | 492,538             | 78,981                           | 571,519              |
| Therapy Services                              | 489,868             | -                                | 489,868              |
| Promotional Sales                             | 40,930              | 430,218                          | 471,148              |
| Office Expenses                               | 398,285             | 222,533                          | 620,818              |
| Insurance                                     | 42,667              | 146,372                          | 189,039              |
| Real Estate and Property Taxes                | 456,771             | 2,153                            | 458,924              |
| Other   | 146,902             | 101,247                          | 248,149              |
|   | <u>\$ 9,800,392</u> | <u>\$ 2,808,630</u>              | <u>\$ 12,609,022</u> |
| <b>Total Expenses</b>                         | <b>\$ 9,800,392</b> | <b>\$ 2,808,630</b>              | <b>\$ 12,609,022</b> |

*See accompanying Notes to Financial Statements.*

**POMPERAUG WOODS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

|  | 2021         | 2020         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ (910,408) | \$ 434,364   |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided by Operating Activities: |              |              |
| Proceeds from Entrance Fees, Net of Refunds Paid   | 1,367,301    | (263,529)    |
| Proceeds from Paycheck Protection Program Loan   | -            | 1,071,000    |
| Depreciation and Amortization  | 1,431,084    | 1,382,463    |
| Amortization of Entrance Fees  | (1,362,108)  | (1,513,150)  |
| Contribution Income - Paycheck Protection Program  | -            | (970,813)    |
| Loss on Disposal of Assets   | 52,710       | 67,667       |
| (Increase) Decrease in Operating Assets:   |              |              |
| Accounts Receivable  | 13,992       | 48,947       |
| Other Current Assets   | (8,523)      | (123,215)    |
| Other Assets   | (33,383)     | (18,586)     |
| Increase (Decrease) in Operating Liabilities:  |              |              |
| Accounts Payable and Accrued Liabilities   | (234,717)    | 293,637      |
| Deferred Revenue   | (100,287)    |              |
| Other Current Liabilities  | (7,580)      | 30,117       |
| Net Cash Provided by Operating Activities  | 208,081      | 438,902      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Purchases of Property, Plant, and Equipment  | (1,606,467)  | (1,234,017)  |
| Net Cash Used by Investing Activities  | (1,606,467)  | (1,234,017)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Payments on Capital Lease Obligations  | (47,630)     | -            |
| Proceeds from Construction Loan  | 1,046,438    |              |
| Proceeds on Capital Lease Obligations  | -            | 12,353       |
| Proceeds from Line of Credit   |              | 66,344       |
| Net Cash Provided by Financing Activities  | 998,808      | 78,697       |
| <b>NET DECREASE IN CASH, CASH EQUIVALENTS,<br/>AND RESTRICTED CASH</b>                         | (399,578)    | (716,418)    |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year                                | 4,953,295    | 5,669,713    |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH -<br/>END OF YEAR</b>                           | \$ 4,553,717 | \$ 4,953,295 |

See accompanying Notes to Financial Statements.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Pomperaug Woods, Inc. (the Company) is a nonprofit corporation that owns and operates a continuing care retirement facility (the Facility) in Southbury, Connecticut. The Facility consists of 131 independent living units. In addition, the Facility currently provides a health center (the Health Center) with 37 skilled nursing beds. The Facility also operated eight assisted living units through February 28, 2021 and converted those units to sixteen assisted living memory care units effective March 1, 2021.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Net Assets Categories**

To ensure observance of limitations and restrictions placed on the use of resources available to the Company, the accounts of the Company are maintained in the following net asset categories:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions represent resources that may be expended at the direction of the board of directors.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions represent contributions that are restricted by the donor either as to purpose or as to time of expenditure. When the purpose or timing restrictions have been met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions as of September 30, 2021 and 2020 were available to support the arts and crafts program, the health center garden, and other purposes.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The key financial statement area where management applies the use of estimates is the amortization of deferred revenue from entrance fees (see Note 2). It is management's opinion that the estimates applied in the accompanying financial statements are reasonable.

**POMPERAUG WOODS, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant, and Equipment**

Property, plant, and equipment is stated at historical cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

|                                    |               |
|------------------------------------|---------------|
| Buildings                          | 40 Years      |
| Land and Building Improvements     | 5 to 20 Years |
| Furniture, Fixtures, and Equipment | 5 to 15 Years |

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures in excess of \$500 for renewals and betterments are capitalized.

**Functional Allocation of Expenses**

The costs of providing healthcare service programs and general and administrative costs have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Management has also determined that fundraising expenses are not significant to the Company and are included in general and administrative expenses.

The expenses that are allocated include the following:

| <u>Expense</u>                 | <u>Method of Allocation</u> |
|--------------------------------|-----------------------------|
| Salaries and Wages             | Time and Effort             |
| Benefits                       | Salaries and Wages          |
| Payroll Taxes                  | Salaries and Wages          |
| Occupancy                      | Square Footage              |
| Insurance                      | Square Footage              |
| Real Estate and Property Taxes | Square Footage              |
| Depreciation and Amortization  | Square Footage              |

**Income Taxes**

The Company is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal and state income taxes.

**Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid instruments purchased with a maturity of three months or less. The fair value of these investments approximates carrying value. The Company maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable are considered delinquent and written off when all attempts to collect from individuals or other payor sources have been exhausted. Management maintains an allowance for doubtful accounts that is based on its review of significant balances where it believes realizability is at risk. There was no need for an allowance for doubtful accounts as of September 30, 2021 and 2020.

**Management Agreement**

Under a management agreement, the Company utilizes Life Care Services, LLC (LCS) to supervise operations of the Facility. The management fees and salary for the LCS administrator, included as a component of general and administrative expenses in the accompanying statements of activities and changes in net assets, were \$628,009 and \$776,083 for the years ended September 30, 2021 and 2020, respectively.

**Revenue Recognition**

The Company recognizes revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Company satisfies a performance obligation

See Note 3 for details on how the above five-step process is applied to the Company's contracts with customers.

**Operating Reserve**

The State of Connecticut Department of Social Services (DSS) monitors Connecticut retirement communities and their compliance with existing state regulations. DSS requires that retirement communities maintain an operating reserve equal to approximately one month's cash operating costs. In addition, the state requires the Company to maintain a reserve equivalent to one year in principal and interest payments on their term loan. The Company maintained an adequate operating reserve as of September 30, 2021 and 2020.

**COVID-19**

On March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID) to be a global pandemic. The situation is ongoing and dynamic. For the years ended September 30, 2021 and 2020, the Company incurred costs related to the pandemic response totaling \$88,471 and \$352,660, respectively. Certain of these costs were eligible for recovery during fiscal 2021 and 2020 under various federal grants and state programs as discussed in Note 5. The duration of uncertainties related to the COVID pandemic and its ultimate financial effects cannot be reasonably estimated at this time.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassifications**

Certain amounts have been reclassified in the 2020 financial statements to conform with the current year presentation.

**Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through December 14, 2021, which represents the date the financial statements were available to be issued.

**NOTE 2 RESIDENCY AGREEMENTS**

The Company offers two types of residency agreements: traditional and return-of-capital (ROC). Some of the principal terms and conditions are as follows:

In consideration for a resident's payment of an entrance fee, the Company agrees to furnish the resident with a living unit for the resident's personal use and occupancy for the balance of the resident's lifetime, unless sooner terminated under the provisions of the agreement. The entrance fee must be paid in full prior to occupancy.

For the duration of the resident's lifetime or until termination of the agreement, the Company agrees to furnish to the resident certain services and use of facilities according to the terms and conditions of the agreement. The resident agrees to pay the Company monthly service fees that are subject to periodic adjustments deemed necessary to maintain reserve funds and the financial security of the Facility.

Traditional agreements provide for a portion of the entrance fee to be repaid to the resident (or the resident's estate) in the event of death of the resident or termination of the agreement, upon reoccupancy of the living unit and receipt of the then current entrance fee. The refund amount shall equal the entrance fee reduced by 10% if within five months of move-in, or reduced by 2% a month (up to 50 months) if after the first five months of move-in. The entrance fee is amortized into revenue over the estimated remaining life of the resident as determined by the Facility's actuaries.

The ROC agreements provide for a refund of a portion of the entrance fee. The refundable portions of the entrance fees received under the ROC agreements are recorded as entrance fee refunds payable on the statements of financial position. The nonrefundable portion is amortized over the estimated remaining life of the resident.

At the time of signing the residency agreement, 10% of the life care entrance fee is required as a deposit. The remaining 90% of the entrance fee is paid upon occupancy of the reserved living unit and, before payment, is included in entrance fees receivable and unearned entrance fees on the accompanying statements of financial position.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 2 RESIDENTIAL AGREEMENTS (CONTINUED)**

The 10% deposit is fully refundable to the resident or to the resident's estate if the agreement is rescinded within 30 days or, if prior to move-in, the resident dies or becomes unable to occupy the Facility due to illness, injury or incapacity. For all other cancellations prior to occupancy, 2% of the entrance fee (20% of the deposit) is forfeited. Amounts forfeited are recognized as income at the time of forfeiture. The current portion of entrance fee refunds payable represents the estimated amount of entrance fees to be refunded to the Health Center residents or their estates over the next 12 months.

During 2011, the board of directors approved a Fee-for-Service ROC contract. Under the new contract, residents would pay a lower monthly fee than the ROC contracts noted above. Additionally, if the resident entered the Health Center, they would pay the private day rate instead of the monthly service fee paid while living in the independent living units. There were four Fee-for-Service ROC contracts in place as of September 30, 2021 and 2020.

In July 2012, the board of directors approved the conversion of the second floor of C wing into an Assisted Living Wing to give residents an additional option for their care. The Assisted Living Wing consisted of nine apartments, one of which was converted into a common room for the residents in the Assisted Living program. All apartments have a full kitchen, living room and at least one bathroom. There is also one two-bedroom unit. The Assisted Living Wing provides a more affordable option to 24-hour home healthcare in a resident's apartment. Effective March 1, 2021, the 8 Assisted Living units were converted into 16 Memory Care units.

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Revenue**

Resident services, assisted living, and health center patient revenue are reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from residents or third-party payors. Performance obligations are determined based on the nature of the services provided. Resident services, assisted living, and health center patient revenue is recognized as performance obligations are satisfied. The Company recognizes revenue in accordance with the provisions of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

The Company's specific revenue recognition policies are as follows:

**Resident Service Revenue** – Under the Company's independent living agreements, the Company provides senior living services to residents for a stated monthly service fee. Resident agreements are for a term of 30 days, with options. Revenue is recognized on a monthly basis upon the provision of the related service.



**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Revenue (Continued)**

The Company's independent living agreements require the resident to pay an upfront entrance fee prior to moving into the community, which is partially refundable in certain circumstances. The nonrefundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated actuarial life of the resident. This amount is considered a contract liability under ASC 606. The refundable portion of a resident's entrance fee is recorded as a liability and refundable upon the resale and re-occupancy of the unit. The refundable portion of the fee is not amortized and is included in refundable entrance fees. The refundable portion of the entrance fees is not considered part of contract liabilities under ASC 606.

***Health Center Patient Revenue*** – The Company recognizes health center patient revenue at estimated net realizable amounts from patients, third-party payors and others for services rendered on a per diem basis. Rates charged for health center services rendered, other than private-pay patients and third-party payors, are regulated by Medicare. The Company does not participate in the Medicaid program. Revenue under certain third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Changes in estimates of prior year settlements were not significant in 2021 or 2020. Management believes that all applicable government reimbursement principles have been properly applied and that no material adjustments will occur as result of an audit.

Laws and regulations governing the Medicare program are complex and subject to interpretation. Management believes that the Company is in compliance with the licensure, accreditation, government healthcare program participation requirements and other Medicare fraud and abuse legislation, and with other government regulatory and statutory laws and provisions. While no material regulatory inquiries have been initiated by government agencies, compliance with such laws and regulations can be subject to future government review and can lead to other new statutory and regulatory interpretations, as well as other regulatory actions unknown or unasserted at this time.

***Assisted Living Services Revenue*** – Under the assisted living agreements, the Company provides senior living services to residents for a stated daily service fee for private-pay patients. The Company's assisted living agreements are for a term of 30 days, with resident fees billed monthly for room and board. Residents are charged on a fee schedule for any additional ancillary services. Revenue is recognized on a monthly basis for room and board fees and a daily basis for ancillary services provided.

***Other Income*** – Other income represents revenue from services from amenities and convenience services provided to residents and guests. This revenue is recognized on a daily basis upon the provision of the respective service.

**POMPERAUG WOODS, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020**

**NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Revenue (Continued)**

The Company has elected the practical expedient under ASC 606 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component, due to the Company's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Company does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Company capitalizes incremental customer contract acquisition costs as they occur if the expected amortization period is greater than one year. As of September 30, 2021 and 2020, the Company has recorded assets for contract acquisition costs of \$258,239 and \$263,585 less accumulated amortization of \$147,793 and \$149,250, respectively. This amount is shown as other assets on the accompanying statements of financial position. Amortization expense was \$33,190 and \$25,175 for the years ended September 30, 2021 and 2020, respectively.

The opening and closing contract balances were as follows:

|                                  | Accounts<br>Receivable,<br>Including<br>Entrance Fees<br>Receivable |
|----------------------------------|---|
| Balance as of October 1, 2019    | \$ 366,579  |
| Balance as of September 30, 2020 | 855,775   |
| Balance as of September 30, 2021 | 1,595,712   |

**NOTE 4 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

|   | <u>2021</u>         | <u>2020</u>         |
|---|---------------------|---------------------|
| Cash and Cash Equivalents   | \$ 2,908,468        | \$ 3,310,267        |
| Operating Reserve   | 1,645,249           | 1,643,028           |
| Total Cash, Cash Equivalents and Restricted<br>Cash Shown in the Statements of Cash Flows | <u>\$ 4,553,717</u> | <u>\$ 4,953,295</u> |

Please refer to Note 1 for further discussion on the purpose of the operating reserve.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 5 COVID PROGRAMS**

During the year ended September 30, 2021 and September 30, 2020, the Company received \$56,273 and \$441,069 in grant proceeds through the Provider Relief Fund Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under this program, the Company is required to use the grant proceeds to cover certain expenditures or lost healthcare revenues that occurred due to the COVID pandemic. For fiscal year 2020, the Company calculated lost revenue as the decrease in patient care revenues in fiscal 2020 compared to fiscal 2019. The Company recognized revenue under the Provider Relief Program of \$69,282 and \$441,069 during the year ended September 30, 2021 and September 30, 2020, respectively.

On May 6, 2020, the Company received a \$1,071,000 loan through the Paycheck Protection Program (PPP) granted by the Small Business Administration (SBA) under the CARES Act. The Company considers PPP loans to be conditional contributions, with a right-of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Company considers reviews of its application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. The loan was formally forgiven by the SBA on December 14, 2020. For the years ended September 30, 2021 and September 30, 2020, the Company has recognized \$100,287 and \$970,813, respectively, in forgiveness income related to the Paycheck Protection Program. These amounts are shown as contribution income on the accompanying statements of activities and changes in net assets.

**NOTE 6 DEFINED CONTRIBUTION PLAN**

The Company maintains a defined contribution tax deferred annuity plan (the Plan). Employees become eligible to participate in the Plan upon attainment of 21 years of age and one year of employment (1,000 hours of service). Employees vest at a rate of 20% per year starting after their first year, becoming fully vested after six years. The employer contribution is discretionary. As of September 30, 2021, the Plan had approximately 116 participants. The total expense incurred for the Plan in 2021 and 2020 was \$55,999 and \$48,252, respectively.

**NOTE 7 LINE OF CREDIT**

The Company had a revolving line of credit convertible to a term loan with a bank, which was signed on March 27, 2019. The line of credit was to be used to fund improvements and renovations to the property and to provide working capital. The line of credit was converted to a term loan effective June 5, 2020 (see Note 8). As of September 30, 2020, the interest rate was 4.25%. The amount outstanding on the line of credit was \$125,000 as of September 30, 2020 and was transferred into the construction loan in 2021.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 8 CONSTRUCTION LOAN**

The revolving line of credit was converted to a term construction loan effective June 5, 2020. The maximum availability under the loan is \$2,000,000. As of September 30, 2021, the total outstanding draws on the loan were \$1,171,438. The loan requires interest only payments until either the loan is fully funded or 36 months from the date of the note. Monthly payments of principal and interest will commence on the fifth day of the month following the end of the interest only period with a maturity date of June 5, 2043. The initial fixed interest rate is 3.25% and will change every five years. All assets of the Company were pledged as collateral under the loan.

**NOTE 9 CAPITAL LEASES**

The Company has a lease for certain equipment that is classified as a capital lease. The Company records the present value of the future minimum lease payments related to this lease as a liability on the statements of financial position with a corresponding asset within its property, plant, and equipment balance on the statements of financial position. Capital assets are depreciated over their useful lives on a straight-line basis, while the obligation is reduced upon each payment by the amount of the payment that represents the principal balance. The Company is obligated under capital leases for equipment with a net book value totaling \$113,344 as of September 30, 2021.

Future obligations on the equipment capital lease together with the present value of the net minimum lease payments as of September 30, 2021 are as follows:

| <u>Year Ending September 30,</u>                | <u>Amount</u>    |
|---|------------------|
| 2022  | \$ 44,021        |
| 2023  | 13,438           |
| 2024  | 13,438           |
| 2025  | 4,479            |
| Total   | <u>75,376</u>    |
| Less: Amount Representing Interest              | <u>6,026</u>     |
| Present Value of Minimum Capital Lease Payments | <u>\$ 69,350</u> |

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 10 HEALTH CARE INDUSTRY**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

**NOTE 11 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Company's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

|  |    |           |
|--|----|-----------|
| Cash and Cash Equivalents  | \$ | 2,908,468 |
| Accounts Receivable, Net   |    | 303,640   |
| Entrance Fees Receivable   |    | 1,292,072 |
| Total Financial Assets Available Within One Year                                       |    | 4,504,180 |
| Less: Amounts Unavailable for General Expenditures                                     |    |           |
| Within One Year, Due to:   |    |           |
| Restricted by Donor With Purpose Restrictions  |    | 112,617   |
| Restricted by Board for Capital Expenditures and Services                              |    | 160,260   |
| Total Amounts Unavailable for General Expenditure Within One Year                      |    | 272,877   |
| Total Financial Assets Available to Management for General Expenditure Within One Year | \$ | 4,231,303 |

**Liquidity Management**

The Company maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**POMPERAUG WOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 12 NET ASSETS**

**Net Assets with Donor Restrictions**

The following is the composition of the Company's net assets with donor restrictions at September 30:

|  | <u>2021</u>       | <u>2020</u>      |
|--|-------------------|------------------|
| Art Funds                                | \$ 87,045         | \$ 87,045        |
| Health Center Garden Funds               | 5,585             | 5,335            |
| Brick Campaign Funds                     | 17,456            | -                |
| Other Funds                              | <u>2,531</u>      | <u>1,333</u>     |
| Total Net Assets With Donor Restrictions | <u>\$ 112,617</u> | <u>\$ 93,713</u> |

**NOTE 13 SUBSEQUENT EVENT**

In October 2021, the Organization entered into an agreement with a third-party financing company to borrow \$153,683 related to an energy-efficient lighting project. The loan will be repaid over a three-year period.

**EXHIBIT F**

**STATEMENT FROM ESCROW AGENT**

**STATEMENT OF ESCROW AGENT**

The undersigned hereby represents that Pomperaug Woods, Inc. has established and does maintain the following escrow accounts with Newton Savings Bank.

- Deposit Fee Entrance Escrow Account

**Escrow Agent: Newtown Savings Bank**

Sarna Maniboungie  
Signature

Regional Experience Manager, VP  
Title

1/6/2023  
Date

NOTARY:

State of Connecticut )  
  ) ss: Southbury  
County of New Haven )


On this 6<sup>th</sup> day of January, 2023 personally appear Sarna Maniboungie as an officer of Newtown Savings Bank, known to me (or satisfactorily proven) to be the person whose name is subscribed to within this document and acknowledged that he/she executed the same for the purposed therein contained.

In witness whereof I hereunto set my hand.

(Notary Seal or Stamp)

Sarna Maniboungie  
Signature of Notary Public  
Date Commission Expires: \_\_\_\_\_

Printed Name of Notary Public \_\_\_\_\_





**STATEMENT OF ESCROW AGENT**

The undersigned hereby represents that Pomperaug Woods, Inc. has established and does maintain the following escrow accounts with Newton Savings Bank.

- Operating Reserve Escrow Account

**Escrow Agent: Newtown Savings Bank**

*Janine M. Marbury*  
Signature

*Regional Experience Manager, VP*  
Title

*1/6/2023*  
Date

NOTARY:

State of Connecticut )  
                                  ) ss: *Southbury*  
County of New Haven )

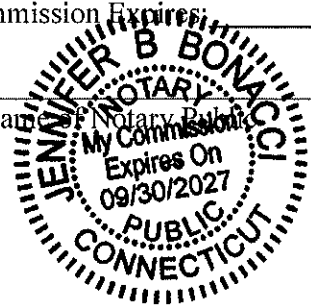
On this *6<sup>th</sup>* day of *January*, 20*23* personally appear *Sanna Van Borse* as an officer of Newtown Savings Bank, known to me (or satisfactorily proven) to be the person whose name is subscribed to within this document and acknowledged that he/she executed the same for the purposed therein contained.

In witness whereof I hereunto set my hand.

(Notary Seal or Stamp)

*Jennifer B. Bonacci*  
Signature of Notary Public  
Date Commission Expires: \_\_\_\_\_

Printed Name of Notary Public: \_\_\_\_\_



Pomperaug Woods  
80 Heritage Rd  
Southbury, CT 06488  
Attn: Lana Smolitsky

January 25<sup>th</sup> 2023

As of 1/25/2023, Pomperaug woods has an active operating account at Newtown Savings Bank.

Account Number: 722061526

Routing Number: 221172296

Typing of Account: Flagship Business Checking



1/25/23

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Bank Representative: Brad Maier UBII

Date:

## VII. INDEX

|   | <b>Disclosure<br/>Statement Page</b>     | <b>Residency<br/>Agreement<br/>Section</b> |
|---|--|--|
| Name and Address of Provider  | 3  | N/A  |
| Officers, Directors, and Trustees   | 3-4                                      | N/A  |
| Business Experience:<br>Provider<br>Manager   | 3-4<br>4-6                               | N/A  |
| Judicial Proceedings  | 20                                       | N/A  |
| Affiliation   | 3  | N/A  |
| Description of Property   | 9  | N/A  |
| Benefits Included (with and without extra charge)   | 9-10, Ex. B                              | 1, 2, 3                                    |
| Interest on Deposits  | 14, 19                                   | 5  |
| Termination of Contract:<br>Provider<br>Resident  | 15, Exs. C-1, C-2, C-<br>3, C-4 4        | 8<br>7                                     |
| Rights of Surviving Spouse  | Exs. C-1, C-2, C-3,<br>C-4               | 7, 9.2                                     |
| Marriage of Resident  | Exs. C-1, C-2, C-3,<br>C-4               | 9.3  |
| Disposition of Personal Property  | Exs. C-1, C-2, C-3,<br>C-4               | 3.6, 7.2, 9.10                             |
| Tax Consequences  | 20                                       | 12.14                                      |
| Reserve Funding - Escrows   | 19-20                                    | 4.1, 6.3                                   |
| Financial Statements  | Ex. E                                    | N/A  |
| Pro Forma Income Statements   | 22-26                                    | N/A  |
| Fee and Occupancy Rates<br>Description<br>Current and Historical Information  | 14-17, Ex. D                             | 3, 4, 6                                    |
| Department of Social Services - Filings   | 19                                       | N/A  |
| Statements of Escrow Agents   | Ex. F                                    | N/A  |
| Continuing-Care Contracts<br>Return of Capital™ Plan (Life Care)<br>Declining Balance Plan (Life Care)<br>Return of Capital™ Plan (Fee-for-Service)<br>Declining Balance Plan (Fee-for-Service) | Ex. C-1<br>Ex. C-2<br>Ex. C-3<br>Ex. C-4 | Entire<br>Entire<br>Entire<br>Entire       |

