

**Essex, Connecticut**

**THIS FACILITY, 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.**

## **DISCLOSURE STATEMENT**

**August 1, 2023**

**Equal Housing Opportunity**

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**ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT**

**ESSEX MEADOWS**

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

Essex Meadows 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 Essex Meadows by or on behalf of the Prospective Resident.

**Acknowledgment:**

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

OR

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

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

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

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

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

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

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

## NOTICE TO PROSPECTIVE RESIDENT

### ESSEX MEADOWS

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

Prior to the earlier of (a) the execution of a contract to provide continuing care; or (b) the transfer of any money or other property to Essex Meadows by or on behalf of the Prospective Resident, Essex Meadows is required to provide the following notice:

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 execute 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 the above Notice to Prospective Resident, the Disclosure Statement, and a copy of the continuing-care contract prior to entering into a continuing-care contract or the transfer of any money or other property to Essex Meadows.

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

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

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

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

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

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

## INTRODUCTION

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

Essex Meadows brings to Residents of qualifying age a way of living known as *LifeCare*®. This concept provides services that offer Residents the opportunity to pursue their personal interests. *LifeCare*® communities, such as Essex Meadows, encompass these important components: a private residence, a wide array of personal services, assisted living services in your Residence, and the security of skilled nursing care in our on-site licensed Health Center – all combined within a sound financial plan.

LCS Essex Meadows LLC ("we," "our," or the "Provider") is a Delaware limited liability company, qualified to do business in Connecticut and conducts business as Essex Meadows. As the Provider, we are committed to operating a quality senior living community that is financially sound and genuinely responsive to Resident desires and needs.

One of the purposes of this Disclosure Statement is to explain to you, your family, and advisors who and what is involved in the operation of Essex Meadows. 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, particularly in areas of economics and design. Essex Meadows can be significantly affected by changes in inflation and interest rates even though our projections are formulated to take into account those influences. Because of these and other influences, future changes may be necessary, and we reserve the right to make those changes in the operation of Essex Meadows.

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

**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 (e.g., social security, alimony, public or general assistance), handicap/disability, national origin, ancestry, sexual orientation, civil union status, learning disability, or physical or mental disability.**

# **I. THE PEOPLE**

## **LCS ESSEX MEADOWS LLC**

The Provider is a Delaware Limited Liability Company organized for the purpose of operating a *LifeCare*® senior living community that conducts business as Essex Meadows. Its address is 400 Locust Street, Suite 820, Des Moines, IA 50309. The sole member of the Provider is LCS SHIP Venture I LLC ("Member"), a Delaware limited liability company. The Member is managed by LCS SHIP Sponsor Member I LLC (10%) ("Managing Member"), an Iowa Limited Liability Company. The remaining 90% is owned by an investor group not involved in the management of the Provider. The Managing Member is a wholly-owned subsidiary of Life Care Services Communities LLC, which in turn, is a wholly-owned subsidiary of Life Care Companies LLC, "LCS" an Iowa limited liability company. The Provider is not affiliated with any religious, charitable, or nonprofit corporation or entity.

The officers and managers of the Managing Member are listed below. Their business address is 400 Locust Street, Suite 820, Des Moines, IA 50309.

Joel Nelson, CEO  
Chris Bird, President and COO  
Diane Bridgewater, Executive Vice President and Secretary  
Charles Murphy, Executive Vice President  
Jason Victor, Senior Vice President and Treasurer  
Michael Andreasen, Senior Vice President  
Daniel Lahey, Executive Vice President

The Provider has the overall responsibility for Essex Meadows. Before the Provider undertook the sponsorship of Essex Meadows, a complete program was developed which included budgets for capital costs, planned financing, and projected operating income and expenses. The Provider will annually review the insurance coverages on the property and personnel. The Provider will also adopt and approve personnel policies for staff and other policies and rules required for the operation of Essex Meadows. The Provider will monitor compliance with the budget and the performance of Essex Meadows and its management. These activities will be carried out by means of reports, studies, and on-site inspections.

None of the persons described herein have been convicted of a felony or pled nolo contendere to a felony charge, held liable or enjoined in a civil action by final judgment, or are subject to a currently effective injunction or restrictive or remedial order of a court of record, within the past five years, nor has any individual had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, rising out of or relating to business activity or health care, including, but not limited to, actions affecting the operation of a foster care facility, nursing home, retirement home, Residential care home, or any facility subject to sections 17b-520 to 17b-535, inclusive, or a similar statute in another state or country.

The Provider is solely responsible for its obligations, including its obligations under the Residency Agreements. No other person or entity referred to herein has assumed any financial responsibility for the fulfillment of the Provider's agreements, except as otherwise expressly stated.



## LIFE CARE SERVICES LLC

The Provider has retained Life Care Services LLC ("Life Care Services") to manage the Community. As the nation's third largest operator of senior living communities, Life Care Services serves more than 40,000 seniors in more than 140+ communities (see Exhibit A). With over 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>.

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

Joel Nelson: As chief executive officer of LCS, Joel Nelson is responsible for executing the business strategy across all business lines in the LCS Family of Companies. Joel 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 LCS in 1986 and has held several executive roles during his long tenured career with LCS. Today, he is responsible for the oversight of serving nearly 40,000+ seniors and 27,000 employees.

Joel serves as Chairman of 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.

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.

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 related audit committee, compensation committee, retirement fiduciary 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 and audit 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.

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: Jill Sorenson is senior vice president for LCS. Leaning on her expertise to foster and maintain meaningful relationships, Jill 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.

## **EXECUTIVE DIRECTOR**

Kathleen Dess is the Executive Director of The Community. Ms. Dess attended the University of Connecticut Long Term Care Administrator's program and has been a licensed nursing home administrator since 1983, Ms. Dess is an active member of several civic groups in, Connecticut, including Rotary International, currently serves as treasurer for the Connecticut Assisted Living Association, a member of the Department of Social Services Connecticut

Continuing Care Advisory Committee and is a member and past Chairman of the Madison Youth and Family Services Commission in Madison. In accordance with the management agreement with Life Care Services, Ms. Dess is an employee of Life Care Services. Prior to serving as Executive Director at the Community, Ms. Dess was the Associate Executive Director of the Community from 2009 to 2017 and Executive Director of Stoneridge (Mystic, CT) from 2017 to 2022.

## **ADMINISTRATOR**

Marikate Lynch has been the Administrator of the Essex Meadows Health Center since August 2017. She received her bachelors of science degree from the University of Connecticut in 1995, and her Nursing Home Administrator's License in 1997. Marikate is a licensed nursing home administrator in the State of Connecticut. Prior to joining Essex Meadows, she was employed with Apple Rehab, where she served in the capacity of a regional nursing home administrator from June 2004 to July 2017. She was also employed with Mariner Health Care for eight years. In accordance with the management agreement with Life Care Services, Marikate is an employee of Life Care Services.

## **SENIOR DIRECTOR OF OPERATIONS MANAGEMENT**

Roberta McMenamin is Vice President and Senior Director of Operations Management for Life Care Services. She graduated from Florida Atlantic University in Boca Raton, Florida with a bachelor of health services degree, and from Lesley University in Cambridge, Massachusetts with a master of science degree with a concentration in health services administration. Roberta joined Life Care Services in 1986 and has 15 years' experience as a Life Plan Community Executive Director. In 2004, she was promoted to Regional Operations Manager, and in 2008 she was promoted to Director of Operations Management. Thereafter, Roberta was promoted to Vice President/Senior Director of Operations Management.

## **RESIDENTS' COUNCIL AND RESIDENTS' ASSOCIATION**

The Residents' Council at Essex Meadows consists of 10 Residents, who have been elected by the resident body of Essex Meadows. The Residents' Council represents the interests of the Residents and functions in an advisory role to Administration and the Provider. The Executive Director and Administrator meet with the Residents' Council at least monthly to address Resident concerns, which are then communicated to the Provider. At least twice a year, the Provider will meet with the Residents.

Membership in the Residents' Association is open to all Residents of Essex Meadows. The Residents' Association meets annually to elect members of the Residents' Council. The Executive Director (or her designee) holds 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. A separate meeting is held by the Executive Director to present the budget. Residents can also become involved at Essex Meadows by serving on one of the numerous Resident committees, including but not limited to: Finance Committee, Marketing

Committee, DE&I Committee, Health Committee, Food Committee, Community Life Services, Green Committee, and Library Committee.

The Provider retains full decision-making authority for the operation of Essex Meadows.

## **II. THE COMMUNITY**

## **THE LOCATION**

Essex Meadows is located at 30 Bokum Road on approximately 104 acres in Essex, Connecticut. The Town of Essex is a colonial seaport village on the Connecticut River near the mouth of Long Island Sound. It offers the best of small-town living combined with strong historical and cultural traditions and unsurpassed natural beauty. Essex is conveniently located between New York City and Boston (just a two-hour train ride in either direction to neighboring Old Saybrook), and it is also a short ride from other Connecticut cities such as New Haven, Hartford, Middletown and New London.

## **ESSEX MEADOWS**

Essex Meadows consists of 176 apartments, 13 cottages, and a 45-bed licensed Health Center, which is Medicare certified.

Apartment styles range from one-bedroom to three-bedroom apartments. Each apartment includes a full updated kitchen, energy-rated appliances and designer closet space, most with balconies or patios with views of either of woodlands or meadows.

Each cottage is designed to provide the ultimate in privacy and choice. All cottages include such amenities as a deluxe kitchen and top energy-rated appliances, environmentally sensitive and energy-efficient geo-thermal heating and cooling systems, walk-in closets, a four season room or screened porch, a fireplace, and an oversized garage with adjacent outdoor parking.

Essex Meadows offers several dining venues: an elegant formal dining room with fireplace and view of the woods; a sun room for casual dining; and a pub for pub-style dining. A private dining room is also available, which may be reserved by Residents for entertaining a group. Other amenities for Residents to enjoy include a library; a billiards room; an arts studio; fitness center and whirlpool; a beauty/barber shop; a sundries shop; a woodworking shop; an auditorium; an indoor salt water swimming pool; guest rooms; and meeting room. Outdoor facilities include a casual nine-hole golf course, a bocci/croquet court, garden areas, patio, and woodland trails for hiking and cross-country skiing.

## **THE PERSONNEL**

With approval from the Provider, Life Care Services employs the Executive Director and the Administrator of Essex Meadows under the terms of the management agreement. All other personnel are employed by an affiliate of Life Care Services pursuant to the management agreement between the Provider and Life Care Services. Other personnel at Essex Meadows include receptionists, a community life services director, an accounting director, marketing and sales personnel, maintenance workers and groundskeepers, security personnel, residential health services staff, housekeeping staff, kitchen staff, dining room personnel, clerical staff, and transportation personnel. In the Essex Meadows Health Center, staff include a director of nursing services, registered nurses, licensed practical nurses, and nursing paraprofessionals. A medical director (M.D. or D.O.) has been contracted on a consulting basis to direct care in the Essex

Meadows Health Center. A dietician, an occupational therapist, a physical therapist, and a speech and hearing therapist are available on a consulting basis.

## THE SERVICES

The decision to move into a *LifeCare*® senior living community demands careful consideration of many factors, including the services to be provided. A description of the services provided by the Provider is attached as Exhibit B to this Disclosure Statement. Briefly, in accordance with the terms of the Essex Meadows Residency Agreement and in addition to providing a residence and community amenities for lifetime use by the Resident, the Provider provides the following services: (1) maintenance and cleaning of the common areas; (2) weekly housekeeping services and weekly flat laundry service; (3) full maintenance inside and out, including provided appliances in each Residence; (4) dining services for Residents and their guests; (5) planned activities; (6) security services; (7) scheduled local transportation services; (8) skilled nursing services in the Essex Meadows Health Center; (9) assisted living services in the Resident's residence; (10) emergency call monitoring and response; and (11) various administrative services. Also, additional services are available to the Residents for an extra charge, as outlined in the Residency Agreement.

Residents who do not require ongoing care in the Essex Meadows Health Center, but who need limited additional personal services to continue residing in their residences, may receive additional services through the Community's licensed Resident Health Services Program or through a licensed home care provider of the resident's choice. Services provided by an outside provider will be at the resident's expense. Some of the services furnished through Resident Health Services Program are included in the Monthly Fee, and other services are provided on a fee-for-service basis. The Residential Health Services Director will assist the resident in obtaining these services.

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

## **HEALTH CENTER**

Essex Meadows has a Medicare-certified on-site Health Center licensed to provide short- and long-term rehabilitative and nursing care to Essex Meadows Residents under the licensure requirements of the State of Connecticut. Our philosophy is to foster an atmosphere and a culture that support independence, dignity, and choice for all Residents regardless of physical or mental abilities. This is achieved through a culture that enhances personal care based on individual choices and quality of life options.

Health Care Services are available to all Residents of Essex Meadows. Residents, under the direction of their attending physician and the Health Center's medical director (after consultation with the Resident's responsible party, if any, and Resident to the extent possible), may be directly admitted to the Essex Meadows Health Center from their Residences. Residents of Essex Meadows have priority access to the Essex Meadows Health Center over nonresidents desiring admission. Residents who are able to do so will be encouraged to return to their Residences as soon as possible. Residents who are unable to return to their residences, however, will have the benefit of care in the Essex Meadows Health Center

The Provider delivers to Residents quality Health Care Services within the limits of its license and consistent with the approved budget. Licensure for hospital-level care cannot be obtained, and hospital level services are not provided within the Essex Meadows Health Center. Such level of care must be provided by a hospital, and the costs related to hospitalization are the responsibility of the Resident.

For detailed information on Health Care Services, see Section 4 of the Residency Agreement.

## **MANAGED CARE**

If a Resident has chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms governing care in the Essex Meadows Health Center are as follows:

1. If the Essex Meadows Health Center is a participating provider with the Resident's managed care program and the Resident's stay is a Medicare-qualified stay, Essex Meadows will accept, as full payment, reimbursement at the rate negotiated with the Resident's managed care program. The Resident will continue to pay the Monthly Fee for the residence as provided under the terms of the Residency Agreement. Such a managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that the Resident is eligible to receive without additional charge pursuant to the Residency Agreement.

2. If the Essex Meadows Health Center is not a participating provider with the Resident's managed care program and the Resident chooses to receive health care services at a managed care participating provider during a Medicare-qualified stay, then the Resident must 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 the residence as provided under the terms of the Residency Agreement. Such a Medicare-qualified stay at a managed care participating provider will not reduce the number of cumulative days of care that the Resident is eligible to receive without additional charge pursuant to the Residency Agreement.

3. If the Essex Meadows Health Center is not a participating provider in the Resident's managed care program and Resident would still like to receive care in the Essex Meadows Health Center during a Medicare-qualified stay, Essex Meadows will attempt to negotiate an acceptable reimbursement rate with the Resident's managed care program. If Essex Meadows is able to negotiate an acceptable rate, Essex Meadows agrees to accept, as full payment, the rate provided by the Resident's managed care program. The Resident will continue to pay the Monthly Fee for the residence as provided under the terms of the Residency Agreement. Such a managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that the Resident is eligible to receive without additional charge pursuant to the Residency Agreement.

4. If the Essex Meadows Health Center is not a participating provider in the Resident's managed care program and a negotiated rate is not agreed upon and the Resident would still like to receive care in the Essex Meadows Health Center during a Medicare-qualified stay, then each day of the Resident's stay in the Essex Meadows Health Center will reduce by one day the number of cumulative days of care that the Resident is eligible to receive without additional charge pursuant to the Residency Agreement. The Resident will continue to pay the Monthly Fee for the residence and any extra charges for services beyond basic nursing care as provided under the terms of the Residency Agreement. If at any time during any such Medicare-qualified stay in the Essex Meadows Health Center Resident is no longer eligible to receive any of the cumulative days of care provided for in the Residency Agreement, then the Resident will pay the full per diem charge for each day of the Resident's stay in the Essex Meadows Health Center, the Monthly Fee for the residence and any extra charges for services not covered by the per diem charge as outlined in the Residency Agreement.

5. At the conclusion of each such Medicare-qualified stay, the Resident will be entitled to care in the Essex Meadows Health Center in accordance with the terms of the Residency Agreement other than as provided above.

## **CONTRACTS AND FEES**

Life Care Services is the day-to-day manager of Essex Meadows and is paid a management fee for management of the Community pursuant to a management agreement between the Provider and Life Care Services. Life Care Services will also be entitled to reimbursement of certain costs incurred by it in connection with providing management services, including reimbursement of on-site Life Care Services staff salaries.

## **III. THE PROPOSAL**

## **THE LIFE CARE CONCEPT**

The *LifeCare*® concept ensures an individual 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 men and women reaching retirement age have sought better alternatives to traditional retirement living. Essex Meadows offers a continuum of services 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 health needs change.

There are also numerous financial benefits to being a Resident of a *LifeCare*® community:

- There is no ceiling on the Resident's skilled nursing benefit and Resident enjoys coverage for life.
- For skilled nursing care, Resident will continue to pay essentially the same Monthly Fee as if living in a two-bedroom deluxe apartment (Flex Plan Resident's also pay an additional supplemental charge).
- With our Return-of-Capital® Plan, Resident has the comfort of knowing that a significant portion of his/her initial investment is refundable to the Resident or his/her estate.
- The Flex Plan maximizes Resident's choice and flexibility when it comes to retirement planning. The Flex Plan allows for a reduction in the amount paid for the Entrance Payment. While there is no Return-of-Capital® to a Resident's estate, the Resident has the flexibility to continue to control his/her assets and invest the Entrance Payment savings as he/she wishes.

## **THE RETURN-OF-CAPITAL® PLAN**

Under the Return-of-Capital® Plan Residency Agreement, a Resident pays a First Person Fee, a Second Person Fee if there are two people, and makes a Loan (collectively the "Entrance Payment"). The Loan constitutes a significant portion of the Entrance Payment and is repayable upon cancellation of the Return-of-Capital® Plan Residency Agreement. If a Resident dies or decides to leave Essex Meadows, the full amount of the Loan is repayable to the Resident or Resident's estate pursuant to the Loan Agreement. The First and Second Person Fees may be used by us for any purpose related or unrelated to Essex Meadows.

The Return-of-Capital® Plan Residency Agreement is attached hereto as Exhibit C. We reserve the right to offer new prospective residents alternative forms of residency agreements from time to time.

## THE FLEX PLAN

The Flex Plan Residency Agreement is designed to offer choice and flexibility in retirement planning. A Resident will pay a lesser Entrance Payment – currently 35 percent less than the First Person Fee under the Return-of-Capital® Plan plus a Second Person Fee if there are two people. The Resident has the flexibility to invest this 35 percent savings as he or she wishes. After occupancy, the Entrance Payment paid under the Flex Plan Residency Agreement will reduce by the following: (i) 4 percent of the total Entrance Payment is retained as a processing fee; and (ii) 2 percent of the total Entrance Payment per month of occupancy until the Entrance Payment is fully earned by us.

The Flex Plan Residency Agreement is attached hereto as Exhibit D. We reserve the right to offer new prospective residents alternative forms of residency agreements from time to time.

### SUMMARY OF RESIDENCY AGREEMENTS

Upon deciding to become a Resident of Essex Meadows, a future Resident executes a Residency Agreement to reserve the residence selected. The description of the Residency Agreement and the terms of residency contained in this booklet are qualified by reference to the applicable Residency Agreement. The payment terms and conditions for residency under the Residency Agreements are summarized below:

#### Return-of-Capital® Plan:

1. Entrance Payment under the Return-of-Capital® Plan. The term "Entrance Payment" used throughout the Return-of-Capital® Plan Residency Agreement refers to the sum of two separate payments: the First Person Fee and the Loan as described in Paragraphs 2 and 3 below.
2. Payment of the First Person Fee and Second Person Fee under the Return-of-Capital® Plan. At the time the Return-of-Capital® Plan Residency Agreement is executed by the Resident, he or she is required to pay a portion of the required First Person Fee in an amount equal to 10 percent of the total Entrance Payment, which will be held in escrow until released to us. If there are two Residents, a Second Person Fee will be paid. The balance of the First Person Fee and the Second Person Fee, if applicable, is due to be paid to us upon the earlier of (i) occupancy; or (ii) 60 days following the date we approve the Residency Agreement.
3. Refund of First Person Fee and Second Person Fee under the Return-of-Capital® Plan. The First Person Fee is fully refundable prior to occupancy if (i) we do not accept a Resident's application for residency; (ii) the Resident cancels the Residency Agreement within the 30 day right-of-rescission period; or (iii) due to death, illness, injury or incapacity the Resident is unable to occupy his or her residence. In all other cases of cancellation prior to occupancy, we will retain a processing fee equal to \$5,000 and any costs specifically incurred by us at Resident's request. We will refund the remaining balance, without interest, to the Resident (or his/her estate) within 60 days. After

occupancy, we will refund a declining portion of the First Person Fee based on the period of Resident's occupancy.

After occupancy, the Second Person Fee is not repayable. Any non-repayable First Person Fee or Second Person Fee may be used by the Provider for any purpose related or unrelated to Essex Meadows.

4. Payment of a Loan under the Return-of-Capital® Plan. A Resident will be required to make a Loan to the Provider on the earlier of (i) occupancy the date the Resident moves into Essex Meadows; or (ii) 60 days following the date we approve the Residency Agreement.
5. Loan Repayment. In the event of Resident's death (or the death of the remaining Resident if there are two of you) or in the event of cancellation of the Return-of-Capital® Plan Residency Agreement (cancellation by both Residents if there are two Residents), the Loan shall become due and payable in full upon the date we receive the next Entrance Payment (First Person Fee plus Loan) for the Resident's residence. However, in no event shall such date be more than 36 months from the date the Resident's residence is released to us for reoccupancy.

In the event the residence is reoccupied by an existing Resident of Essex Meadows who transfers from another apartment/cottage, the Loan shall be due and payable upon the date we receive the Entrance Payment (First Person Fee plus Loan) for the apartment/cottage vacated by the existing Resident who transferred to the Resident's residence. If more than one internal transfer of existing Residents occurs, repayment of the Loan will be tied to the last vacated apartment/cottage. However, in no event shall such date be more than 36 months from the date the Resident's residence is released to us for reoccupancy.

If there is one Resident under the Return-of-Capital® Plan Residency Agreement, we will repay the Loan to that Resident or his/her estate (or to whomever that Resident has assigned his/her rights to repayment). If there are two Residents (either through initial residency at Essex Meadows or through a subsequent amendment to the Residency Agreement wherein a second person is added to the Residency Agreement after initial residency in accordance with Essex Meadows' residency policy and with our express written approval), we will repay the Loan to the last remaining Resident or the last remaining Resident's estate (or to whomever the last remaining Resident assigned his/her rights to repayment). We will not repay the Loan while a second Resident is occupying Essex Meadows.

#### Flex Plan:

1. Entrance Payment and Second Person Fee under the Flex Plan. The Resident is required to pay an Entrance Payment in two installments – a 10 percent deposit is due at the time the Resident enters into the Residency Agreement and the remaining balance is due on the earlier of (i) occupancy; or (ii) 60 days following the date of we approve the Residency Agreement. If there are two Residents, a Second Person Fee will be paid on the earlier of (i) occupancy; or (ii) 60 days following the date of we approve the Residency Agreement.

2. Refund of the Entrance Payment and Second Person Fee under the Flex Plan. The Entrance Payment deposit is fully refundable prior to occupancy if (i) we do not accept a Resident's application for residency; (ii) the Resident cancels the Residency Agreement within the 30 day right-of-rescission period; or (iii) due to death, illness, injury or incapacity the Resident is unable to occupy his or her residence. In all other cases of cancellation prior to occupancy, we will retain a processing fee equal to \$5,000 and any costs specifically incurred by us at Resident's request. We will refund the remaining balance, without interest, to the Resident (or his/her estate) within 60 days.

After occupancy, we will retain 4 percent of the Entrance Payment as a processing fee plus 2 percent of the Entrance Payment for each month of occupancy, until the full amount of the Entrance Payment has been earned by us. The balance, if any, will be refunded to the Resident or his/her estate within 60 days after cancellation or death of the remaining Resident. Refund of your Entrance Payment, if any, will not occur while your furniture and other property are in the Residence.

If there is one Resident under the Residency Agreement, we will refund the unearned portion of the Entrance Payment, if any, to that Resident or his/her estate (or to whomever that Resident has assigned his/her rights to repayment). If there are two Residents (either through initial residency at Essex Meadows or through a subsequent amendment to the Residency Agreement wherein a second person is added to the Residency Agreement after initial residency in accordance with Essex Meadows' residency policy and with our express written approval), we will refund the unearned portion of the Entrance Payment, if any, to the last remaining Resident or the last remaining Resident's estate (or to whomever the last remaining Resident assigned his/her rights to repayment). We will not refund the unearned portion of the Entrance Payment, if any, while a second Resident is occupying Essex Meadows.

After occupancy, the Second Person Fee is not repayable. Any non-repayable Entrance Payment or Second Person Fee may be used by the Provider for any purpose related or unrelated to Essex Meadows.

Both Return-of-Capital® Plan and Flex Plan:

1. Payment of a Monthly Fee. A Resident is required to pay a Monthly Fee (and a second person Monthly Fee if there are two Residents) to us in order to live at Essex Meadows. Monthly Fees may be adjusted upon 30 days' advance written notice to Residents. The amount of the Monthly Fee (and second person Monthly Fee, if applicable) will be reflected in the Residency Agreement. See Section 6 of the Residency Agreements for more detailed information.
2. Payment of a One-Time Community Fee. A Resident is required to pay a one-time Community Fee to us on the earlier of (i) occupancy; or (ii) 60 days following the date we approve the Residency Agreement. The Community Fee is non-repayable.
3. Miscellaneous Additional Services and Charges. Section 2 of the Residency Agreements describes certain items available for an extra charge. We will give Residents advance

written notice of not less than 30 days before any changes in ancillary charges are implemented.

4. Charges for Health Care Services in the Essex Meadows Health Center. Section 4 of the Residency Agreements establishes the basis for charges for health care services in the Essex Meadows Health Center. In general, the first 90 days of care in the Health Center will be provided without additional charge (other than the charges two additional meals per day and ancillary items). After 90 days of accumulated care, the charges care in the Health Center will depend upon whether the Resident releases his/her residence and the type of Residency Agreement the Resident selected.
5. Acceptance for Residency. Residency Agreements are subject to acceptance by us. The Resident must be capable of residential living, with or without reasonable accommodations or reasonable modifications, and meet the health criteria as set forth in our current residency policy. After full payment of the Entrance Payment and Second Person Fee (if applicable), the Resident must have sufficient financial resources for payment of all monthly charges, plus other personal expenses which may reasonably be expected, and to meet anticipated increases in the cost of living, including increases in the Monthly Fee.
6. Right-of-Rescission. The Residency Agreement may be rescinded by the Resident by giving us and the escrow agent written notice within 30 days from the date of Resident's execution. In such event, the amount of the Entrance Payment deposit paid by the Resident will be returned in full, without interest, less those costs specifically incurred by us at the Resident's request and described in an addendum to the Residency Agreement signed by the Resident and us.
7. Escrow. During the right of rescission period and until the residence selected by the Resident is available for occupancy, any portion of the Entrance Payment paid by the Resident is required by state law to be held in an escrow account.
8. Financial Assistance. In cases where a Resident's financial resources prove inadequate, the Resident may apply for special financial consideration by the Provider. It is the policy of the Provider not to require a Resident to leave Essex Meadows because of justifiable inability to pay the full Monthly Fees or Health Center charges as long as it does not impair the Provider's ability to operate on a sound financial basis. If this occurs, any deferred charges will be offset against any repayment due the Resident. The circumstances under which a Resident will be allowed to remain at Essex Meadows in the event of financial difficulty are set forth in Section 9.2 of the Residency Agreement. Further, when the Resident initially applies for residency, the Resident agrees to maintain throughout his or her residency the minimum level of assets and income that initially qualified him or her for residency.

## **FEE SCHEDULES**

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

## **ESTATE PLANNING**

The Loan repayment under the Return-of-Capital® Plan or Entrance Payment refund under the Flex Plan is payable to the Resident's estate upon the death of the Resident, or in the case of a double-occupied residence, upon the death of the remaining Resident to the remaining Resident's estate. A Resident who does not wish to have his/her estate receive this refund may choose to assign his or her right to repayment to a trust or other person designated by the Resident pursuant to a form of Assignment approved by us. No other rights under the Residency Agreement are assignable.

If there is one Resident under the Residency Agreement, the Loan repayment or the Entrance Payment refund will be repaid to that Resident or his/her estate (or to whomever that Resident has assigned his/her rights to repayment). If there are two Residents (either through initial residency at Essex Meadows or through a subsequent amendment to the Residency Agreement wherein a second person is added to the Residency Agreement after initial residency in accordance with Essex Meadows' residency policy and with our express written approval), the Loan repayment or the Entrance Payment refund will be repaid to the last remaining Resident or the last remaining Resident's estate (or to whomever the last remaining Resident assigned his/her rights to repayment). The Loan repayment or the Entrance Payment refund will not be repaid while a second Resident is occupying Essex Meadows.



## **IV. FINANCIAL STATEMENTS AND PROJECTIONS**

## **FINANCIAL PROJECTIONS**

The following information is provided to future Residents, their families, and their advisors to understand the financial basis on which Essex Meadows is operated. Our past experience and the past experience of Life Care Services in successfully managing senior living communities has been the basis for financial planning for Essex Meadows.

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

On the following pages are the January 1, 2023 through December 31, 2026 pro forma cash flow projection for the Provider. This pro forma projection 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 cash flow 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 Essex Meadows. 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 Essex Meadows and other factors. Variances from these projections should be expected.

**CASH FLOW PROJECTION**  
For the Period Beginning January 1, 2023

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026
Beginning Cash (1)	7,408,469	6,769,310	6,702,964	6,779,772
<b>Additions</b>				
Apartment Service Fees (2)	15,173,365	15,928,381	16,382,402	16,800,687
Health Center Income - Net (3)	6,100,099	6,316,003	6,630,950	6,857,909
Miscellaneous Income (4)	359,234	502,720	521,507	540,986
Community Fees (5)	238,200	238,200	245,346	252,706
Investment Income (excluding HC Escrow) (6)	132,000	110,256	107,999	110,612
Interest on Health Center Escrow Fund (7)	-	-	-	-
Net entry fee cash flow	4,617,298	5,117,327	5,092,861	5,077,029
<b>Disbursements</b>				
Operating Expenses (8)	(19,551,332)	(20,271,949)	(20,977,574)	(21,580,444)
Capital Expenses - not paid from fund (9)	(1,315,000)	(964,000)	(1,018,400)	(765,640)
Capital Expenses - paid from the reserve fund(10)	(525,000)	(595,000)	(660,000)	(700,000)
Debt Service	(618,024)	(948,283)	(948,283)	(948,283)
Equity Distributions	(5,250,000)	(5,500,000)	(5,300,000)	(5,400,000)
Net Change	(639,160)	(66,345)	76,808	245,564
Ending Cash	6,769,310	6,702,964	6,779,772	7,025,336

\*These numbers are estimates and are subject to change.

**PRO FORMA CASH FLOW ASSUMPTIONS**

- (1) Beginning Cash: represents the cash and reserves on hand at the beginning of the fiscal year.

Cash and Cash Equivalents	\$3,880,040
Restricted and Escrowed Funds	\$3,528,429
Total	\$7,408,469

- (2) Apartment Service Fees: represents the total of first and second-person Monthly Fees for all residences. The number of second persons was projected using the population projections prepared by a consulting actuarial firm, Milliman, Inc. of Omaha, Nebraska. The number of residences occupied by more than one person projected for 2023 through 2026 is as shown in the following table:

2023	2024	2025	2026
58	58	59	59

- (3) Health Center Income: assumes average daily rates in 2023 of \$530 for a private room and \$469 for a semi-private room. The 45-bed health center is designed for 33 private rooms and 6 semi-private rooms. Private rooms may be converted to semi-private, with total beds not to exceed 45. The average census has been projected to be 82.2 percent in 2023 and 2024, 89.1 percent in 2025 and 90 percent in 2026.
- (4) Miscellaneous Income: represents revenue from meals, resident personal services, concierge, cable/internet, garage rentals, guest rooms, and beauty and barber shops.
- (5) Community Fees: represents a non-refundable one-time fee equal to two times the then-current Monthly Fee. The Community Fee is paid by each resident upon closing on a residence.
- (6) Interest Income: on cash balances is assumed to be at an annual average rate of 3.40 percent.
- (7) Interest on Health Center Escrow: represents interest earnings on the Health Center Resident Loans Escrow account. Deposits are made to the escrow account when a resident moves to the Essex Meadows Health Center. Such deposits are applied towards repayment of the Health Center resident's Loan amount due upon cancellation of the Residency Agreement.
- (8) Operating Expenses: includes the expenses for staffing, materials, and services for the entire project. Operating expenses are projected to increase at 8.5% in 2023 and around 4% annually through 2025. These are estimates and are subject to change.
- (9) Capital Expenses – not paid from fund: represents the total cost for the repair or replacement of interior finishes and elements of the buildings and equipment and of other portions of the buildings and equipment that are not paid from the Repair and Replacement Reserve Fund.
- (10) Capital Expenses – paid from reserve fund: represents the total cost for the repair or replacement of interior finishes and elements of the buildings and equipment and of other portions of the buildings and equipment that are paid from the Repair and Replacement Reserve Fund.

### **RESIDENTIAL TURNOVER RATES**

The residential turnover rate is calculated by dividing the number of apartments released by the average number of occupied apartments. The residential turnover rates for the most recently completed 12-month period, and anticipated for the next three years, are as follows:

2022	2023	2024	2025
10.7%	12.7%	11.0%	11.0%

### **NUMBER OF HEALTH CARE ADMISSIONS**

The number of health care admissions pursuant to continuing-care contracts for the most recently completed 12-month period, and anticipated for the next three years, is as follows:

2022	2023	2024	2025
25	25	25	25

### **DAYS OF CARE**

The days of care per year for the most recently completed 12-month period, and anticipated for the next three years, are as follows:

2022	2023	2024	2025
13,791	13,505	13,505	14,630

### **NUMBER OF PERMANENT TRANSFERS**

The number of permanent transfers to the health center in the 12-month period ending December 31, 2022 was ten (10) Residents.

### **OCCUPANCY RATES**

The occupancy rate for the most recently completed 12-month period (December 31, 2022) was 96%.

## FORECASTED STATEMENT OF REVENUES AND EXPENSES

### LCS Essex Meadows LLC FORECASTED STATEMENT OF REVENUE AND EXPENSES

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026
<b>OPERATING INCOME:</b>				
Amortization of Non-Refundable Fees	843,000	885,150	911,705	941,791
Monthly Service Fees	15,173,365	15,928,381	16,382,402	16,800,687
Health Center Revenues – Net	6,100,099	6,316,003	6,630,950	6,857,909
Interest Income	132,000	110,256	107,999	110,612
Other Income	597,434	740,920	766,853	793,693
<b>TOTAL INCOME</b>	<b>22,845,898</b>	<b>23,980,709</b>	<b>24,799,908</b>	<b>25,504,691</b>
<b>EXPENSES:</b>				
G&A	4,439,906	4,439,187	4,590,973	4,720,998
Plant	3,250,834	3,391,533	3,512,462	3,613,610
Housekeeping	1,359,374	1,435,211	1,485,443	1,527,036
Dietary	4,151,418	4,345,526	4,497,619	4,623,553
Resident Care	5,848,250	6,153,927	6,369,314	6,557,832
Marketing Expense	501,550	506,566	521,762	537,415
Depreciation/Amortization	1,932,201	1,969,690	1,979,559	2,006,219
<b>TOTAL OPERATING EXPENSES</b>	<b>21,483,533</b>	<b>22,241,639</b>	<b>22,957,133</b>	<b>23,586,663</b>
<b>NET INCOME</b>	<b>1,362,365</b>	<b>1,739,071</b>	<b>1,842,775</b>	<b>1,918,029</b>

\*These numbers are estimates and are subject to change.

## AUDITED FINANCIAL STATEMENTS

The fiscal year end of the Provider is December 31. Audited financial statements for LCS Essex Meadows LLC for December 31, 2022 are attached as Exhibit E.

## FINANCING

Long term financing for Essex Meadows was provided in November 2018 by a loan with an original balance of \$12.265 million, secured by a first mortgage and security agreement on the real and personal property of, and the revenues generated by the Provider. The financing is structured as a 5-year floating rate transaction; however, shortly after closing on the loan, an interest rate swap was executed to provide for a fixed interest rate of 5.16% during the 5-year loan term. The swap was amended in May 2020 to lower the fixed interest rate to 4.45% during the 5-year loan term. The loan structure also includes a two-year extension option, as well as a single financial covenant – debt service coverage ratio. Under the loan agreement, payments due during the loan term will be interest only.

## **PROVIDER'S COMPENSATION**

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

## **V. REGULATORY MATTERS**



## **CONTINUING CARE RETIREMENT COMMUNITY REGISTRATION**

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

- (1) A Disclosure Statement,
- (2) Certain financial information, and
- (3) Escrow account verifications and Escrow Agreements.

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

State Department of Social Services  
Office of Certificate of Need and Rate Setting  
55 Farmington Avenue  
Hartford, CT 06105

## **ASSISTED LIVING SERVICES AGENCY LICENSE AND MANAGED RESIDENTIAL COMMUNITY REGISTRATION**

Essex Meadows is licensed with the Connecticut Department of Health as an assisted living services agency and a managed residential community, which allows it to provide assisted living services in a Resident's residence. These services are provided through the Community's Resident Health Services Program or through a licensed home care provider or home health agency of the resident's choice. The managed residential community is not licensed by the Department of Health Systems Regulation.

## **HEALTH CENTER LICENSURE**

Essex Meadows is licensed as a chronic and convalescent nursing home with the Connecticut Department of Public Health. The Health Center has 45 licensed beds – all of which are Medicare certified. The Health Center is not Medicaid certified. The Health Center is required to pass periodic surveys to maintain licensure.

## **ENTRANCE PAYMENT ESCROW**

Under the provisions of the continuing-care law, we have established an escrow account with a bank for purposes of depositing payments made by Residents prior to occupancy. The Trust Department handling the escrow account is located at:

US Bank, National Association  
225 Water Street, Suite 700  
Jacksonville, FL 32202  
(904) 358-5362

US Bank has 1 branch location in Connecticut.

Interest earned on the escrow account will be credited to us. We are required to maintain the payments received from a Resident in the escrow account until the following events occur:

- (1) The 30-day right of rescission period expires, and
- (2) The residence becomes available for occupancy by the Resident.

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

Essex Meadows  
c/o Administration  
30 Bokum Road, Suite 1  
Essex, Connecticut 06426

and, if during the right of rescission period, also to the escrow agent.

Included as Exhibit F to this Disclosure Statement is a signed statement from the escrow agent verifying that the required Entrance Payment Escrow has been established and maintained.

## **OPERATING RESERVE ESCROW**

We are also required to establish and maintain a reserve fund escrow account in an aggregate amount sufficient to cover:

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

The Trust Department handling the reserve fund escrow is located at:

US Bank, National Association  
225 Water Street, Suite 700  
Jacksonville, FL 32202  
(904) 358-5362

US Bank has branch locations in Connecticut.

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

## **INVESTMENT DIRECTION**

Investment direction for the escrow accounts is made in accordance with the terms of the escrow agreements and upon direction of an officer or agent of the Provider. Under the provisions of the continuing-care law, operating reserve funds may not be invested in any building or health care facility of any kind, or used for capital construction or improvements, or for the purchase of real estate. Investment decisions are made with an expectation of reasonable return while maintaining the security of the funds.

## **TAX DISCUSSION AND MEDICAL EXPENSE DEDUCTION**

The signing of the Residency Agreement and payment of the First Person Fee and Monthly Fee gives rise to certain unique tax considerations. Each Resident is advised to consult with his/her personal tax advisor regarding the tax considerations associated with becoming a Resident of Essex Meadows.

A Resident of Essex Meadows may be allowed tax benefits associated with his or her residency. A portion of the Entrance Payment and on-going Monthly Fees paid by a Resident may be taken as a medical expense deduction. Each year, the Provider will issue a letter to the Residents stating the portion of the prior year's fees that have been determined to be attributable to the health related expenses at Essex Meadows.

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 deductions.

The Provider is not a tax advisor and disclaims any responsibility for any tax advice relating to becoming a Resident of Essex Meadows.

## **JUDICIAL PROCEEDINGS**

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

## **VI. EXHIBITS**

**EXHIBIT A**

**SENIOR LIVING COMMUNITIES MANAGED  
BY LIFE CARE SERVICES  
AS OF 7/15/2023**

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, Chicago – Clarendale Six Corners  
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  
 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, Auburn Hills – The Avalon of Auburn Hills  
 Michigan, Battle Creek – NorthPointe Woods  
 Michigan, Bloomfield Township – The Avalon of Bloomfield Township  
 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  
 Michigan, Auburn Hills – The Avalon of Auburn Hills  
 Michigan, Commerce Township – The Avalon of Commerce Township  
 Minnesota, Buffalo – Havenwood of Buffalo  
 Minnesota, Burnsville – Havenwood of Burnsville  
 Minnesota, Champlin – Champlin Shores  
 Minnesota, Maple Grove – Havenwood of Maple Grove  
 Minnesota, Minnetonka – Havenwood of Minnetonka  
 Minnesota, Richfield – Havenwood of Richfield  
 Minnesota, Plymouth – Trillium Woods  
 Minnesota, Vadnais Heights – Gable Pines  
 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 – Porters Neck Village  
Ohio, Avon – Rose Senior Living – Avon  
Ohio, Beachwood – Rose Senior Living – Beachwood  
Ohio, Lewis Center – The Avalon of Lewis Center  
Ohio, New Albany – The Avalon of New Albany  
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 THE SERVICES**

The services provided by Essex Meadows 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, the following detailed description has been prepared. The procedures to be followed in furnishing these services may be modified by us in consultation with Essex Meadows' Association of Residents.

Included in Exhibit H to this Disclosure Statement is a list of ancillary charges for any additional items described herein.

#### **Additional Services**

Additional services are provided to Residents for an extra charge billed monthly. Such services include, but are not limited to: guest accommodations (with a seven-day limit on usage), guest meals, beauty/barber shop services, additional Resident meals, additional housekeeping, personal laundry service, and such other reasonable services as requested.

#### **Beauty and Barber Shop**

Beauty and barber shop services are available at additional charge.

#### **Community Life Services**

The Community Life Services Director is responsible for fitness programming, scheduling group events and transportation, creating newsletters, and overseeing the arts, crafts, and other activities in the Residential portion of Essex Meadows.

#### **Dining Services**

Residents are provided with one meal each day, which may be taken at any scheduled time during the month in our elegant dining room or casual sun room and pub. Guest meals are also available at 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.

There are three dining venues available at Essex Meadows:

- **Formal Dining Room:** This dining venue is typical restaurant-style dining. 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 at dinner.
- **The Pub:** This dining venue is a more casual environment. Coffee, tea and soft drinks are available throughout the day. Pastries are set out in the morning, and, during lunch, a pub menu of specialty sandwiches, soups, and salads is offered. The Pub is a comfortable place to gather before dinner to enjoy "Happy Hour" entertainment, or to simply stay and enjoy ordering from the evening Pub menu.
- **The Sun Room:** A bright, sunny room located off the main dining area. It offers a more relaxed atmosphere to enjoy the dining room menu.



No matter the venue, Residents must dress and conduct themselves in a socially acceptable manner.

Modified diet consultation is provided to Residents by the dietary department when a modified diet has been ordered by a Resident's physician. The services of the dietitian are available to the Residents to provide special diet meal plans.

To-Go meals are available during meal times. We will package any menu items and make them available for pick-up. Meal delivery service, known as Knock and Drop, is also available.

### **Health Center**

A physician has been retained on a consulting basis to act as the medical director of Essex Meadows Health Center. The medical director will be responsible for medical supervision of Essex Meadows 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 Essex Meadows Health Center.

If a Resident requires health care services, he or she may be transferred directly to the Essex Meadows Health Center from his/her residence if ordered by a physician and hospital care is not needed. The Resident's attending physician or Essex Meadows' medical director will determine the appropriate level of care required by the Resident upon admission to the Essex Meadows Health Center. Essex Meadows' 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 or her residence as soon as possible.

The Essex Meadows Health Center will be staffed to provide quality care to Residents of Essex Meadows and to non-residents admitted from the surrounding area. If a Resident desires special additional nursing staff while a patient in the Essex Meadows Health Center, arrangements may be made through the Essex Meadows Health Center at additional cost to the Resident.

Both private and semi-private accommodations are available in the Essex Meadows Health Center, and based on availability, the Resident may choose between private and semi-private accommodations. There is an additional charge for private accommodations as outlined in the Residency Agreement. 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 Essex Meadows Health Center includes basic nursing care provided in accordance with the laws and regulations governing skilled nursing facilities.

The Resident is responsible for the charges for services provided by his or her 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 cost of two additional meals per day will be added to a Resident's monthly billing statement during his or her stay in the Essex Meadows Health Center.

In the event Essex Meadows Health Center is fully occupied, we will place the Resident in an alternate facility of comparable skilled level, and the Resident will pay the same monthly charges to us as if he or she were a patient in Essex Meadows Health Center.

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

### **Health Care Center Permanent Assignment**

When a Resident's condition is expected to continue to require the services of the Essex Meadows Health Center, the Resident has a choice as to when to give up his/her residence. Residents of Essex Meadows are provided up to 90 cumulative days of care in the Essex Meadows Health Center at no additional cost, other than for the two additional meals per day and for physician services and ancillary items. After 90 cumulative days of care, the Resident's monthly charges depend upon whether the residence is released as explained below:

(a) In the case of a single-occupied residence, if a Resident chooses to release his or her residence, the Monthly Fee for the residence will cease and the Resident will pay the then-current Monthly Fee for the two-bedroom deluxe apartment, plus extra charges for two additional meals, physician services, and ancillary items. Under the Flex Plan Residency Agreement, the Resident will also pay a supplemental charge, which is outlined in Section 4.17 of the Flex Plan Residency Agreement. There is an additional charge for private accommodations.

(b) In the case of a single-occupied residence, if a Resident chooses to keep his or her residence, the Resident will continue to pay the Monthly Fee for the residence. In addition, the Resident will pay a monthly charge for health care services equal to the then-current Monthly Fee for the two-bedroom deluxe apartment, plus the extra charge for one meal per day not covered by the two Monthly Fees, physician services, and ancillary items. Under the Flex Plan Residency Agreement, the Resident will also pay a supplemental charge, which is outlined in Section 4.17 of the Flex Plan Residency Agreement. There is an additional charge for private accommodations.

(c) In the case of a double-occupied residence, if only one of the Residents requires health care services beyond the 90 days, that Resident will pay the then-current first person Monthly Fee for the two-bedroom deluxe apartment and the cost of extra meals per day, physician services, and ancillary items. The Resident who has remained in the residence will continue to pay the first-person Monthly Fee for the residence. Under the Flex Plan Residency Agreement, the Essex Meadows Health Center Resident will also pay a supplemental charge, which is outlined in Section 4.17 of the Flex Plan Residency Agreement. There is an additional charge for private accommodations.

(d) In the case of a double-occupied residence, if both Residents require health care services beyond the 90 days and the Residents choose to release their residence, the Monthly Fee for their residence (first and second person) will cease. They will each pay the then-current first person Monthly Fee for the two-bedroom deluxe apartment, plus the extra charges for the extra meals per day, physician services, and ancillary items. Under the Flex Plan Residency Agreement, each Resident will also pay a supplemental charge,

which is outlined in Section 4.17 of the Flex Plan Residency Agreement. There is an additional charge for private accommodations.

(e) In the case of a double-occupied residence, if both Residents require health care services beyond the 90 days and the Residents choose to keep their residence, they will continue to pay the monthly charges for the residence. In addition, each Resident will pay a monthly charge for health care services in an amount equal to the then-current first-person Monthly Fee for the two-bedroom deluxe apartment, plus the extra charges for extra meals per day, physician services, and ancillary items. Under the Flex Plan Residency Agreement, each Resident will also pay a supplemental charge, which is outlined in Section 4.17 of the Flex Plan Residency Agreement. There is an additional charge for private accommodations.

### **Laundry**

We provide weekly flat laundry service, including washing, drying, folding, and returning Residents' flat laundry within a specified time. 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 additional charge.

### **Maintenance**

We maintain all buildings, grounds, and common areas and also provide weekly housekeeping services in the residences. Housekeeping services include cleaning, dusting, and vacuuming the interior of the residence; washing of hard surface floors; and cleaning of ovens and windows (as needed). Furniture is moved at least once a year for cleaning hard-to-reach areas. - Extra maintenance and cleaning help is available at additional charge.

### **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 or about the fifth day of the month. Monthly billing statements are required to be paid by the tenth business day of each month.

### **Resident Health Services Program**

Essex Meadows offers additional personal services to Residents through its licensed Resident Health Services Program. The purpose of this program is to provide assistance to Residents should the need arise, so that living in a residence can continue for as long as possible. Resident health services include bathing, dressing, additional housekeeping, shopping, escort, and laundry. Some Resident health services are available as part of the Monthly Fee while other Resident health services are available for an additional charge. We reserve the right to add, delete, or modify such additional services from time to time.

### **Parking**

Surface parking is provided for each apartment. In addition, garages are available to Residents on a first-come, first-served basis for an additional monthly fee. Each cottage has a two-car attached garage.

## **Pets**

Essex Meadows is proud to be a *LifeCare*® retirement community that permits pets. The following pet policy has been adopted by Essex Meadows:

(a) The privilege of keeping pets is subordinate to the rights of all Residents of Essex Meadows to be free from any inconvenience created by other Residents' pets. Pet owners will pay the costs of maintaining all programs associated with pet policies and agreements.

(b) Pets are permitted in the residences provided the Resident signs a separate pet agreement. The Resident is required to pay a \$1,000 deposit to us. Any interest earned on the deposit will remain our property.

(c) The maintenance of a pet at Essex Meadows is a revocable privilege, subject to administrative approval and evaluation of the suitability of a pet. The Executive Director's permission or denial to keep a pet in the Resident's residence shall be final. The animal must be spayed/neutered. Removal of the pet may be required if the Administrator determines that it is necessary to protect the rights of other Residents.

(d) The Resident shall be responsible for keeping the pet properly restrained and for cleaning up after the pet. The Resident shall make arrangements for the care and treatment of the pet in the event of the Resident's death or inability to care for the pet, and shall notify Essex Meadows of such arrangements. The Resident will restrict pet access to those areas designated as areas allowing pets.

(e) No additional or replacement pet will be permitted without prior approval of the Executive Director.

(f) In order to protect the Residents of Essex Meadows, this policy will be subject to revision from time to time.

## **Prescription Service**

Delivery service from various pharmacies is provided for the Residents' convenience.

## **Private Dining Room**

A private dining room is available for use by Residents and their guests. Special meals, if desired, are available for an additional charge. Advance reservations are required.

## **Receptionist**

A receptionist is on duty from approximately 8:30 am to 8:00 pm M-F. Additional hours may be scheduled depending on the needs of the Residents and staff. All payments of monthly billing statements, as well as maintenance orders and messages, are handled at the reception desk.

**Security**

Security personnel are provided at Essex Meadows. For the Residents' added safety, all entrance and exit doors (except the main entrance and employee entrance during the day) are locked 24 hours a day, requiring the Residents to use an electronic device to gain entrance.

**Telephone Service**

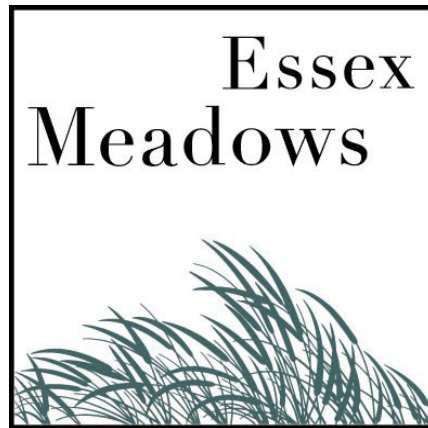
Each residence has live jacks in various locations. Actual telephone service is at the Resident's expense.

**Transportation**

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

**EXHIBIT C**

**RETURN-OF-CAPITAL® PLAN RESIDENCY AGREEMENT**



Essex, Connecticut

RESIDENCY AGREEMENT  
(RETURN-OF-CAPITAL PLAN®)

6/30/2021

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## GLOSSARY

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

**"Aging in Community Policy"** refers to that policy, which outlines the requirements of the Resident to continue to live in a Residence at Essex Meadows.

**"Agreement"** means this Residency Agreement between the Resident and the Provider, which delineates the contractual obligations of the Provider to the Resident for the accommodations, services, and amenities provided at Essex Meadows.

**"Commons"** refers to the common areas housing the administrative office space, dining room(s), activity room(s), lounges, library, etc., located on the campus of Essex Meadows.

**"Community Fee"** refers to the one-time non-repayable fee paid by the Resident to the Provider at the time the balance of the Entrance Payment is paid.

**"Community Related Costs"** refers to the operating costs to provide the accommodations, services and amenities listed in Section 1 of this Agreement and provided as a part of the Monthly Fee and the current and anticipated financial needs related to the Community including, but not limited to, operating costs, working capital, capital expenditures, reserves, and debt service payments.

**"Essex Meadows"** refers to the *LifeCare*® senior living community, including the Residences, the Commons, the Health Center, and all site amenities associated with these areas located in Essex, Connecticut.

**"Essex Meadows Health Center" or "Health Center"** refers to the facility where rehabilitative care and skilled nursing care will be provided on the campus of Essex Meadows.

**"Entrance Payment"** refers to the payment made to the Provider to assure you a residence in Essex Meadows pursuant to terms and conditions of this Agreement.

**"Essex Meadows"** refers to the *LifeCare*® senior living community, including the Residences, the Commons, the Health Center, and all site amenities associated with these areas located in Essex, Connecticut.

**"Extra Charges"** refers to the charges payable in consideration for the additional services and amenities requested by Resident, as set forth in Section 2 of the Agreement, that are in addition to those set forth for the Monthly Fee.

**"Financial Assistance Amendment to Residency Agreement"** refers to that amendment that allows the Resident to remain at Essex Meadows in the event of a change in the Resident's financial condition.

**"First Person Fee"** refers to the fee identified in Section 5.2 and paid to the Provider.

**"Health Center Admission Agreement"** refers to that agreement entered into between the Provider and the Resident at the time the Resident is admitted to the Essex Meadows Health Center, which outlines the service obligations to be provided at the Health Center.

**"Health Care Services"** refers to the scope of services that may be provided in the Essex Meadows Health Center, including rehabilitative care and skilled nursing care.

**"LCS Essex Meadows LLC," "Provider," "we," "our," or "us"** refers to the owner and operator of a *LifeCare*® senior living community which conducts business as Essex Meadows, which includes the Residences, Commons, Health Center, common areas, and site amenities associated with these areas. LCS Essex Meadows LLC is a Delaware limited liability company, qualified to do business in the State of Connecticut.

**"Loan"** refers to the Loan identified in Sections 5.1 and 5.3, and in Exhibit A of this Agreement and made to the Provider.

**"Managed Residential Community"** means a community registered with the Connecticut Department of Public Health in order to provide certain assisted living services to residents in their residences. Essex Meadows is registered as a managed residential community.

**"Medical Director"** refers to the physician identified by the Provider to assist in assuring that quality care is delivered in the Essex Meadows Health Center. The

Medical Director will also be called upon to assist Essex Meadows, the Resident, and the Resident's family in determining the medical needs of the Resident.

**"Monthly Charges"** refers to all those monthly charges payable by the Resident pursuant to the terms of the Agreement, including the Monthly Fees, the Extra Charges for additional services, the additional monthly charge for Health Care Services, if any, and all other fees and charges payable monthly pursuant to the terms of the Agreement, as appropriate in the particular instance.

**"Monthly Fee"** refers to that Monthly Fee set forth in Section 6.1, payable in consideration for the accommodations, amenities, and services provided to all residents outlined in Section 1 of the Agreement and the financial needs related to the Community. The Monthly Fee includes a second person Monthly Fee if there are two Residents.

**"Occupancy"** refers to the earlier of (i) the date the Resident moves into Essex Meadows; or (ii) the date the Resident pays the balance of the First Person Fee, pays the Second Person Fee (if applicable), and makes the Loan to the Provider pursuant to this Agreement.

**"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 personal services requested or required by the Resident that are not covered by Essex Meadows.

**"Personal Service Provider Policy"** refers to the policy, which sets forth the rules of conduct which must be followed by any Personal Service Provider providing services to residents of Essex Meadows.

**"Provider"** refers to LCS Essex Meadows LLC, the legal entity that owns and operates Essex Meadows.

**"Residence"** refers to the apartment or cottage at Essex Meadows identified in Paragraph B of the Introduction section in the Agreement in which the Resident is entitled to occupy pursuant to the Agreement in exchange for paying the Entrance Payment, the Community Fee, and the Monthly Fee(s).

**"Residence Modification Agreement"** refers to that agreement between the Provider and the Resident, which outlines the terms and conditions under which the Resident may make modifications to his/her Residence.

**"Residency Policy"** refers to that policy, which outlines the initial requirements of the Resident to live in a Residence at Essex Meadows.

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

**"Second Person Fee"** refers to the fee identified in Section 5.4 and paid to the Provider when a second person occupies the Residence.

# **ESSEX MEADOWS RESIDENCY AGREEMENT (RETURN-OF-CAPITAL PLAN®)**

## **INTRODUCTION**

A. This Residency Agreement ("Agreement") is entered into by LCS Essex Meadows LLC and \_\_\_\_\_.  
Essex Meadows is a *LifeCare*® senior living community located at 30 Bokum Road, Essex, Connecticut 06426, whose purpose is to provide individuals who are 62 years of age and older a way of living known as *LifeCare*®.

B. We will provide quality residential housing for seniors along with a wide array of personal 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: \_\_\_\_\_  
Occupancy Date: \_\_\_\_\_

C. Essex Meadows is designed to offer an environment that enriches your life. The objective of Essex Meadows is to offer a lifestyle with services and programs based on your interests that will complement or augment your current lifestyle and well-being. The design of Essex Meadows allows for creative and healthy lifestyle activities in a comfortable environment.

D. In addition, there are health care benefits and convenient access to on-site long-term health care including skilled nursing care, if needed. One of the most significant benefits of the health plan offered at Essex Meadows is that as a Resident of a *LifeCare*® senior living community, you are offered lifetime use of a Residence, services and amenities, and care in the on-site nursing home, subject to the terms of this Agreement. The health care access is one of the many, and also one of the most important, benefits of becoming a Resident of Essex Meadows.

E. To be accepted for residency, you must meet our residency criteria that includes: age guidelines, financial guidelines; and the ability to meet the requirements of residence occupancy.

F. The purpose of this Residency Agreement is to set forth your rights and duties as a Resident of Essex Meadows and to delineate the services to be provided at Essex Meadows.

**1. SERVICES AND AMENITIES PROVIDED TO ALL RESIDENTS.** We will provide at Essex Meadows, so long as you reside in a Residence therein, the following services and amenities, which are included in the Monthly Fee:

**1.1** One meal per day for each Resident or other alternate dining program that may be established;

**1.2** Water, sewer, air conditioning, heating, and electricity for apartment residents – water and sewer for cottage residents;

**1.3** Janitorial and maintenance services of buildings, grounds, and residences, including provided appliances;

**1.4** Weekly scheduled housekeeping service;

**1.5** Weekly laundry service for bed and bath linens;

**1.6** You may choose to participate in fitness, nutrition, active life, and well-being activities to enhance your lifestyle;

**1.7** One space for open parking for apartment residents – two-car attached garage for cottage residents;

**1.8** Complete kitchen, including refrigerator with icemaker, range/oven, garbage disposal, ductless hood fan, microwave, and dishwasher;

**1.9** Local transportation scheduled by us – the list of scheduled transportation is incorporated into the monthly activities schedule and is distributed;

**1.10** Emergency call monitoring in your Residence by Community staff;

**1.11** Assisted living services for a limited period of time as determined on a case-by-case basis at the time such services are required, in our sole discretion – a list of which is attached hereto as Exhibit B;

**1.12** Use of all common areas in Essex Meadows; and



**1.13** Use of Essex Meadows Health Center pursuant to the terms of this Agreement.

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

We will also make available at Essex Meadows, at your request, for so long as you reside in a residence at Essex Meadows, at the then prevailing rates of Extra Charge:

**2.1** Additional meals, food, catering services, and beverage services;

**2.2** Tray service to your Residence;

**2.3** Additional housekeeping;

**2.4** Extended transportation services;

**2.5** Extended assisted living services (as determined on a case-by-case basis at the time such service is required, in our sole discretion – a list of which is attached hereto as Exhibit B);

**2.6** Salon services;

**2.7** A limited number of garages for apartment residents;

**2.8** Certain other services, upon special arrangements; and

**2.9** Certain additional services for Extra Charge while you are in the Essex Meadows Health Center.

A list of these ancillary charges for the additional services can be obtained from the front desk. A copy of the ancillary charges is also in the Resident Handbook provided to all new residents. We will give you advance written notice of not less than 30 days before any changes in ancillary charges are implemented. Each year, a current copy of the ancillary charges is distributed to each resident.

**3. DURATION OF YOUR RIGHT TO OCCUPY THE RESIDENCE.**

You may reside in your Residence and receive the services outlined in this Agreement for as long as you live unless you are not capable of living in a Residence as set forth in our Aging in Community Policy, 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 provided, you will be offered the opportunity to relocate to the Essex Meadows Health Center where we are

licensed to provide such care or to secure the services from a Personal Service Provider at your expense. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Essex Meadows 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 there are two of you under this Agreement and one of you dies or relocates to the Health Center, or for some other reason is unable to occupy the Residence, the remaining person may continue to occupy the Residence under the terms of this Agreement. If it is determined that you require hospitalization, we will assist in the coordination of your transfer to an appropriate hospital. Community staff will not accompany a resident to the hospital.

**4. ESSEX MEADOWS HEALTH CENTER.** We will provide rehabilitative care and skilled nursing care in the Essex Meadows Health Center. These services will collectively be known as "Health Care Services."

**4.1 Health Care Services.** If, in the opinion of your attending physician or the Medical Director (after consultation with you to the extent possible and your responsible party, if any), you require Health Care Services in the Essex Meadows Health Center, we will provide such care as outlined in this Section 4 and to the extent authorized by a license issued to us from the Connecticut Department of Public Health. Both private and semi-private accommodations are available in the Health Center. Based on availability, you may choose between private and semi-private accommodations. There is an additional charge for private accommodations as outlined in Section 4.5 below.

**4.2 First 90 Days of Health Care Services.** Health Care Services will be provided by us in the Essex Meadows Health Center without Extra Charge (except for an additional charge for private accommodations as outlined in Section 4.5 below) for 90 cumulative days for you (90 days for each of you if there are two of you, but the allowance for one Resident cannot be used by the other). You will also pay the charges for the meals in excess of the one meal per day per Resident at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. If your stay in the Health Center is fully covered as a Medicare-qualified stay, the 90 cumulative days of credit offered per Resident in this Section will not take effect until the termination of your Medicare-qualified stay. While in the Essex Meadows Health Center, the Monthly Fee for your Residence will continue as before. Further, whether you release or retain your Residence while you are in the Health Center, you will not be entitled to repayment of your Loan. [NOTE: The 90 cumulative days without Extra Charge is the total number of days allowed

per Resident during your lifetime for a combined total for Health Care Services in the Essex Meadows Health Center. After the 90 cumulative days are exhausted, your care will be in accordance with Section 4.3 when there is one of you and Section 4.4 when there are two of you.]

**[NOTE: Section 4.3 only applies when there is one of you.]**

**4.3 More Than 90 Days of Health Care Services When There is One of You.** If you require Health Care Services beyond the 90 cumulative days, charges for care will depend upon whether you choose to release or retain your Residence:

**4.3.1 Release Residence When There is One of You.** If you choose to release your Residence for occupancy by someone else, you must provide us with 30 days' advance written notice of your intent to release your Residence. You are obligated to pay the Monthly Fee during this 30-day notice period. Further, the Monthly Fee for your Residence will continue until the date all your furniture and other property have been removed from your Residence. If removal of your furniture and other property is not accomplished within 30 days of the decision to release your Residence, we may remove and store your furniture and other property at the expense and risk of you or your estate. Charges for your care in the Health Center will be equal to the then-current Monthly Fee for the two-bedroom deluxe apartment. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

We have the right to remarket your Residence to others for reoccupancy during your 30-day notice period described above and during your stay in the Essex Meadows Health Center. We will place your Residence in our inventory available to prospective residents. We will attempt to provide you with advance notice of any showing as is feasible; however, we are not required to do so.

**4.3.2 Retain Residence When There is One of You.** If you choose to retain your Residence, the Monthly Fee for your Residence will continue. You will also pay the charges for Health Care Services, which will be equal to the then-current Monthly Fee for the two-bedroom deluxe apartment. In addition, you will pay the meal charges in excess of the one meal per day at the then current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

**[NOTE: Section 4.4 only applies when there are two of you.]**

**4.4 More Than 90 Days of Health Care Services When There Are Two of You.** If there are two of you, and only one of you requires Health Care Services beyond the 90 cumulative days, you will pay the charges for your care in the Essex Meadows Health Center, which will be equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. The first person Monthly Fee for the Residence will continue for the person residing in the Residence. If both of you require Health Care Services beyond the 90 cumulative days, charges for you and the second Resident's care in the Essex Meadows Health Center will depend upon whether you choose to release or retain your Residence:

**4.4.1 Release Residence When Two of You Need Health Care Services.** If you choose to release your Residence for occupancy by someone else, you must provide us with 30 days' advance written notice of your intent to release your Residence. You are obligated to pay the first and second person Monthly Fee during this 30-day notice period. Further, the first and second person Monthly Fees for your Residence will continue until the date all your furniture and other property have been removed from your Residence. If removal of your furniture and other property is not accomplished within 30 days of the decision to release your Residence, we may remove and store your furniture and other property at the expense and risk of you or your estate. Each of you will pay a monthly charge for Health Care Services in an amount equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

We have the right to remarket your Residence to others for reoccupancy during your 30-day notice period described above and during your stay in the Essex Meadows Health Center. We will place your Residence in our inventory available to prospective residents. We will attempt to provide you with advance notice of any showing as is feasible; however, we are not required to do so.

**4.4.2 Retain Residence When Two of You Need Health Care Services.** If you choose to retain your Residence, the then-current first and second person Monthly Fees for your Residence will continue. Each of you will pay a monthly charge for Health Care Services in an amount equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment. In addition, you will

pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

**4.5 Private Room.** In the event a private room is available and desired by you or is medically necessary, you may occupy the private room upon agreement to pay the difference between the charge for a semi-private room and the charge for a private room. However, at our sole discretion, if the private room in which you are residing is needed for semi-private use, you agree to reside in a semi-private room until a private room is once again available (unless a private room is medically necessary).

**4.6 Alternate Health Care Services if Accommodations Not Available.** You shall be given priority over non-residents for admission to the Essex Meadows Health Center. In the event you need Health Care Services and the Essex Meadows Health Center is fully occupied, you will be provided care at another comparably licensed health care facility. Upon your relocation, you shall continue to be responsible for the charges set forth in Section 4 herein. To the extent we would be liable for your care and accommodations in the Essex Meadows Health Center under this Agreement, we will be responsible for the charges associated with alternate accommodations. You agree to relocate to the Essex Meadows Health Center when accommodations become available.

You have the right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If accommodations are not available in the Essex Meadows Health Center and 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 Health Care Services. The Monthly Charges paid for Health 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 Health Care Services under this Agreement will be solely your responsibility. You will be relocated (upon your agreement) back to the Essex Meadows Health Center when accommodations become available.

Should you need care which we are not licensed to provide or which the Essex Meadows Health Center does not have the appropriately trained staff to provide, or does not routinely provide, you agree to relocate to a facility that can provide you with the appropriate level of care. We will not be responsible for the charges for this higher level of care or private duty care.

**4.7 Alternate Health Care Services Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If accommodations are available in the Essex Meadows Health Center and you choose to obtain nursing care from an alternate care facility and not from the Essex Meadows 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. You will continue to pay the Monthly Fee for your Residence.

**4.8 Return to Residence.** If you release your Residence because you have moved to the Essex Meadows Health Center, and if later you are able, in the opinion of the Medical Director or your attending physician with the concurrence of the Medical Director, to return to a residence, we will provide you a residence of the same type as your previous Residence as soon as one becomes available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

**4.9 Additional Health Services.** We will also provide additional services and supplies in the Essex Meadows Health Center such as therapy, pharmaceutical supplies, personal laundry, and rental of equipment. These services and supplies are not included in the Monthly Fee or the monthly charge for Health Care Services set forth above, but will be available for an Extra Charge.

**4.10 Medical Director, Attending Physician and Ancillary Services.** A member in good standing of the Connecticut Medical Society will be designated to act as Medical Director of the Essex Meadows Health Center. You will be at liberty to engage the services of the Medical Director or the services of a physician of your choice at your own expense. 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, and other similar services and supplies. In the event we incur or advance charges for your medical treatment or for medicine, drugs, prescribed therapy, pharmaceutical supplies, personal laundry, rental of equipment, and other similar services and supplies, you will reimburse us for such charges.

**4.11 Non-Resident Use of Essex Meadows Health Center.** We will offer Health Care Services in the Essex Meadows Health Center to qualified non-residents for a fee, to the extent accommodations are available and as allowed by Connecticut

law. However, residents of Essex Meadows will be given priority access to available accommodations.

**4.12 Long-Term Care Insurance.** We will use reasonable efforts to assist you in working with your long-term care insurance provider to obtain the benefits to which you may be entitled.

**4.13 Health Center Admission Agreement.** If you require Health Care Services in the Essex Meadows Health Center, you and we will be required, based on Federal and State laws and regulations, to enter into a separate Health Center Admission Agreement. The Agreement to be executed by you or your responsible party and the Provider will be available for your review prior to move-in. This Residency Agreement will stay in effect during your stay in the Essex Meadows Health Center, and will govern the payment terms for care received by you in the Essex Meadows Health Center.

**4.14 Under Age 62.** If you are a second person and are under age 62 when you occupy a Residence under this Agreement, you shall be entitled to care in the Essex Meadows Health Center. However, you will be charged the current per diem rate being charged to nonresidents until you attain the age of 62.

**4.15 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, 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 Essex Meadows Health Center. Such supplemental insurance should cover Medicare co-insurance and deductibles. You shall 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 Essex Meadows Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Essex Meadows Health Center, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Essex Meadows Health Center. If failure to maintain Medicare Part A, Medicare Part B, or supplemental health insurance is causing depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations as provided in Section 9.2, and we retain the right to revoke your entitlement to reside at Essex Meadows and to cancel this Agreement as provided in Section 9.

**4.16 Managed Care.** If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms governing Health Care Services in the Essex Meadows Health Center will be as follows:

**4.16.1 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. Such managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

**4.16.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive Health Care 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 Health Care Services at the managed care participating provider, you understand and agree that, unless this Agreement is canceled, you will continue to pay the Monthly Fee for your Residence. Such a Medicare-qualified stay at a managed care participating provider other than the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2.

**4.16.3 Negotiated Managed Care Rate.** If we are not a participating provider in your managed care program and you would still like to receive Health Care Services in the Essex Meadows Health Center during 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 will agree to accept, as full payment, the rate provided by your managed care program. Such a managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

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



receive Health Care Services in the Essex Meadows Health Center during a Medicare-qualified stay, then each day of your stay in the Essex Meadows Health Center will reduce by one day the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

If at any time during any such Medicare-qualified stay in the Essex Meadows Health Center you are no longer eligible to receive any of the cumulative days of care provided for in Section 4.2, then you will be obligated to pay the full per diem charge for each day of your stay in the Essex Meadows Health Center. You will also continue to pay the Monthly Fee for your Residence, and for any additional services as described in Sections 4.9 and 4.10.

**4.16.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to Health Care Services in the Essex Meadows Health Center in accordance with the terms of this Agreement other than as set forth in this Section 4.16, as adjusted to reflect any reduction during such stay in the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2.

## **5. ENTRANCE PAYMENT AND COMMUNITY FEE.**

**5.1 Payment of Entrance Payment.** To assure you a Residence in Essex Meadows in accordance with all the terms of this Agreement, you will pay to us an Entrance Payment of \$\_\_\_\_\_. Your Entrance Payment is comprised of two payments: (i) the First Person Fee (which maybe repayable as outlined in Section 7) and (ii) the Loan (which is repayable as outlined in the Loan Agreement attached as Exhibit A). You will not be required to transfer any tangible personal property to us for residency at Essex Meadows.

**5.2 First Person Fee.** The total First Person Fee is \_\_\_\_\_% of your Entrance Payment, or \$\_\_\_\_\_. An amount equal to 10% of your Entrance Payment, or \$\_\_\_\_\_, is paid herewith to reserve your Residence, is part of the First Person Fee, and will be held in escrow pursuant to Connecticut law. The balance of the First Person Fee of \$\_\_\_\_\_ will be paid to us on the earlier of (i) Occupancy or (ii) within 60 days from the date of our approval of this Agreement.

**5.3 Loan.** Your Loan of \$\_\_\_\_\_ will be made to us on the earlier of (i) Occupancy; or (ii) within 60 days of the date of our approval of this Agreement. Your Loan will be evidenced by a Loan Agreement attached as Exhibit A.

**5.4 Second Person Fee.** If there are two of you, a Second Person Fee of \$\_\_\_\_\_ will be paid to us on the earlier of (i) Occupancy or (ii) within 60 days of the date of our approval of this Agreement. Any amounts paid to us as a Second Person Fee will be the unrestricted property of LCS Essex Meadows LLC and are non-repayable.

**5.5 One-Time Community Fee.** You will pay to us a Community Fee that is an amount equal to two times the then-current Monthly Fee for your Residence (including a second person Monthly Fee if there are two of you). Payment will be made to us on the earlier of (i) Occupancy or (ii) within 60 days of the date of our approval of this Agreement. This is a one-time non-repayable charge.

## **6. MONTHLY CHARGES.**

**6.1 Monthly Fee.** You will pay a Monthly Fee in exchange for the accommodations, services and amenities provided under Section 1 and for Community Related Costs. 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.** Adjustments to the Monthly Fee are intended to cover the current and anticipated changes to the Community Related Costs or as may be required by local, state or federal laws and regulations. We may adjust your Monthly Fee for current and anticipated Community Related Costs upon 30 days' advance written.

**6.3 Payment.** You will pay a pro rata portion of the Monthly Fee commencing on the earlier of (i) Occupancy; or (ii) within 60 days of the date of our approval of this Agreement. Thereafter, your Monthly Fee will be payable each month in advance upon receipt of a billing statement, including any Extra Charges for additional services obtained during the preceding month.

**6.4 Late Payment.** A late payment charge will be assessed at the rate of 1% per month on the total delinquent amounts due. Late payment charges will not be compounded in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. The late payment charge will

cease on the date we receive payment of the total delinquent amount. The 1% late payment charge is waived if payment is delayed due to slow processing by your supplemental insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Section 9 of this Agreement.

**6.5 Cease Payment of Monthly Fee for Residence.** The Monthly Fee for your Residence will cease in accordance with Section 8.2 or 9.3 if you (or both of you if there are two of you) or we cancel this Agreement and in accordance with Section 8.3 if you die (or if there are two of you, the death of the remaining Resident). In the event there are two of you who occupy the Residence and only one of you cancels this Agreement or dies, the second person Monthly Fee will cease and the remaining person will continue to pay the first person Monthly Fee.

## **7. REPAYMENT OF ENTRANCE PAYMENT.**

### **7.1 Repayment of Entrance Payment Prior to Assuming Occupancy.**

**7.1.1 Nonacceptance.** If we do not accept you for residency, we will repay to you the portion of the First Person Fee you have paid, without interest, within 30 days from the date of our notice to you of nonacceptance.

**7.1.2 Right of Rescission Period.** If prior to assuming occupancy you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days following the date this Agreement is executed by you, this Agreement will automatically cancel. In such event, we will repay to you the portion of the First Person Fee you have paid, without interest, within 30 days of your notice, except that we will retain an amount equal to any costs specifically incurred by us at your request, if any, and which are set forth in a separate addendum to this Agreement. You shall not be required to move into Essex Meadows before expiration of the 30-day rescission period.

**7.1.3 Change in Condition.** If after the right of rescission period and prior to assuming occupancy (i) you (or either of you if there are two of you) die or become unable to occupy your Residence because of illness, injury or incapacity; or (ii) you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel upon our receipt of written notice to us by registered or certified mail. In such event, we will repay to you or your legal representative, without interest, the portion of the First Person Fee you have paid to us within 60 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any costs

specifically incurred by us at your request, if any, and which are set forth in a separate addendum to this Agreement.

**7.1.4 Cancellation for Reasons Other Than Set Forth in 7.1.1, 7.1.2, and 7.1.3.** If prior to assuming occupancy you give us written notice of cancellation by registered or certified mail and neither Section 7.1.1, 7.1.2 or 7.1.3 is applicable, this Agreement will be canceled. In such event, we will retain five thousand dollars (\$5,000) of the First Person Fee you have paid, plus an amount equal to any costs specifically incurred by us at your request, if any, and which are set forth in an addendum to this Agreement. The balance will be repaid to you, without interest, within 60 days of our receipt of your notice of cancellation.

**7.2 Repayment of Entrance Payment Following Occupancy.** Except within the rescission period which will be handled according to Section 7.1.2, repayment of the Entrance Payment due to cancellation or death (the death of both Residents, if applicable) after Occupancy will be as follows:

**7.2.1 Repayment of First Person Fee Within First Ten Months of Occupancy.** If this Agreement is canceled within the first 10 months of your Occupancy, we will repay to you (or to your estate) \$\_\_\_\_\_, an amount equal to 90% of your Entrance Payment, less the amount of your Loan. For purposes of calculating the repayment, occupancy will end when this Agreement is canceled pursuant to Section 8 or 9. Such repayment will be paid, without interest, at the same time your Loan is repaid.

**7.2.2 Repayment of First Person Fee After First Ten Months of Occupancy.** If this Agreement is canceled after the first 10 months of your Occupancy, we will repay to you (or to your estate) the amount of the First Person Fee paid by you, reduced by 2% of the Entrance Payment per full month or partial month of your occupancy until your First Person Fee is fully amortized. For purposes of calculating the repayment, occupancy will end when this Agreement is canceled pursuant to Section 8 or 9. Such repayment, if any, will be paid, without interest, at the same time your Loan is repaid.

**7.2.3 Repayment of Loan.** The repayment of your Loan will be made in accordance with the Loan Agreement attached as Exhibit A.

**7.3 Right of Offset.** We have the right to offset against any amount of the Entrance Payment that is repayable the following: (i) any unpaid Monthly Charges owed by you; (ii) any unreimbursed or unpaid charges for care in the Essex Meadows Health Center we may have advanced on your behalf; (iii) any amounts deferred by

us under Section 9.2; and (iv) any other sums owed by you to us. Any amounts owed by you to us will be payable with interest.

**7.4 Beneficiary Designation.** You may designate a beneficiary for receipt of any portion of the Entrance Payment that is repayable to you or to your estate if: (i) the designation is in writing; (ii) is witnessed; (iii) is non-contingent; (iv) is specified in percentages and accounts for 100%; and (v) has received our approval. An Assignment of Rights to Repayment may be obtained from the business office at Essex Meadows for use in designating a beneficiary.

**7.5 Repayment of Second Person Fee Following Occupancy.** The Second Person Fee is not repayable.

## **8. YOUR CANCELLATION RIGHTS.**

**8.1 Prior to Occupancy.** You may cancel this Agreement for any reason by giving us written notice executed by you (both of you if there are two of you) and sent by registered or certified mail. If you give such notice prior Occupancy of Essex Meadows, the cancellation will be effective as described in Section 7.1.

### **8.2 After Occupancy.**

**8.2.1 Written Notice.** After Occupancy at Essex Meadows, you may cancel this Agreement at any time by giving us 120 days' advance written notice, signed by you (both of you if there are two of you) and sent by registered or certified mail. Once we receive your notice of cancellation, you cannot rescind it, and we have the right to assign your Residence for occupancy by someone else.

**8.2.2 Monthly Fee.** You will continue to pay your Monthly Fee until the later of (i) the expiration of the 120-day written notice of cancellation period, or (ii) the date you vacate your Residence or the Health Center and remove all your furniture and other property.

**8.2.3 Removal of Property.** If removal of your furniture and other property is not accomplished within 120 days of your written notice of cancellation, we may continue to charge the Monthly Fee or we may remove and store your furniture and other property at the expense and risk of you or your estate.

**8.2.4 Cancellation.** This Agreement will cancel and the services provided under this Agreement will cease upon the later of (i) 120 days following the date you give us written notice of cancellation; or (ii) the date you vacate your

Residence or the Health Center and remove all your furniture and other property. If you vacate the Residence or the Health Center prior to the expiration of the 120-day notice period and you wish to be readmitted as a resident at Essex Meadows, you will be required to reapply for residency in accordance with our current Residency Policy.

**8.2.5 Remarketing of Residence.** After our receipt of your notice of cancellation, we have the right to remarket your Residence to others for reoccupancy. We will place your Residence in our inventory available to prospective residents. If your property remains in the Residence, we will give you notice in advance of any scheduled showing of your Residence. To the extent possible, we will give you notice of any unscheduled showing of your Residence as early as possible. Once your furniture and property have been removed from the Residence, we will not be required to provide you with any advance notice of showing, and your Residence will be considered released to us.

**8.2.6 Repayment of Entrance Payment.** Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement and Exhibit A (Loan Agreement).

### **8.3 Death After Occupancy.**

**8.3.1 Monthly Fee.** Payment of the Monthly Fee will continue until the later of (i) your death (if there are two of you, the death of the remaining Resident), or (ii) vacancy of the Residence or the Health Center and removal of all your furniture and other property.

**8.3.2 Removal of Property.** If removal of your furniture and other property is not accomplished within 30 days of your death (if there are two of you, the death of the remaining Resident), we may continue to charge the Monthly Fee or we may remove and store your furniture and other property at the expense and risk of your estate.

**8.3.3 Cancellation.** This Agreement will cancel and the services provided under this Agreement will cease upon the later of (i) your death (if there are two of you, the death of the remaining Resident) or (ii) vacancy of the Residence or the Health Center and removal of all your furniture and other property.

**8.3.4 Remarketing of Residence.** After your death, we have the right to remarket your Residence to others for reoccupancy. We will place your Residence in our inventory available to prospective residents. If your property remains in the

Residence, we will give notice to the executor of your estate or your legal representative in advance of any scheduled showing of your Residence. To the extent possible, we will give notice of any unscheduled showing of your Residence as early as possible. Once your furniture and property have been removed from the Residence, we will not be required to provide any advance notice of showing, and your Residence will be considered released to us.

**8.3.5 Repayment of Entrance Payment.** Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement and Exhibit A (Loan Agreement).

## **9. OUR CANCELLATION RIGHTS.**

**9.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause is defined as:

**9.1.1 Nonpayment.** Except as set forth below, nonpayment of fees or charges; or

**9.1.2 Failure to Comply.** 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 by us; or

**9.1.3 Threat to Health or Safety.** Your residency in Essex Meadows constitutes a substantial threat to your health or safety or to the health or safety of other residents or others (including your refusal to consent to relocation) or would result in physical damage to the property of others; or

**9.1.4 Change in Condition Beyond Limits of License.** There is a major change in your physical or mental condition that would preclude caring for you in the Health Center within the limits of our license.

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

**9.2.1 Permitted to Stay.** You shall be permitted to remain at Essex Meadows for 90 days after the date of failure to pay, during which time you shall continue to pay reduced Monthly Charges based on your current income. Pursuant to Section 7.3, any amounts owed by you to us will be payable with interest; and

**9.2.2 Terms of Stay.** After the 90 days, you shall be permitted to remain at Essex Meadows at reduced Monthly Charges 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 on a sound financial basis. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder by transfer of assets after assuming residency other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B and/or adequate supplemental insurance coverages. To evidence these agreements based on the circumstances at the time, you agree to enter into a special Financial Assistance Amendment to Residency Agreement with us at the time of any such deferrals to reflect the deferred charges currently payable and the interest rate to be applied to the deferrals, and to provide us with a perfected first security interest in your Loan repayment rights. Any payments otherwise due to you from us, including the repayment of your Loan (if applicable), will be offset against any such deferred charges; and

**9.2.3 Guarantor.** Sections 9.2.1 and 9.2.2 are not applicable if, to initially qualify for residency at Essex Meadows, a third party(ies) with adequate resources agreed in writing, prior to your acceptance for residency, to guarantee payment of your obligations and is fulfilling their obligations pursuant to a Guaranty of Fees and Other Payments under the Residency Agreement.

**9.3 Notice of Cancellation.** Prior to any cancellation of this Agreement by us, we will give you notice in writing of the reasons and you will have 30 days thereafter within which the problem may be corrected. If we determine the problem is corrected within such time, this Agreement will remain in effect. If we determine the problem is not corrected within such time, you must leave Essex Meadows within 30 days after we notify you of our determination/cancellation. You will continue to pay your Monthly Fee until removal of your furniture and other property has occurred. If removal of your furniture and other property is not accomplished, we may remove and store your furniture and other property at the expense and risk of you or your estate. This Agreement will cancel upon the removal of your furniture and other property. Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement and Exhibit A (Loan Agreement).

**9.4 Emergency Cancellation.** We may cancel this Agreement if there has been a good faith determination that you are a danger to yourself or others. Said determination shall be made by the Medical Director. In such event, only such notice as is reasonable under the circumstances is required to be provided to you and/or your representative. You will continue to pay the Monthly Fee until removal of your



furniture and other property has occurred. If removal of your furniture and other property is not accomplished, we may remove and store your furniture and other property at the expense and risk of you or your estate. This Agreement will cancel upon the removal of your furniture and other property. Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement and Exhibit A (Loan Agreement).

## **10. MISCELLANEOUS PROVISIONS WITH RESPECT TO YOUR RESIDENCE.**

**10.1 Use of Residence.** The 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 entitles you only to the lifetime use of the Residence and other amenities of Essex Meadows and to available services, subject to the terms and conditions of this Agreement.

**10.2 Occupants of 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, a second person Monthly Fee will be paid upon the second person's Occupancy. Each month thereafter, the then-current additional Monthly Charges for second persons shall be due. 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)

**10.3 Emergency Entry.** We may enter your Residence should it be necessary to protect your health or safety or the health or safety of other residents.

**10.4 Relocation.** Should it be necessary to modify facilities to meet the requirements of any applicable law or regulation which necessitate temporarily vacating your Residence, we will provide alternate facilities for you without Extra Charge within or outside Essex Meadows. Further, if relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within Essex Meadows or request that you relocate to the Essex Meadows Health Center or to another care facility (including a hospital) for the protection of your health or safety or for the health or safety of other residents of Essex Meadows. We will not be responsible for any charges related to transfer or relocation to a hospital or another care facility.

If there are two of you under this Agreement and one of you is transferred to the Essex Meadows Health Center, to a hospital or to another appropriate facility, the remaining Resident may continue to occupy the Residence under the terms of this Agreement as the first person.

**10.5 Furnishings.** Furnishings within the Residence will be provided by you, except as listed in Section 1. Furnishings provided by you shall not interfere with the health or safety of you, other residents or others at Essex Meadows.

**10.6 Alterations by You.** You may undertake alterations to your Residence with our prior written approval as set forth in a separate Residence Modification Agreement.

**10.7 Refurbishment.** Customary and normal refurbishment costs are calculated into the Monthly Fee. Any necessary refurbishment costs beyond those which are customary and normal are your responsibility and will be offset against any amount of the Entrance Payment that is repayable. Further, should you relocate to another residence in Essex Meadows, you may be subject to a transfer fee as set forth in our current Residence Transfer Policy.

**10.8 Smoke-Free Campus Policy.** For the health and safety of all residents and staff at Essex Meadows, we have implemented a Smoke-Free Campus Policy, a copy of which is available to you upon request. You agree to abide the terms of the Smoke-Free Campus Policy and any future changes thereto. Because smoking is not allowed in any interior spaces, including your Residence, damage to the Residence caused by smoking by you or your visitors is not considered normal wear and tear and will be charged for accordingly.

## **11. AMENDMENTS.**

**11.1 This Agreement.** This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement will be valid unless in writing and executed by you and us.

**11.2 All Agreements.** In addition, with the approval of: (i) at least 67% of the occupied residences with one vote per residence who have this type of residency agreement at Essex Meadows; and (ii) us, all residency agreements of this type may be amended in any respect; provided, however, that no such amendment shall:

**11.2.1** Reduce the aforesaid percentage of residences which is required to consent to any such amendment; or

**11.2.2** Permit the preference or priority of any residence over any other residence without the consent of each residence.

Upon our approval and upon our receipt of evidence of the approval of not less than 67% of the occupied residences with one vote per residence, such amendment shall be effective, and any designated residency agreements, which may include this Agreement, shall automatically be amended accordingly.

**11.3 Laws and Regulations.** This Agreement may be modified by us at any time in order to comply with applicable Federal or State laws and regulations.

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

**12.1 Residents' Association.** Residents shall have the right to organize and operate a Residents' Association at Essex Meadows and to meet privately to conduct business of the Residents' Association. It is our policy to encourage the organization and operation of a Residents' Association.

**12.2 Private Employee of Resident.** If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency ("Personal Service Provider"). In such instances, we strongly advise you to obtain these needed 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 Personal Service Provider complies with our policies and rules of conduct set forth in our Personal Service Provider Policy. If you fail to follow or enforce the rules set forth in the Personal Service Provider Policy, then we may elect, at our sole option, to cancel this Agreement.

**12.3 Resident Representations.** By executing this Agreement, you represent and warrant that: (i) you will be at least 62 years of age or older at the time of residency or you will share your Residence with another person who will be 62 years of age or older at the time of residency; (ii) you are capable of living in your Residence in accordance with our Residency Policy; (iii) you have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations under this Agreement to meet your ordinary and customary living expenses after assuming occupancy; and (iv) all written representations made by you or on your behalf with respect to such matters during the residency process are true.

**12.4 Governing Law.** This Agreement will be interpreted according to the laws of the State of Connecticut and will become effective upon acceptance and execution by us. The Glossary which sets forth the definitions of certain terms used in this Agreement is by this reference incorporated herein and made a part of this Agreement.

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

**12.6 Capacity.** This Agreement has been executed by a duly authorized agent, and no member, officer, director, agent, or employee of ours shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.7 Residents.** When Resident consists of more than one person, the rights and obligations of each are joint and several, except as the context of this Agreement otherwise requires.

**12.8 Nature of Rights.** You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it 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 repayment of the amounts as described in Section 7; (ii) this Agreement and your contractual right to occupy Essex Meadows will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you a right to occupy and use space in Essex Meadows, but does not give you exclusive possession of the Residence against us; (iv) you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (v) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property the comprises Essex Meadows; and (vi) this Agreement grants to us complete decision-making authority regarding the management and operation of Essex Meadows.

**12.9 Release.** We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain, at your own expense, insurance to protect against such losses.

**12.10 Indemnity.** To the extent allowed by law, we will not be liable for, and you agree to indemnify, defend, and hold us harmless from claims, damages, and

expenses, including attorney's fees and court costs, resulting from any injury or death to persons and any damages to property to the extent caused by, resulting from, attributable to, or in any way connected with your negligent or intentional act or omission or that of your guests.

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

**12.12 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax considerations associated with this Agreement.

**12.13 Subordination.** Your rights under this Agreement will be subordinate to any mortgage, security interest, pledge, or other lien that now encumbers all or any part of Essex Meadows and the assets of the Provider and shall be further subordinate to any mortgage, security interest, pledge, or other lien hereafter placed on all or any part of the assets of the Provider, including the real property of Essex Meadows.

**12.14 Transfers.** We may from time to time issue additional equity interests, or sell or transfer interest in Essex Meadows, provided that, in such latter event, the buyer will agree to assume this Agreement and all other existing residency agreements. In addition, we may sell or otherwise transfer the land or other portions of Essex Meadows. Your signature hereto constitutes your consent and approval to any such future transfer.

**12.15 Responsible Party.** You agree to execute and deliver to us within 60 days after assuming occupancy in your Residence a Durable Power of Attorney, trust documents, 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 and shall be in a form acceptable to us, and 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 Essex Meadows.

**12.16 Funeral and Burial Services.** No funeral or burial services or expenses are provided by us pursuant to this Agreement.

**12.17 Compliance with Laws and Regulations.** Essex Meadows will comply with all applicable Municipal, State, and Federal laws and regulations, including consumer protection and protection from financial exploitation.

**12.18 Complaint Resolution Process.** Essex Meadows has established a complaint resolution process for residents and families, which is attached hereto as Exhibit D. Residents and family members may use the complaint resolution process without fear of reprisal of any kind.

**12.19 Resident Rights.** As a resident of Essex Meadows, you have certain rights under the Connecticut continuing care law (Conn Gen. Stat. §17b-520 et. seq.), a copy of which is available upon request. You also have certain rights if you receive services from Essex Meadows as a managed residential community. A copy of those rights is attached hereto as Exhibit C.

**12.20 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.

**12.21 Arbitration.** You agree that any dispute, claim, or controversy of any kind between you and us 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 Middlesex County, Connecticut in accordance with the

Federal Arbitration Act and the then-current commercial arbitration rules of the American Arbitration Association. You and we will jointly agree on an arbitrator and the arbitrator will be selected. 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 Essex Meadows 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.

**13. RESIDENT HANDBOOK.** Essex Meadows has established certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. A copy of the Resident Handbook containing these rules, policies and guidelines will be provided to each resident upon residency at the Community. The Resident Handbook also contains a list of Extra Charges for additional services available to the residents of Essex Meadows. Upon receipt of the Resident Handbook, you agree to sign an Acknowledgment form, a copy of which is attached hereto as Exhibit E. Your signed Acknowledgment will be placed in your resident file. Essex Meadows may revise the Resident Handbook from time to time and any revisions will be provided to the residents.

**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 signing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year)

Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year)

**LCS ESSEX MEADOWS LLC  
d/b/a Essex Meadows**

\_\_\_\_\_  
RESIDENT or REPRESENTATIVE

\_\_\_\_\_  
Witness

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

\_\_\_\_\_  
RESIDENT or REPRESENTATIVE

\_\_\_\_\_  
Witness



Return-of-Capital Plan Residency  
Agreement (2021-6-30)

Residence Type \_\_\_\_\_

Residence No. \_\_\_\_\_



**EXHIBIT A**  
**LOAN AGREEMENT**  
**(TO BE EXECUTED UPON LOAN PAYMENT)**

Pursuant to your Residency Agreement with LCS Essex Meadows LLC ("we," "our" or "us"), you agree to loan \$\_\_\_\_\_ to us (the "Loan"), and we hereby promise to repay your Loan upon the terms and conditions hereinafter set forth in this Loan Agreement. Capitalized terms used herein shall have the same meanings as set forth in the Residency Agreement.

**1. Making of Loan.** Your Loan shall be made to LCS Essex Meadows LLC d/b/a Essex Meadows on the earlier of (i) Occupancy or (ii) within 60 days of our approval of the Residency Agreement.

**2. Repayment.** In the event of your death (or the death of the remaining Resident if there are two of you) or in the event of cancellation of your Residency Agreement (cancellation by both of you if there are two of you), your Loan shall become due and payable in full upon 14 days from the date the Entrance Payment is collected for your Residence from a new resident to Essex Meadows. If your Residence is reoccupied by an existing resident of Essex Meadows who transfers from another residence ("Transferring Resident"), your Loan shall be due and payable upon the date we receive the next Entrance Payment (First Person Fee plus Loan) for the residence vacated by the Transferring Resident. If more than one internal transfer of existing residents occurs, repayment of your Loan will be tied to the last vacated residence. However, in no event shall such date be more than 36 months from the date of cancellation of your Residency Agreement, at which time your Loan shall become immediately due and payable to you or your estate. You agree to look solely to the assets of LCS Essex Meadows LLC for the repayment of your Loan. We may offset against any Loan repayment any amounts then due by you to us pursuant to Section 7.3 of your Residency Agreement.

If there is one Resident under the Residency Agreement, we will repay the Loan to that Resident or his/her estate (or to whomever that Resident has assigned his/her rights to repayment). If there are two Residents (either through initial residency at Essex Meadows or through a subsequent amendment to the Residency Agreement wherein a second person is added to the Residency Agreement after initial residency), we will repay the Loan to the last remaining Resident or the last remaining Resident's estate (or to whomever the last remaining Resident assigned his/her rights to repayment). We will not repay the Loan while a second Resident is occupying Essex Meadows.

**3. Right of Offset.** You agree that we have the right to offset against any Loan repayment any unpaid Monthly Charges owed by you, any unreimbursed health care expenses we have advanced on your behalf, any amounts deferred by us under Section 7.3 of the Residency Agreement, and any other sums owed by you to us with interest.

**4. No Assignment of Loan; Successors and Assigns.** Your rights under this Agreement may not be sold, assigned or otherwise transferred, except to your estate, another individual(s) or to certain trusts established for your benefit, subject to our prior approval in our sole discretion. All terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year).

**LCS ESSEX MEADOWS LLC  
d/b/a Essex Meadows**

\_\_\_\_\_  
Resident

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Resident



\_\_\_\_\_  
Witness

6/30/2021

## **EXHIBIT B**

### **Assisted Living Services at Essex Meadows *Provided by the Resident Health Services Department***

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

#### **How does Resident Health Services Assisted Living work?**

- A basic set of services is available to all residents at no charge.
- Resident Health Services staff is available seven (7) days a week with services routinely scheduled between 8 a.m. and 8 p.m. Staffing after these hours is arranged on an as-needed basis.
- A licensed nurse is on call twenty-four (24) hours a day to assure coordination of care at all times.
- A personalized assisted living service package may be designed for the resident based upon individual needs.
- A resident, who needs services only occasionally, or on an intermittent basis, may prefer to choose an "a-la-carte" program.
- Medication management programs are available.
- Continental breakfast or meal delivery may be arranged for any resident who medically requires assistance with meals.

#### **Services Available at No Charge**

- Consultation provided in the nursing office.
- Occasional wheelchair escort within Essex Meadows.
- Occasional social visits.
- Discharge planning assistance after hospital or Health Center stay.
- Meal tray delivery for three (3) days during an illness.
- Follow-up visit after illness or injury.
- Arrangements for special medical equipment.
- Assistance with coordination of outside agency services.
- Consultation with physician and family.
- Weekly bed linen changes for residents who have a medical need.
- Weekly blood pressure clinic.
- Nursing assistance with eye drops during regular office hours.

## **Services Available for a Fee**

- Admission to the Assisted Living Services Program - \$120.00.
- Re-assessment visit every 120 days or change in condition visit - \$75.00.
- Management of the ATC (Around The Clock) medication system - \$190.00 monthly (apartment resident) and \$230.00 monthly (cottage resident)
  - Medication management using the Around-the-Clock (ATC) pre-pour packaging system will include, medication reminders up to 3 times daily.
- A request for a nursing visit to your residence will be charged at the current Homecare visit rate.
- Case management fees will apply to residents employing private homecare agencies, or private employees without nursing supervision.
- Nursing and/or nurses' aide services provided in your residence:
  - "A-la-carte" services are available during routine hours - \$8.50 per each 15-minute period (apartment residents) and \$10.00 per each 15-minute period (cottage residents).
  - Service packages are available at the following rates:
    - Four (4) hours of service per week.
    - Assistance with one or two activities of daily living such as bathing or dressing.
    - \$600.00 per month.
  - Costs for services provided outside of routine hours are arranged on an individual basis.
- Treatment of a minor skin biopsy or small wound, requiring only a band aid can be done once daily for three (3) days as a complimentary service.
  - A wound requiring further treatment will be dressed once daily for less than a week, under doctor" orders. To obtain doctor's orders, the nursing staff will open a "treatment chart" for a one-time fee of \$100.00. This chart will remain on file with us should you require treatment at a later date. (You will not be charged again.) This would apply to B12 injections, which also need doctor's orders to be administered by a nurse.

- Local transportation to medical appointments:
  - A 24-hour notice is requested and service is subject to care and driver availability.
  - \$17.00 one way; \$30.00 local round trip; additional \$25.00 per hour if driver is requested to wait for you.
  
- Companion services by a non-certified staff person: \$8.50 per 15-minute period (apartment residents); \$10.00 per each 15-minute period (cottage residents). CNA for hands-on assistance - \$25.00 per hour.
  
- Regularly scheduled visits by podiatrist and audiologist in the Residential Health Services office are coordinated by request.

*Fees are subject to change upon 30 days' advance written notice to the residents.*

## **EXHIBIT C**

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

As a resident of a Managed Residential Community, you have the right to:

- Live in a clean, safe and habitable private residential unit.
- Be treated with consideration, respect and due recognition of personal dignity, individuality and the need for privacy.
- Privacy within your private residential unit, subject to our rules that are reasonably designed to promote your health, safety and welfare.
- Retain and use your own personal property within your private residential unit so as to maintain individuality and personal dignity provided the use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents.
- Treat your residential unit as your home and have no fewer rights than any other resident of the state, including but not limited to, (A) associating and communicating privately with persons of your choice, (B) purchasing and using technology of your choice, including, but not limited to, technology that may facilitate virtual visitation with family and other persons, provided operation and use of such technology shall not violate any individual's right to privacy under state or federal law, and (C) engaging in other private communications, including receiving and sending unopened correspondence and telephone access.
- 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 private residential unit, or such other space as we may make 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 us, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from us, including access to representatives of the Department of Public Health at:

Donna Ortelle, R.N., M.S.N  
Section Chief  
Facility Licensing and Investigations Section  
Connecticut Department of Public Health  
410 Capitol Ave., MS# 12 HSR  
Hartford, CT 06134-0308  
Phone: (860) 509-7400  
Fax: (860) 730-8390  
Email: [dph.fliscomplaint@ct.gov](mailto:dph.fliscomplaint@ct.gov)  
<https://dphflisevents.ct.gov/Complaints>

or the Office of the Long-Term Care Ombudsman at:

Mairead Painter  
Connecticut Long-Term Care Ombudsman Program  
55 Farmington Avenue  
Hartford, Connecticut 06105-3730  
Phone: (860) 424-5200  
Toll Free In-State: (866) 388-1888  
Fax: (860) 424-4966

E-mail: [ltcop@ct.gov](mailto:ltcop@ct.gov)

Southern Region Long Term Care Ombudsman - 860-823-3366

Contacts:

Dan Lerman  
414 Chapel Street, Suite 301  
New Haven, CT 06511  
[Dan.Lerman@ct.gov](mailto:Dan.Lerman@ct.gov)

Thom Pantaleo  
401 West Thames Street, Unit 102  
Norwich, CT 06360  
[Thomas.Pantaleo@ct.gov](mailto:Thomas.Pantaleo@ct.gov)

Brenda Foreman  
55 Farmington Ave.  
Hartford, CT 06106  
[Brenda.Foreman@ct.gov](mailto:Brenda.Foreman@ct.gov)

- Upon request, obtain the name of the service coordinator 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 our capacity and with due consideration given to the rights of other residents.
- Be fully advised of the relationship that the managed residential 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 our rules or regulations.
- Privacy when receiving medical treatment or other services within the capacity of the managed residential community.
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided the refusal of care and treatment may preclude you from being able to continue to reside in the managed residential community.
- All rights and privileges afforded to tenants under Title 47a of the Connecticut General Statutes.

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

## **EXHIBIT D**

### **COMPLAINT RESOLUTION PROCESS**

#### Policy:

Residents are free to communicate grievances to the staff of Essex Meadows 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 Essex Meadows, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

#### Procedures:

Following are the procedures for a Resident or his/her representative to follow in order to file a grievance with Essex Meadows. 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:
  - o Description of the grievance;
  - o A list of all parties involved; and
  - o 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 Managers of LCS Essex Meadows LLC and with the Management Company's Vice President.
7. The Board of Managers of LCS Essex Meadows LLC 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 administrative office.

**EXHIBIT E**

**Acknowledgment of Receipt of Resident Handbook**

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

The Resident Handbook also contains a list of Extra Charges as referenced in the Residency Agreement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

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

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

\_\_\_\_\_  
Date

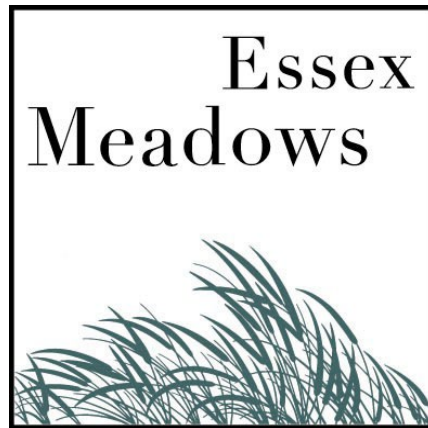
\_\_\_\_\_  
Resident

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

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

**EXHIBIT D**

**FLEX PLAN RESIDENCY AGREEMENT**



Essex, Connecticut

RESIDENCY AGREEMENT  
(FLEX PLAN)

6/30/2021

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HANDBOOK

## GLOSSARY

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

**"Aging in Community Policy"** refers to that policy, which outlines the requirements of the Resident to continue to live in a Residence at Essex Meadows.

**"Agreement"** means this Residency Agreement between the Resident and the Provider, which delineates the contractual obligations of the Provider to the Resident for the accommodations, services, and amenities provided at Essex Meadows.

**"Commons"** refers to the common areas housing the administrative office space, dining room(s), activity room(s), lounges, library, etc., located on the campus of Essex Meadows.

**"Community Fee"** refers to the one-time non-repayable fee paid by the Resident to the Provider at the time the balance of the Entrance Payment is paid.

**"Community Related Costs"** refers to the operating costs to provide the accommodations, services and amenities listed in Section 1 of this Agreement and provided as a part of the Monthly Fee and the current and anticipated financial needs related to the Community including, but not limited to, operating costs, working capital, capital expenditures, reserves, and debt service payments.

**"Essex Meadows"** refers to the *LifeCare*® senior living community, including the Residences, the Commons, the Health Center, and all site amenities associated with these areas located in Essex, Connecticut.

**"Essex Meadows Health Center" or "Health Center"** refers to the facility where rehabilitative care and skilled nursing care will be provided on the campus of Essex Meadows.

**"Entrance Payment"** refers to the payment made to the Provider to assure you a residence in Essex Meadows pursuant to terms and conditions of this Agreement.

**"Essex Meadows"** refers to the *LifeCare*® senior living community, including the Residences, the Commons, the Health Center, and all site amenities associated with these areas located in Essex, Connecticut.

**"Extra Charges"** refers to the charges payable in consideration for the additional services and amenities requested by Resident, as set forth in Section 2 of the Agreement, that are in addition to those set forth for the Monthly Fee.

**"Financial Assistance Amendment to Residency Agreement"** refers to that amendment that allows the Resident to remain at Essex Meadows in the event of a change in the Resident's financial condition.

**"Health Center Admission Agreement"** refers to that agreement entered into between the Provider and the Resident at the time the Resident is admitted to the Essex Meadows Health Center, which outlines the service obligations to be provided at the Health Center.

**"Health Care Services"** refers to the scope of services that may be provided in the Essex Meadows Health Center, including rehabilitative care and skilled nursing care.

**"LCS Essex Meadows LLC," "Provider," "we," "our," or "us"** refers to the owner and operator of a *LifeCare*® senior living community which conducts business as Essex Meadows, which includes the Residences, Commons, Health Center, common areas, and site amenities associated with these areas. LCS Essex Meadows LLC is a Delaware limited liability company, qualified to do business in the State of Connecticut.

**"Managed Residential Community"** means a community registered with the Connecticut Department of Public Health in order to provide certain assisted living services to residents in their residences. Essex Meadows is registered as a managed residential community.

**"Medical Director"** refers to the physician identified by the Provider to assist in assuring that quality care is delivered in the Essex Meadows Health Center. The Medical Director will also be called upon to assist Essex Meadows, the Resident, and the Resident's family in determining the medical needs of the Resident.

**"Monthly Charges"** refers to all those monthly charges payable by the Resident pursuant to the terms of the Agreement, including the Monthly Fees, the Extra Charges for additional services, the additional monthly charge for Health Care

Services, if any, and all other fees and charges payable monthly pursuant to the terms of the Agreement, as appropriate in the particular instance.

**"Monthly Fee"** refers to that Monthly Fee set forth in Section 6.1, payable in consideration for the accommodations, amenities, and services provided to all residents outlined in Section 1 of the Agreement and the financial needs related to the Community. The Monthly Fee includes a second person Monthly Fee if there are two Residents.

**"Occupancy"** refers to the earlier of (i) the date the Resident moves into Essex Meadows; or (ii) the date the Resident pays the balance of the Entrance Payment and pays the Second Person Fee (if applicable) to the Provider pursuant to this Agreement.

**"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 personal services requested or required by the Resident that are not covered by Essex Meadows.

**"Personal Service Provider Policy"** refers to the policy, which sets forth the rules of conduct which must be followed by any Personal Service Provider providing services to residents of Essex Meadows.

**"Provider"** refers to LCS Essex Meadows LLC, the legal entity that owns and operates Essex Meadows.

**"Residence"** refers to the apartment or cottage at Essex Meadows identified in Paragraph B of the Introduction section in the Agreement in which the Resident is entitled to occupy pursuant to the Agreement in exchange for paying the Entrance Payment, the Community Fee, and the Monthly Fee(s).

**"Residence Modification Agreement"** refers to that agreement between the Provider and the Resident, which outlines the terms and conditions under which the Resident may make modifications to his/her Residence.

**"Residency Policy"** refers to that policy, which outlines the initial requirements of the Resident to live in a Residence at Essex Meadows.

**"Resident"** or **"you"** refers to Resident or Residents who execute the Agreement. Sometimes a second Resident (if there are two Residents) is referred to

in the Agreement as the "second person." Unless otherwise indicated, "you" refers to both of you if there are two of Residents.

**"Second Person Fee"** refers to the fee identified in Section 5.2 and paid to the Provider when a second person occupies the Residence.

# ESSEX MEADOWS RESIDENCY AGREEMENT (FLEX PLAN)

## INTRODUCTION

A. This Residency Agreement ("Agreement") is entered into by LCS Essex Meadows LLC and \_\_\_\_\_.  
Essex Meadows is a *LifeCare*® senior living community located at 30 Bokum Road, Essex, Connecticut 06426, whose purpose is to provide individuals who are 62 years of age and older a way of living known as *LifeCare*®.

B. We will provide quality residential housing for seniors along with a wide array of personal 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: \_\_\_\_\_  
Occupancy Date: \_\_\_\_\_

C. Essex Meadows is designed to offer an environment that enriches your life. The objective of Essex Meadows is to offer a lifestyle with services and programs based on your interests that will complement or augment your current lifestyle and well-being. The design of Essex Meadows allows for creative and healthy lifestyle activities in a comfortable environment.

D. In addition, there are health care benefits and convenient access to on-site long-term health care including skilled nursing care, if needed. One of the most significant benefits of the health plan offered at Essex Meadows is that as a Resident of a *LifeCare*® senior living community, you are offered lifetime use of a Residence, services and amenities, and care in the on-site nursing home, subject to the terms of this Agreement. The health care access is one of the many, and also one of the most important, benefits of becoming a Resident of Essex Meadows.

E. To be accepted for residency, you must meet our residency criteria that includes: age guidelines, financial guidelines; and the ability to meet the requirements of residence occupancy.

F. The purpose of this Residency Agreement is to set forth your rights and duties as a Resident of Essex Meadows and to delineate the services to be provided at Essex Meadows.

**1. SERVICES AND AMENITIES PROVIDED TO ALL RESIDENTS.** We will provide at Essex Meadows, so long as you reside in a Residence therein, the following services and amenities, which are included in the Monthly Fee:

**1.1** One meal per day for each Resident or other alternate dining program that may be established;

**1.2** Water, sewer, air conditioning, heating, and electricity for apartment residents – water and sewer for cottage residents;

**1.3** Janitorial and maintenance services of buildings, grounds, and residences, including provided appliances;

**1.4** Weekly scheduled housekeeping service;

**1.5** Weekly laundry service for bed and bath linens;

**1.6** You may choose to participate in fitness, nutrition, active life, and well-being activities to enhance your lifestyle;

**1.7** One space for open parking for apartment residents – two-car attached garage for cottage residents;

**1.8** Complete kitchen, including refrigerator with icemaker, range/oven, garbage disposal, ductless hood fan, microwave, and dishwasher;

**1.9** Local transportation scheduled by us – the list of scheduled transportation is incorporated into the monthly activities schedule and is distributed;

**1.10** Emergency call monitoring in your Residence by Community staff;

**1.11** Assisted living services for a limited period of time as determined on a case-by-case basis at the time such services are required, in our sole discretion – a list of which is attached hereto as Exhibit B;

**1.12** Use of all common areas in Essex Meadows; and

**1.13** Use of Essex Meadows Health Center pursuant to the terms of this Agreement.

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

We will also make available at Essex Meadows, at your request, for so long as you reside in a residence at Essex Meadows, at the then prevailing rates of Extra Charge:

**2.1** Additional meals, food, catering services, and beverage services;

**2.2** Tray service to your Residence;

**2.3** Additional housekeeping;

**2.4** Extended transportation services;

**2.5** Extended assisted living services (as determined on a case-by-case basis at the time such service is required, in our sole discretion – a list of which is attached hereto as Exhibit B);

**2.6** Salon services;

**2.7** A limited number of garages for apartment residents;

**2.8** Certain other services, upon special arrangements; and

**2.9** Certain additional services for Extra Charge while you are in the Essex Meadows Health Center.

A list of these ancillary charges for the additional services can be obtained from the front desk. A copy of the ancillary charges is also in the Resident Handbook provided to all new residents. We will give you advance written notice of not less than 30 days before any changes in ancillary charges are implemented. Each year, a current copy of the ancillary charges is distributed to each resident.

**3. DURATION OF YOUR RIGHT TO OCCUPY THE RESIDENCE.**

You may reside in your Residence and receive the services outlined in this Agreement for as long as you live unless you are not capable of living in a Residence as set forth in our Aging in Community Policy, 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 provided, you will be offered the opportunity to relocate to the Essex Meadows Health Center where we are



licensed to provide such care or to secure the services from a Personal Service Provider at your expense. You have the right to participate, as fully and meaningfully as you are able, in making the decision about a permanent move to the Essex Meadows 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 there are two of you under this Agreement and one of you dies or relocates to the Health Center, or for some other reason is unable to occupy the Residence, the remaining person may continue to occupy the Residence under the terms of this Agreement. If it is determined that you require hospitalization, we will assist in the coordination of your transfer to an appropriate hospital. Community staff will not accompany a resident to the hospital.

**4. ESSEX MEADOWS HEALTH CENTER.** We will provide rehabilitative care and skilled nursing care in the Essex Meadows Health Center. These services will collectively be known as "Health Care Services."

**4.1 Health Care Services.** If, in the opinion of your attending physician or the Medical Director (after consultation with you to the extent possible and your responsible party, if any), you require Health Care Services in the Essex Meadows Health Center, we will provide such care as outlined in this Section 4 and to the extent authorized by a license issued to us from the Connecticut Department of Public Health. Both private and semi-private accommodations are available in the Health Center. Based on availability, you may choose between private and semi-private accommodations. There is an additional charge for private accommodations as outlined in Section 4.5 below.

**4.2 First 90 Days of Health Care Services.** Health Care Services will be provided by us in the Essex Meadows Health Center without Extra Charge (except for an additional charge for private accommodations as outlined in Section 4.5 below) for 90 cumulative days for you (90 days for each of you if there are two of you, but the allowance for one Resident cannot be used by the other). You will also pay the charges for the meals in excess of the one meal per day per Resident at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. If your stay in the Health Center is fully covered as a Medicare-qualified stay, the 90 cumulative days of credit offered per Resident in this Section will not take effect until the termination of your Medicare-qualified stay. While in the Essex Meadows Health Center, the Monthly Fee for your Residence will continue as before. Further, whether you release or retain your Residence while you are in the Health Center, you will not be entitled to repayment of your Entrance Payment. [NOTE: The 90 cumulative days without Extra Charge is the total number

of days allowed per Resident during your lifetime for a combined total for Health Care Services in the Essex Meadows Health Center. After the 90 cumulative days are exhausted, your care will be in accordance with Section 4.3 when there is one of you and Section 4.4 when there are two of you.]

**[NOTE: Section 4.3 only applies when there is one of you.]**

**4.3 More Than 90 Days of Health Care Services When There is One of You.** If you require Health Care Services beyond the 90 cumulative days, charges for care will depend upon whether you choose to release or retain your Residence:

**4.3.1 Release Residence When There is One of You.** If you choose to release your Residence for occupancy by someone else, you must provide us with 30 days' advance written notice of your intent to release your Residence. You are obligated to pay the Monthly Fee during this 30-day notice period. Further, the Monthly Fee for your Residence will continue until the date all your furniture and other property have been removed from your Residence. If removal of your furniture and other property is not accomplished within 30 days of the decision to release your Residence, we may remove and store your furniture and other property at the expense and risk of you or your estate. Charges for your care in the Health Center will be equal to the then-current Monthly Fee for the two-bedroom deluxe apartment and the supplemental charge described in Section 4.17. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

We have the right to remarket your Residence to others for reoccupancy during your 30-day notice period described above and during your stay in the Essex Meadows Health Center. We will place your Residence in our inventory available to prospective residents. We will attempt to provide you with advance notice of any showing as is feasible; however, we are not required to do so.

**4.3.2 Retain Residence When There is One of You.** If you choose to retain your Residence, the Monthly Fee for your Residence will continue. You will also pay the charges for Health Care Services, which will be equal to the then-current Monthly Fee for the two-bedroom deluxe apartment and the supplemental charge described in Section 4.17. In addition, you will pay the meal charges in excess of the one meal per day at the then current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

**[NOTE: Section 4.4 only applies when there are two of you.]**

**4.4 More Than 90 Days of Health Care Services When There Are Two of You.** If there are two of you, and only one of you requires Health Care Services beyond the 90 cumulative days, you will pay the charges for your care in the Essex Meadows Health Center, which will be equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment and the supplemental charge described in Section 4.17. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. The first person Monthly Fee for the Residence will continue for the person residing in the Residence. If both of you require Health Care Services beyond the 90 cumulative days, charges for you and the second Resident's care in the Essex Meadows Health Center will depend upon whether you choose to release or retain your Residence:

**4.4.1 Release Residence When Two of You Need Health Care Services.** If you choose to release your Residence for occupancy by someone else, you must provide us with 30 days' advance written notice of your intent to release your Residence. You are obligated to pay the first and second person Monthly Fee during this 30-day notice period. Further, the first and second person Monthly Fees for your Residence will continue until the date all your furniture and other property have been removed from your Residence. If removal of your furniture and other property is not accomplished within 30 days of the decision to release your Residence, we may remove and store your furniture and other property at the expense and risk of you or your estate. Each of you will pay a monthly charge for Health Care Services in an amount equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment and the supplemental charge described in Section 4.17. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

We have the right to remarket your Residence to others for reoccupancy during your 30-day notice period described above and during your stay in the Essex Meadows Health Center. We will place your Residence in our inventory available to prospective residents. We will attempt to provide you with advance notice of any showing as is feasible; however, we are not required to do so.

**4.4.2 Retain Residence When Two of You Need Health Care Services.** If you choose to retain your Residence, the then-current first and second

person Monthly Fees for your Residence will continue. Each of you will pay a monthly charge for Health Care Services in an amount equal to the then-current first person Monthly Fee for the two-bedroom deluxe apartment and the supplemental charge described in Section 4.17. In addition, you will pay the meal charges in excess of the one meal per day at the then-current charges for meals and any additional services as described in Sections 4.9 and 4.10. Further, there is an additional charge for private accommodations in the Essex Meadows Health Center.

**4.5 Private Room.** In the event a private room is available and desired by you or is medically necessary, you may occupy the private room upon agreement to pay the difference between the charge for a semi-private room and the charge for a private room. However, at our sole discretion, if the private room in which you are residing is needed for semi-private use, you agree to reside in a semi-private room until a private room is once again available (unless a private room is medically necessary).

**4.6 Alternate Health Care Services if Accommodations Not Available.** You shall be given priority over non-residents for admission to the Essex Meadows Health Center. In the event you need Health Care Services and the Essex Meadows Health Center is fully occupied, you will be provided care at another comparably licensed health care facility. Upon your relocation, you shall continue to be responsible for the charges set forth in Section 4 herein. To the extent we would be liable for your care and accommodations in the Essex Meadows Health Center under this Agreement, we will be responsible for the charges associated with alternate accommodations. You agree to relocate to the Essex Meadows Health Center when accommodations become available.

You have the right to obtain treatment, care and services from providers with which we do not have a contractual arrangement. If accommodations are not available in the Essex Meadows Health Center and 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 Health Care Services. The Monthly Charges paid for Health 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 Health Care Services under this Agreement will be solely your responsibility. You will be relocated (upon your agreement) back to the Essex Meadows Health Center when accommodations become available.

Should you need care which we are not licensed to provide or which the Essex Meadows Health Center does not have the appropriately trained staff to provide, or

does not routinely provide, you agree to relocate to a facility that can provide you with the appropriate level of care. We will not be responsible for the charges for this higher level of care or private duty care.

**4.7 Alternate Health Care Services Based on Resident's Choice.** You have the right to be independent in decisions regarding your medical care. If accommodations are available in the Essex Meadows Health Center and you choose to obtain nursing care from an alternate care facility and not from the Essex Meadows 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. You will continue to pay the Monthly Fee for your Residence.

**4.8 Return to Residence.** If you release your Residence because you have moved to the Essex Meadows Health Center, and if later you are able, in the opinion of the Medical Director or your attending physician with the concurrence of the Medical Director, to return to a residence, we will provide you a residence of the same type as your previous Residence as soon as one becomes available. Upon reoccupying a residence, your Monthly Fee will be based on the then-current Monthly Fee for the residence.

**4.9 Additional Health Services.** We will also provide additional services and supplies in the Essex Meadows Health Center such as therapy, pharmaceutical supplies, personal laundry, and rental of equipment. These services and supplies are not included in the Monthly Fee or the monthly charge for Health Care Services set forth above, but will be available for an Extra Charge.

**4.10 Medical Director, Attending Physician and Ancillary Services.** A member in good standing of the Connecticut Medical Society will be designated to act as Medical Director of the Essex Meadows Health Center. You will be at liberty to engage the services of the Medical Director or the services of a physician of your choice at your own expense. 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, and other similar services and supplies. In the event we incur or advance charges for your medical treatment or for medicine, drugs, prescribed therapy, pharmaceutical supplies, personal laundry, rental of equipment, and other similar services and supplies, you will reimburse us for such charges.

**4.11 Non-Resident Use of Essex Meadows Health Center.** We will offer Health Care Services in the Essex Meadows Health Center to qualified non-residents for a fee, to the extent accommodations are available and as allowed by Connecticut law. However, residents of Essex Meadows will be given priority access to available accommodations.

**4.12 Long-Term Care Insurance.** We will use reasonable efforts to assist you in working with your long-term care insurance provider to obtain the benefits to which you may be entitled.

**4.13 Health Center Admission Agreement.** If you require Health Care Services in the Essex Meadows Health Center, you and we will be required, based on Federal and State laws and regulations, to enter into a separate Health Center Admission Agreement. The Agreement to be executed by you or your responsible party and the Provider will be available for your review prior to move-in. This Residency Agreement will stay in effect during your stay in the Essex Meadows Health Center, and will govern the payment terms for care received by you in the Essex Meadows Health Center.

**4.14 Under Age 62.** If you are a second person and are under age 62 when you occupy a Residence under this Agreement, you shall be entitled to care in the Essex Meadows Health Center. However, you will be charged the current per diem rate being charged to nonresidents until you attain the age of 62.

**4.15 Supplemental Insurance.** You are required to maintain Medicare Part A, Medicare Part B, 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 Essex Meadows Health Center. Such supplemental insurance should cover Medicare co-insurance and deductibles. You shall 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 Essex Meadows Health Center, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in the Essex Meadows Health Center, you shall be financially responsible for paying deductibles, co-insurance amounts, and any other charges for each Medicare-qualified stay in the Essex Meadows Health Center. If failure to maintain Medicare Part A, Medicare Part B, or supplemental health insurance is causing depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations as provided in Section 9.2, and we retain the right to revoke your entitlement to reside at Essex Meadows and to cancel this Agreement as provided in Section 9.

**4.16 Managed Care.** If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, the terms governing Health Care Services in the Essex Meadows Health Center will be as follows:

**4.16.1 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. Such managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

**4.16.2 Not a Participating Provider.** If we are not a participating provider with your managed care program and you choose to receive Health Care 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 Health Care Services at the managed care participating provider, you understand and agree that, unless this Agreement is canceled, you will continue to pay the Monthly Fee for your Residence. Such a Medicare-qualified stay at a managed care participating provider other than the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2.

**4.16.3 Negotiated Managed Care Rate.** If we are not a participating provider in your managed care program and you would still like to receive Health Care Services in the Essex Meadows Health Center during 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 will agree to accept, as full payment, the rate provided by your managed care program. Such a managed care stay in the Essex Meadows Health Center will not reduce the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

**4.16.4 No Negotiated Managed Care Rate.** If we are not a participating provider in your managed care program and a negotiated rate is not

agreed upon between us and your managed care program and you still desire to receive Health Care Services in the Essex Meadows Health Center during a Medicare-qualified stay, then each day of your stay in the Essex Meadows Health Center will reduce by one day the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2. You agree that you will continue to pay the Monthly Fee for your Residence. You will also be obligated to pay for any additional services as described in Sections 4.9 and 4.10.

If at any time during any such Medicare-qualified stay in the Essex Meadows Health Center you are no longer eligible to receive any of the cumulative days of care provided for in Section 4.2, then you will be obligated to pay the full per diem charge for each day of your stay in the Essex Meadows Health Center. You will also continue to pay the Monthly Fee for your Residence, and for any additional services as described in Sections 4.9 and 4.10.

**4.16.5 Post Medicare-Qualified Stay.** At the conclusion of each such Medicare-qualified stay, you will be entitled to Health Care Services in the Essex Meadows Health Center in accordance with the terms of this Agreement other than as set forth in this Section 4.16, as adjusted to reflect any reduction during such stay in the number of cumulative days of care that you are eligible to receive without additional charge pursuant to Section 4.2.

**4.17 Supplemental Charge for Nursing Care Services.** In addition to the fees outlined above for Health Care Services in the Essex Meadows Health Center, you (or both of you) will also pay a supplemental charge for Health Center Services in the amount of \$\_\_\_\_\_ per person per month. This supplemental charge will not increase during the term of this Agreement.

## **5. ENTRANCE PAYMENT AND COMMUNITY FEE.**

**5.1 Payment of Entrance Payment.** To assure you a Residence in Essex Meadows in accordance with all the terms of this Agreement, you will pay to us an Entrance Payment of \$\_\_\_\_\_. You will not be required to transfer any tangible personal property to us for residency at Essex Meadows. An amount equal to 10% of your Entrance Payment, or \$\_\_\_\_\_, is paid herewith to reserve your Residence and will be held in escrow pursuant to Connecticut law. The balance of the Entrance Payment of \$\_\_\_\_\_ will be paid to us on the earlier of (i) Occupancy or (ii) within 60 days from the date of our approval of this Agreement.



**5.2 Second Person Fee.** If there are two of you, a Second Person Fee of \$\_\_\_\_\_ will be paid to us on the earlier of (i) Occupancy or (ii) within 60 days of the date of our approval of this Agreement. Any amounts paid to us as a Second Person Fee will be the unrestricted property of LCS Essex Meadows LLC and are non-repayable.

**5.3 One-Time Community Fee.** You will pay to us a Community Fee that is an amount equal to two times the then-current Monthly Fee for your Residence (including a second person Monthly Fee if there are two of you). Payment will be made to us on the earlier of (i) Occupancy or (ii) within 60 days of the date of our approval of this Agreement. This is a one-time non-repayable charge.

## **6. MONTHLY CHARGES.**

**6.1 Monthly Fee.** You will pay a Monthly Fee in exchange for the accommodations, services and amenities provided under Section 1 and for Community Related Costs. 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.** Adjustments to the Monthly Fee are intended to cover the current and anticipated changes to the Community Related Costs or as may be required by local, state or federal laws and regulations. We may adjust your Monthly Fee for current and anticipated Community Related Costs upon 30 days' advance written.

**6.3 Payment.** You will pay a pro rata portion of the Monthly Fee commencing on the earlier of (i) Occupancy; or (ii) within 60 days of the date of our approval of this Agreement. Thereafter, your Monthly Fee will be payable each month in advance upon receipt of a billing statement, including any Extra Charges for additional services obtained during the preceding month.

**6.4 Late Payment.** A late payment charge will be assessed at the rate of 1% per month on the total delinquent amounts due. Late payment charges will not be compounded in the total delinquent amounts computed for determining any late payment charge assessed in any succeeding month. The late payment charge will cease on the date we receive payment of the total delinquent amount. The 1% late payment charge is waived if payment is delayed due to slow processing by your supplemental insurance carrier. However, we do not waive our right to cancel this Agreement for nonpayment of fees subject to Section 9 of this Agreement.

**6.5 Cease Payment of Monthly Fee for Residence.** The Monthly Fee for your Residence will cease in accordance with Section 8.2 or 9.3 if you (or both of you if there are two of you) or we cancel this Agreement and in accordance with Section 8.3 if you die (or if there are two of you, the death of the remaining Resident). In the event there are two of you who occupy the Residence and only one of you cancels this Agreement or dies, the second person Monthly Fee will cease and the remaining person will continue to pay the first person Monthly Fee.

## **7. REPAYMENT OF ENTRANCE PAYMENT.**

### **7.1 Repayment of Entrance Payment Prior to Assuming Occupancy.**

**7.1.1 Nonacceptance.** If we do not accept you for residency, we will repay to you the portion of the Entrance Payment you have paid, without interest, within 30 days from the date of our notice to you of nonacceptance.

**7.1.2 Right of Rescission Period.** If prior to assuming occupancy you change your mind and you give us written notice of cancellation by registered or certified mail within 30 days following the date this Agreement is executed by you, this Agreement will automatically cancel. In such event, we will repay to you the portion of the Entrance Payment you have paid, without interest, within 30 days of your notice, except that we will retain an amount equal to any costs specifically incurred by us at your request, if any, and which are set forth in a separate addendum to this Agreement. You shall not be required to move into Essex Meadows before expiration of the 30-day rescission period.

**7.1.3 Change in Condition.** If after the right of rescission period and prior to assuming occupancy (i) you (or either of you if there are two of you) die or become unable to occupy your Residence because of illness, injury or incapacity; or (ii) you elect to cancel this Agreement because of a substantial change in your physical, mental, or financial condition, this Agreement will automatically cancel upon our receipt of written notice to us by registered or certified mail. In such event, we will repay to you or your legal representative, without interest, the portion of the Entrance Payment you have paid to us within 60 days of our receipt of your written notice of cancellation, except that we will retain an amount equal to any costs specifically incurred by us at your request, if any, and which are set forth in a separate addendum to this Agreement.

**7.1.4 Cancellation for Reasons Other Than Set Forth in 7.1.1, 7.1.2, and 7.1.3.** If prior to assuming occupancy you give us written notice of cancellation by registered or certified mail and neither Section 7.1.1, 7.1.2 or 7.1.3

is applicable, this Agreement will be canceled. In such event, we will retain five thousand dollars (\$5,000) of the Entrance Payment you have paid, plus an amount equal to any costs specifically incurred by us at your request, if any, and which are set forth in an addendum to this Agreement. The balance will be repaid to you, without interest, within 60 days of our receipt of your notice of cancellation.

**7.2 Repayment of Entrance Payment Following Occupancy.** Except within the rescission period which will be handled according to Section 7.1.2, repayment of the Entrance Payment due to cancellation or death (the death of both Residents, if applicable) after Occupancy will be as follows:

**7.2.1 Repayment of Within First Ten Months of Occupancy.** If this Agreement is canceled within the first 10 months of your Occupancy, we will repay to you (or to your estate) \$\_\_\_\_\_, an amount equal to 90% of your Entrance Payment. For purposes of calculating the repayment, occupancy will end when this Agreement is canceled pursuant to Section 8 or 9. Such repayment will be paid, without interest, as outlined in Section 7.2.3 below.

**7.2.2 Repayment of Entrance Payment After First Ten Months of Occupancy.** If this Agreement is canceled after the first 10 months of your Occupancy, we will repay to you (or to your estate) the amount of the Entrance Payment paid by you, reduced by 4% of your Entrance Payment as a processing fee plus 2% of the Entrance Payment per full month or partial month of your occupancy until your Entrance Payment is fully amortized. For purposes of calculating the repayment, occupancy will end when this Agreement is canceled pursuant to Section 8 or 9. Such repayment, if any, will be paid, without interest, as outlined in Section 7.2.3 below.

**7.2.3 Timing of Repayment.** Your repayment of the Entrance Payment, if any, will become due and payable upon 60 days after your death (or the death of the remaining Resident if there are two of you) or after notice of cancellation by you or us. Repayment will not occur while your furniture and other property are in the Residence.

If there is one Resident under the Residency Agreement, we will repay the unearned portion of the Entrance Payment, if any, to that Resident or his/her estate (or to whomever that Resident has assigned his/her rights to repayment). If there are two Residents (either through initial residency at Essex Meadows or through a subsequent amendment to the Residency Agreement wherein a second person is added to the Residency Agreement after initial residency), we will repay the unearned portion of the Entrance Payment, if any, to the last remaining Resident

or the last remaining Resident's estate (or to whomever the last remaining Resident assigned his/her rights to repayment). We will not repay the unearned portion of the Entrance Payment, if any, while a second Resident is occupying Essex Meadows.

**7.3 Right of Offset.** We have the right to offset against any amount of the Entrance Payment that is repayable the following: (i) any unpaid Monthly Charges owed by you; (ii) any unreimbursed or unpaid charges for care in the Essex Meadows Health Center we may have advanced on your behalf; (iii) any amounts deferred by us under Section 9.2; and (iv) any other sums owed by you to us. Any amounts owed by you to us will be payable with interest.

**7.4 Beneficiary Designation.** You may designate a beneficiary for receipt of any portion of the Entrance Payment that is repayable to you or to your estate if: (i) the designation is in writing; (ii) is witnessed; (iii) is non-contingent; (iv) is specified in percentages and accounts for 100%; and (v) has received our approval. An Assignment of Rights to Repayment may be obtained from the business office at Essex Meadows for use in designating a beneficiary.

**7.5 Repayment of Second Person Fee Following Occupancy.** The Second Person Fee is not repayable.

## **8. YOUR CANCELLATION RIGHTS.**

**8.1 Prior to Occupancy.** You may cancel this Agreement for any reason by giving us written notice executed by you (both of you if there are two of you) and sent by registered or certified mail. If you give such notice prior Occupancy of Essex Meadows, the cancellation will be effective as described in Section 7.1.

### **8.2 After Occupancy.**

**8.2.1 Written Notice.** After Occupancy at Essex Meadows, you may cancel this Agreement at any time by giving us 120 days' advance written notice, signed by you (both of you if there are two of you) and sent by registered or certified mail. Once we receive your notice of cancellation, you cannot rescind it, and we have the right to assign your Residence for occupancy by someone else.

**8.2.2 Monthly Fee.** You will continue to pay your Monthly Fee until the later of (i) the expiration of the 120-day written notice of cancellation period, or (ii) the date you vacate your Residence or the Health Center and remove all your furniture and other property.

**8.2.3 Removal of Property.** If removal of your furniture and other property is not accomplished within 120 days of your written notice of cancellation, we may continue to charge the Monthly Fee or we may remove and store your furniture and other property at the expense and risk of you or your estate.

**8.2.4 Cancellation.** This Agreement will cancel and the services provided under this Agreement will cease upon the later of (i) 120 days following the date you give us written notice of cancellation; or (ii) the date you vacate your Residence or the Health Center and remove all your furniture and other property. If you vacate the Residence or the Health Center prior to the expiration of the 120-day notice period and you wish to be readmitted as a resident at Essex Meadows, you will be required to reapply for residency in accordance with our current Residency Policy.

**8.2.5 Remarketing of Residence.** After our receipt of your notice of cancellation, we have the right to remarket your Residence to others for reoccupancy. We will place your Residence in our inventory available to prospective residents. If your property remains in the Residence, we will give you notice in advance of any scheduled showing of your Residence. To the extent possible, we will give you notice of any unscheduled showing of your Residence as early as possible. Once your furniture and property have been removed from the Residence, we will not be required to provide you with any advance notice of showing, and your Residence will be considered released to us.

**8.2.6 Repayment of Entrance Payment.** Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement.

### **8.3 Death After Occupancy.**

**8.3.1 Monthly Fee.** Payment of the Monthly Fee will continue until the later of (i) your death (if there are two of you, the death of the remaining Resident), or (ii) vacancy of the Residence or the Health Center and removal of all your furniture and other property.

**8.3.2 Removal of Property.** If removal of your furniture and other property is not accomplished within 30 days of your death (if there are two of you, the death of the remaining Resident), we may continue to charge the Monthly Fee or we may remove and store your furniture and other property at the expense and risk of your estate.

**8.3.3 Cancellation.** This Agreement will cancel and the services provided under this Agreement will cease upon the later of (i) your death (if there are two of you, the death of the remaining Resident) or (ii) vacancy of the Residence or the Health Center and removal of all your furniture and other property.

**8.3.4 Remarketing of Residence.** After your death, we have the right to remarket your Residence to others for reoccupancy. We will place your Residence in our inventory available to prospective residents. If your property remains in the Residence, we will give notice to the executor of your estate or your legal representative in advance of any scheduled showing of your Residence. To the extent possible, we will give notice of any unscheduled showing of your Residence as early as possible. Once your furniture and property have been removed from the Residence, we will not be required to provide any advance notice of showing, and your Residence will be considered released to us.

**8.3.5 Repayment of Entrance Payment.** Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement.

## **9. OUR CANCELLATION RIGHTS.**

**9.1 Just Cause.** After we have accepted you for residency, we will not cancel this Agreement except for just cause. Just cause is defined as:

**9.1.1 Nonpayment.** Except as set forth below, nonpayment of fees or charges; or

**9.1.2 Failure to Comply.** 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 by us; or

**9.1.3 Threat to Health or Safety.** Your residency in Essex Meadows constitutes a substantial threat to your health or safety or to the health or safety of other residents or others (including your refusal to consent to relocation) or would result in physical damage to the property of others; or

**9.1.4 Change in Condition Beyond Limits of License.** There is a major change in your physical or mental condition that would preclude caring for you in the Health Center within the limits of our license.

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

**9.2.1 Permitted to Stay.** You shall be permitted to remain at Essex Meadows for 90 days after the date of failure to pay, during which time you shall continue to pay reduced Monthly Charges based on your current income. Pursuant to Section 7.3, any amounts owed by you to us will be payable with interest; and

**9.2.2 Terms of Stay.** After the 90 days, you shall be permitted to remain at Essex Meadows at reduced Monthly Charges 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 on a sound financial basis. This provision shall not apply if you have impaired your ability to meet your financial obligations hereunder by transfer of assets after assuming residency other than to meet ordinary and customary living expenses, or by not maintaining Medicare Part A, Medicare Part B and/or adequate supplemental insurance coverages. To evidence these agreements based on the circumstances at the time, you agree to enter into a special Financial Assistance Amendment to Residency Agreement with us at the time of any such deferrals to reflect the deferred charges currently payable and the interest rate to be applied to the deferrals, and to provide us with a perfected first security interest in your Entrance Payment rights. Any payments otherwise due to you from us, including the repayment of your Entrance Payment (if applicable), will be offset against any such deferred charges; and

**9.2.3 Guarantor.** Sections 9.2.1 and 9.2.2 are not applicable if, to initially qualify for residency at Essex Meadows, a third party(ies) with adequate resources agreed in writing, prior to your acceptance for residency, to guarantee payment of your obligations and is fulfilling their obligations pursuant to a Guaranty of Fees and Other Payments under the Residency Agreement.

**9.3 Notice of Cancellation.** Prior to any cancellation of this Agreement by us, we will give you notice in writing of the reasons and you will have 30 days thereafter within which the problem may be corrected. If we determine the problem is corrected within such time, this Agreement will remain in effect. If we determine the problem is not corrected within such time, you must leave Essex Meadows within 30 days after we notify you of our determination/cancellation. You will continue to pay your Monthly Fee until removal of your furniture and other property has occurred. If removal of your furniture and other property is not accomplished, we may remove and store your furniture and other property at the expense and risk of

you or your estate. This Agreement will cancel upon the removal of your furniture and other property. Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement.

**9.4 Emergency Cancellation.** We may cancel this Agreement if there has been a good faith determination that you are a danger to yourself or others. Said determination shall be made by the Medical Director. In such event, only such notice as is reasonable under the circumstances is required to be provided to you and/or your representative. You will continue to pay the Monthly Fee until removal of your furniture and other property has occurred. If removal of your furniture and other property is not accomplished, we may remove and store your furniture and other property at the expense and risk of you or your estate. This Agreement will cancel upon the removal of your furniture and other property. Repayment of your Entrance Payment will be as set forth in Sections 7.2, 7.3, and 7.4 of this Agreement.

## **10. MISCELLANEOUS PROVISIONS WITH RESPECT TO YOUR RESIDENCE.**

**10.1 Use of Residence.** The 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 entitles you only to the lifetime use of the Residence and other amenities of Essex Meadows and to available services, subject to the terms and conditions of this Agreement.

**10.2 Occupants of 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, a second person Monthly Fee will be paid upon the second person's Occupancy. Each month thereafter, the then-current additional Monthly Charges for second persons shall be due. 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)

**10.3 Emergency Entry.** We may enter your Residence should it be necessary to protect your health or safety or the health or safety of other residents.

**10.4 Relocation.** Should it be necessary to modify facilities to meet the requirements of any applicable law or regulation which necessitate temporarily



vacating your Residence, we will provide alternate facilities for you without Extra Charge within or outside Essex Meadows. Further, if relocation is recommended by the Medical Director or your attending physician, we will request that you relocate to another residence within Essex Meadows or request that you relocate to the Essex Meadows Health Center or to another care facility (including a hospital) for the protection of your health or safety or for the health or safety of other residents of Essex Meadows. We will not be responsible for any charges related to transfer or relocation to a hospital or another care facility.

If there are two of you under this Agreement and one of you is transferred to the Essex Meadows Health Center, to a hospital or to another appropriate facility, the remaining Resident may continue to occupy the Residence under the terms of this Agreement as the first person.

**10.5 Furnishings.** Furnishings within the Residence will be provided by you, except as listed in Section 1. Furnishings provided by you shall not interfere with the health or safety of you, other residents or others at Essex Meadows.

**10.6 Alterations by You.** You may undertake alterations to your Residence with our prior written approval as set forth in a separate Residence Modification Agreement.

**10.7 Refurbishment.** Customary and normal refurbishment costs are calculated into the Monthly Fee. Any necessary refurbishment costs beyond those which are customary and normal are your responsibility and will be offset against any amount of the Entrance Payment that is repayable. Further, should you relocate to another residence in Essex Meadows, you may be subject to a transfer fee as set forth in our current Residence Transfer Policy.

**10.8 Smoke-Free Campus Policy.** For the health and safety of all residents and staff at Essex Meadows, we have implemented a Smoke-Free Campus Policy, a copy of which is available to you upon request. You agree to abide the terms of the Smoke-Free Campus Policy and any future changes thereto. Because smoking is not allowed in any interior spaces, including your Residence, damage to the Residence caused by smoking by you or your visitors is not considered normal wear and tear and will be charged for accordingly.

## **11. AMENDMENTS.**

**11.1 This Agreement.** This Agreement may be amended by agreement of the parties to this Agreement. No amendment of this Agreement will be valid unless in writing and executed by you and us.

**11.2 All Agreements.** In addition, with the approval of: (i) at least 67% of the occupied residences with one vote per residence who have this type of residency agreement at Essex Meadows; and (ii) us, all residency agreements of this type may be amended in any respect; provided, however, that no such amendment shall:

**11.2.1** Reduce the aforesaid percentage of residences which is required to consent to any such amendment; or

**11.2.2** Permit the preference or priority of any residence over any other residence without the consent of each residence.

Upon our approval and upon our receipt of evidence of the approval of not less than 67% of the occupied residences with one vote per residence, such amendment shall be effective, and any designated residency agreements, which may include this Agreement, shall automatically be amended accordingly.

**11.3 Laws and Regulations.** This Agreement may be modified by us at any time in order to comply with applicable Federal or State laws and regulations.

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

**12.1 Residents' Association.** Residents shall have the right to organize and operate a Residents' Association at Essex Meadows and to meet privately to conduct business of the Residents' Association. It is our policy to encourage the organization and operation of a Residents' Association.

**12.2 Private Employee of Resident.** If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency ("Personal Service Provider"). In such instances, we strongly advise you to obtain these needed 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 Personal Service Provider complies with our policies and rules of conduct set forth in our Personal Service Provider Policy. If you fail to follow or enforce the rules set forth in the Personal Service Provider Policy, then we may elect, at our sole option, to cancel this Agreement.

**12.3 Resident Representations.** By executing this Agreement, you represent and warrant that: (i) you will be at least 62 years of age or older at the time of residency or you will share your Residence with another person who will be 62 years of age or older at the time of residency; (ii) you are capable of living in your Residence in accordance with our Residency Policy; (iii) you have assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations under this Agreement to meet your ordinary and customary living expenses after assuming occupancy; and (iv) all written representations made by you or on your behalf with respect to such matters during the residency process are true.

**12.4 Governing Law.** This Agreement will be interpreted according to the laws of the State of Connecticut and will become effective upon acceptance and execution by us. The Glossary which sets forth the definitions of certain terms used in this Agreement is by this reference incorporated herein and made a part of this Agreement.

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

**12.6 Capacity.** This Agreement has been executed by a duly authorized agent, and no member, officer, director, agent, or employee of ours shall have any personal liability to you hereunder under any circumstances. This Agreement will become effective upon acceptance and execution by us.

**12.7 Residents.** When Resident consists of more than one person, the rights and obligations of each are joint and several, except as the context of this Agreement otherwise requires.

**12.8 Nature of Rights.** You understand and agree that (i) this Agreement or your rights (including the use of the Residence) under it 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 repayment of the amounts as described in Section 7; (ii) this Agreement and your contractual right to occupy Essex Meadows will exist and continue to exist during your lifetime unless canceled as provided herein; (iii) this Agreement grants you a right to occupy and use space in Essex Meadows, but does not give you exclusive possession of the Residence against us; (iv) you will not be entitled to any rights of specific performance but will be limited to such remedies as set forth herein and as provided by continuing care law; (v) this Agreement is not a lease or easement and does not transfer or grant you

any interest in real property the comprises Essex Meadows; and (vi) this Agreement grants to us complete decision-making authority regarding the management and operation of Essex Meadows.

**12.9 Release.** We are not responsible for loss of or damage to your personal property, unless such loss or damage is caused by our negligence or the negligence of our agents or employees, and you hereby release us from any such liability. You may want to obtain, at your own expense, insurance to protect against such losses.

**12.10 Indemnity.** To the extent allowed by law, we will not be liable for, and you agree to indemnify, defend, and hold us harmless from claims, damages, and expenses, including attorney's fees and court costs, resulting from any injury or death to persons and any damages to property to the extent caused by, resulting from, attributable to, or in any way connected with your negligent or intentional act or omission or that of your guests.

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

**12.12 Tax Considerations.** Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax considerations associated with this Agreement.

**12.13 Subordination.** Your rights under this Agreement will be subordinate to any mortgage, security interest, pledge, or other lien that now encumbers all or any part of Essex Meadows and the assets of the Provider and shall be further subordinate to any mortgage, security interest, pledge, or other lien hereafter placed on all or any part of the assets of the Provider, including the real property of Essex Meadows.

**12.14 Transfers.** We may from time to time issue additional equity interests, or sell or transfer interest in Essex Meadows, provided that, in such latter event, the buyer will agree to assume this Agreement and all other existing residency agreements. In addition, we may sell or otherwise transfer the land or other portions of Essex Meadows. Your signature hereto constitutes your consent and approval to any such future transfer.

**12.15 Responsible Party.** You agree to execute and deliver to us within 60 days after assuming occupancy in your Residence a Durable Power of Attorney, trust documents, 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 and shall be in a form acceptable to us, and 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 Essex Meadows.

**12.16 Funeral and Burial Services.** No funeral or burial services or expenses are provided by us pursuant to this Agreement.

**12.17 Compliance with Laws and Regulations.** Essex Meadows will comply with all applicable Municipal, State, and Federal laws and regulations, including consumer protection and protection from financial exploitation.

**12.18 Complaint Resolution Process.** Essex Meadows has established a complaint resolution process for residents and families, which is attached hereto as Exhibit D. Residents and family members may use the complaint resolution process without fear of reprisal of any kind.

**12.19 Resident Rights.** As a resident of Essex Meadows, you have certain rights under the Connecticut continuing care law (Conn Gen. Stat. §17b-520 et. seq.), a copy of which is available upon request. You also have certain rights if you receive services from Essex Meadows as a managed residential community. A copy of those rights is attached hereto as Exhibit C.

**12.20 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.

**12.21 Arbitration.** You agree that any dispute, claim, or controversy of any kind between you and us 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 Middlesex County, Connecticut in accordance with the Federal Arbitration Act and the then-current commercial arbitration rules of the American Arbitration Association. You and we will jointly agree on an arbitrator and the arbitrator will be selected. 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 Essex Meadows 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.

**13. RESIDENT HANDBOOK.** Essex Meadows has established certain rules, policies and guidelines in order to promote the health, safety and welfare of its residents. A copy of the Resident Handbook containing these rules, policies and guidelines will be provided to each resident upon residency at the Community. The Resident Handbook also contains a list of Extra Charges for additional services available to the residents of Essex Meadows. Upon receipt of the Resident Handbook, you agree to sign an Acknowledgment form, a copy of which is attached hereto as Exhibit E. Your signed Acknowledgment will be placed in your resident file. Essex Meadows may revise the Resident Handbook from time to time and any revisions will be provided to the residents.

**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 signing this Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year)

Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year)

**LCS ESSEX MEADOWS LLC  
d/b/a Essex Meadows**

\_\_\_\_\_  
RESIDENT or REPRESENTATIVE

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

\_\_\_\_\_  
Witness



\_\_\_\_\_  
RESIDENT or REPRESENTATIVE

Flex Plan Residency Agreement (2021-6-30)

\_\_\_\_\_  
Witness

Residence Type \_\_\_\_\_

Residence No. \_\_\_\_\_

**EXHIBIT A**

**[RESERVED]**



## **EXHIBIT B**

### **Assisted Living Services at Essex Meadows *Provided by the Resident Health Services Department***

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

#### **How does Resident Health Services Assisted Living work?**

- A basic set of services is available to all residents at no charge.
- Resident Health Services staff is available seven (7) days a week with services routinely scheduled between 8 a.m. and 8 p.m. Staffing after these hours is arranged on an as-needed basis.
- A licensed nurse is on call twenty-four (24) hours a day to assure coordination of care at all times.
- A personalized assisted living service package may be designed for the resident based upon individual needs.
- A resident, who needs services only occasionally, or on an intermittent basis, may prefer to choose an "a-la-carte" program.
- Medication management programs are available.
- Continental breakfast or meal delivery may be arranged for any resident who medically requires assistance with meals.

#### **Services Available at No Charge**

- Consultation provided in the nursing office.
- Occasional wheelchair escort within Essex Meadows.
- Occasional social visits.
- Discharge planning assistance after hospital or Health Center stay.
- Meal tray delivery for three (3) days during an illness.
- Follow-up visit after illness or injury.
- Arrangements for special medical equipment.
- Assistance with coordination of outside agency services.
- Consultation with physician and family.
- Weekly bed linen changes for residents who have a medical need.
- Weekly blood pressure clinic.
- Nursing assistance with eye drops during regular office hours.

## **Services Available for a Fee**

- Admission to the Assisted Living Services Program - \$120.00.
- Re-assessment visit every 120 days or change in condition visit - \$75.00.
- Management of the ATC (Around The Clock) medication system - \$190.00 monthly (apartment resident) and \$230.00 monthly (cottage resident)
  - Medication management using the Around-the-Clock (ATC) pre-pour packaging system will include, medication reminders up to 3 times daily.
- A request for a nursing visit to your residence will be charged at the current Homecare visit rate.
- Case management fees will apply to residents employing private homecare agencies, or private employees without nursing supervision.
- Nursing and/or nurses' aide services provided in your residence:
  - "A-la-carte" services are available during routine hours - \$8.50 per each 15-minute period (apartment residents) and \$10.00 per each 15-minute period (cottage residents).
  - Service packages are available at the following rates:
    - Four (4) hours of service per week.
    - Assistance with one or two activities of daily living such as bathing or dressing.
    - \$600.00 per month.
  - Costs for services provided outside of routine hours are arranged on an individual basis.
- Treatment of a minor skin biopsy or small wound, requiring only a band aid can be done once daily for three (3) days as a complimentary service.
  - A wound requiring further treatment will be dressed once daily for less than a week, under doctor" orders. To obtain doctor's orders, the nursing staff will open a "treatment chart" for a one-time fee of \$100.00. This chart will remain on file with us should you require treatment at a later date. (You will not be charged again.) This would apply to B12 injections, which also need doctor's orders to be administered by a nurse.

- Local transportation to medical appointments:
  - A 24-hour notice is requested and service is subject to care and driver availability.
  - \$17.00 one way; \$30.00 local round trip; additional \$25.00 per hour if driver is requested to wait for you.
  
- Companion services by a non-certified staff person: \$8.50 per 15-minute period (apartment residents); \$10.00 per each 15-minute period (cottage residents). CNA for hands-on assistance - \$25.00 per hour.
  
- Regularly scheduled visits by podiatrist and audiologist in the Residential Health Services office are coordinated by request.

*Fees are subject to change upon 30 days' advance written notice to the residents.*

## **EXHIBIT C**

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

As a resident of a Managed Residential Community, you have the right to:

- Live in a clean, safe and habitable private residential unit.
- Be treated with consideration, respect and due recognition of personal dignity, individuality and the need for privacy.
- Privacy within your private residential unit, subject to our rules that are reasonably designed to promote your health, safety and welfare.
- Retain and use your own personal property within your private residential unit so as to maintain individuality and personal dignity provided the use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents.
- Treat your residential unit as your home and have no fewer rights than any other resident of the state, including but not limited to, (A) associating and communicating privately with persons of your choice, (B) purchasing and using technology of your choice, including, but not limited to, technology that may facilitate virtual visitation with family and other persons, provided operation and use of such technology shall not violate any individual's right to privacy under state or federal law, and (C) engaging in other private communications, including receiving and sending unopened correspondence and telephone access.
- 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 private residential unit, or such other space as we may make 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 us, government officials or any other person without restraint, interference, coercion, discrimination or reprisal from us, including access to representatives of the Department of Public Health at:

Donna Ortelle, R.N., M.S.N  
Section Chief  
Facility Licensing and Investigations Section  
Connecticut Department of Public Health  
410 Capitol Ave., MS# 12 HSR  
Hartford, CT 06134-0308  
Phone: (860) 509-7400  
Fax: (860) 730-8390  
Email: [dph.fliscomplaint@ct.gov](mailto:dph.fliscomplaint@ct.gov)  
<https://dphflisevents.ct.gov/Complaints>

or the Office of the Long-Term Care Ombudsman at:

Mairead Painter  
Connecticut Long-Term Care Ombudsman Program  
55 Farmington Avenue  
Hartford, Connecticut 06105-3730  
Phone: (860) 424-5200  
Toll Free In-State: (866) 388-1888  
Fax: (860) 424-4966

E-mail: [ltcop@ct.gov](mailto:ltcop@ct.gov)

Southern Region Long Term Care Ombudsman - 860-823-3366

Contacts:

Dan Lerman  
414 Chapel Street, Suite 301  
New Haven, CT 06511  
[Dan.Lerman@ct.gov](mailto:Dan.Lerman@ct.gov)

Thom Pantaleo  
401 West Thames Street, Unit 102  
Norwich, CT 06360  
[Thomas.Pantaleo@ct.gov](mailto:Thomas.Pantaleo@ct.gov)

Brenda Foreman  
55 Farmington Ave.  
Hartford, CT 06106  
[Brenda.Foreman@ct.gov](mailto:Brenda.Foreman@ct.gov)

- Upon request, obtain the name of the service coordinator 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 our capacity and with due consideration given to the rights of other residents.
- Be fully advised of the relationship that the managed residential 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 our rules or regulations.
- Privacy when receiving medical treatment or other services within the capacity of the managed residential community.
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided the refusal of care and treatment may preclude you from being able to continue to reside in the managed residential community.
- All rights and privileges afforded to tenants under Title 47a of the Connecticut General Statutes.

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

## **EXHIBIT D**

### **COMPLAINT RESOLUTION PROCESS**

#### Policy:

Residents are free to communicate grievances to the staff of Essex Meadows 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 Essex Meadows, the Resident has the opportunity to present his/her complaints through our defined grievance procedures.

#### Procedures:

Following are the procedures for a Resident or his/her representative to follow in order to file a grievance with Essex Meadows. 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:
  - o Description of the grievance;
  - o A list of all parties involved; and
  - o 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 Managers of LCS Essex Meadows LLC and with the Management Company's Vice President.
7. The Board of Managers of LCS Essex Meadows LLC 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 administrative office.

**EXHIBIT E**

**Acknowledgment of Receipt of Resident Handbook**

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

The Resident Handbook also contains a list of Extra Charges as referenced in the Residency Agreement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident

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

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

**EXHIBIT E**

**AUDITED FINANCIAL STATEMENTS**

# **LCS Essex Meadows LLC**

Financial Report  
December 31, 2022

## Contents

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## Independent Auditor's Report

RSM US LLP

Member  
LCS Essex Meadows LLC

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of LCS Essex Meadows LLC (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations, comprehensive income (loss), member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

#### ***Auditor's 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 auditor's 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.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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 the Company'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 the Company'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.

#### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*RSM US LLP*

Des Moines, Iowa  
February 24, 2023

LCS Essex Meadows LLC

Balance Sheets

December 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,689,040	\$ 3,610,626
Accounts receivable, net of allowance for doubtful accounts, 2022—\$16,390 and 2021—\$11,413	674,039	737,038
Prepaid expenses and other	406,653	474,728
Assets limited as to use or restricted	191,000	193,008
Interest rate swap agreement	291,487	-
<b>Total current assets</b>	<b>5,252,219</b>	<b>5,015,400</b>
Assets limited as to use or restricted	5,766,292	5,320,885
Operating property, net of accumulated depreciation	52,998,519	53,782,660
Intangible asset, net of accumulated amortization	182,735	462,026
<b>Total assets</b>	<b>\$ 64,199,765</b>	<b>\$ 64,580,971</b>
<b>Liabilities and Member's Equity</b>		
Current liabilities:		
Term loan payable, current portion, net of unamortized financing costs	\$ 12,247,902	\$ -
Accounts payable, trade	510,512	594,167
Accounts payable, affiliates	15,533	11,242
Accrued expenses	582,031	529,549
Refundable deposits from prospective residents, escrowed	299,593	455,394
Resident contract liability, current portion	311,780	490,559
Loans from residents, current portion	971,729	551,785
<b>Total current liabilities</b>	<b>14,939,080</b>	<b>2,632,696</b>
Deferred revenue	9,023,307	6,473,199
Term loan payable, less current portion, net of unamortized financing costs	-	12,228,615
Interest rate swap agreement	-	387,693
Resident contract liability, less current portion	23,061,407	24,775,199
Loans from residents, less current portion	15,029,153	10,662,226
<b>Total liabilities</b>	<b>62,052,947</b>	<b>57,159,628</b>
Member's equity:		
Accumulated other comprehensive loss	(242,169)	(506,354)
Member's equity	2,388,987	7,927,697
<b>Total member's equity</b>	<b>2,146,818</b>	<b>7,421,343</b>
<b>Total liabilities and member's equity</b>	<b>\$ 64,199,765</b>	<b>\$ 64,580,971</b>

See notes to the financial statements.



LCS Essex Meadows LLC

**Statements of Operations**  
**Years Ended December 31, 2022 and 2021**

	2022	2021
Revenues:		
Apartment revenues	\$ 14,387,629	\$ 13,811,808
Health care revenues	5,821,312	5,030,839
Amortization of nonrefundable entrance payments	743,092	448,390
Other revenues	55,925	37,570
Grant revenue	-	134,146
<b>Total revenues</b>	<b>21,007,958</b>	<b>19,462,753</b>
Operating expenses:		
General and administrative	4,288,355	4,151,445
Plant	3,094,771	2,728,901
Environmental services	1,246,891	1,143,102
Dietary	3,799,976	3,556,335
Medical and resident care	5,624,620	5,041,797
Depreciation and amortization	2,194,073	2,319,244
<b>Total operating expenses</b>	<b>20,248,686</b>	<b>18,940,824</b>
<b>Income from operations</b>	<b>759,272</b>	<b>521,929</b>
Other income (expense):		
Interest expense, net, including interest accretion	(997,982)	(2,765,777)
<b>Net loss</b>	<b>\$ (238,710)</b>	<b>\$ (2,243,848)</b>

See notes to the financial statements.

LCS Essex Meadows LLC

Statements of Comprehensive Income (Loss)  
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net loss	\$ (238,710)	\$ (2,243,848)
Other comprehensive income (loss):		
Amortization of interest rate swap agreement	<u>264,185</u>	<u>264,185</u>
<b>Comprehensive income (loss)</b>	<u>\$ 25,475</u>	<u>\$ (1,979,663)</u>

See notes to the financial statements.

LCS Essex Meadows LLC

Statements of Member's Equity  
Years Ended December 31, 2022 and 2021

	Accumulated Other Comprehensive Loss	Member's Equity	Total Member's Equity
Member's equity at December 31, 2020	\$ (770,539)	\$ 13,871,545	\$ 13,101,006
Net loss	-	(2,243,848)	(2,243,848)
Distributions to member	-	(3,700,000)	(3,700,000)
Amortization of interest rate swap agreement	264,185	-	264,185
Member's equity at December 31, 2021	(506,354)	7,927,697	7,421,343
Net loss	-	(238,710)	(238,710)
Distributions to member	-	(5,300,000)	(5,300,000)
Amortization of interest rate swap agreement	264,185	-	264,185
<b>Member's equity at December 31, 2022</b>	<b>\$ (242,169)</b>	<b>\$ 2,388,987</b>	<b>\$ 2,146,818</b>

See notes to the financial statements.

LCS Essex Meadows LLC

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net loss	\$ (238,710)	\$ (2,243,848)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,194,073	2,319,244
Amortization of financing costs	19,287	19,287
Interest accretion on acquired resident contracts	1,240,119	2,535,008
Amortization of nonrefundable entrance payments	(743,092)	(448,390)
Change in fair market value of interest rate swap agreement, net of amortization	(414,995)	(152,795)
Change in operating assets and liabilities:		
Accounts receivable	8,117	(100,155)
Prepaid expenses and other	68,075	(970)
Accounts payable, trade	(191,928)	211,690
Accounts payable, affiliates	4,291	(11,515)
Accrued expenses	52,482	117,353
Refundable deposits from prospective residents, escrowed	(155,801)	88,575
Deferred revenue	3,346,950	4,103,827
<b>Net cash provided by operating activities</b>	<b>5,188,868</b>	<b>6,437,311</b>
Cash flows from investing activities:		
Additions to cost of acquiring contracts	(68,745)	(89,400)
Additions to operating property	(953,623)	(1,362,142)
<b>Net cash used in investing activities</b>	<b>(1,022,368)</b>	<b>(1,451,542)</b>
Cash flows from financing activities:		
Distributions to member	(5,300,000)	(3,700,000)
Proceeds from loans from residents	5,046,399	4,583,961
Repayment of resident contract liabilities	(2,035,357)	(2,778,851)
Repayment of loans from residents	(1,355,729)	(547,311)
<b>Net cash used in financing activities</b>	<b>(3,644,687)</b>	<b>(2,442,201)</b>
<b>Net increase in cash and cash equivalents</b>	<b>521,813</b>	<b>2,543,568</b>
Cash and cash equivalents:		
Beginning	9,124,519	6,580,951
Ending	<b>\$ 9,646,332</b>	<b>\$ 9,124,519</b>

(Continued)

LCS Essex Meadows LLC

Statements of Cash Flows (Continued)  
Years Ended December 31, 2022 and 2021

	2022	2021
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 3,689,040	\$ 3,610,626
Assets limited as to use or restricted	5,957,292	5,513,893
Total cash and cash equivalents	<u>\$ 9,646,332</u>	<u>\$ 9,124,519</u>
Supplemental disclosure of cash flow information:		
Cash paid during year for interest	<u>\$ 537,004</u>	<u>\$ 552,822</u>
Supplemental disclosures of noncash operating, investing and financing activities:		
Redemption of resident contracts in satisfaction of outstanding accounts receivable	<u>\$ 54,882</u>	<u>\$ 49,781</u>
Purchase of operating property in accounts payable	<u>\$ 193,355</u>	<u>\$ 85,082</u>
Change in fair value of interest rate swap agreement	<u>\$ (679,180)</u>	<u>\$ (416,980)</u>

See notes to the financial statements.

## LCS Essex Meadows LLC

### Notes to Financial Statements

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#### Note 1. Organization and Significant Accounting Policies

**Organization:** LCS Essex Meadows LLC (the Company), a Delaware limited liability company, was formed on May 8, 2018, to hold title to and operate as a senior living community property located in Essex, Connecticut (the Community). The Community was purchased from an unrelated third party on November 20, 2018, and is wholly owned by LCS SHIP Venture I LLC.

**Use of estimates:** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

**Cash and cash equivalents:** The Company considers investments with maturities of three months or less when purchased to be cash equivalents.

**Concentrations of credit risk:** The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes they are not exposed to any significant credit risk on cash and cash equivalents.

**Accounts receivable:** Accounts receivable are stated net of contractual allowances or discounts (if applicable) and net of allowance for doubtful accounts. Management determines the allowance for doubtful accounts by reviewing each account for its potential for collection. Accounts are routinely reviewed and written off when deemed uncollectible.

**Assets limited as to use or restricted:** Assets limited as to use or restricted include cash and cash equivalents.

Entrance Payments, prior to occupancy, are held in escrow. These funds remain the property of the prospective residents unless and until available to be released to the Company as provided for in the escrow agreement. The amount of the escrowed deposits at December 31, 2022 and 2021, was \$191,000 and \$193,008, respectively.

An operating reserve escrow account is required by the state of Connecticut equal to one month's cash operating costs of the community, plus six months' debt service. The amount held at December 31, 2022 and 2021, was \$1,783,933 and \$1,773,393, respectively.

A health center reserve was established to hold the contract liabilities of residents that have moved to the health center and have sold their independent living unit apartment. The amount held in reserve at December 31, 2022 and 2021, was \$2,237,863 and \$1,814,632, respectively.

The Company established a restricted deposit as required by its sewage provider, the Town of Essex. The amount held in deposit at December 31, 2022 and 2021, was \$113,267 and \$113,210, respectively.

A required reserve fund was established pursuant to the Loan Agreement and the Residency Agreements for capital expenditure escrows for extraordinary capital repairs to the operating property. The amount held in reserve at December 31, 2022 and 2021, was \$1,631,229 and \$1,619,650, respectively.

Notes to Financial Statements

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**Note 1. Organization and Significant Accounting Policies (Continued)**

**Operating property:** The operating property acquired with the purchase of the Community (the Purchase) was accounted for at fair value in accordance with accounting guidance for purchase and acquisition accounting. Operating property acquired after November 20, 2018, is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of maintenance and repairs is expensed as incurred while significant renovations are capitalized.

The Company evaluates the recoverability of the carrying value of the operating property whenever events or circumstances indicate the carrying amount may not be recoverable. If the operating property is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use of the operating property is less than the carrying amount of the operating property then the operating property is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount exceeds the fair value. No impairment was recognized during the years ended December 31, 2022 and 2021.

**Intangible asset:** As part of the Purchase, an intangible asset with a value of \$2,173,506 related to in-place resident relationships was recorded. The balance was being amortized on a straight-line basis over approximately four years, which was the average estimated remaining life of the acquired resident contracts. Amortization expense for the resident relationships was \$321,086 and \$592,775 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, the balance of the intangible has been fully amortized.

Costs of acquiring contracts are incremental costs incurred in obtaining a Residency Agreement that would not have been incurred had the Residency Agreement not been obtained. Costs are associated with individual agreements and amortized based on the remaining life expectancy of those residents. Costs of acquiring contracts were \$213,345 and \$157,300 as of December 31, 2022 and 2021, respectively. Accumulated amortization was \$30,610 and \$16,360 as of December 31, 2022 and 2021, respectively. Amortization expense was \$26,950 and \$15,464 for the years ended December 31, 2022 and 2021, respectively.

**Income taxes:** The Company is a disregarded entity for income tax purposes and therefore is not subject to income taxes. The Company's member is taxed on its share of the Company's taxable income, whether or not distributed and reports on the member's tax return, its share of any net income or loss of the Company. Consequently, no provision is made in the financial statements for income taxes, or penalties and interest thereon.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Notes to Financial Statements

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**Note 1. Organization and Significant Accounting Policies (Continued)**

**Interest rate swap agreement:** The Company holds an interest rate swap agreement in order to manage the interest rate risk exposure on its term loan payable (see Note 5). The interest rate swap agreement qualified as a cash flow hedge through May 2020 when the swap was amended. Prior to the amendment, changes in fair value were recognized in equity as a gain or loss to other comprehensive income (loss). Subsequent to the amendment, the swap no longer met effective cash flow hedge requirements and accordingly changes in fair value are reported in the statements of operations. The effective portion of the changes in fair value on the Company's interest rate swap adjustment is included in comprehensive income (loss) through May 2020. The remaining balance in other comprehensive income attributable to the effectiveness of the interest rate swap agreement will be amortized over the remaining life of the term loan payable through November 2023.

**Fair value measurements:** Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. See further discussion on the fair value measurement of the interest rate swap agreement in Note 7 of the financial statements.

**Revenue recognition:** Resident revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled to for providing resident services. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for the retroactive revenue adjustments due to settlement of audits, reviews and investigations. Revenue is recognized as performance obligations are satisfied and the resident receives and controls the good or service.

Residents pay a monthly fee, determined annually. The monthly fee is recognized as apartment and health care revenue and may only be used for the purposes specified in the Residency Agreements.

**Apartment revenues and Entrance Payments:** Resident fees for independent and assisted living level of care consist of monthly charges for basic housing and support services. Prior to admission to the Community, a resident makes an Entrance Payment consisting of a nonrefundable portion and may also include a refundable portion. The nonrefundable portion is amortized over the estimated stay of the resident and recorded as amortization of nonrefundable entrance payments on the statements of operations. In addition, residents can be directly admitted to an assisted living level of care, which requires payment of a monthly service fee. Monthly fees for residents under these agreements are recorded monthly as the services are provided in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, Leases. There may be ancillary services provided that are not included in the monthly fees that are considered separate performance obligations for which revenue is recognized as the services are provided.

**Health care revenues:** The Company has agreements with third-party payors that provide for payments to the Company at amounts different from the Company's established rates. Payment arrangements include prospectively determined per diem payments. Revenue is recognized as performance obligations are satisfied. Health care revenues are reported at the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors and implicit price concessions provided to residents.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur.



## LCS Essex Meadows LLC

### Notes to Financial Statements

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#### Note 1. Organization and Significant Accounting Policies (Continued)

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. Subsequent changes that are determined to be the result of an adverse change in the residents' ability to pay are recorded as bad debt.

See Note 6 for additional information on health care revenues.

**Recent accounting pronouncement:** In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification.

Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2022, with early adoption permitted.

The Company adopted the requirements of the guidance effective January 1, 2022, and have elected to apply the provisions of this standard to the beginning of the period of adoption. The Company has elected to adopt the package of practical expedients available in the year of adoption. There was no significant financial statement impact upon adoption, and the Company has concluded that right-of-use assets and lease obligations for operating and finance leases are not significant to the financial statements.

#### Note 2. Related-Party Transactions

The Company has a client services agreement with Life Care Services LLC (LCS) (affiliated through common ownership of LCS SHIP Venture I) for management of the Community. Under the terms of the agreement, LCS supervises the operations of the Community. Management fees of \$1,078,831 and \$1,016,302 were incurred for the years ended December 31, 2022 and 2021, respectively. Additionally, LCS has funded Community costs incurred and is subsequently reimbursed by the Community. At December 31, 2022 and 2021, the Company had a payable to LCS of \$15,500 and \$11,200, respectively.

The Company has an agreement with LCS Community Employment LLC (LCE) (affiliated through common ownership of LCS SHIP Venture I) to provide employment services for the Community. At December 31, 2022 and 2021, the Company had a payable of \$33 and \$42, respectively, to LCE relating to salaries and benefits.

In the normal course of operations, the Company purchases from affiliates of LCS SHIP Venture I LLC services for group purchasing, insurance, computing technology and related ancillary matter.

## LCS Essex Meadows LLC

### Notes to Financial Statements

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#### Note 3. Residency Agreements

As part of the purchase of the Community, the Company acquired existing Residency Agreements (Agreements). Included in the Agreements are multiple contract types with repayment of the refundable portion of the Entrance Payments based on terms in the Agreement. Resident contract liability has been recorded under the acquisition method of accounting and was recorded at fair value at the time of the purchase. The face value of the resident contract liability prior to the fair value adjustment is approximately \$26,084,000 and \$29,008,000 as of December 31, 2022 and 2021, respectively. Interest expense on acquired contracts is recorded over the expected term of the Agreement or until repaid, if sooner, with a discount rate of 12.6%. As of December 31, 2022 and 2021, the unamortized discount is approximately \$2,918,000 and \$4,158,000, respectively.

After November 20, 2018, the Company has entered into Agreements with residents and prospective residents of the Community. The Agreements provide for the lifetime use of an apartment with payment of an Entrance Payment consisting of a nonrefundable portion and a refundable portion. Prior to occupancy, Entrance Payments are refundable, subject to limitations in the Agreements. At the time of occupancy, nonrefundable payments are classified as deferred revenue. After a period of time as defined in the Agreements, the deferred revenue is amortized to revenue as described in Note 1.

Entrance Payments are deposited into an escrow and released to the Company after various contractual and regulatory requirements have been met. Prior to occupancy, Entrance Payments are refundable, subject to limitations in the Agreements. The amount of deposits that were escrowed and refundable at December 31, 2022 and 2021, was \$191,000 and \$193,008, respectively.

The Residency Agreement has a provision where the operating revenues are adjusted annually by a fair share adjustment, which represents the excess of current year operating revenues (expenses) and includes fair share capital expenditures. The fair share adjustment equitably apportions the cost of operating the community among its residents who have entered into a residency agreement under fair share.

#### Note 4. Operating Property

Operating property consists of the following at December 31, 2022 and 2021:

	Estimated Useful Lives	2022	2021
Land		\$ 4,930,363	\$ 4,930,363
Buildings and fixed equipment	5 - 40 years	51,433,248	50,684,153
Equipment and furnishings	3 - 10 years	3,171,205	2,673,818
		<u>59,534,816</u>	<u>58,288,334</u>
Less accumulated depreciation		(6,565,299)	(4,719,360)
		<u>52,969,517</u>	<u>53,568,974</u>
Remodel projects in progress		29,002	213,686
		<u>\$ 52,998,519</u>	<u>\$ 53,782,660</u>

Notes to Financial Statements

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**Note 5. Term Loan Payable**

On November 20, 2018, the Company entered into a Loan Agreement of \$12,265,000 with a maturity date of November 20, 2023. The Loan Agreement requires monthly interest-only payments and has an extension provision with principal payments that would begin at the beginning of the extension period based on an amortization period of 25 years. The extension period would extend the maturity date for a term of two years. Borrowings under the loan bear interest at a floating rate equal to the LIBOR Rate, plus 2.10%. The loan balance at December 31, 2022 and 2021, was \$12,265,000.

On December 3, 2018, the Company entered into a cancellable interest rate swap agreement for a notional value of \$12,265,000 and fixed rate of 3.06% for the initial calculation period. Effective May 28, 2020, the Company executed an amendment to the interest rate swap which reduced the fixed rate to 2.35% for the initial calculation period and each succeeding calculation period. As part of the amendment, the Company also forfeited its cancellation rights under the original interest rate swap agreement. The interest rate swap agreement has a termination date of November 20, 2023, and a fair value of \$291,487 and \$(387,693) at December 31, 2022 and 2021, respectively. The effective interest rate at December 31, 2022 and 2021, was 4.45%. Beginning in May 2020 the change in fair value was recorded into net loss on the statements of operations totaling \$679,180 and \$416,980 for the years ended December 31, 2022 and 2021, respectively, and is reported as a component of interest expense on the statements of operations. Amortization expense of the hedged interest rate swap agreement began as of June 2020 and totaled \$(264,185) for the years ended December 31, 2022 and 2021, and is reported as a component of interest expense on the statements of operations.

The Loan Agreement is secured by substantially all assets of the Company including Entrance Payments without limitation. The Loan Agreement includes various restrictive covenants requiring adherence to be in compliance with the terms of the Loan Agreement.

Financing costs represent expenses incurred in obtaining long-term financing. These costs are being amortized over the term of the related loan by the straight-line method, as an approximation of the effective interest method. Financing costs of \$96,435 are being amortized over the life of the loan. Accumulated amortization related to the financing costs was \$79,337 and \$60,050 as of December 31, 2022 and 2021, respectively. Interest expense related to the amortization was \$19,287 for each of the years ended December 31, 2022 and 2021.

**Note 6. Health Care Revenues**

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates. A summary of the payment arrangements with the major third-party payor follows:

**Medicare:** The Company participates in the Medicare program. This federal program is administered by the Centers of Medicare and Medicaid Services (CMS). The Company is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing services. The PPS is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Coordinator; however, they do not contain a cost settlement. CMS recently finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead PDPM uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay.

**Notes to Financial Statements**

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**Note 6. Health Care Revenues (Continued)**

**Other:** Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. As a result of investigations by government agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs.

Health care revenues from the Medicare program accounted for approximately 21% and 23% of total health care revenues during the years ended December 31, 2022 and 2021, respectively. Revenues from the Medicare program accounted for approximately 6% of total revenues during both the years ended December 31, 2022 and 2021.

**Note 7. Fair Value Measurements**

The Company measures the fair value of financial instruments as required by the Fair Value Measurements and Disclosures Topic of the ASC, using a fair value hierarchy consisting of three input levels, generally ranging from the most objective to the most subjective. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Company records its interest rate swap agreement at fair value on a recurring basis. The derivative instrument is valued using a discounted cash flow model that uses observable yield curve inputs to calculate the fair value and is classified within Level 2 of the valuation hierarchy. This method is not dependent on the input of any significant judgments or assumptions by management. The fair value of this agreement is recorded in other liabilities and changes in fair value are recognized as discussed in Note 1.

**Note 8. Employee Benefit Retirement Plan**

Available to all eligible employees of LCE is a defined contribution employee retirement benefit plan (the Plan). The Company accrued matching contributions of \$206,876 and \$198,150 for the years ended December 31, 2022 and 2021, respectively, to be remitted to the Plan in 2023 and 2022, respectively. The Plan matches 100% of the first 3% of the participant's eligible contributions plus 50% of the next 2% of eligible contributions.

**LCS Essex Meadows LLC**

**Notes to Financial Statements**

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**Note 9. Commitments and Contingencies**

The Community in the normal course of operations is exposed to risk and involvement in legal actions and proceedings. To the extent available at costs believed reasonable by the Community, it maintains insurance coverages for various types of risk. Based on the Community's past experience, management believes that any legal actions or proceedings will not have a material effect on the financial position of the Community.

Because of the various regulations surrounding government reimbursed medical costs, there can be no assurance that the reimbursements will be equal to or exceed costs to provide such services.

**Note 10. Subsequent Events**

Subsequent events have been evaluated through February 24, 2023, the date financial statements were available to be issued. Through that date, there were no subsequent events requiring recognition or disclosure.

LCS Essex Meadows LLC

Fair Share Calculation

Year Ended December 31, 2022

Income from operations	\$ 759,272
Adjustments:	
Less amortization of nonrefundable entrance payments	(743,092)
Plus depreciation and amortization	2,194,073
<b>Adjusted income from operations</b>	<u>2,210,253</u>
Adjustments per fair share calculation in residency agreement:	
Less capital expenditures	(1,065,758)
Less funding of capital replacement reserve	(353,935)
Plus funds released from capital replacement reserve	301,509
Plus investment income	3
Less debt service	(537,004)
<b>Contractual fair share per residency agreement</b>	<u>555,068</u>
Adjustments agreed upon by owner and residents not in residency agreement:	
Add capital expenditure paid for by owner	-
<b>Total adjustments agreed upon</b>	<u>-</u>
<b>Excess funds available</b>	<u>555,068</u>
<b>Percent of monthly fees subject to fair share</b>	<u>60.97%</u>
<b>Excess (deficit) funds available for fair share</b>	<u>\$ 338,445</u>
Monthly service fees paid under fair share	\$ 8,312,018
Total monthly service fees paid	13,632,154
<b>Percent of monthly service fees subject to fair share</b>	<u>60.97%</u>

**EXHIBIT F**

**STATEMENT FROM ESCROW AGENT**

**STATEMENT OF ESCROW AGENT  
FOR  
LCS ESSEX MEADOWS LLC**

The undersigned hereby confirms to the Connecticut Department of Social Services (the "Department") that LCS Essex Meadows LLC has established and, as of the date indicated below, maintains the following escrow accounts (the "Accounts") with U.S. Bank, National Association ("U.S. Bank"):

- Entrance Fee Escrow Account
- Operating Reserve Escrow Account

U.S. Bank makes no representation as to what, if any, funds are held in either of the Accounts and disclaims any and all duties to the Department with respect to the Accounts, including but not limited to any duty to provide notice to any person or entity of activities in the Accounts or the closing of either such Account.

**U.S. Bank National Association, as Escrow Agent**

*Paula Stan*

Signature  
Assistant Vice President

Title

*May 1, 2019*

Date



**EXHIBIT G**

**HISTORICAL ENTRANCE PAYMENTS AND MONTHLY FEES**

**RETURN OF CAPITAL™ ENTRANCE PAYMENT  
(Historical)**

	January 2018	January 2019	January 2020	January 2021	January 2022	July 2022	January 2023
<b>Apartments</b>							
One-Bdrm Traditional	201,654	207,704	216,012	223,572	234,751	239,446	251,418
One-Bdrm Deluxe	249,900	257,397	267,693	277,062	290,915	296,734	311,570
One-Bdrm Custom	257,040	264,751	275,341	284,978	299,227	305,212	320,472
One-Bdrm Extended Custom	268,260	276,308	287,360	297,418	312,289	318,534	334,461
One-Bdrm w/ Den	299,880	308,876	321,231	332,475	349,098	356,080	373,884
Two-Bdrm Traditional	299,880	308,876	321,231	332,475	349,098	356,080	373,884
Two-Bdrm Deluxe	368,220	379,267	394,437	408,243	428,655	437,228	459,089
Two-Bdrm Custom	368,220	379,267	394,437	408,243	428,655	437,228	459,089
Two-Bdrm Enhanced	420,240	432,847	450,161	465,917	489,213	498,997	523,947
Two-Bdrm Deluxe w/ Den	441,660	454,910	473,106	489,665	514,148	524,431	550,653
Two-Bdrm Custom w/ Den	441,660	454,910	473,106	489,665	514,148	524,431	550,653
The Essex Suite	445,740	459,112	477,477	494,188	518,898	529,276	555,740
The Meadows Suite	498,780	513,743	534,293	552,993	580,643	592,252	621,869
The Cascade Suite	549,780	566,273	588,924	609,537	640,014	652,814	685,454
Three-Bdrm Custom	624,240	642,967	668,686	692,090	726,694	741,228	778,290
<b>Cottages</b>							
Silver Star	642,720	662,002	688,482	712,579	748,207	785,618	824,899
Columbia	804,440	828,573	861,716	891,876	936,470	983,294	1,032,458
Charter Oak	846,560	871,957	906,835	938,574	985,503	1,034,778	1,086,517
Lexington	936,000	964,080	1,002,643	1,037,736	1,089,622	1,144,104	1,201,309

The Entrance Payment represent the total of the First Person Fee and the Loan.

**FLEX PLAN ENTRANCE PAYMENTS  
(Historical)**

	January 2018	January 2019	January 2020	January 2021	January 2022	July 2022	January 2023
<b>Apartments</b>							
One-Bdrm Traditional	131,075	135,007	140,408	145,322	152,588	155,640	163,422
One-Bdrm Deluxe	162,435	167,308	174,000	180,090	189,095	192,877	202,521
One-Bdrm Custom	167,076	172,088	178,972	185,236	194,498	198,388	208,307
One-Bdrm Extended Custom	174,369	179,600	186,784	193,322	202,988	207,047	217,400
One-Bdrm w/ Den	194,922	200,770	208,800	216,108	226,914	231,452	243,025
Two-Bdrm Traditional	194,922	200,770	208,800	216,108	226,914	231,452	243,025
Two-Bdrm Deluxe	239,343	246,523	256,384	265,358	278,626	284,198	298,408
Two-Bdrm Custom	239,343	246,523	256,384	265,358	278,626	284,198	298,408
Two-Bdrm Enhanced	273,156	281,351	292,605	302,846	317,988	324,348	340,565
Two-Bdrm Deluxe w/ Den	287,079	295,691	307,519	318,282	334,196	340,880	357,924
Two-Bdrm Custom w/ Den	287,079	295,691	307,519	318,282	334,196	340,880	357,924
The Essex Suite	289,731	298,423	310,360	321,222	337,284	344,029	361,231
The Meadows Suite	324,207	333,933	347,291	359,446	377,418	384,966	404,215
The Cascade Suite	357,357	368,078	382,801	396,199	377,418	424,329	445,545
Three-Bdrm Custom	405,756	417,929	434,646	449,858	472,351	481,798	505,888
<b>Cottages</b>							
Silver Star	417,768	430,301					
Columbia	522,886	538,573					
Charter Oak	550,264	566,772					
Lexington	608,400	626,652					

**MONTHLY FEES  
(Historical)**

**(Return-of-Capital® Plan and Flex Plan)**

	January 2018	January 2019	January 2020	January 2021	January 2022
<b>Apartment</b>					
One-Bdrm Traditional	3,773	3,872	3,996	4,136	\$4,314
One-Bdrm Deluxe	4,109	4,221	4,256	4,509	4,703
One-Bdrm Custom	4,270	4,389	4,530	4,688	4,890
One-Bdrm Extended Custom	4,270	4,389	4,530	4,688	4,890
One-Bdrm w/ Den	4,451	4,577	4,724	4,889	5,099
Two-Bdrm Traditional	4,451	4,577	4,724	4,889	5,099
Two-Bdrm Deluxe	4,749	4,887	5,044	5,220	5,445
Two-Bdrm Custom	4,749	4,887	5,044	5,220	5,445
Two-Bdrm Enhanced	4,974	5,121	5,285	5,470	5,706
Two-Bdrm Deluxe w/ Den	5,128	5,281	5,450	5,641	5,883
Two-Bdrm Custom w/ Den	5,128	5,281	5,450	5,641	5,883
The Essex Suite	5,759	5,937	6,127	6,341	6,614
The Meadows Suite	6,096	6,288	6,489	6,716	7,005
The Cascade Suite	6,938	7,164	7,394	7,652	7,982
Three-Bdrm Custom	7,599	7,851	8,102	8,386	8,746
<b>Cottage</b>					
Silver Star	6,321	6,522	6,731	6,966	7,266
Columbia	6,654	6,868	7,087	7,335	7,651
Charter Oak	6,849	7,071	7,297	7,553	7,878
Lexington	7,303	7,543	7,785	8,057	8,403
<b>Second Person Fee</b>	2,120	2,153	2,222	2,300	2,399

**EXHIBIT H**

## CURRENT ENTRANCE PAYMENT AND MONTHLY FEES

Effective August 1, 2023

	<b>Return-of-Capital Entrance Payment</b>	<b>Flex Plan Entrance Payment</b>	<b>Monthly Fee</b>
<b>Apartment</b>			
One-Bdrm Traditional	257,704	167,507	4,767
One-Bdrm Deluxe	319,359	207,584	5,196
One-Bdrm Custom	328,484	213,515	5,403
One-Bdrm Extended Custom	342,823	222,835	5,403
One-Bdrm w/ Den	383,231	249,100	5,635
Two-Bdrm Traditional	383,231	249,100	5,635
Two-Bdrm Deluxe	470,566	305,868	6,016
Two-Bdrm Custom	470,566	305,868	6,016
Two-Bdrm Enhanced	537,045	349,079	6,305
Two-Bdrm Deluxe w/ Den	564,419	366,872	6,501
Two-Bdrm Custom w/ Den	564,419	366,872	6,501
The Essex Suite	569,633	370,261	7,308
The Meadows Suite	637,415	414,320	7,741
The Cascade Suite	702,591	456,684	8,820
Three-Bdrm Custom	797,747	518,536	9,664
<b>Cottage</b>			
Silver Star	845,521		8,029
Columbia	1,058,270		8,454
Charter Oak	1,113,680		8,705
Lexington	1,231,342		9,286
<b>Second Person Fee</b>			
	12,679	12,679	2,651

## ANCILLARY CHARGES

Effective January 1, 2023

### GENERAL OFFICE

Guest Room (includes one guest meal per person per stay) and sales tax	\$150.00 per night
Cot Rental (includes linens and sales tax)	\$ 20.00 per night
Guest Room Cancellation Fee (48 hour or less notice)	\$ 25.00
Postage	Billed at cost
Newspapers	Billed at cost
Faxes – incoming and outgoing	\$ 2.00 per fax
Printing – Black & White	\$ .25 per page
Copies – Black & White	\$ .25 per page
Copies – Color	\$ .35 per page
Notary Service	\$ 6.00 per document
Returned Check Fee	\$ 30.00

Note – For your convenience, our accounting department can add a monthly donation to your Essex Meadows bill for the Employee Appreciation Fund and/or the Scholarship Foundation. We will forward your donations on to the respective fund/foundation on your behalf.

### COMMUNITY LIFE SERVICES

Trips & Special Classes	Billed at cost
Trip Transportation Fees	\$ 8.00 local \$ 15.00 out of state
Group Fitness Classes	No fee
Individual Personal Training Assessment & Fitness Center Orientation	No fee
Individual Personal Training with Essex Meadows Certified Trainer	Custom tailored packages available through CLS
Individual Personal Training with a Private Non-Essex Meadows Certified Trainer	Billed by Provider
Personal Training with Licensed Physical Therapist	Arranged w/Health Center
Instructional Materials, Equipment, and Supplies	Billed at cost
Admissions Fees/Tickets to Performances	Billed at cost

### CONCIERGE

Items listed below:	\$ 15.00 per 15 mins
Assistance with tasks such as booking travel, arranging services, watering plants, making reservations, drop off & pick up of dry cleaning, personalized shopping.	\$ 45.00 per hour
Basic Technology Support such as managing files, using Zoom, e-mail, managing contacts, cellphone assistance, private Wi-Fi, etc.	
Administrative Services including typing, filing, copying, project assistance	
Grocery Service – buying/delivering (IRS mileage rate per mile applies for distance traveled)	

## TELEVISION/INFORMATION TECHNOLOGY (IT)

Public Wi-Fi (internet access for general use)	No fee
IT Support Internet Café (for the basics)	No fee
IT Support Individual Work Orders (for the basics)	See Concierge

### Sentrics

High-Definition Television – 107 Channels	No fee
25 Mbps Internet/Phone Bundle	\$105.00 per month
50 Mbps Internet/Phone Bundle	\$120.00 per month
100 Mbps Internet/Phone Bundle	\$135.00 per month
Additional TV Receiver Box	\$ 10.00 per month
(DVR & Interactive Guide capability for additional TV units)	

Note – Public Wi-Fi bandwidth does not support heavy streaming for movie or television viewing. Internet connections for heavy streaming should be through private providers: Frontier Communications, Comcast (Xfinity) or Sentrics.

## TRANSPORTATION

Weekly Scheduled Bus Transportation	No fee
Scheduled Medical Transportation to local area and Middletown on Wednesdays, 9 a.m. – 4 p.m.	No fee
One Way Local Transportation	\$ 22.00* flat rate
Round Trip Local Transportation 0-3 miles	\$ 28.00* flat rate
Round Trip Local Transportation 3-12 miles	\$ 40.00* flat rate
Driver Time – waiting or when driving beyond local area	\$ 30.00* per hour
Non-local Private Car – (IRS mileage rate per mile plus driver time @ \$30 per hour or part of an hour)	variable
Old Saybrook Train Station (includes wait time up to 15 minutes)	\$ 22.00 flat rate
Union Station – New Haven (includes wait time up to 15 minutes)	\$ 80.00 flat rate
Bradley Airport (includes wait time up to 30 minutes)	\$ 120.00 flat rate
TF Green Airport (includes wait time up to 30 minutes)	\$ 150.00 flat rate
Westchester County Airport (includes wait time of up to 30 minutes)	\$ 180.00 flat rate
Logan Airport (includes wait time of up to 30 minutes)	\$ 270.00 flat rate
JFK Airport (includes wait time of up to 30 minutes)	\$ 300.00 flat rate
La Guardia Airport (includes wait time of up to 30 minutes)	\$ 300.00 flat rate
Liberty Airport (includes wait time of up to 30 minutes)	\$ 375.00 flat rate
New York City	\$ 300.00 flat rate
Private Bus Rental – (Up to 4 hours of service plus mileage for non-local and wait time)	\$ 300.00*

\* Hours of Service between 8 p.m. and 8 a.m., weekends, and Holidays are billed at time and one half

Note – We will do our best to accommodate your schedule. Please provide advance notice so we can secure a driver. All services are subject to driver availability. Mileage rate fluctuates with IRS guidelines.



## HOUSKEEPING

Carpet Spot Cleaning or Extractions	\$ 18.00 per 15 minutes
Additional Housekeeper	\$ 35.00 per hour
Rolling Dumpster	\$ 50.00 per use
Hamilton Hall Private Event Set-up and Breakdown with tables, chairs, and linens	\$100.00 flat rate

## MAINTENANCE

General Maintenance Assistance (beyond routine maintenance)	\$ 20.00 per 15 minutes plus cost of supplies
Replacement of Key Fob, Keys, Garage Door Openers	\$ 18.75 per replacement
Medco Apartment Keys	\$ 37.50 per replacement
Grounds Maintenance – First floor gardens adjacent to apartment patio	\$ 20.00 per 15 minutes plus cost of supplies

## BEAUTY SALON SERVICES

Shampoo	\$ 21.00
Shampoo & Set (Blow-dry)	\$ 38.00
Women's Haircut	\$ 38.00
Women's Haircut & Set	\$ 52.00
Shampoo & Haircut	\$ 52.00
Shampoo, Cut & Set	\$ 68.00
Men's Haircut	\$ 28.00
Trim Beard	\$ 12.00
Permanent Wave	\$130.00
Base Color	\$ 85.00
Highlights	
Mini	\$ 55.00
Patial	\$ 85.00
Full Head	\$100.00
Tweeze	\$ 15.00
Eyebrow Color	\$ 15.00
Nails	
Manicure	\$ 29.00
Gel Manicure	\$ 37.00
Dip Powder Manicure	\$ 50.00
Pedicure	\$ 50.00
Brazilian Blowout	\$250.00

## FOOD & BEVERAGE

Extra Breakfast/Lunch/Dinner	\$ 22.00
Guest Meal – no meal credit used	\$ 33.00
Guest Meal – with meal credit	\$ 11.00
Holiday Guest Meal – Easter, Mother’s Day, Thanksgiving, Christmas, New Years Day – No meal credits accepted	\$ 39.00
Holiday Guest Meal – Children under 10	\$ 15.00
“Knock & Drop” Meal Delivery	\$ 5.00
Meal Credit – Per Absence Policy	\$ 7.50 per meal
Private Dining Room Meals	According to menu
Private Party Reservation including Dedicated Server (Private Dining Room, Terrace Room, Pub, etc)	\$ 35.00 per hour
Additional Server	\$ 35.00 per hour
Activities Box Meals	According to menu
Gift Baskets	According to contents
Pub Dining and Specialty Beverages	A la carte
Special Food Request (i.e., shrimp cocktail for takeout)	According to content
Cakes for Special Occasions	According to size and content
Meal Tickets (Books of 10)	
Resident	\$220.00
Guest	\$330.00

## RESIDENT HEALTH SERVICES

### **Assisted Living Services at Essex Meadows**

*Provided by the Resident Health Services Department*

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

#### **How does Assisted Living Services work?**

- Resident must be assessed by Resident Health Service nurse.
- Based on a resident’s need, a care plan will be developed to provide scheduled intermittent care.

**Companion services** by a non-certified staff person for no hands-on care. \$10.00 per 15-minute period. If service is one hour or more, the charge is \$30.00 per hour, resident does not need to be admitted to the ALSA program for this service.

**Certified Nursing Assistant (CNA)** for hands on assistance/personal care and medication reminders if on the medication management program \$34.00 per hour. Resident must be on ALSA program for this service.

\*Holidays and hours between 8pm and 8am are billed at time and one half\*

\*\*24 Hour Notice Must be given to cancel scheduled care in order to avoid full charge\*\*

Please note: Essex Meadows has a Personal Service Provider (PSP) Policy to protect the health, safety, welfare of its residents, staff, and community. If a resident needs or desires the services of an assistant, the resident is encouraged to obtain these services through Resident Health Services. However, a resident can choose whomever he/she wants to provide assistance as long as the aide adheres to the PSP Policy which includes, but is not limited to, registration, TB test, and criminal background check. Please see Resident Health Services or Administrator for a copy of the PSP policy and its accompanying forms.

Background Check for PSP

\$ 50.00

### **Assisted Living Program (ALSA) services**

Hours of Operation seven (7) days a week 8:00am- 8:00pm,  
staffing outside of these hours is arranged on an as-needed basis.

Contact Christina Durinick RN, Supervisor of the ALSA program extension 5243

- Admission to the ALSA program initial assessment \$150.00, with a re-assessment visit every 120 days for a charge of \$90.00. Change of condition assessment is \$90.00.
- A personalized assisted living package will be designed for the resident based upon individual needs.
- Case management includes coordination of medical appointments, transportation, and referrals. This is an additional fee of \$60/per month.
- A licensed nurse is on call twenty-four (24) hours a day to assure coordination of care
- Medication management (Med Minder) - Includes ordering medications, assessing for side effects of medications, coordination with MD & Pharmacy for \$195.00 per month for up to 4 med prompts a day. There is an additional charge of \$30.00 for prepours of medications not included in ATC system. Resident is responsible for the cost of the medication.
- Meal prep and set-up is offered under services for a fee of \$10.00 per 15 minutes.
- Under ALSA services CNAs can provide showers, dressing, accompany residents to medical appointments, laundry, bedmaking, minor household chores, transportation, empty garbage, and clean refrigerator.

### **Resident Health Services**

Hours of Operation 8:00am- 6:00pm Monday- Friday, Saturdays from 8:00am-12:00pm.

Contact Emily Kelly, RN Director of RHS extension 5155

Clinic hours are designated Monday- Friday 11:00am - 3:00pm, Saturdays 9:00am - 11:00am for sick visits, blood pressure checks, and simple treatments not accepted by the VNA. Independent Living residents that do not require assistance with activities of daily living do have access to the following services in the Resident Health Services Department:

Fee of \$30 per 15 min will be incurred for the following services:

- Treatment of a minor skin biopsy, or small wound, requiring only a band aid (any treatment requiring use of dressing supplies such as gauze, tape, wound cleanser, will be an additional \$10.00 per dressing)
- Follow-up visit to illness or injury

- Coordination of outside agency services
- Blood Pressure checks, General Health/Wellness medical questions
- Nursing assistance with eye drops, ear drops and patches with physician orders

*\*\*Nursing treatments covered by Medicare will be referred to the Visiting Nurse Agency (VNA) of your choice.\*\**

Free Blood Pressure Clinic in the Resident Health Service Office Every Tuesday from 10:30am - 12pm.

Please call RHS at extension 5340 to set-up the following services:

- Weekly bed linen changes \$10.00
- Laundry \$15.00 per load
- Podiatry available in RHS office every 63 days
- Nursing visit to the apartment \$40.00 per 15 min
- Wheelchair escort \$16 (round- trip) within Essex Meadows

### HEALTH CENTER

Meal Plan	\$ 43.00 per day (2 meals)
Semi Private	\$ 469.00
Private Room Differential – Standard	\$ 60.00 per day
Private Room Differential – Medium	\$ 93.00 per day
Private Room Differential – Semi-Converted	\$ 171.00 per day
Medical Supplies	Price Schedule Available
Private Nurses Aide or Attendant at Bedside	See RHS rates
Physical or Occupational Therapy Transitional Exercise Class	No fee
Outpatient Physical or Occupational Therapy Medicare or Private	Contact Therapy Department
Outpatient Speech Therapy Services Medicare or Private	Contact Therapy Department
Consultation with Nutritionist	\$45 per 30 minutes
Apartment/Cottage Resident Use of Whirlpool Tub	See RHS – cost of assistance
Social Service Admission or Discharge Planning, Support Groups	No fee
Activities Available to Apartment/Cottage Residents	No fee

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