



THE WATERMARK  
AT 3030 PARK

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*Disclosure Statement*

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*As of August 20, 2021*

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

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

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

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

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





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## COMMUNITY INFORMATION

### **Overview**

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

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

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



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***Our Community’s “Continuum of Care”***

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- Independent Living** ● 195 independent living apartments located in our 10-story main building plus six free-standing “Cottages”, for a total of 201 residences collectively referred to as ***“The Town Center,”***
- Assisted Living** ● 26 assisted living studios and apartments (all private) located in the Health Center building which is connected to The Town Center by a fully-enclosed bridge, referred to as ***“The Inn”***
- Memory Care** ● 12 memory care studios (11 private, 1 semi-private) located in the Health Center building, referred to as ***“The Gardens”***
- Skilled Nursing** ● 23 skilled nursing studios (all private) located in the Health Center building, referred to as ***“The Springs”***

*Additional information on our Continuum of Care:*

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

***Representative List of Amenities***

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



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

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

For those of our residents who enjoy the great outdoors, our campus grounds are landscaped with a wide variety of foliage, mature trees, grassy lawns, walking paths, and raised planting beds where residents tend their own gardens....and even an historical horse barn.

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

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

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

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



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

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

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

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

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

We also offer prospective residents the option to move into our independent living Town Center residences on a rental basis. This form of residency agreement carries higher monthly rental fees but does not require the payment of an upfront Entrance Fee.



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

Under our Town Center Assisted Services Program, Watermark provides residents the opportunity to receive private duty and assisted living services in the comfort of their Town Center home. These services can be obtained and scheduled on a routine recurring schedule or on a flexible as-needed basis. Our services cover a wide range and are tailored to residents' needs. This may include one-to-one private duty services providing assistance with household to-do's such as laundry, or may include assisted living services as needed such as assistance with the routine activities of daily living, medication management, and the like. We offer monthly vital sign checks and nursing assessments every 120 days. Our care team includes certified nursing assistants ("CNA"), licensed practical nurses ("LPN") and registered nurses ("RN"). Information about the offered services and associated costs may be found in Residency Agreement Exhibit B. Our goal is intended to help residents continue to age successfully in their Town Center apartment for as long as possible without necessarily having to physically move to a higher level of care.

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

### **Rehabilitation and Therapy Services**

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

### **Continuum Of Care Neighborhoods**

Our Health Center is connected to the Town Center by a covered pedestrian bridge and includes several residential neighborhoods offering higher-acuity care services and constituting a true Continuum of Care designed to serve the needs of our Independent Living residents as needed (whether on a temporary or permanent basis) as well as new residents having higher acuity needs at the time of their initial move-in. Our Health Center Continuum Of Care includes "The Inn" (assisted living), "The Gardens" (memory care), and "The Springs" (skilled nursing). We seek to provide care services that are personalized and scheduled to meet each resident's individual needs in beautiful well-equipped surroundings. Information about the current schedule of costs and expenses associated with residency and services in these neighborhoods may be





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found in our rate sheets available upon request and in Residency Agreement Exhibit B. (Note: For Residents participating in the Life Care Program such costs and expenses may be materially different as set forth in the Life Care Addendum.)

**“The Inn” Assisted Living**

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

**“The Gardens” Memory Care**

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

**“The Springs” Skilled Nursing**

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

### **Planned Improvements**

We have completed a number of capital improvements at The Watermark at 3030 Park, and we are planning yet more improvements and renovations in the year ahead. Some of these are improvements that are not readily visible to residents, such as improvements to our heating, air conditioning and other building systems, upgrades to our main kitchen, and the ongoing renovation and upgrade of individual apartment units as they become available in between occupancies. Others of these completed and planned improvements are of a nature that is readily visible to residents such as renovations to elevator lobbies, residential corridors and stairwells, expansion of rehabilitation & therapy facilities, LED lighting upgrades, exterior painting and landscaping improvements, and planned renovations of The Town Center's main floor lobby, mailroom, library, lounge, and furniture. Additionally, in Q3-2021 we increased the apartment count by 19 "keys" resulting from a combination of existing apartments being reconfigured and newly built-out apartments coming online.

### **Planned Expansion**

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

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

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

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



## **OWNERSHIP, MANAGEMENT, CAPITALIZATION**

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

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

The Provider’s management committee consists of David Barnes, David Freshwater, and Frederick Zarrilli. David Barnes and David Freshwater are the founders and principals of Watermark Retirement Communities, LLC and its predecessors & affiliates, and each of them have had dedicated careers in the seniors housing profession since the 1980’s. Frederick Zarrilli has 37 years of experience in real estate investment including over 20 years in seniors housing.

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

The Watermark at 3030 Park is managed by Watermark Retirement Communities of Connecticut, L.L.C. (the “Manager”) pursuant to a long term management contract entered into between Manager and CT Watermark 3030, LLC on June 12, 2020. The Manager has managed the Community since 2006 pursuant to predecessor management contracts with the Provider and prior owner/operator. The Manager is a wholly owned subsidiary of Watermark Retirement Communities, LLC (“WRC”), a Delaware limited liability company. WRC is a nationally-recognized seniors housing management organization and has been operating senior living communities for over three decades. WRC currently operates over 63 senior living communities in 21 States across the United States, including CCRC’s, stand-alone independent living, assisted living, and memory care communities, and Medicare-certified skilled nursing/rehabilitation facilities. WRC also manages seniors housing communities in China. WRC employs over 5,500 seniors housing and care professionals, including full-time and part-time associates at its communities.

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



### **Legal Organization and Capitalization**

The Provider holds possession of the Community under a long term net lease which is treated under generally accepted accounting principles as a ‘capital lease’ long term financing arrangement. This form of leasehold-based ownership and financing structure is common in the institutional healthcare and seniors housing industry. The organizational structure includes two leases, as follows: (i) a lease (the “Sublease”) between Provider and its parent CT Watermark Operator, LLC (who directly owns a 100% interest in Provider), and (ii) a lease (the “Master Lease”) between CT Watermark Operator, LLC and NHI-REIT of Axel, LLC (“NHI Owner”), a wholly owned subsidiary of National Health Investors, Inc. (“NHI”), which is a real estate investment trust listed on the New York Stock Exchange (ticker symbol NYSE: NHI). The Master Lease also contains a purchase option in favor of CT Watermark Operator, LLC.

Another seniors housing community known as The Watermark at East Hill located in Southbury Connecticut is also included in the Master Lease and is currently operated by an affiliate of the Provider and managed by the Manager.

### **Mortgage Indebtedness**

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

### **Regulatory Reserves**

The Provider maintains restricted funds in various escrow accounts in accordance with Connecticut General Statutes sections 17(b)-524 and 17(b)-525. Such escrow accounts include an entrance fee escrow account held at People’s United Bank, a reserve funding escrow account held at People’s United Bank, and (through CT Watermark Operator, LLC) a tenant deposit required under the Master Lease held in escrow by NHI.

**Financial Statements**

The Provider's audited financial statements for the years ended December 31, 2020 and December 31, 2019 may be found in Disclosure Statement Exhibit C, are on file with the Connecticut Department of Social Services, and are available for review at the Community.

**Accounting Treatment:**

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

## **REGULATORY MATTERS**

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

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

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

The Watermark at 3030 Park's most recent Disclosure Statement can also be viewed on the Connecticut Department of Social Services web site at: <https://portal.ct.gov/DSS/Health-And-Home-Care/Continuing-Care-Facility-Reimbursement/Continuing-Care-Facility---Reimbursement/Disclosure-Statements>. The Provider makes the above-referenced materials available for review by its residents in the Community's library and, if requested, will also provide current residents with a complete copy of this Disclosure Statement. In addition, the Provider notifies each resident annually of the resident's right to review and obtain a copy of its most recent annual filing with the Department of Social Services.

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

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

### **Administrative Personnel and Employees**

The Watermark at 3030 Park is administered by a staff of experienced and caring senior housing professionals. The Manager employs and manages approximately 232 full-time and part-time individuals at the Community who comprise the administration, housekeeping, maintenance, security, dining services, accounting, human resources, nursing and health services departments at the Community. The terms and conditions of such employees' employment are established by the Manager, and include health, dental and retirement benefits. In addition, certain services such as landscaping, snow removal, and other services, are performed or supplemented by outside specialists under third-party service contracts.



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### **Judicial Matters**

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

### **Additional Information**

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



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## **Required Notice to Prospective Residents**

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





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## *Disclosure Statement Notice to Prospective Residents*

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

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

### **Acknowledgment:**

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

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

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date



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## *Disclosure Statement Acknowledgement of Receipt*

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

**Acknowledgment:**

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

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

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

## Cross Reference to Statutory Provisions

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

<b><u>Applicable Statute</u></b>	<b><u>Location in</u></b>
<b><u>Subsection Reference</u></b>	<b><u>this document</u></b>
17b-552(b)	
(1) Name and Business Address of Provider.....	Page 8
(2) Names of Managers; Owners of 5% or more.....	Page 8
(3) Business Experience .....	Page 8
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(12) Disposition of Personal Property .....	Exhibit A - Sects.8,19
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(21) Cover Page requirements .....	Cover
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Standard Form of Continuing Care Contract.....	Exhibits A/B
17b-521	
Sworn Statement of Escrow Agent.....	Exhibit D

## **OVERVIEW OF THE CONTINUING CARE CONTRACT**

### **General Description**

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

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

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

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

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

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

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

### **Entrance Fee Refund Plans**

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

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

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

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

### **Life Care Program**

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

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

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

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

2. Applicable charges (if any) for assisted living services at The Town Center, The Inn or The Gardens. Such charges are based on a resident's current health care assessment and the corresponding need for assisted living services. Assisted living services are measured on a points-based system and incur charges if in excess of the level included in base Monthly Service Fee as outlined in Residency Agreement Exhibit B; and

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

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

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

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

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

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

Any monies paid by the prospective resident on account of the Entrance Fee are held by People's United Bank, as escrow agent, in an Entrance Fee escrow account until the expiration of the Grace Period. After the expiration of the Grace Period, such funds are released to the

Provider. Interest earned on the portion of the Entrance Fee and other deposits held in the Entrance Fee escrow account shall be retained by the Provider.

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

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

### **Cancellation by Provider**

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

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

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

### **Tax Consequences**

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





THE WATERMARK  
AT 3030 PARK

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

# Residency Agreement



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

# Continuing Care Contract

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

**[Click to select Contract Type](#)**

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

## 1. THE AGREEMENT

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

### RECITALS

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

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

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

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

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

## 2. THE PARTIES TO THIS AGREEMENT

The parties to this Agreement are:

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

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

### 3. THE RESIDENCE

#### 3.1 Residence.

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

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

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

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

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

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

#### 3.2 Substitution of Residence.

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

#### 3.3 Date of Occupancy.

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

#### 4. THE ENTRANCE FEE

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

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

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

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

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

#### 5. RESIDENT SERVICES AND FEES

##### 5.1 Service Fees.

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

##### 5.2 Resident Services.

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

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

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

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

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

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

(iv) Watermark operates as a managed residential community and is also licensed as an assisted living services agency (“ALSA”) by the Connecticut Department of Public Health. Under such license, Watermark can offer assistance with daily living activities, including, without limitation, assistance with bathing, dressing, medication administration, eating, toileting, transferring and the like (the “ALSA Services”) to the extent you require such assistance. You have the right to receive ALSA Services in your Residence. The fees for the ALSA Services are not included in the Monthly Service Fee. Such fees shall be posted and are subject to change from time to time upon at least thirty (30) days prior notice.

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

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

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

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

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

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

## **6. MONTHLY SERVICE FEE**

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

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

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

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

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



## 7. LIFE CARE ADDENDUM

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

## 8. CANCELLATION OF THIS AGREEMENT

### 8.1 Cancellation By Resident.

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

### 8.2 Cancellation by Watermark

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

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

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

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

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

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

### **8.4 Cancellation Upon Death**

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

## **9. REFUND POLICY**

### **9.1 Refund.**

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

## **9.2 Grace Period.**

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

## **9.3 Administrative Fee.**

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

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

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

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

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

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

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

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

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

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

**(iii) Declining Refund Plan.**

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

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

## **9.6 Payment of Refund.**

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

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

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

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

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

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

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

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

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

## 11. RESIDENT ACCEPTANCE POLICY

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

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

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

## 12. YOUR PROMISES TO WATERMARK

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

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

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

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

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

### **13. FINANCIAL HARDSHIP**

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

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

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

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

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

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

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

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

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

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



## **15.2 Resident/Resident.**

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

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

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

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

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

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

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

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

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

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

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

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

## **18. INVOLUNTARY REMOVAL**

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

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

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

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

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

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

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

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

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

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

## **21. SUBORDINATION**

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

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

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

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

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

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

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

## **24. PRIVATE EMPLOYEES**

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

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

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

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

## 26. COMPLIANCE

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

## 27. TIME OF THE ESSENCE

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

## 28. NOTICES

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

To the **RESIDENT**:

Prior to move-in to the Community:

To the address shown on the signature page of this Agreement.

Following move-in to the Community:

To the Residence identified in Exhibit A.

To **WATERMARK**:

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

## **29. THE ENTIRE AGREEMENT**

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

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

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

## **31. VALIDITY**

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

## **32. GOVERNING LAW**

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

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

[Signatures on the next page]



**CT WATERMARK 3030, LLC**

By:

\_\_\_\_\_  
Its Authorized Agent  
**Joan King, Executive Director**

\_\_\_\_\_  
Date

**RESIDENT(S)**

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

[Click to type Resident Name\(s\)](#)  
\_\_\_\_\_  
Second Resident's Printed Name *(if applicable)*

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

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

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



## The Watermark at 3030 Park Residency Agreement – Exhibit A

*Date this Exhibit is being prepared/updated:* [Click to enter date.](#)

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

Resident's notice address prior to move-in: \_\_\_\_\_

Watermark at 3030 Park Apartment: \_\_\_\_\_

Date of Occupancy: [Click to enter date.](#)

Select Contract Type:     **Traditional Contract**                       **Life Care Contract**

Note if different for Second Occupant: \_\_\_\_\_

Select Refund Plan:     **Declining Refund**     **50% Refund**     **85% Refund**

One-Time Fees	
Entrance Fee – First Resident:	\$
Entrance Fee – Second Resident:	\$
Less: Credit for Down Payment: (Date Paid: <a href="#">Click to enter date.</a> )	\$
Other:	\$
Other:	\$
<b>Total Amount Due:</b>	<b>\$</b>

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



## The Watermark at 3030 Park Residency Agreement – Exhibit A

### Additional Information

The Community may increase or decrease the Monthly Service Fee from time to time in its sole discretion; provided, however, the Community will give Resident a thirty (30) day advance written notice of any such change. The monthly services and fees referenced herein may change from time to time based on Resident's needs and selections. The Community may add, delete and/or modify the services offered by the Community and associated fees from time to time in its sole discretion.

### Meals

The meals included in your Monthly Service Fee as referenced in Section 5.2.1 of the Residency Agreement generally include morning continental breakfast every day, evening dinner Monday through Saturday, and mid-day brunch on Sunday. Meals will be served at a location(s) set forth in the Resident Handbook as the same may be amended from time to time.

**Late Payment Fees.** Payment of the Monthly Service Fee and other applicable charges, if any, is due on the first (1<sup>st</sup>) day of the month. There is a grace period until the tenth (10<sup>th</sup>) day of the month. Failure to pay the Monthly Service Fee and/or other fees and charges owing on Resident's account by the tenth (10<sup>th</sup>) day of the month shall be deemed a default of the Agreement. For any month in which such fees and charges are not paid in full by the tenth (10<sup>th</sup>) day after the same are due, a late fee of \$150.00 (or such maximum lesser amount permitted under applicable law) (the "Late Fee") shall be assessed and all outstanding sums payable by Resident under this Agreement shall bear interest at the lesser of (i) a rate of one and one half percent (1.5%) per month or (ii) the maximum rate allowable under applicable law (the "Default Interest") from the due date until the date they are paid in full. If Resident's check fails to clear for payment, a fifty dollar (\$50.00) cancelled check fee will be assessed. If Resident has authorized payments to be made via automatic recurring ACH processing, payment will be processed generally between the sixth (6<sup>th</sup>) and eighth (8<sup>th</sup>) day of the month.

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

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



**The Watermark at 3030 Park**  
**Residency Agreement - Exhibit B**  
*Schedule of Additional Fees and Charges*

**Administration**

Item or Service	Charge
Guest Suite - Single Occupancy - Double Occupancy	\$140.00 per night \$155.00 per night
Faxes, sending and receiving	\$0.75 per page
Copies – Black and White	\$0.20 per page
Postage	At cost
Overnight Packages: FedEx, UPS, DHL	At cost
Envelopes (standard sizes)	\$0.25 - \$1.00 each
Storage space for Town Center apartments <i>(Subject to availability)</i>	One unit apartment at no extra charge. Additional units \$40/mo.
Beauty/Barber salon services	As posted
Extended Basic Cable in Town Center <i>(Included at no additional charge in The Inn, The Gardens, and The Springs.)</i>	\$55.00 per month
Garage Parking	1 <sup>st</sup> Floor: \$45 per month 2 <sup>nd</sup> Floor: \$25 per month
Coordination of Long Term Care Insurance - Initial Set-Up - Monthly Administration	- \$100.00 initial fee - \$30.00 per month

**Internal Transfer/Move-out Charges**

Item or Service	Charge
Internal Transfer/Moving Support	\$50/hour per person
Removal/storage/disposal of furniture left in apartment after move-out	\$75/hour per person plus actual costs of off-site storage/disposal.
Removal and disposal of mattress	\$300.00



**The Watermark at 3030 Park**  
 Residency Agreement - Exhibit B  
*Schedule of Additional Fees and Charges*

**Maintenance**

Item or Service	Charge
Basic Handyman services, such as moving/assembly/repair of furniture and small appliances, installing shelves, hanging mirrors, artwork, TV/stereo.	\$45.00 per hour, plus material costs (30 minute minimum)
Change light bulbs, change resident-provided batteries on personal fixtures and equipment.	No Charge
Replacement keys or fob	\$100.00 per key or fob
Replacement lock	\$300.00 plus supplies
Replacement mailbox key cylinder	\$75.00 plus supplies
Dropped Key in elevator shaft	\$400

**Housekeeping**

Item or Service	Charge
Additional cleaning such as changing bedding, turning mattress, carpet cleaning, general clean-up.	\$30.00 per 30 mins. (30-minute minimum)
Cleaning of apartment windows, blinds, and carpets	Once per year - No Charge (Extra cleanings available for additional charge)
Linen Service and Personal Laundry: - Sheets/towels – One weekly laundering - Additional set of sheets or towels - Personal laundry for Town Center residents (No charge for personal laundry for residents of The Inn, The Gardens, and The Springs)	- No Charge - \$15 per set - \$2.25 per pound



**The Watermark at 3030 Park**  
**Residency Agreement - Exhibit B**  
*Schedule of Additional Fees and Charges*

**Dining Services**

Item or Service	Charge
Guest meals in The Town Center, and Resident additional meals in The Town Center	Breakfast: \$6.50 Dinner: \$22.00
Guest meals in The Inn, The Gardens, and The Springs	Breakfast: \$5.50 Lunch: \$8.50 Dinner: \$13.50
Holiday/Special Events meals	From \$25 per meal
Children's meals (under age 12)	50% off price of guest meals
Meals Packaged To Go / Resident Pick Up	\$3.00 per meal
Meal Tray / Room Service in Town Center (No charge for room delivery for residents of The Inn, The Gardens, and The Springs)	\$5.50 per delivery
Catering services	Prices vary based on menu
Private party wait service & housekeeping	\$25.00 per hour
<p><u>Away Credit:</u> Town Center residents who are on a monthly meal plan and who are scheduled in advance to be away from the Community (such as a scheduled vacation) for fourteen (14) consecutive days or more, may be eligible for a meal credit, subject to the following conditions: (1) the resident must give advance written notice to the Executive Director of the scheduled time away, and (2) the amount of the meal credit shall be determined by the Executive Director based on the resident's level of care, selected meal plan (if applicable), and number of entitled meals to be missed during the scheduled time away.</p>	



**The Watermark at 3030 Park**  
 Residency Agreement - Exhibit B  
*Schedule of Additional Fees and Charges*

**Transportation Services**

Item or Service	Charge
Group transportation via Community bus on designated schedule to designated local places of interest.	No charge.
<p><b>Private car service</b> (or accessible bus if needed):</p> <p><u>Monday to Friday, 8:00 a.m. to 5:00 p.m.</u></p> <ul style="list-style-type: none"> <li>- Destinations <u>inside</u> Local Area            (“Local Area” is determined by the Executive Director and may be updated from time to time.)</li> <li>- Destinations <u>outside</u> Local Area</li> </ul>	<ul style="list-style-type: none"> <li>- \$10.00 round trip</li> <li>- \$25.00 per hour, plus \$0.75 per mile.</li> </ul>
<p><b>Private car service:</b></p> <p><u>OTHER THAN Monday to Friday, 8:00 a.m. to 5:00 p.m.</u></p> <ul style="list-style-type: none"> <li>- Destinations <u>inside or outside</u> Local Area</li> </ul>	<ul style="list-style-type: none"> <li>- \$35.00 per hour, plus \$0.75 per mile.</li> </ul>
<p>Private Transportation to the following Airports:</p> <p style="text-align: center;">Bradley Airport            LaGuardia Airport            JFK Airport            White Plains/Westchester Airport</p>	<ul style="list-style-type: none"> <li>- \$90.00</li> <li>- \$150.00 plus tolls</li> <li>- \$170.00 plus tolls</li> <li>- \$80.00</li> </ul>
<p>Cancellation fee if cancellation notice is not provided prior to 3:00 pm on the preceding the reserved private transportation, <u>except</u> trips to medical appointments that are cancelled by the medical provider.</p>	\$25.00



**The Watermark at 3030 Park**  
Residency Agreement - Exhibit B  
*Schedule of Additional Fees and Charges*

**Life Alert Call System**

The Life Alert system is intended for use only in cases of emergency. It is not intended to serve as a call system for non-emergency matters or as a substitute for having appropriate care services in place. Accordingly the following charges apply to use of the Life Alert call system:

Response to Life Alert call:

in case of Emergency: No Charge

in case of Non-Emergency: \$25.00 per response after first occurrence.

An Emergency call is defined as a call made in response to a life-threatening event or illness.

A Non-Emergency call is defined as a call made in the absence of a life-threatening event or illness. Examples of non-emergency situations include lock-outs; requests for concierge, transportation, administrative and/or maintenance services; and non-life threatening personal care requests.

Lifeline Pendant Replacement: \$250.00

**Meal and Miscellaneous Charge**

\$35.00 per day

This charge is applicable to Life Care residents that have been transferred to higher levels of care (assisted living, memory care, skilled nursing) when not paying the then-prevailing market room & board rate for such level of care, and covers additional meal(s) and snacks each day, referral services, wellness education, dietician, daily housekeeping, social services, laundry and maintenance.





**The Watermark at 3030 Park**  
**Residency Agreement - Exhibit B**  
*Schedule of Additional Fees and Charges*

**Assisted Living (ALSA) Services**

Residents residing in The Inn (Assisted Living) and The Gardens (Memory Care) are entitled to a level of assisted living services included in their base monthly service fee. Incremental assisted living services are available to each Inn and Gardens resident based on her or his personal needs. Additionally, assisted living services are available to residents residing in The Town Center (Independent Living). In such cases, a Care Plan is established for each resident based on an individualized health care assessment and in consultation with the resident and family. Care Plans include an assigned number of points, and additional monthly charges (if applicable) are based on Care Plan points as outlined below.

<b>The Town Center (Independent Living)</b>		\$0.54 per point
<b>The Inn (Assisted Living)</b>	0 to 1,368 points:	No additional charge.
	1,369 or more points:	Monthly charge equal to \$0.54 per point over 1,368 points.
<b>The Gardens (Memory Care)</b>	0 to 2,736 points:	No additional charge.
	2,736 or more points:	Monthly charge equal to \$0.54 per point over 2,736 points.

**Home Care and Companion Services**

Home care and companion services, which are separate and distinct from assisted living (ALSA) services referred to above and are not based on a health care assessment, are available to residents. Home care and companion services require advance scheduling and are provided in minimum increments of two hours at the rate of \$22.00 per hour. Cancellations with less than 48-hour advance notice incur a \$75 charge.

**Ancillary Services for Life Care residents residing in The Inn, The Gardens, and The Springs (whether temporary or permanent)**

Meal and Miscellaneous Fee	\$35.00 per day	
Personal Grooming/Incontinent Supplies	Varies per item	

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

- Live in a clean, safe and habitable private residence;
- Be treated with consideration, respect and due recognition of your personal dignity, individuality, and the need for privacy;
- Privacy within your private residential unit, subject to the Community's rules reasonably designed to promote your health, safety and welfare;
- Retain and use your personal property within your private residential unit so as to maintain individuality and personal dignity, provided that your use of personal property does not infringe on the rights of other residents or threaten the health, safety and welfare of other residents;
- 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 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 in such other space in the Community as may be made available to residents for such purposes;
- Manage your own financial affairs;

- Exercise civil and religious liberties;
- Upon request, obtain the names of the service coordinator or anyone else responsible for resident care or coordination of resident care;
- Confidential treatment of all records and communications to the extent required by state and federal law;
- Have all reasonable requests responded to promptly and adequately within the capacity of the Community and with due consideration given to the rights of other residents;
- Be fully advised of the relationship that the Community has with any Assisted Living Services Agency, health care facility, or educational institution to the extent that such relationship relates to resident medical care or treatment, and to receive an explanation about the relationship;
- Receive a copy of any rules and regulations of the Community;
- Privacy when receiving medical treatment or other services within the Community's capacity;
- Refuse care and treatment and participate in the planning for the care and services you need or receive, provided, however, that your refusal of care and treatment may preclude you from being able to continue to reside in the Community;
- If you are a continuing care resident, all rights afforded under Conn. Gen. Stat. § 17b-520 et seq., and if you are renting an apartment, all rights and privileges afforded tenants under Title 47a of the Connecticut General Statutes; and
- 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:



**The Watermark at 3030 Park**  
***Residency Agreement – Exhibit C***  
***Resident's Bill of Rights***

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: [lccop@ct.gov](mailto:lccop@ct.gov)

Sylvia Crespo  
South Western Regional Ombudsman  
Telephone: 860-424-5221  
Fax: (860) 424-4808  
E-mail: [sylvia.crespo@ct.gov](mailto:sylvia.crespo@ct.gov)

Watermark hopes that any complaints or concerns that you have can be resolved by our associates in concert with The Community's Grievance Policy which is described in the Resident Handbook.



**The Watermark at 3030 Park**  
***Residency Agreement – Exhibit C***  
***Resident’s Bill of Rights***

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THIS RESIDENTS’ BILL OF RIGHTS AND THAT IT HAS BEEN EXPLAINED TO ME.

\_\_\_\_\_  
Resident’s Signature

\_\_\_\_\_  
Second Resident’s Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

If signed by someone other than Resident:

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date



THE WATERMARK  
AT 3030 PARK

***Disclosure Statement***  
***Exhibit B***  
***Life Care Addendum***

## LIFE CARE ADDENDUM TO RESIDENCY AGREEMENT

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

### **RECITALS**

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

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

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

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

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

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

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

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

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

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

**3. Benefit Contingencies.**

The Health Care Benefit is contingent upon the following:

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

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



#### **4. Financial Considerations.**

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

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

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

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

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

4.1.3 Payment of any and all points-based care charges for additional and/or incremental assisted living services, in any, pursuant to your Care Plan in The Town Center, The Inn and/or The Gardens, as set forth in Exhibit B.

- (i) If you require assisted living services, Watermark will develop a Care Plan for you and consult with you and your family and/or responsible party, as applicable, regarding your Care Plan, and your Care Plan will be subject to your or your responsible party's signature. Your Care Plan will include an assigned number of points reflecting the designated level of assisted living services to be provided to you under your Care Plan. If such assigned number of points exceeds certain thresholds, per-point monthly charges will apply as set forth in Exhibit B.
- (ii) Watermark will update your Care Plan periodically and/or as necessary to reflect changes in your care needs, in consultation with you, your family and/or responsible party, as applicable, and such updates will be subject to your or your responsible party's signature. Any resulting change in points-based monthly charges will become effective upon implementation of such revised Care Plan.
- (iii) The current monthly points-based charges in effect as of the Effective Date are outlined in Exhibit B. Watermark may increase such charges and revise Exhibit B from time to time by providing residents of the Community thirty (30) days prior written notice thereof;
- (iv) Watermark may modify the points-based program for assisted living services and payment for such services described in Exhibit B, and may introduce new programs in substitution therefor, at any time by providing residents of the Community thirty (30) days prior written notice thereof.

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

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

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

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

**5. Ratification of Agreement.**

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

**6. Governing Law.**

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

**7. Entire Agreement.**

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

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

**CT WATERMARK 3030, LLC**

By: \_\_\_\_\_  
Authorized Agent

**RESIDENT(S)**

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

[Click to type Resident Name\(s\)](#)  
\_\_\_\_\_  
Second Resident's Printed Name

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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



THE WATERMARK  
AT 3030 PARK

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

Statement begins on next page.

# **CT Watermark 3030, LLC**

Financial Report  
December 31, 2020

## Contents

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## Independent Auditor's Report

RSM US LLP

The Member  
CT Watermark 3030, LLC

### Report on the Financial Statements

We have audited the accompanying financial statements of CT Watermark 3030, LLC, which comprise the balance sheets as of December 31, 2020 and 2019, the related statements of operations and member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CT Watermark 3030, LLC as of December 31, 2020 and 2019, 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.

*RSM US LLP*

Phoenix, Arizona  
March 31, 2021

CT Watermark 3030, LLC

Balance Sheets  
December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash	\$ 2,393,771	\$ 1,477,675
Accounts receivable, net	408,820	546,141
Entrance fee receivable	-	210,219
Prepaid expenses and other current assets	185,113	186,568
<b>Total current assets</b>	<b>2,987,704</b>	<b>2,420,603</b>
Property and equipment:		
Leasehold interest in property and equipment	33,976,698	35,290,631
Land improvements	158,199	158,199
Building improvements	2,085,315	2,115,547
Furniture, fixtures and equipment	1,268,810	1,268,810
Vehicles under capital lease	169,122	169,122
Construction in progress	171,435	78,972
<b>Total property and equipment</b>	<b>37,829,579</b>	<b>39,081,281</b>
Less accumulated depreciation and amortization	(12,150,956)	(9,689,248)
<b>Total property and equipment, net</b>	<b>25,678,623</b>	<b>29,392,033</b>
Restricted cash	2,812,300	4,421,106
Due from parent	1,241,845	282,707
Entry fee intangible, less accumulated amortization of \$17,535,726 in 2020 and \$13,709,750 in 2019	13,072,086	16,898,063
Other assets	27,088	7,088
<b>Total assets</b>	<b>\$ 45,819,646</b>	<b>\$ 53,421,600</b>

See notes to financial statements.



	2020	2019
<b>Liabilities and Member's Deficit</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,354,200	\$ 2,081,310
Medicare advance payments	354,835	-
Payable to related party	-	6,433
Security and refundable deposits	87,250	-
Installment loan payable	54,463	73,385
Deferred revenue	44,778	71,345
Current portion of capital lease obligations	975,337	1,717,616
<b>Total current liabilities</b>	<b>3,870,863</b>	<b>3,950,089</b>
Refundable entrance fees	28,184,023	28,919,145
Unearned nonrefundable entrance fees	9,229,573	10,133,689
Capital lease obligation, less current portion	31,165,586	33,191,840
<b>Total long-term liabilities</b>	<b>68,579,182</b>	<b>72,244,674</b>
<b>Total liabilities</b>	<b>72,450,045</b>	<b>76,194,763</b>
Commitments and contingencies		
Member's deficit	(26,630,399)	(22,773,163)
<b>Total liabilities and member's deficit</b>	<b>\$ 45,819,646</b>	<b>\$ 53,421,600</b>

CT Watermark 3030, LLC

Statements of Operations and Member's Deficit  
Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenue:		
Healthcare revenue, net of contractual allowances	\$ 4,764,587	\$ 5,881,497
Resident fees	10,884,491	11,813,902
Amortization of entrance fees	1,855,088	1,900,712
Paycheck Protection Program loan forgiveness	1,577,700	-
Coronavirus Aid, Relief, and Economic Security Act provider relief funds	533,050	-
Other operating revenue	178,913	285,973
<b>Total operating revenue</b>	<b>19,793,829</b>	<b>19,882,084</b>
Operating expenses:		
Wages and benefits	8,579,755	9,084,424
Depreciation and amortization	2,461,708	3,115,876
Amortization of entrance fee intangible	3,825,977	3,825,977
Ancillary/therapy expenses	476,821	518,592
General and administrative	499,588	237,151
Provision for bad debts	4,251	19,774
Food	591,311	620,745
Supplies	202,807	269,067
Utilities	959,506	991,378
Insurance	216,233	208,234
Taxes and licenses fees	1,230,995	1,212,734
Repairs and maintenance	607,470	950,059
Loss on abandoned project	-	8,000
Lease expense	46,889	47,024
Management fees	1,052,537	1,057,230
Occupancy costs	389,654	415,544
Professional services	778,051	748,002
<b>Total operating expenses</b>	<b>21,923,553</b>	<b>23,329,811</b>
<b>Loss from operations</b>	<b>(2,129,724)</b>	<b>(3,447,727)</b>
Other (expense) income:		
Interest expense	(1,666,252)	(1,991,069)
Interest income	11,566	64,716
Other expense	(72,826)	-
<b>Total other expense</b>	<b>(1,727,512)</b>	<b>(1,926,353)</b>
<b>Net loss</b>	<b>(3,857,236)</b>	<b>(5,374,080)</b>
Member's deficit, beginning of year	(22,773,163)	(17,399,083)
Member's deficit, end of year	<b>\$ (26,630,399)</b>	<b>\$ (22,773,163)</b>

See notes to financial statements.

**CT Watermark 3030, LLC**

**Statements of Cash Flows  
Years Ended December 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Net loss	\$ (3,857,236)	\$ (5,374,080)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,461,708	3,115,876
Amortization of entrance fee intangible	3,825,977	3,825,977
Amortization of entrance fees	(1,855,088)	(1,900,712)
Loss on abandoned project	-	8,000
Provision for bad debts	4,251	19,774
Changes in operating assets and liabilities:		
Accounts receivable	133,070	(226,957)
Prepaid expenses and other current assets	1,455	(15,454)
Other assets	(19,999)	(1,920)
Accounts payable and accrued expenses	272,890	(337,689)
Medicare advance payments	354,835	-
Deferred revenue	(26,567)	(26,568)
Payable to related party	(6,433)	(35,290)
Security and refundable deposits	87,250	(69,510)
<b>Net cash provided by (used in) operating activities</b>	<b>1,376,113</b>	<b>(1,018,553)</b>
Cash flows from investing activities:		
Investment in property and equipment	(555,370)	(764,730)
Advances to parent	(959,138)	-
<b>Net cash (used in) provided by investing activities</b>	<b>(1,514,508)</b>	<b>(764,730)</b>
Cash flows from financing activities:		
Proceeds of facility improvement funds	1,509,900	-
Payment on capital lease obligations	(2,471,362)	(1,509,178)
Proceeds from installment loan	78,959	126,436
Payments on installment loan	(97,881)	(128,949)
Entrance fees received	2,221,119	5,110,331
Refunds of entrance fees	(1,795,050)	(2,693,824)
Payments from parent	-	1,779,003
<b>Net cash (used in) provided by financing activities</b>	<b>(554,315)</b>	<b>2,683,819</b>
<b>Net change in cash and restricted cash</b>	<b>(692,710)</b>	<b>900,536</b>
Cash and restricted cash, beginning of year	5,898,781	4,998,245
Cash and restricted cash, end of year	<b>\$ 5,206,071</b>	<b>\$ 5,898,781</b>
Reconciliation of cash and restricted cash:		
Cash	\$ 2,393,771	\$ 1,477,675
Restricted cash	2,812,300	4,421,106
<b>Cash and restricted cash</b>	<b>\$ 5,206,071</b>	<b>\$ 5,898,781</b>
Supplemental disclosure of noncash investing and financing information:		
Property and equipment acquired through capital lease	\$ -	\$ 108,915
Decrease in property and equipment and capital lease obligation	\$ (1,807,071)	\$ -

See notes to financial statements.

## CT Watermark 3030, LLC

### Notes to Financial Statements

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#### Note 1. Nature of Business

CT Watermark 3030, LLC (the Company or Community) was organized in November 2015 under the laws of Delaware and commenced operations in June 2016. The Company operates a continuing care retirement community (CCRC) offering independent and assisted living, memory care, skilled nursing, and rehabilitation for the elderly located in Bridgeport, Connecticut, through a lease agreement (see Note 5). The Company is wholly owned by CT Watermark Operator, LLC (the member).

#### Note 2. Summary of Significant Accounting Policies

**Basis of accounting and presentation:** The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of estimates:** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Reclassifications:** Certain balances within the December 31, 2019, cash flows have been reclassified to be consistent with the classifications adopted for the year ended December 31, 2020, with no effect on operations or member's deficit.

**Cash:** Cash consists of demand deposit accounts at financial institutions. Throughout the year, the Company may have cash balances in excess of federally insured amounts on deposit with various financial institutions; however, management does not believe it is exposed to any significant credit risk on cash.

**Accounts receivable:** Resident fee and lease revenue for recurring and routine monthly services is generally billed monthly in advance. Healthcare services and other operating revenues are generally billed in arrears. Payment terms for self-pay residents generally require payment within 30 days. Payment terms for third-party payors are based on the terms of the payor contract. As the Company's accounts receivable have an original term of less than one year, the Company does not consider the time value of money in valuing accounts receivable.

The Company considers the effects of resident credit risk for residents entering its independent and assisted living facilities, and considers the impact of government programs on credit risk for residents entering its long-term care facility. Accordingly, accounts receivable are stated net of an allowance for doubtful accounts. The Company provides an allowance for doubtful accounts on its outstanding receivables balance based on its collection history and an estimate of uncollectible accounts. Generally, accounts receivable are considered to be past due after 30 days. Accounts receivable are written off when deemed uncollectible on a specific-identification basis.

**Prepaid expenses and other current assets:** Prepaid expenses and other current assets include inventories, which are valued at the lower of cost or net realizable value. Inventories mainly consist of food, glassware, dishware, utensils and linens.

## CT Watermark 3030, LLC

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

**Property and equipment:** Property and equipment not under capital lease are recorded at cost. Maintenance and repairs are charged to expense as incurred. Amortization expense on capital leases is included with depreciation expense. Leasehold improvements are amortized over the shorter of the economic life or the lease term. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets or lease period, as follows:

	<u>Years</u>
Leasehold interest in property and equipment	5-15
Land improvements	10
Building improvements	5-15
Furniture, fixtures and equipment	5-7
Vehicles under capital lease	5-6

Depreciation and amortization expense was \$2,461,708 and \$3,115,876 for the years ended December 31, 2020 and 2019, respectively.

Construction in progress includes project costs related to the construction of capital improvements and renovations at the Community. These costs are allocated to the appropriate fixed-asset accounts upon the completion of the construction.

**Restricted cash:** Restricted cash consists primarily of funds required by state regulations for CCRCs. The statutory reserve requirement, which is required to be established per the Connecticut CCRC regulations, equals six months of lease payments (financing component) and one month of operational expenses (expense component) related to the Community. In October 2020, the state formally approved the member's request to accept the security deposit maintained with its lessor to satisfy the financing component requirement. Management calculated the Company's statutory reserve requirement under Connecticut's CCRC regulations to equal approximately \$2,657,000 and \$3,172,000 at December 31, 2020 and 2019, respectively. The Company has \$1,330,983 and \$2,768,095 in an escrow account at December 31, 2020 and 2019, respectively, to satisfy the expense component of this regulation. Separately, the deposits held with the lessor (see Note 5) were sufficient to meet the financing component, of which the Company's share of \$1,175,304 at both December 31, 2020 and 2019 is included in restricted cash.

The Company is also required to maintain an escrow account for prospective residents equal to 10% of the total amount due upon execution of a continuing care contract, to reserve a unit and be placed on the waiting list. The deposit is held in escrow and is refundable, as defined in the residency agreement, during the resident's 30-day right-of-rescission period or until occupancy, at which time it becomes nonrefundable. The Company has \$306,013 and \$477,707 in escrow included in restricted cash at December 31, 2020 and 2019, respectively, to meet this requirement.

**Entry fee intangible:** Entry fee intangible represents the value of contracts in place at acquisition of \$30,607,813. The value of entry fee intangibles is amortized to expense over the actuarially determined estimated life expectancies of the residents under the respective entry fee agreements, while the amortization of nonrefundable entrance fees is recorded to operating revenue. For each of the years ended December 31, 2020 and 2019, \$3,825,977 has been amortized for entry fee intangibles, and is included in amortization expense in the accompanying statements of operations and member's deficit.

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Unearned and refundable entrance fees:** The Company provides housing to senior residents under a residency agreement that provides the resident with the right to live in a specific independent living unit as long as the resident's health and other circumstances allows them to live independently. The resident pays a one-time entrance fee that is either not refundable or partially refundable, and a monthly service fee. Independent living residents may alternatively enter into a rental residency agreement whereby the resident does not pay an entrance fee, but pays a higher monthly rent. The contracts vary and can range from 0% to 85% refundable. Refunds are due upon termination of the contract and upon re-occupancy in accordance with terms specific to individual contracts.

Refundable entrance fees are recorded as a liability. The remainder of the entrance fee, including the amount subject to a declining balance that becomes nonrefundable over time, are recorded by the Company as unearned nonrefundable entrance fees.

The Company records a receivable for entrance fees when a payment agreement is entered into with a resident. There was no entry fee receivable as of December 31, 2020, and a receivable of \$210,219 at December 31, 2019.

In conjunction with the acquisition in 2016, the Company assumed entrance fee liabilities. The fair value of the liability was determined to be the face value of the amount that was refundable to residents at the date of acquisition as the actual payment date is unknown. These liabilities are included as refundable entrance fees in the accompanying balance sheets. The Company expects the source of repayment of refundable entrance fees to come from entrance fees received from the re-occupancy of the unit.

**Obligation to provide future services:** The Company operates a CCRC and is therefore obligated to provide services and the use of facilities to the residents over their remaining lives based on the terms of the continuing care contract agreements (the Care Agreements). When the present value of estimated costs to be incurred under the Care Agreements exceeds the present value of the estimated related revenues, such excess is accrued. Management reviewed facts and circumstances as of year-end and concluded that under the terms of the Care Agreements in place, the unearned revenue exceeds costs of future services to be provided. Accordingly, there is no liability as of December 31, 2020 or 2019.

**Deferred revenue:** Deferred revenue consists of resident-funded renovations and is amortized over the life of the related renovations.

**Revenue recognition:** In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard replaced most existing revenue recognition guidance in U.S. GAAP when it became effective. ASU 2014-09 can be applied retrospectively to each period presented (full retrospective) or retrospectively with the cumulative effect recognized in member's capital as of the date of initial application (modified retrospective).

The five-step model defined by Topic 606 requires the Company to: (1) identify the contracts with the customer, (2) identify the performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction price to the performance obligations in those contracts, and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to the residents in an amount that reflects the consideration expected in exchange for those goods or services. The Company adopted Topic 606 during the year ended December 31, 2019, using the modified retrospective approach.

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

The Company has determined that the adoption did not result in an adjustment to member's deficit and did not have a significant effect on the amount and timing of revenue recognition for the year ended December 31, 2019. The adoption resulted in changes to the presentation of healthcare revenue primarily related to the provision for bad debts.

**Resident fees:** Revenue from monthly services fees under the residency agreements is reported at the amount that reflects the consideration to which the Company expects to be entitled for services provided as specified in the agreements. These amounts are due from residents and recognized over time as performance obligations are satisfied. Generally, the performance obligation related to these monthly maintenance fees is considered to be the ongoing ability of the resident to continue to occupy the unit each month and, accordingly, revenue is recognized monthly as this service is provided.

Residents moving directly into assisted living (including memory care) facilities are subject to agreements that do not require entrance fees. Resident fees at these facilities consist of monthly charges for basic housing and support services. Fees are specified in rental agreements that are short-term in nature, with terms that allow residents to cancel with 30 days' notice. Revenue under these rental agreements is based on the consideration specified in the agreement and is recorded monthly, as the services are provided in accordance with the provisions of FASB ASC 840, Leases.

**Amortization of entrance fees:** Nonrefundable entrance fees are considered to contain a material right associated with living in the Community and access to future services, which is the performance obligation. Revenue from unearned entrance fees is amortized monthly based on an actuarial determination of life expectancy of the resident using the straight-line method, with the period of amortization adjusted annually based upon the actuarially determined remaining life expectancy of the resident. If a resident terminates occupancy, any unamortized portion of the deferred unearned entrance fee is recognized as revenue.

**Healthcare revenue:** Healthcare revenue is derived from providing healthcare services to residents in its long-term care facility and is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient care. These amounts are based on daily rates, which are generally fixed, and are due from patients and third-party payors, including Medicare and other health insurers. The Company determines the transaction price based on standard charges adjusted for explicit price concessions consisting of contractual adjustments provided to third-party payors. Generally, the Company bills the patients and third-party payors monthly in arrears. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Patient care services represent a bundle of services that are not capable of being distinct; accordingly, the Company has determined that the overall provision of a day of healthcare services to a resident in its long-term care facility is one performance obligation. Additionally, there may be ancillary services that are not included in the daily rates. These services are considered separate performance obligations for which revenue is recognized as the services are provided.

Prior to October 1, 2019, healthcare services rendered to Medicare beneficiaries were reimbursed based on a classification system referred to as Resource Utilization Groups (RUG-IV). These rates were determined annually based on the care needs of the resident and the type and intensity of therapy services provided to the resident. Beginning on October 1, 2019, a new case-mix classification system for Medicare beneficiaries in skilled nursing facilities, the Patient Driven Payment Model (PDPM), replaced RUG-IV. PDPM relies more on clinically relevant factors rather than the volume-based therapy measures used under RUG-IV for determining Medicare reimbursement. In addition, PDPM per-diem payments are adjusted during a resident's stay to reflect varying costs throughout the time the resident is in the facility.

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

Third-party payor agreements include the potential for retroactive revenue adjustments due to settlement of audits, reviews and investigations. These retroactive settlements are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. Estimated settlements are adjusted in future periods, as adjustments become known. Laws and regulations governing the Medicare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates of variable consideration may change.

**Other operating revenue:** Other operating revenue consists of amounts that are incidental to the operations of the Company's facilities and includes activities such as beauty and barbershop services, guest meals, and other miscellaneous items. These services generally have fixed prices and are considered distinct performance obligations, which are satisfied as the goods or services are provided. Accordingly, revenue is recognized and earned at a point in time in accordance with the provisions of ASC 606 as the performance obligations are satisfied.

**Marketing and advertising costs:** Costs for advertising and marketing are expensed at the time the advertising takes place. Total costs during 2020 and 2019 were \$121,974 and \$168,800, respectively, and are included in professional services expense in the accompanying statements of operations and member's deficit.

**Insurance:** The Company is insured for professional and general liability subject to a \$50,000 deductible as well as workers' compensation subject to a zero deductible. The Company is also insured for automobile liability, subject to deductibles of \$2,000 per occurrence.

**Income taxes:** The Company is a limited liability company and is not subject to income tax. The member is taxed on its shares of the Company's taxable income, whether or not distributed, and is entitled to deduct its share of net losses to the extent of its tax basis. Accordingly, no provision for income taxes is provided in the accompanying financial statements.

U.S. GAAP requires management to perform an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Company's income tax returns to determine whether the income tax positions meet a more-likely-than-not standard of being sustained under examination by the applicable taxing authorities. This evaluation is required to be performed for all open tax years, as defined by the various statutes of limitations, for federal and state purposes.

The Company is required to file federal and state income tax returns. Management has performed its evaluation of income tax positions and has determined that there were no positions that do not meet the more-likely-than-not standard.

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

**Pending accounting pronouncement:** In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which establishes principles for the recognition, measurement, presentation and disclosure of leases for both lessors and lessees. The new standard requires lessees to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. In July 2018, the FASB also issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method allowing the standard to be applied at the adoption date.



## CT Watermark 3030, LLC

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

The new standard is effective for fiscal years beginning after December 15, 2021. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented, or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The Company is currently evaluating the various practical expedient elections available upon adoption of ASU 2016-02, and is currently evaluating the effect the guidance will have on its existing accounting policies and the financial statements.

#### Note 3. Accounts Receivable and Healthcare Revenue Recognition

Accounts receivable for healthcare revenue are presented net of allowances for contractual discounts (explicit price concessions) and estimated uncollectible accounts. The allowance for contractual discounts is related to residents covered by Medicare and private insurance. The allowance for uncompensated care is an estimate of amounts that will not be collected from self-pay residents.

Accounts receivable, net of contractual discounts and uncompensated care, are as follows at December 31:

	2020	2019
Accounts receivable	\$ 420,755	\$ 566,194
Allowance for contractual discounts	103	-
Allowance for uncompensated care	11,832	20,053
Total allowances	11,935	20,053
Accounts receivable, net	\$ 408,820	\$ 546,141

The Company has determined that the nature, amount, timing and uncertainty of healthcare revenue and cash flows are primarily affected by the method of reimbursement. The Medicare program is a large source of healthcare revenue for the Company. Revenue from the Medicare program totaled 7.2% and 7.4% of total operating revenue during the years ended December 31, 2020 and 2019, respectively.

Healthcare revenue, net of contractual discounts, by major payor class, were as follows for the years ended December 31:

	2020	2019
Medicare	\$ 1,415,582	\$ 1,469,087
Insurance	529,950	551,402
Self-pay	2,819,055	3,861,008
	\$ 4,764,587	\$ 5,881,497

## CT Watermark 3030, LLC

### Notes to Financial Statements

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#### Note 4. Concentrations of Credit Risk

The Company grants credit without collateral to its residents for amounts due under resident agreements, many of whom are insured under third-party agreements. The Company is exposed to credit risk on these receivables.

The mix of receivables from residents and third-party payors as of December 31 was as follows:

	2020	2019
Medicare	25.77%	23.43%
Insurance	18.20%	22.80%
Self-pay	56.03%	53.77%
	<u>100.00%</u>	<u>100.00%</u>

#### Note 5. Capital Lease Obligation

In June 2016, the member entered into a lease agreement with EL FW Intermediary I, LLC (Prior Lease) to lease property and equipment to operate two senior living communities, including the Community. The initial lease term was 15 years. As described in the Prior Lease, EL FW Intermediary I, LLC was the lessee of the property and equipment through a master lease with NHI-REIT of Axel, LLC (NHI). Simultaneous with the inception of the Prior Lease, the member entered into sublease agreements with the Company and CT Watermark East Hill, LLC, a related party through common ownership (the Subtenants), to transfer all of its obligations under the Prior Lease for each respective community to the Subtenants for the terms of the leases. Effective January 2020, the Prior Lease and the associated subleases were terminated and a new lease was executed between the member and NHI, with an initial lease term expiring in May 2035. Because NHI was party to the previous lease arrangement as master lessor, the lease is accounted for as a lease modification in accordance with ASC 840. Further, new sublease agreements were executed with the Company and CT Watermark East Hill, LLC.

In June 2016, \$4,500,000 was placed on deposit at People's Bank in Connecticut to satisfy the statutory reserve requirements of the State of Connecticut. At December 31, 2019, this account contained \$4,550,594. Of this amount, \$2,768,094 was allocated to the Company and is included in restricted cash at December 31, 2019. In October 2020, the member received approval from the State of Connecticut to reduce the balance held in this account to \$2,500,000. At December 31, 2020, this account contained \$2,505,273. Of this amount, \$1,330,983 was allocated to the Company and is included in restricted cash at December 31, 2020.

The lease provides for advances of \$6,500,000 to be drawn upon for facility improvements, \$3,000,000 of which can be used for reimbursement of facility improvements that occurred prior to 2020. During 2020, the member has drawn \$3,000,000 on the lease for prior facility improvements, of which \$1,509,900 was allocated to the Company.

The member deposited into escrow \$2,000,000 to be used as security deposits in the event of default. In addition, the Company has made additional security deposits, which are included in restricted cash, of \$1,175,304 at December 31 for both 2020 and 2019. The lease requires the member to deposit or expend an annual amount equal to \$475,000, of which the Company's allocation is \$244,000, to be used for routine capital expenditures.

In connection with the lease, the member is required to meet certain lease covenants.

## CT Watermark 3030, LLC

### Notes to Financial Statements

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#### Note 5. Capital Lease Obligation (Continued)

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

The Company has recorded leasehold interest in property and equipment under this lease of \$33,976,698 and \$35,290,631 at December 31, 2020 and 2019, respectively and accumulated amortization of \$11,078,841 and \$9,076,609 at December 31, 2020 and 2019, respectively. The leasehold interest in property and equipment is capitalized based on the Company's June 2016 incremental borrowing rate of 5.56%.

The Company acquired vehicles under capital lease agreements expiring in February 2021 and April 2025. The leases call for fixed monthly rental payments of \$1,168 for the lease through February 2021 and \$1,920 for the lease through April 2025. The Company has recorded assets for vehicles under capital leases of \$169,122 at both December 31, 2020 and 2019, respectively, and accumulated amortization of \$68,959 and \$42,205 at December 31, 2020 and 2019, respectively.

Minimum future annual payments under capital leases are as follows:

Years ending December 31:	
2021	\$ 2,741,765
2022	2,816,112
2023	2,899,904
2024	2,986,210
2025	3,059,745
Thereafter	<u>33,616,095</u>
Total minimum lease payments	48,119,831
Less amount representing interest	<u>(15,978,908)</u>
Present value of net minimum lease payments	32,140,923
Less current portion	<u>(975,337)</u>
Capital lease obligation, less current portion	<u>\$ 31,165,586</u>

#### Note 6. Member's Deficit

The operating agreement details the commitment of the member and provides the procedures for the return of capital to the member with defined priorities. All profits and losses, net cash flows from operations and capital proceeds, if any, are to be distributed according to the priorities specified in the operating agreement.

**Notes to Financial Statements**

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**Note 7. Related-Party Transactions**

**Management fee:** The Community is managed by WRCC. The management agreement has an initial term of fifteen years from June 2016, the date operations commenced, and shall thereafter automatically continue for successive five-year terms, unless sooner terminated as provided for in the agreement. The agreement provides for management fees to be paid monthly. The fee is equal to the greater of 5% of the gross revenue accrued for each month or \$15,000 per month. Management fees bear a 12% interest rate if unpaid.

Total management fee expense for the years ended December 31, 2020 and 2019, was \$1,052,537 and \$1,057,230, respectively.

**Reimbursable expense:** WRCC incurs certain expenses on behalf of the Community related to small equipment, information technology support, travel, marketing and miscellaneous office expenses. Total reimbursable expenses for the years ended December 31, 2020 and 2019, were \$184,092 and \$147,955, respectively, of which \$0 and \$9,821 are included in payable to related party at December 31, 2020 and 2019, respectively.

**Due from parent:** From time to time, the Company is advanced funds from or advances funds to the member based on working capital needs. Advances to the member are noninterest-bearing, unsecured and due on demand. At December 31, 2020 and 2019, the Company had \$1,241,845 and \$282,707, respectively, receivable from the member. The Company has indicated no demand will be made in the next 12 months and, accordingly, the receivables have been classified as noncurrent.

**Note 8. Commitments and Contingencies**

The Company is involved in claims and lawsuits incidental to the ordinary course of business. While the outcome of these claims and lawsuits cannot be predicted with certainty, management of the Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's financial statements.

WRCC has provided the Company limited indemnifications against actions taken on behalf of the Company in WRCC's capacity as manager. The WRCC indemnity rights may not protect the Company against all of the risks and possible losses faced by the Company from WRCC's role as manager.

At December 31, 2020, the Company had approximately \$327,000 in firm commitments for the completion of construction and renovation projects.

**Employment agreement:** The Community has a Collective Bargaining Agreement (the Agreement) with the Local 217, UNITEHERE! (the Union), which pursuant to its terms, was extended in December 2020 for a period of one year. The Union provides approximately 29% and 28% of the Company's workforce as of December 31, 2020 and 2019, respectively. The Agreement explicitly states "The Union, its officers, agents, representatives and members, shall not in any way, directly or indirectly, authorize, assist, encourage, participate in or sanction any strike, sit-down, sit-in, slow-down, cessation or stoppage or interruption of work, boycott, or other interference with the operations of the Community, or ratify, condone or lend support to any such conduct or action." All workplace disputes are to be settled in accordance with Grievance Procedures outlined in the Agreement.

**Notes to Financial Statements**

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**Note 9. Employee Benefit Plan**

The Company offers a 401(k) retirement plan (the Plan) under Watermark Services IV, LLC, an affiliated entity, for the benefit of the union and non-union employees of the Company. Employees that complete six months of service and are 21 years of age or older may participate in the Plan. Employees may make pretax salary deferrals of 1% to 75% of their compensation, subject to annual dollar limits determined by the Internal Revenue Service. Employer matching contributions for the Plan are made on a discretionary year-end match. To receive the match, employees must be actively employed as of the last day of the year. The Company accrued and expensed \$61,504 and \$77,581 for the years ended December 31, 2020 and 2019, respectively, to be contributed into the Plan.

**Note 10. COVID-19 Pandemic and Relief Funding Sources**

The spread of COVID-19, a novel strain of the coronavirus, is altering the behavior of businesses and people in a manner that may adversely impact local, regional and global economies. The Company has experienced a decline in resident occupancy and also incurred and will continue to incur additional costs to address COVID-19, which include increased supply costs and additional labor costs. The extent to which the coronavirus continues to impact the Company's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the legal, regulatory and administrative developments that occur, the infectious disease control and prevention efforts and breadth and duration of the outbreak, and could also be affected by other factors management is not currently able to predict. Accordingly, management cannot presently estimate the overall operational and financial impact to the Company, but such an impact could have a material adverse effect on the financial condition of the Company.

**Provider Relief Fund:** The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was enacted on March 27, 2020, in the United States in response to COVID-19. The recognition of the CARES Act provider relief fund revenue is conditioned upon the Company meeting the terms and conditions related to the provider relief fund distributions, including utilizing the provider relief fund payments to reimburse healthcare-related expenses or lost revenues that are attributable to COVID-19. The Company recognizes the provider relief fund payments as revenue when there is reasonable assurance that the Company has complied with the conditions associated with the funding. Amounts recognized could change in the future based on the evolving grant compliance guidance provided by the government. During the year ended December 31, 2020, the Company received \$533,050 of CARES Act provider relief fund payments, which was recognized as operating revenue on the accompanying statements of operations and member's deficit.

**Paycheck Protection Program loan:** The CARES Act also established the Paycheck Protection Program (PPP), which is administered by the Small Business Administration (SBA). On June 12, 2020, the Company entered into a PPP loan agreement with BMO Harris Bank. The Company received a PPP loan in the amount of \$1,577,700. The PPP loan is subject to partial or full forgiveness in the event that the Company (i) uses all proceeds for eligible purposes; (ii) maintains certain employment levels; and (iii) maintains certain compensation levels, in accordance with the CARES Act.

Management has concluded that the Company qualifies for the PPP loan and believes there is reasonable assurance that the Company will meet the conditions necessary for forgiveness of the PPP loan by the SBA. As a result, the Company has elected the option to account for the loan as a government grant by analogy to International Accounting Standards (IAS) 20, *Accounting for Government Grants and Disclosure of Government Assistance*. Under the IAS 20 model, loan forgiveness of \$1,577,700 was recognized as operating revenue on the accompanying statements of operations and member's deficit, based on incurring eligible payroll costs during the qualifying period.

**Notes to Financial Statements**

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**Note 10. COVID-19 Pandemic and Relief Funding Sources (Continued)**

The amount of compensation to which the forgiveness was applied was reduced by any amounts previously used to qualify for the provider relief fund payments discussed above.

Should the SBA subsequently determine the Company not qualify for full forgiveness, the amount not qualifying for forgiveness would be payable to BMO Harris Bank in monthly installments over a five-year term with interest at a rate of 1%.

**Other programs:** Another program, which was made available to healthcare providers as a result of the COVID-19 pandemic, is an advance payment from the Medicare program. As a result, during the year ended December 31, 2020, the Company received accelerated advance payments from Medicare in the amount of \$354,835, which is included in the accompanying balance sheets. These amounts will be recouped from claims submitted beginning 12 months after the receipt of the funds, which will be April 2021 for the Company. In addition, the offset is limited to 25% of Medicare claims during the first 11 months and 50% of claims during the succeeding 6 months. Final payment of any still outstanding balance is due September 2022.

Pursuant to the CARES Act, the employer share of the social security portion of FICA taxes due for the period beginning on March 27, 2020, and ended December 31, 2020, can be deferred, with payment of 50% of the deferred amount to be paid on December 31, 2021, and the remaining 50% of the deferred amount to be paid on December 31, 2022. As of December 31, 2020, the Company has deferred \$235,895 of FICA taxes, which is included in accounts payable and accrued expenses.

**Note 11. Subsequent Events**

**Subsequent events:** The Company evaluated subsequent events through March 31, 2021, the date on which the financial statements were available to be issued.



THE WATERMARK  
AT 3030 PARK

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

***Sworn Statement of Escrow Agent***

Statement appears on next page.

**Statement of Escrow Agent**

The undersigned, People's United Bank, N.A., as escrow agent (the "Escrow Agent") hereby affirms and swears that it holds, as escrow agent for CT Watermark Operator, LLC, (i) funds pursuant to an Entrance Fee Escrow Agreement for CT Watermark 3030, LLC, which Entrance Fee Escrow Agreement states that such funds are intended to be those required pursuant to Section 17b-524 of the Connecticut General Statutes, as amended to date, and (ii) funds for CT Watermark 3030, LLC pursuant to a Revised and Restated Escrow Agreement, which states that such funds are intended to be those required by Section 17b-525 of the Connecticut General Statutes, as amended to date.

**IN WITNESS WHEREOF**, the undersigned Escrow Agent has caused this Statement to be executed by its duly authorized officer as of the 10 day of ~~June~~ 2020.

July

People's United Bank, N.A.

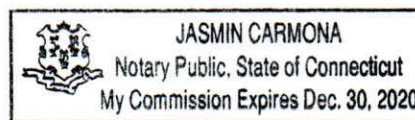
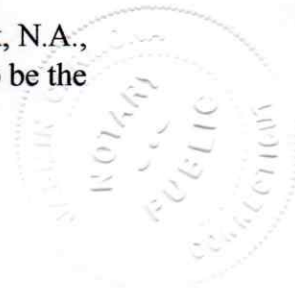
By: Bruce B. Murray  
Bruce Murray  
Senior Institutional Trust Officer, SVP

STATE OF CONNECTICUT )  
)  
COUNTY OF FAIRFIELD )

ss: Stratford

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

Jm Carmona  
Notary Public





## *Disclosure Statement* *Exhibit E*

### *Cash Flow Projections*

#### ASSUMPTIONS USED IN PROJECTIONS

##### Revenues

Projections of revenues from Town Center and Health Center room and board fees, other operating revenues, entrance fees and entrance fee refunds are generally based on current in-place rates and market prices, with assumed annual growth rates (“inflationary rates”) generally between 3.0% and 5.0%, and take into account estimated occupancy levels, projected health care and other service levels, new resident move-in volume, and attrition. Occupancy rates for the trailing twelve (12) months ending June 30, 2021 were: 71.1% in The Town Center, 79.2% in The Inn, 75.8% in The Gardens, and 60.7% in The Springs. In August 2021, 58 new residents moved into the Town Center pursuant to a lease agreement with Atlantic-Midwest Province of the School Sisters of Notre Dame, which together with other move-ins brought the Town Center occupancy rate above 85%.

##### Other Income

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

##### Entrance Fees and Refunds

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

##### Operating Expenses

Projected operating expenses are based on actual 2021 year-to-date expenses, adjusted and annualized as appropriate for the full year and for the August 201 increase in Town Center occupancy, and increased in subsequent years at assumed inflationary rates and occupancy levels.

##### Capital Investments

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

##### Lease Payments

Lease Payments are projected based on applicable lease terms.

### Anticipated Residential Turnover Rates

The number of independent living Town Center apartments permanently vacated, expressed as a percentage of occupied apartments at the start of the year, during the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
18.6%	14.7%	11.2%	10.9%

### Average Age of Residents

The average age of independent living Town Center residents as of the end of the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
88	87	88	88

### Health Care Utilization Rates

The number of days in which a Springs skilled nursing room was occupied by a current or former independent living Town Center resident, whether pursuant to a temporary or permanent transfer, expressed as a percentage of the total number of census days available in the Springs skilled nursing level of care, during the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
11.2%	11.7%	11.9%	12.1%

### Number of Health Care Admissions

The number of times an independent living Town Center resident is admitted to the Springs skilled nursing level of care, whether pursuant to a temporary or permanent transfer, including multiple admissions if a resident was admitted more than once, during the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
40	56	57	58

### Days of Care Per Year

The number of days in which a Springs skilled nursing room was occupied by a current or former independent living Town Center resident, whether pursuant to a temporary or permanent transfer, during the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
942	980	1,001	1,018

### Number of Permanent Transfers

The number of independent living Town Center residents that were admitted to the Springs skilled nursing level of care pursuant to a permanent transfer during the most recent fiscal year (2020), and projected for years 2021 through 2023, are as follows:

2020	2021	2022	2023
0	1	2	2



THE WATERMARK  
AT 3030 PARK

**CASH FLOW STATEMENT  
PROJECTIONS (2021 – 2023)**

	2021	2022	2023
(\$)			
<b>Operating Revenues:</b>			
Town Center Room & Board	8,185,024	10,995,407	11,398,623
Health Center Room & Board	5,256,062	5,889,422	6,124,998
Other Revenues	2,487,168	2,827,208	2,939,108
	<u>15,928,254</u>	<u>19,712,037</u>	<u>20,462,730</u>
<b>Operating Expenses:</b>			
General Operations	9,872,221	11,478,193	11,836,131
Nursing/Ancillaries	4,563,108	4,745,632	4,935,458
Marketing/Sales	799,406	831,382	864,638
	<u>15,234,735</u>	<u>17,055,208</u>	<u>17,636,226</u>
<b>Operating Revenues in excess of Expenses</b>	<b>693,519</b>	<b>2,656,829</b>	<b>2,826,504</b>
<b>Other Cash Sources and Uses:</b>			
Entrance Fees and Refunds, net	2,000,000	2,310,000	2,280,163
Capital Investments - Amount invested	(263,000)	(263,000)	(263,000)
Lease Payments	(2,708,000)	(2,789,194)	(2,872,870)
<b>Net Cash Flow</b>	<b>(277,481)</b>	<b>1,914,635</b>	<b>1,970,796</b>

Comparison of prior projections to actual results:

In the Provider's prior Disclosure Statement, (a) the projection for 2020 Operating Revenues was \$17,983,910 and the audited result was \$17,938,750; variance was minimal; (b) the projection for 2020 Operating Expenses was \$16,385,230 and the audited result was \$15,635,868; variance was a result of cost savings; (c) the projection for Operating Revenues in excess of Expenses was \$1,598,681 and the audited result was \$2,302,882; variance was a result of the revenue and expense variances set forth above; (d) the projection for Entrance Fees and Refunds, net was \$2,000,000 and the audited result was \$426,069; variance was a function of COVID-related marketing precautions and restrictions; (e) the projection for Capital Investments Amount Invested was \$250,000 and the audited result was \$555,370; variance was a result of carrying out discretionary capital improvements that were not included in projections; and (f) the projection for Lease Payments was \$2,576,000 and the audited result was \$2,471,362; variance was a result of timing differences affecting rent calculation. All figures referenced above are cash basis and exclusive of non-cash items.



THE WATERMARK  
AT 3030 PARK

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

<b>Historical Monthly Service Fees</b> (Based on Single Occupancy, Traditional Contract)			
<b>Year</b>	<b>1 Bedroom<sup>(1)</sup></b>	<b>2 Bedroom<sup>(1)</sup></b>	<b>Cottage</b>
2016	\$3,150 - \$4,300	\$4,950 - \$5,150	\$4,645
2017	\$3,250 - \$4,400	\$4,730 - \$5,410	\$5,350
2018	\$3,350 - \$4,225	\$4,535 - \$5,575	\$5,515
2019	\$3,200 - \$4,200	\$4,750 - \$6,000	\$4,100
2020	\$3,200 - \$4,200	\$4,750 - \$6,000	\$4,100

<b>Historical Entrance Fees</b> (Based on Single Occupancy, Traditional Contract, incl. as reported by prior Provider)				
<b>Year</b>	<b>Refund Option</b>	<b>1 Bedroom<sup>(1)</sup></b>	<b>2 Bedroom<sup>(1)</sup></b>	<b>Cottage</b>
2016	Fully Declining	\$140,000 - \$345,000	\$340,000 - \$425,000	\$440,000
	Mid-Refund	\$201,500 - \$465,750	\$459,000 - \$573,750	\$549,000
	Max-Refund	\$245,850 - \$569,250	\$561,000 - \$701,250	\$726,000
2017	Fully Declining	\$133,600 - \$222,800	\$230,500 - \$405,500	\$484,000
	Mid-Refund	\$187,000 - \$311,900	\$322,700 - \$567,700	\$677,000
	Max-Refund	\$233,800 - \$389,900	\$403,300 - \$709,600	\$847,000
2018	Fully Declining	\$131,100 - \$273,000	\$247,500 - \$435,000	\$474,000
	Mid-Refund	\$183,540 - \$382,200	\$346,500 - \$609,000	\$663,600
	Max-Refund	\$229,425 - \$477,750	\$433,135 - \$761,250	\$829,500
2019	Fully Declining	\$127,500 - \$262,500	\$257,500 - \$442,500	\$480,000
	Mid-Refund	\$178,500 - \$367,500	\$360,500 - \$619,500	\$672,000
	Max-Refund	\$223,125 - \$459,375	\$450,625 - \$774,375	\$840,000
2020	Fully Declining	\$120,000 - \$262,500	\$250,000 - \$442,500	\$480,000
	Mid-Refund	\$168,000 - \$367,500	\$350,000 - \$619,500	\$672,000
	Max-Refund	\$210,000 - \$459,375	\$437,500 - \$774,375	\$840,000

(1) Categorization of certain units changed in 2017.

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

**Monthly Service Fees**

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

<b>Monthly Service Fees – Traditional Contract</b>		
<b>Residence Category</b>	<b>Monthly Service Fee</b>	<b>Rental Rate (No Entrance Fee)</b>
Studio Residences	\$2,380 - \$2,830	\$3,340 - \$5,370
One Bedroom Residences	\$3,200-\$4,350	\$5,440 - \$9,720
Two Bedroom Residences	\$4,950-\$6,250	\$9,000 - \$14,100
Cottage Residences	\$4,300	\$12,000

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

**Entrance Fees**

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

<b>Entrance Fees – Traditional Contract</b>			
<b>Residence Category</b>	<b>Declining Refund</b>	<b>50% Refund</b>	<b>85% Refund</b>
Studio Residences	Starting at \$75,000	Starting at \$105,000	Starting at \$131,250
One Bedroom Residences	Starting at \$120,000	Starting at \$168,000	Starting at \$210,000
Two Bedroom Residences	Starting at \$250,000	Starting at \$350,000	Starting at \$437,500
Cottage Residences	\$480,000	\$672,000	\$840,000

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

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