



100 Redding Road

Redding, Connecticut 06896

(203) 544-1000

RESIDENCY AGREEMENT
(Fee For Service)

Version: November 2014

GLOSSARY

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

"Admission Payments" means the Entrance Fee (and Second Person Entrance Fee, if applicable) paid by the Resident to Meadow Ridge, together with the Loan made by the Resident to Meadow Ridge, pursuant to this Agreement.

"Agreement" or "Residency Agreement" means this Residency Agreement.

"Allocation Formula" means the method for determining your Share as set forth in Section 11 of the Agreement.

"Apartment" means the apartment at The Community in which you are entitled to live pursuant to the Agreement as identified in Section 1 of the Agreement and including any Assisted Living Apartment (as defined herein) to which you may relocate.

"Assisted Living Apartments" mean those Apartments which have been identified by The Community as providing Assisted Living Services.

"Assisted Living Fee" means fees charged for Assisted Living Services as established by us from time to time and payable by a resident residing in the Assisted Living Apartments.

"Assisted Living Services" means those services provided by The Community designed to assist residents with the activities of daily living and which are in addition to the services furnished to other apartments as specified in Section 4 hereof.

"Capital Improvements Fee" means that one-time, non-refundable fee which may be used by us for The Community to fund apartment refurbishment costs, Community refurbishment costs, capital improvements and/or capital reserves as described in Section 1.4 of the Agreement.

"Cash Requirements" means the cash requirements of The Community as calculated in accordance with Section 11.3 of the Agreement.

"The Community" means the facility known as Meadow Ridge, which is the subject of the Agreement, including the Apartments, the Assisted Living Apartments, The Health Center, and all common areas.

"Entrance Fee" or "Second Person Entrance Fee" means that fee, including the Entrance Fee Deposit, as established by us from time to time and payable by a prospective resident to us for acceptance into The Community as described in Section 1 of the Agreement.

"Entrance Fee Deposit" means the initial deposit payable hereunder as described in Section 1.2 of the Agreement.

"Garage Rental Fee" means that monthly rental fee established by us from time to time and payable pursuant to a separate lease between a resident and us for the use of a garage at The Community as described in Section 5.3 of the Agreement.

"Health Care Charges" means our private pay rates then in effect for Assisted Living Services or nursing care, charges for physician services and any other additional health services received by you in The Community.

"The Health Center at Meadow Ridge" or "The Health Center" means the health center forming a part of The Community which is intended to provide semi-private or private nursing accommodations for the nursing care as stated in the Agreement.

"Loan" means the loan made to Meadow Ridge by you pursuant to this Agreement and pursuant to the Loan Agreement attached hereto as Exhibit A. Your rights to repayment of the Loan may be held by your heirs or others if we consent to such an assignment, and our consent will not be unreasonably withheld.

"Managed Residential Community" means a community registered with the Connecticut Department of Public Health in order to offer certain Assisted Living Services provided by a licensed assisted living services agency to residents in their apartments. The Community is registered as a Managed Residential Community.

"Meadow Ridge" or "we" or "us" or "our" means Redding Life Care, LLC (d/b/a Meadow Ridge), a Connecticut limited liability company and the owner of The Community.

"Medical Director" means the physician designated as the medical director of The Health Center in accordance with Section 6.7 of the Agreement.

"Monthly Fee" means that monthly fee (including the second person monthly fee if there are two of you) payable in consideration for services and features as set forth under Section 4 of the Agreement.

"occupancy" (including the term occupy and all tenses thereof) means the date upon which you close on your apartment (i.e., your Admission Payments have been made in accordance with the terms of your Agreement).

"Operating Cash Requirements" means the operating cash requirements of The Community as set forth in Section 11.3.1 of the Agreement.

"Resident" or "you" means the resident or residents who is (are) signatory to the Agreement. Sometimes a second Resident (if there are two of you) is referred to in the Agreement as the "second person."

"Resident Handbook" means the document referenced in Section 16 of the Agreement, which will be given to the Resident(s) upon occupancy at The Community.

"Regular Monthly Charges" means all those Regular Monthly Charges payable by you pursuant to the terms of the Agreement, including the fees charged under Section 3.3, the Monthly Fees, the Assisted Living Fees, the Garage Rental Fees, the fees for optional services, the Health Care Charges, and all other fees and charges payable monthly pursuant to the terms of the Agreement, as appropriate in the particular circumstances.

"Share" means your portion of the Cash Requirements of The Community as determined under the Allocation Formula as provided in Section 11 of the Agreement.

"Trustee Mortgage" means the mortgage, as amended from time to time, on the real estate owned by Meadow Ridge and comprising The Community which secures your Loan and the loans of all other residents, up to an aggregate secured amount of \$200,000,000, as such amount may be increased from time to time.

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Meadow Ridge

RESIDENCY AGREEMENT
(Fee-For-Service)

1. ENTRANCE FEE AND LOAN

1.1 Admission Payments

To assure you _____ a place at Meadow Ridge in Redding, Connecticut in accordance with all terms of this Agreement, including payment of the Regular Monthly Charges described below, you will pay to Meadow Ridge, an Entrance Fee, make a Loan to Meadow Ridge and, if applicable, pay a Second Person Entrance Fee for a total of \$ _____.

- (i) \$ _____ of this amount represents the Entrance Fee;
- (ii) \$ _____ of this amount represents the Second Person Entrance Fee (if applicable); and
- (iii) \$ _____ of this amount represents the Loan.

Your Entrance Fee, Loan and Second Person Entrance Fee, if applicable, together constitute your Admission Payments. Payment of your Admission Payments entitles you to live in apartment no. _____ at The Community for as long as you are capable of independent living in accordance with The Community's admission policy, as amended from time to time. As a Resident, you are offered lifetime use of your Apartment and priority access over nonresidents to Assisted Living Apartments and The Health Center, all in accordance with the terms of this Agreement.

1.2 Entrance Fee

Ten percent of your Admission Payments (minus the Second Person Entrance Fee, if applicable) (\$ _____) is paid herewith and will be held in escrow pursuant to Connecticut law (the "Entrance Fee Deposit"). In no event shall you be required to move into the Community before the expiration of thirty (30) days from

your execution of this Agreement. The balance of your Entrance Fee (\$_____) and the Second Person Entrance Fee (\$_____), if applicable, will be due and payable on the same day that your Loan is due pursuant to Section 1.3 below.

1.3 Loan

Your Loan of \$_____ will be paid (by wire, bank or certified check) to Meadow Ridge the earlier of _____ or the date you move into The Community. Your Loan will be evidenced by a Loan Agreement, a copy of which is attached as Exhibit A. Your Loan and the loans of all other residents, up to an aggregate secured amount of \$200,000,000 (which amount may be increased from time to time), is secured by the Trustee Mortgage. The Trustee Mortgage is subordinate to certain "permitted encumbrances" as defined in the Trustee Mortgage and the Indenture of Trust. A copy of the Trustee Mortgage and the Indenture of Trust is available for your review upon your request. The Loan may not be mortgaged, sold, discounted, assigned, or otherwise transferred, subject to our prior written approval, which approval shall not unreasonably be withheld.

1.4 Capital Improvements Fee

In addition to your Admission Payments described above, a one-time Capital Improvements Fee of \$_____ will be paid (by wire, a separate bank or certified check) to Meadow Ridge on the same day as your Loan is due pursuant to Section 1.3 above. This charge may be used by us for The Community to fund apartment refurbishment costs, Community refurbishment costs, capital improvements and/or capital reserves. No portion of the Capital Improvements Fee is refundable.

2. REIMBURSEMENT OF ADMISSION PAYMENTS

2.1 Reimbursement of Entrance Fee Deposit Prior to Occupancy

2.1.1 If you are not accepted for residency, as evidenced by Meadow Ridge's authorized signature of this Residency Agreement, the full amount of the Entrance Fee Deposit you have paid will be promptly refunded to you without interest.

2.1.2 If you change your mind and give us written notice of cancellation by registered or certified mail within thirty (30) days from the date of

this Agreement, this Agreement will be automatically canceled. In such event, the full amount of the Entrance Fee Deposit you have paid will be refunded to you, without interest, within one hundred twenty (120) days of written notice, except that we will retain an amount equal to any costs that are specifically incurred by us due to your request.

2.1.3 After the thirty (30) day period, if you (or either of you if there are two of you) die at any time prior to the date your Apartment is ready for occupancy, or because of illness, injury, or incapacity, you (or either of you if there are two of you) are unable to occupy your Apartment under the terms of this Agreement, upon written notice to Meadow Ridge by registered or certified mail, this Agreement will be automatically canceled, unless in the case of such illness, injury, or incapacity you (or either of you if there are two of you) choose to become a resident of The Health Center at Meadow Ridge or an Assisted Living Apartment, as applicable in accordance with The Community's admission policies. If this Agreement is so canceled, the full amount of the Entrance Fee Deposit you have paid will be refunded to you or to your estate, without interest, within one hundred twenty (120) days of your request, except that we will retain: (i) an amount equal to any costs that are specifically incurred by us due to your request and (ii) a service fee of \$1,000.

2.1.4 In all other cases, if you cancel this Agreement prior to occupying the Apartment, we will retain \$20,000 and the balance of the Entrance Fee Deposit you have paid will be refunded to you, without interest, within one hundred twenty (120) days.

2.2 Forfeiture of Entrance Fee After Occupancy

In the event this Agreement is terminated or canceled after you have occupied your Apartment, we will retain the total of the Entrance Fee (and the Second Person Entrance Fee, if applicable) portion of your Admission Payments.

2.3 Repayment of Loan

The repayment of your Loan will be made in accordance with the Loan Agreement, a copy of which is attached as Exhibit A to this Residency Agreement.

2.4 Right of Offset

We have the right to offset against any Entrance Fee Deposit refund and/or Loan repayment, any unpaid Regular Monthly Charges owed by you, any unreimbursed health care expenses we have advanced on your behalf, any amount deferred by us under Section 9.2.3, and any other sums owed by you.

3. REGULAR MONTHLY CHARGES

3.1 Reserved

3.2 Monthly Fees

(a) You shall pay a Monthly Fee for the services and features provided to all residents as set forth in Section 4. During the current calendar year, the Monthly Fee is \$_____ a month for one person and an additional \$_____ a month for two.

(b) Each resident of The Community pays monthly fees that are determined in accordance with the Allocation Formula, as further described in Section 11 below. As a fee-for-service Resident, your Monthly Fee set forth above in Section 3.2(a) includes a reduction of \$_____ per month, the value of the life care benefit provided to life care residents, as determined by us in our sole and absolute discretion.

(c) As a fee-for-service Resident, your Monthly Fee set forth above (including any second person Monthly Fee) will be adjusted either up or down each calendar year to account for any differences in projected operating expenses from the prior year's numbers. We will give you advance notice of not less than thirty (30) days before any change in the Monthly Fee is implemented.

3.3 Regular Monthly Charges

In addition to the Monthly Fee, you will pay all applicable Regular Monthly Charges, including the monthly charges for any optional services that you utilize and that are subject to an extra charge as provided in Section 5 below.

3.4 Payment

On the earlier of (i) the day you move into The Community or (ii) the day you make your Loan to us as provided in Section 1.3 of this Agreement, you shall pay a prorated portion of the Regular Monthly Charges and Monthly Fee. Thereafter, such monthly charges will be payable on the tenth day of each month in advance, and all other Regular Monthly Charges for optional services will be paid on the tenth day of each month for the optional services obtained during the preceding month. A late charge equal to one percent (1%) shall be assessed on any Regular Monthly Charges three or more days past due.

3.5 Termination of Charges for Apartment

3.5.1 The Regular Monthly Charges for your Apartment will terminate after your death (or upon the death of the survivor in a double-occupied apartment), upon the removal of the contents of your Apartment or upon the release of your Apartment pursuant to the provisions regarding assisted living and Health Center usage. In the event one of two residents occupying an apartment dies, the second person Monthly Fee will cease and the remaining resident will continue to pay the first person Monthly Fee and any other Regular Monthly Charges.

3.5.2 If you terminate this Residency Agreement after occupying your Apartment, you will be required to pay all applicable charges identified in Section 3 until the later of one hundred and twenty (120) days after we receive written notice of such termination or the actual release of your Apartment and removal of the contents of your Apartment.

4. SERVICES AND FEATURES PROVIDED TO ALL APARTMENT RESIDENTS

Meadow Ridge will furnish at The Community, so long as you reside in an apartment therein, the following services and features which are included in the Monthly Fee:

4.1 Continental breakfast every day;

4.2 A monthly meal credit (one credit for each day of the month), which may be used for lunch or dinner (or both) in the dining room (or a comparable meal plan as determined by Meadow Ridge from time to time);

- 4.3** Water, sewer, air conditioning, heating, and electricity;
- 4.4** Satellite or Cable TV service (as decided by Meadow Ridge);
- 4.5** Property taxes, insurance on building and structures;
- 4.6** Groundskeeping, landscaping, and snow removal;
- 4.7** Security services;
- 4.8** Building janitorial and maintenance service;
- 4.9** Weekly housekeeping service;
- 4.10** Weekly flat laundry service (one load);
- 4.11** Planned social, cultural and recreational activities for those who wish to participate;
- 4.12** One reserved space for open parking provided, however, parking spaces are only available if you own an automobile;
- 4.13** Carpeting (except in kitchen and bath where there will be alternate floor covering);
- 4.14** Complete kitchen, including refrigerator, range with oven, dishwasher, microwave oven, ductless hood fan;
- 4.15** Stackable washer and dryer in each apartment;
- 4.16** Local transportation as scheduled by us (which may change from time to time) – a description of scheduled transportation is located in the Resident Handbook, and a copy is provided to residents upon admission to The Community;
- 4.17** Emergency call system in your Residence through the use of a pendant, which is monitored 24-hours a day by designated Community staff;
- 4.18** Use of all common areas in The Community;

4.19 Use of recycling rooms on every floor;

4.20 Priority access over nonresidents to The Health Center at Meadow Ridge pursuant to the terms of Section 6 of this Agreement; and

4.21 Priority access over nonresidents to the Assisted Living Apartments at Meadow Ridge pursuant to the terms of Section 6 of this Agreement.

5. SERVICES PROVIDED FOR AN EXTRA CHARGE

5.1 Miscellaneous Additional Services

Meadow Ridge will also make available at The Community, at your request, so long as you reside in an apartment at The Community, at the then prevailing rates of extra charge: additional meals besides those provided in consideration for the monthly meal credit, guest meals, tray service to your Apartment, additional housekeeping, certain office services such as "fax" and copier, use of guest rooms, catering for private parties, home health services, salon services, garage parking, if available, non-emergency calls to and service of the Medical Director, personalized transportation, and certain other services, upon special arrangements. Certain additional services for extra charge will also be available to you while you are in The Health Center at Meadow Ridge or an Assisted Living Apartment.

A list of these extra charges for the additional services can be obtained from the front desk. A copy of the extra charges is also in the Resident Handbook provided to all new residents. Each year, a current copy of the extra charges is distributed to each resident, along with the notification of any fee increases for the upcoming year.

5.2 Certain Services in Resident's Apartment

Certain Assisted Living Services are available to you in your Apartment on a limited basis for an extra charge. A list of available and extra services is attached to this Agreement as Exhibit B. This list may change from time to time in our sole discretion, and a revised list will be provided to you when changes are made. Meadow Ridge reserves the right to adopt and revise, from time to time, assessment criteria for independent living skills, which the Medical Director shall consider in determining whether you require Assisted Living Services in an Assisted Living Apartment.

5.3 Garage Rental Fee

If you wish to substitute a garage for a surface parking space, depending on availability, you may elect to rent a garage pursuant to a separate one year renewable lease and pay an additional monthly Garage Rental Fee for the garage. The Garage Rental Fee will be paid on the tenth day of each month along with all other Regular Monthly Charges owed by you.

6. ASSISTED LIVING AND THE HEALTH CENTER AT MEADOW RIDGE

If, in the opinion of your attending physician and the Medical Director, after consultation with you, assisted living in an Assisted Living Apartment or nursing care in The Health Center at Meadow Ridge is necessitated, you will be requested to relocate to an Assisted Living Apartment or The Health Center (either temporarily or permanently) or another health center of your choice on the following terms:

6.1 Accommodations in Assisted Living Apartments and The Health Center.

We will provide you with priority access over nonresidents for admission to an Assisted Living Apartment or The Health Center, on a space available basis at our current private pay rates.

6.2 Assisted Living or Nursing Care for Residents of a Single-Occupied Apartment

If you require accommodations in an Assisted Living Apartment or The Health Center, you will be given priority access over nonresidents for admission to an Assisted Living Apartment or The Health Center. If you relocate, your Regular Monthly Charges will depend upon whether you choose to release your Apartment:

6.2.1 Release Apartment. If you have relocated to an Assisted Living Apartment or The Health Center and you choose to release your Apartment for occupancy by someone else, you shall provide us with forty five (45) days advance written notice. During such forty five (45) day period, you will continue to pay your Monthly Fee, your Health Care Charges and all other applicable Regular Monthly Charges. Upon the later of expiration of such forty five (45) days, or the removal of the contents of your Apartment, the Monthly Fee for your

Apartment will cease and you will continue to pay your Health Care Charges and any other applicable Regular Monthly Charges.

6.2.2 Retain Apartment. If you do not release your Apartment, you will continue to pay your Monthly Fee for your Apartment and all other applicable Regular Monthly Charges. You will also pay your Health Care Charges.

6.3 Assisted Living or Nursing Care For Residents of a Double-Occupied Apartment

If one of you requires Assisted Living Services or nursing care, you will be given priority access over nonresidents for admission to an Assisted Living Apartment or The Health Center. If you relocate, you will pay your Health Care Charges. The Resident who remains in the Apartment will continue to pay the first person Monthly Fee and all other applicable Regular Monthly Charges. If both of you require care, your Regular Monthly Charges will depend upon whether you release your Apartment:

6.3.1 Release Apartment. If you have relocated to an Assisted Living Apartment or The Health Center and you choose to release your Apartment for occupancy by someone else, you shall provide us with forty five (45) days advance written notice. During such forty five (45) day period, you will continue to your Monthly Fee, your Health Care Charges and all other applicable Regular Monthly Charges. Upon the later of the expiration of such forty five (45) days, or the removal of the contents of your Apartment, the Monthly Fee for your Apartment will cease. You will continue to pay for your Health Care Charges and any other applicable Regular Monthly Charges.

6.3.2 Retain Apartment. If you do not release your Apartment, you will continue to pay your Monthly Fees (first person only) for your Apartment and all other applicable Regular Monthly Charges. You will also pay your Health Care Charges.

6.4 Outside Care

If you are in need of Assisted Living Services and there are no Assisted Living Apartments, or if you are in need of nursing care and there are no nursing care beds available in The Health Center, you may (i) receive home health services in your Apartment at your own cost and expense and/or (ii) place your name on the

waiting list for an Assisted Living Apartment or nursing care bed at The Health Center, as applicable, which will be processed in accordance with Meadow Ridge's wait list policy; or (iii) relocate to, and receive care from, another assisted living facility or nursing facility at your own cost and expense. If you relocate, you will continue to be responsible for paying the Regular Monthly Charges outlined in this Agreement.

6.5 Return to Apartment

If you give up occupancy of your Apartment because you have moved to The Health Center at Meadow Ridge or an Assisted Living Apartment, and if later you are able, in the opinion of the Medical Director, or your attending physician with the concurrence of the Medical Director, to return to an apartment, we will provide you an apartment of the same type as your former Apartment as soon as one becomes available. You will be permitted to remain in The Health Center at Meadow Ridge or your Assisted Living Apartment, as applicable, until such apartment becomes available. Upon return to an Apartment, your Monthly Fee will be based on the then-current charges for such apartment as described in Section 3.2 above.

6.6 Reserved

6.7 Medical Director

We will designate, from time to time, a member in good standing with privileges at Norwalk Hospital or Danbury Hospital as Medical Director of The Health Center. You will be at liberty to engage the services of the Medical Director at your own expense. We will not be responsible for the cost of medical treatment by the Medical Director, nor will we be responsible for the cost of medicine, drugs, prescribed therapy, and the like. In the event we incur or advance costs for your medical treatment or for medicine, drugs, prescribed therapy and the like (even though such medical care is given at the direction of your attending physician or the Medical Director without prior approval), you will reimburse us for such costs along with any associated costs of collection.

6.8 Non-Resident Use of Assisted Living Apartments and The Health Center

We offer assisted living services and nursing care to qualified nonresidents for a fee to the extent accommodations are available. Residents will, however, be

given priority to available Assisted Living Apartments and nursing beds at The Health Center at Meadow Ridge. Assisted Living Fees collected from nonresidents will not become part of the Allocation Formula.

6.9 Supplemental Insurance

You are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to us to assure your ability to fully cover a Medicare-qualified stay in The Health Center at Meadow Ridge, and shall furnish to us such evidence of coverage as we may from time to time request. Such supplemental insurance should cover Medicare co-insurance and deductibles. If you are under the age of sixty-five (65) and do not otherwise qualify for Medicare coverage, you will obtain medical insurance coverage equivalent to the Medicare Part A and B and supplemental health insurance as described in this Section 6.10, satisfactory to us, and you will provide proof of such coverage upon request.

6.9.1 Financial Responsibility. Should your supplemental health insurance or equivalent coverage not fully cover a Medicare-qualified stay in The Health Center at Meadow Ridge, or should you fail to purchase supplemental health insurance or equivalent coverage to fully cover a Medicare-qualified stay in The Health Center at Meadow Ridge, you shall be financially responsible for paying deductibles, co-insurance amounts and any other charges for each Medicare-qualified admission and stay in The Health Center. If failure to maintain Medicare Part A, Medicare Part B or supplemental health insurance causes depletion of your resources and impairs your ability to meet your financial obligations, we need not defer your financial obligations to us as provided in Section 9.2.3 of this Agreement, and we may revoke your right to reside at The Community and may terminate the Residency Agreement as provided in this Agreement.

6.10 Managed Care

If you have chosen to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B and supplemental insurance coverage, the terms of this Agreement governing care in The Health Center at Meadow Ridge will include the following provisions:

6.10.1 Participating Provider. If The Health Center at Meadow Ridge is a participating provider with your managed care program and your stay is

a Medicare-qualified stay, we agree to accept, as full payment, reimbursement at the rate negotiated with your managed care program.

6.10.2 Not a Participating Provider. If The Health Center at Meadow Ridge is not a participating provider with your managed care program and you choose to receive health care services at a managed care participating provider during a Medicare-qualified stay, then you agree that you must relocate for as long as necessary for those services to be provided, and be responsible for all charges for those services. In addition, while receiving health care services at the managed care participating provider, you agree that unless this Agreement is terminated, you will continue to pay the Monthly Fees for your Apartment, and all other applicable Regular Monthly Charges.

6.10.3 Negotiated Managed Care Rate. If The Health Center at Meadow Ridge is not a participating provider in your managed care program and your stay is a Medicare-qualified stay, we will attempt to negotiate an acceptable reimbursement rate with your managed care program. If we are able to negotiate an acceptable rate, we agree to accept as full payment the rate provided by your managed care program. If we are unable to negotiate an acceptable rate and you choose to receive health care in The Health Center at Meadow Ridge, you agree to be responsible for all charges for care in The Health Center at Meadow Ridge, as set forth in Section 6.10.4 below.

6.10.4 No Negotiated Managed Care Rate. If The Health Center at Meadow Ridge is not a participating provider in your managed care program and a negotiated rate is not agreed upon and you would still like to receive health care in The Health Center at Meadow Ridge during a Medicare-qualified stay, during any such Medicare-qualified stay in The Health Center at Meadow Ridge, you agree that you will continue to pay: the Monthly Fees for your Apartment (if you choose not to release your Apartment), your Health Care Charges, and all other applicable Regular Monthly Charges.

6.10.5 Post-Medicare Qualified Stay. At the conclusion of each such Medicare qualified stay, you will be entitled to health care in The Health Center at Meadow Ridge at the then current private pay rates and in accordance with the terms of this Agreement.

6.11 Admission Agreements

If you require Assisted Living Services or nursing care, you agree to enter into a separate admission agreement to be signed by you and us, the form which will be available for your review.

7. DURATION OF YOUR RIGHT TO OCCUPY THE APARTMENT

You may live in your Apartment for as long as you (or either of you) live unless you (or both of you) are not capable of maintaining yourself in independent living in the Apartment, or this Agreement is terminated by you or by us. If, in the opinion of your attending physician or the Medical Director, your physical or mental health requires that nursing care or Assisted Living Services be given, you agree to relocate to The Health Center at Meadow Ridge or an Assisted Living Apartment at Meadow Ridge. If it is determined that you require hospitalization, we will assist in the coordination of your transfer to an appropriate hospital. Community staff will not accompany you to the hospital nor will we be responsible for the charges associated with your transfer.

8. YOUR VOLUNTARY CANCELLATION RIGHTS AFTER OCCUPANCY

After you have moved into The Community, you may cancel this Agreement at any time by giving us one hundred twenty (120) days written notice signed by you (or both of you if there is double occupancy) and sent by registered or certified mail. The one hundred twenty (120) days will begin on the date such notice is received by the Community. If you give such notice, you will pay all applicable Regular Monthly Charges until the later of (a) the expiration of such one hundred twenty (120) day period or (b) the actual release of your Apartment and the removal of the contents of your Apartment. In such event, we will retain the total of your Entrance Fee, and your Loan will be repaid in accordance with the terms of the Loan Agreement.

9. OUR TERMINATION RIGHTS

9.1 Just Cause

We will not terminate this Agreement except for just cause. Just cause includes, but is not limited to, the following:

9.1.1 Failure to make the Admission Payments or, except as set forth below, pay any Regular Monthly Charges as provided herein;

9.1.2 Creation by you (or either of you if there are two of you) of a disturbance within The Community which in our judgment is detrimental to the health, safety, comfort, or peaceful living of others;

9.1.3 You (or either of you if there are two of you) become infected with a dangerous and contagious disease or become mentally or emotionally disturbed, and the Medical Director determines that such condition is detrimental to the health, safety, or welfare of others, and such condition cannot be cared for in an Assisted Living Apartment or in The Health Center at Meadow Ridge within the limits of our license from the State of Connecticut;

9.1.4 You (or either of you if there are two of you) refuse medical treatment which in the opinion of your attending physician or the Medical Director is medically required for your (or the second person's, if there are two of you) health or for the health or safety of others;

9.1.5 You (or either of you if there are two of you) do not comply with the terms of this Agreement or the published operating procedures, covenants, rules, regulations and policies now existing or later created or amended by us; or

9.1.6 Your material misrepresentation or omission of information in the materials provided by you in the residency process, including without limitation, the representations and information provided pursuant to Section 15 of this Agreement, which, if such information had been accurate, would have been material to our decision whether or not to accept you for residency.

Notwithstanding the above, if there are two of you and a termination event under Section 9.1.2, 9.1.3, 9.1.4 or 9.1.5 occurs that involves only one of you, this Agreement shall continue with respect to whichever of you is not the subject of such termination event and such remaining person shall continue to occupy the Apartment, pay the Monthly Fee (first person only) and all other applicable Regular Monthly Charges.

9.2 Limitations on Termination Rights for Financial Inability

If after you have paid the Entrance Fee, Second Person Entrance Fee, if applicable, and made the Loan, you encounter financial difficulties making it impossible for you to pay the full Regular Monthly Charges; then:

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

9.2.2 You shall in any case be permitted to remain at The Community for ninety (90) days after the date of failure to pay, during which time you shall continue to pay reduced Regular Monthly Charges based on your current income; and

9.2.3 Because it is and shall continue to be our declared policy to not terminate your residency solely by reason of your financial inability to pay the full Regular Monthly Charges, you shall be permitted to remain at The Community at reduced Regular Monthly Charges based on your ability to pay for so long as you establish facts to justify deferral of the usual charges, and the deferral of such charges can, in our sole discretion, be granted without impairing our ability to operate on a sound financial basis. The loss of revenue to The Community from any such deferral of charges will be borne by us and will not be charged back to the residents under the Allocation Formula. In such circumstances, we reserve the right to relocate you to a smaller apartment. This Section 9.2.3 shall be rendered inoperative if you have impaired your ability to meet your financial obligations or made any misrepresentations with respect to your financial ability. Any such deferred charges shall be offset against repayment of your Loan as provided in Section 2.4.

9.3 Notice of Termination

Prior to any termination of the Agreement by us, we will give you notice in writing of the reasons and you will have thirty (30) days thereafter within which the problem may be corrected. If the problem is corrected within such time, this Agreement shall not be then terminated. If the problem is not corrected within such time, this Agreement will be terminated and you must leave The Community.

9.4 Emergency Termination

Notwithstanding the above, if the Medical Director determines that either the giving of notice or the lapse of time as provided above might be detrimental to you or others, then such notice and/or waiting period prior to termination and relocation to a hospital or other appropriate facility shall not be required and termination of this Agreement shall be deemed to have occurred when you are relocated. In such event, we are expressly authorized to transfer you to a hospital or other appropriate facility and will promptly notify your representative or your attending physician.

10. MISCELLANEOUS PROVISIONS WITH RESPECT TO YOUR APARTMENT

10.1 Use of Apartment

The Apartment is for living only, but may be used for carrying on any business or profession; provided, however, that you comply with all applicable zoning restrictions and any other applicable municipal, state, or federal law and provided that you do not cause a disturbance of others in The Community.

10.2 Occupancy of Apartment

Except as hereinafter provided, no person other than you (or both of you) may occupy the Apartment except with our express written approval. In the event that a second person who is not a party to this Agreement is accepted for residency under this Agreement at a time subsequent to the date hereof (said acceptance to be in accordance with financial and other admission policies governing all other admissions), you shall pay an Entrance Fee and, if applicable, a Second Person Entrance Fee, as determined by us, and each month thereafter the then current applicable Regular Monthly Charges for second persons shall be paid. If such second person does not meet the requirements for residency, such second person will not be permitted to occupy the Apartment for more than thirty (30) days (except with our express written approval) and you may cancel this Agreement as provided in Section 8. Meadow Ridge reserves the right to adopt and revise, from time to time, its admission guidelines.

10.3 Compliance Changes

We may effect changes in The Community at any time to meet the requirements of the law. You agree to temporarily relocate to other facilities provided by us without additional cost to you if it becomes necessary to vacate your Apartment in order to make such changes.

10.4 Furnishings

Furnishings within the Apartment will not be provided by us except to the extent provided in consideration for the Monthly Fee. Furnishings provided by you shall not be such as to interfere with the health, safety, and general welfare of other residents or the staff of The Community. If removal of your furniture and other property is not accomplished within thirty (30) days after your death (or the death of the resident survivor) or termination of this Agreement, then we may remove and store such furniture and other property at the expense of you or your estate. We may dispose of such furniture or other property that is not claimed within ninety (90) days after your death (or the death of the resident survivor) or termination of this Agreement, provided that we will remit to you or your estate any balance after deducting costs of disposition.

10.5 Alterations by You

You may not undertake any alterations to your Apartment without our prior written approval which shall not be unreasonably withheld.

10.6 Additional Charges

The Community shall charge you for a refurbishment fee to refurbish your Apartment after the termination of this Agreement and shall deduct the same from any amount of the Loan to be repaid pursuant to the Loan Agreement.

11. ALLOCATION FORMULA

The amount of your Monthly Fee is determined by application of the Allocation Formula. The Allocation Formula has been developed to equitably apportion the costs of operating The Community among its residents. The Monthly Fee also includes a ninety dollar (\$90) charge per month for occupying your Apartment (including any Assisted Living Apartment to which you relocate) or The Health Center at Meadow Ridge. There shall be no increase in this charge

during the term of this Agreement and charges collected shall be our unrestricted property and may be used by us for any purpose. This portion of the Monthly Fee is not determined by application of the Allocation Formula.

11.1 General

All projected Cash Requirements (including additions to reserves) necessary to provide accommodations and services to the residents of The Community (including residents of The Health Center at Meadow Ridge and residents of Assisted Living Apartments) are charged to The Community residents through the application of the Allocation Formula. Generally, the projected Cash Requirements are based upon the costs incurred in connection with the operation of The Community for the preceding year with adjustments for inflation or deflation, occupancy rates, additions to reserves, and nonrecurring expenses, and reduced by projected revenues (such as fees for services, certain investment income, etc.) for the upcoming year. Once determined, the projected Cash Requirements are then allocated among The Community residents based upon the size of the Apartment which each resident occupies and the number of residents in The Community.

11.2 Benefits to Us

Except as set forth above, no portion of the costs included in the Allocation Formula are paid to Meadow Ridge as fees. The compensation to Meadow Ridge for the on-going ownership of The Community will be comprised solely of Admission Payments from new residents of The Community (including any Second Person Entrance Fee charged), subject to our repayment obligations with respect to the Loans, as set forth in this Agreement and in the Loan Agreement, the \$90 charge per month included in the Monthly Fee (which are fixed for the duration of a resident's occupancy), Assisted Living Fees from non-residents of Assisted Living Apartments, Garage Rental Fees, interest earned on deposits and/or certain escrowed monies, all cancellation fees collected from potential residents, the potential appreciation of The Community, and other benefits generally associated with the ownership of real estate. In addition, to the extent Meadow Ridge loans funds to operations that would normally be funded through the Allocation Formula and/or funds any shortfalls between operating revenues and operating expenses, Meadow Ridge may, at its option, seek to recoup such amounts through the Monthly Fees.

11.3 Cash Requirements

As set forth in this Section 11, your Monthly Fee will be adjusted upward or downward each year according to the Cash Requirements of The Community, as allocated to each Apartment and all second persons. The Cash Requirements to be allocated are the sum of:

11.3.1 (a) Operating Cash Requirements for the preceding year (annualized if the actual period is less than a full operating year), which shall mean all recurring and nonrecurring costs, expenses, and outlays incurred in connection with the operation and administration of The Community. Operating Cash Requirements shall be determined by The Community management and shall include but not be limited to salaries and wages and all fringe benefits paid to employees of The Community and to other persons stationed at The Community, and to other persons having day-to-day administrative, marketing and/or management responsibilities; payroll taxes; telephone; utilities; insurance premiums; license fees, occupational taxes, property taxes, sales taxes, permits, etc., associated with the operation of The Community; lease payments, if any; legal and accounting services; bad debts and other losses related to the operation; deductibles related to insurance claims; consulting fees for specialists such as dietitians and medical directors; food and supplies; replacement and repair of equipment and all common furniture and fixtures; individual capital improvements; any contribution required to fund the reserve fund set forth in Section 11.3.2 and any reserves required pursuant to applicable law; all interior building elements such as carpet, doors, repainting, and glass damage; management fees plus costs of reasonable expenses incurred in performing management services for The Community, such as transportation, living expenses, telephone expense and photocopying expense; cost of maintenance and normal replacement of landscaping; costs of outside nursing home care for residents as set forth in Section 6.4; principal and interest payments on all Permitted Loans, as defined in Section 11.3.1(b) below, and other similar items related to the operation of The Community. Notwithstanding anything to the contrary contained herein, Operating Cash Requirements shall not include (a) income taxes, (b) dividends, (c) any balloon principal payment due and payable at maturity with respect to any Permitted Loan, (d) any other principal payment with respect to any Permitted Loan except a regularly scheduled principal payment based on an amortization schedule of at least twenty (20) years, and (e) the cost of any item included in Operating Cash Requirements above to the extent that such cost is reimbursed by an insurance company, condemnor, tenant or any other party.

(b) As used herein, “Permitted Loans” shall mean all loans (or the portion of any such loan not excluded by any of the following provisions of this paragraph) secured by any mortgage or security interest permitted under the definition of “Permitted Encumbrances” in the Trustee Mortgage (the mortgage securing the residents’ loans), excluding the following: (a) that portion of any loan which is used for purposes unrelated to The Community and the operation, administration, remodeling or renovation of The Community and (b) any loan extended in connection with any purchase of The Community or any part thereof or any transfer of any of the beneficial interests in the owner of The Community, except with respect to the portion of such loan advanced to repay that portion of the principal of a Permitted Loan not otherwise excluded in subparagraphs (a) through (b) of these exclusions. On no less than an annual basis, the owner of The Community shall provide an accounting to the residents of the Permitted Loans, including the principal amount thereof, the principal and interest paid on each Permitted Loan over the previous calendar year and the projected principal and interest to be paid on each Permitted Loan over the subsequent calendar year.

11.3.2 An amount to maintain or increase any reserve for repair and replacement established at The Community. The amount to be included in each calendar year in the Allocation Formula shall be equal to the amount periodically estimated by the Owner to be reasonably necessary to maintain The Community as a first class residential community. Any such reserve for repair and replacement is in addition to any operating reserves required under Connecticut law. Deposits to any such reserve and earnings from any such reserve may only be used for repairs, replacements, or capital improvements.

11.3.3 An amount projected by us to account for expected changes from the previous year in services, The Health Center at Meadow Ridge and Assisted Living utilization, apartment occupancy, marketing, remodeling, or any other material factor.

11.3.4 A reasonable estimate for inflation or deflation in the cost of operating The Community for the coming calendar year.

11.3.5 An amount to establish, maintain or increase the amount of any reserve required by the laws of the State of Connecticut as the same may be amended from time to time. The minimum required balance in the reserves may only be used for items related to the operation of The Community.

11.3.6 An amount to establish, maintain or increase any additional reserves other than the reserves described in Section 11.3.5 above. Deposits to these reserves and earnings from these reserves may only be used for items related to the operation of The Community.

11.3.7 There shall then be subtracted the projected net revenues to be received in the coming calendar year from (i) The Health Center at Meadow Ridge's operations; (ii) extra fees received for the furnishing of additional services to the residents as provided in Sections 5 and 6 of this Agreement; (iii) space rentals from such support services as salon services; (iv) income from investment of certain reserves; and (v) nonrecurring operating income.

11.4 Allocation of Cash Requirements

Allocation of the sum of the Cash Requirements described in Section 11.3 to each individual resident's apartment and all second persons shall be accomplished by:

11.4.1 Multiplying the number of apartments in The Community of each size and the number of second person residents therein by the following factors and then summing such products:

Number of One-Bedroom Apartments (Type A)	X 84.97%
Number of Maple Building Apartments (Type A1)	X 76.14%
Number of Maple Building Apartments (Type A2)	X 93.06%
Number of Two-Bedroom Apartments (Type B)	X 100.00%
Number of Two-Bedroom/Den Apartments (Type C)	X 114.97%
Number of Two-Bedroom/Deluxe Apartments (Type D)	X 143.10%
Number of A, A Combo Units	X 123.52%
Number of A, C Combo Units	X 143.10%
Number of Assisted Living Apartments (Type AL)	X 100.00%
Number of Second Persons	X 32.37%

To take into account the combination or addition of different apartments to The Community, or similar events which require the addition of new factors, factors may be added to or deleted from the above formula upon thirty (30) days' prior written notice.

11.4.2 Multiplying the sum determined in Section 11.4.1 above by a factor representing the projected apartment occupancy rate.

11.4.3 Dividing the sum of the Cash Requirements determined under Section 11.3 by the amount determined under Section 11.4.2 to arrive at the arithmetic quotient.

11.4.4 The Share for each apartment size and for the second person in any such Apartment shall be the product of multiplying the arithmetic quotient determined under Section 11.4.3 by the factor assigned to each apartment and to the second person in Section 11.4.1. The amount of increase or decrease in the Monthly Fee will be the difference between the new Share for each apartment size and for the second person and the applicable Share for the preceding year, divided by twelve (12).

11.5 Determination and Implementation of Share

11.5.1 At least thirty (30) days prior to the end of each calendar year, we will notify you of the new Monthly Fee that will go into effect at the start of the next calendar year. The new Monthly Fee will be based on annualized, unaudited numbers available at that time and will be subject to adjustments as described in this Section 11.5.

11.5.2 Any changes to the Monthly Fees announced pursuant to Section 11.5.1 resulting from significant adjustments that have come to our attention shall be implemented no later than one hundred fifty (150) days after the beginning of the calendar year. Changes in the Monthly Fees shall be effective as of the beginning of the calendar year. The amount of the increase or decrease in Monthly Fees based on such adjustments will be payable by you or reimbursed by us as of the first day of the month following the month in which the increase or decrease is implemented. The Monthly Fee shall remain at the new level until the fees are adjusted for the next calendar year as outlined in this Section 11.5.

12. AMENDMENTS

12.1 This Agreement

This Agreement may be amended by agreement of the parties to this Agreement.

12.2 Laws and Regulations

This Agreement may be modified by us at any time in order to comply with laws and regulations upon thirty (30) days notice to you.

13. MISCELLANEOUS LEGAL PROVISIONS

13.1 Governing Law

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

13.2 Consent to Forum

Regardless of any present or future domicile of Resident, Resident hereby consents and agrees that the Connecticut Superior Court for the Judicial District of Danbury, or, at our option, the United States District Court for the District of Connecticut, shall have exclusive jurisdiction to hear and determine any claims or disputes between Resident and Meadow Ridge pertaining to this Residency Agreement or to any matter arising out of or related to this Residency Agreement. Resident expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Resident hereby waives any objection which Resident may have based upon lack of personal jurisdiction, improper venue or *forum non conveniens* and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Nothing in this Residency Agreement shall preclude the enforcement by Meadow Ridge of any judgment or order obtained in such forum or the taking of any action under this Residency Agreement to enforce same in any other appropriate forum or jurisdiction.

13.3 Separability

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

13.4 Capacity

This Agreement has been executed on our behalf by our duly authorized agent, and no partner, officer, director, member, agent or employee of Meadow Ridge shall have any personal liability hereunder to Resident under any circumstances.

13.5 Residents

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

13.6 Resident Rights

As a resident of The Community, you have certain rights under the Connecticut continuing care law (Conn. Gen. Stat. §17b-520 *et. seq.*), a copy of which is available upon request. You also have certain rights as a resident of The Community because it is a Managed Residential Community. A copy of the Managed Residential Community Residents' Bill of Rights is attached hereto as Exhibit C.

13.7 Nature of Rights

You understand and agree that (a) this Agreement or your rights (including the use of the Apartment) under it may not be assigned and no rights or benefits under this Agreement shall inure to the benefit of your heirs, legatees, assignees, or representatives, except as to reimbursement of the amounts as described in Section 2; (b) this Agreement and your contractual right to occupy the Apartment shall exist and continue to exist during your lifetime unless canceled by you or terminated by us as provided herein; (c) this Agreement grants you a revocable license to occupy and use space in The Community but does not give you exclusive possession of the Apartment as against us and you shall not be entitled to any rights of specific performance but shall be limited to such remedies as set forth herein; (d) this Agreement is not a lease or easement and does not transfer or grant you any interest in real property owned by us; and (e) this Agreement grants to us complete decision making authority regarding the management and operation of The Community.

13.8 Release

We are not responsible for loss of or damage to your personal property. You may want to obtain, at your own expense, insurance to protect against such losses.

13.9 Indemnity

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

13.10 Entire Agreement

This Agreement and any Addenda or Exhibits contain our entire understanding with respect to your residency.

13.11 Tax Considerations

Each person considering executing this Agreement should consult with his or her tax advisor regarding the tax consequences associated with this Agreement and the Loan Agreement.

13.12 Subordination

Except for your right of cancellation prior to occupancy and your rights under the Trustee Mortgage securing the Loan, you agree that all your rights under this Agreement will always be subordinate and junior to the lien of all indentures of trust, mortgages or other documents creating liens encumbering The Community or any of the assets of Meadow Ridge, which have been or will be executed by us. Upon request, you agree to sign, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require. You will not be liable for any such indebtedness.

13.13 Transfers

We may from time to time issue additional equity interests, or sell The Community, provided that in such latter event the buyer shall agree to assume all existing residency agreements. In addition, we may sell or otherwise transfer the

land or other portions of The Community and lease back such land or other portions. Your signature hereto constitutes your consent and approval to any such future transfer.

13.14 Law Changes

If changes are made in any of the statutes or regulations applicable to this Agreement prior to your occupancy of the Apartment, we shall have the right to terminate this Agreement or submit to you a revised Agreement based on the changes in the law, and you agree to accept any such revisions which do not adversely affect you.

13.15 Residents' Association

Residents shall have the right to organize and operate a residents' association at The Community and to meet privately to conduct business of the residents' association.

13.16 Rights of Third Parties

Only parties who have executed this Residency Agreement will have any rights hereunder. Neither this Residency Agreement nor the disclosure statement creates any rights for parties other than those who have executed this Residency Agreement.

13.17 Estate Planning

This Agreement provides for the payment of the Admission Payments in two parts – the Entrance Fee and the Loan. The Entrance Fee Deposit is required to be paid by you upon execution of this Agreement and the balance of your Entrance Fee and the Second Person Entrance Fee, if applicable, is due and payable on the same day your Loan is due pursuant to Section 1.3. The Loan is repayable to your estate in the event of your death, or in the case of a double-occupied Apartment, the death of the surviving Resident, in accordance with the terms of the Loan Agreement. If you do not wish to have the Loan repayment made to your estate, you may choose to assign your right to repayment of the Loan to a trust or other person designated by you pursuant to a form of Assignment of Rights to Repayment approved by Meadow Ridge. In the absence of any agreement between the Residents of a double-occupied Apartment which has been provided to Meadow Ridge prior to the repayment of the Loan, then the Loan will be repayable

to the estate of the last surviving Resident. No other rights under this Agreement are assignable.

13.18 Private Employees of Residents

If you need additional services, you can obtain these needed services from a private employee, an independent contractor, or through an agency (personal service provider). In such instances, we strongly advise you to obtain these needed services from a licensed and/or certified home health agency or assisted living services agency. Further, you must comply with our policy regarding personal service providers and ensure that your private employee, independent contractor, or person you employ through an agency complies with our policies and rules of conduct set forth therein. If you fail to follow or enforce the policies and rules of conduct, then we may elect at our sole option to terminate this Agreement, in accordance with Section 9.1.5.

13.19 Compliance with Laws and Regulations

Meadow Ridge will comply with all applicable municipal, state, and federal laws and regulations, including consumer protection and protection from financial exploitation.

13.20 Complaint Resolution Process

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

14. RESERVE POLICY

It will be our policy to maintain reserve funds as required by Chapter 319hh of the Connecticut General Statutes (Sec. 17b-520 et seq.) and the Connecticut Department of Social Services ("DSS").

15. RESIDENT REPRESENTATIONS

By executing this Agreement you represent and warrant that you are capable of independent living (in accordance with Meadow Ridge's current assessment criteria for living skills which are attached to the disclosure statement as Exhibit I and hereby incorporated by reference) and free of communicable disease and have

assets and income which are sufficient under foreseeable circumstances and after provision for payment of your obligations under this Agreement to meet your ordinary and customary living expenses after assuming occupancy, and that all written representations made with respect to such matters by you or on your behalf to us are true. The foregoing representations shall be deemed made as of the date of your execution of this Agreement and as of your date of occupancy of your Apartment.

16. RESIDENT HANDBOOK

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

17. ACKNOWLEDGEMENT OF RECEIPT OF DOCUMENTS

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

18. PERSONAL REPRESENTATIVE

You agree to execute and deliver to us, at or before assuming residency in your Apartment, a durable power of attorney, trust documents, or other documentation naming a personal representative for personal and financial decision-making. These documents should be drafted to remain effective notwithstanding your incompetence or disability, in form acceptable to us. You shall keep such instrument in effect as long as this Agreement is in effect. The person named as your representative shall not be a person employed by The Community or any other entity engaged in the management of The Community.

19. ACKNOWLEDGEMENT

Under the requirements of applicable law, we are obligated to remind you that:

(1) this Agreement, which is a continuing care contract, is a financial investment and your investment may be at risk;

(2) our ability to meet our contractual obligations under this Agreement depends on our financial performance;

(3) you have been advised to consult an attorney or other professional experienced in matters relating to investments in continuing care facilities before you signed this Agreement; and

(4) DSS does not guarantee the security of your investment.

In addition, by executing this Agreement, you are acknowledging that this Agreement has been carefully reviewed by you or your legal representative.

Executed at _____, Connecticut this _____ day of _____, 20____.

RESIDENT:

REDDING LIFE CARE, LLC
d/b/a Meadow Ridge

Resident or Resident's Representative

By: _____
An Authorized Representative

Resident or Resident's Representative

Witness

Witness



EXHIBIT A

LOAN AGREEMENT

Pursuant to your Residency Agreement, you agree to loan \$_____ to Redding Life Care, LLC doing business as Meadow Ridge (hereafter referred to as "Meadow Ridge" or "The Community") and Meadow Ridge agrees to repay such amount upon the terms and conditions hereinafter set forth.

1. Payment of Loan Proceeds.

The Loan shall be made to Meadow Ridge on the date you occupy your Apartment in The Community or as provided in Section 1.3 of the Residency Agreement.

2. Interest.

Pursuant to the current below market interest provisions of Section 7872 of the Internal Revenue Code of 1986, as amended, no interest shall accrue or be paid on your Loan.

3. Security.

Your Loan, and all other loans to Meadow Ridge made by The Community residents (up to an aggregate of \$200,000,000, as may be increased from time to time), shall be secured by a mortgage on the real estate known as The Community which is owned by Meadow Ridge. The mortgage will be subject and subordinate to certain permitted encumbrances. A copy of the Mortgage and the Indenture of Trust is available to you upon request.

4. Repayment.

Your Loan shall become due and payable as follows:

(i) if your Residency Agreement is canceled or terminated whether by you or us (other than a cancellation or termination following an event described in

subparagraphs (ii) through (iv) below), then your Loan shall become due and payable on the earlier of: (A) ninety (90) days after the date that both of your Apartment is reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident, or (B) thirty-six (36) months from the Cancellation Date (as used herein, "Cancellation Date" shall mean the date the later of (x) the expiration of the one hundred twenty (120) day period set forth in Section 8 of the Residency Agreement if you cancel the Residency Agreement in accordance with Section 8 or (y) the actual release of your Apartment and the removal of the contents of your Apartment).

(ii) if you die or the survivor if there are two of you dies and at the time of such death your Apartment had not been released in connection with an admission to The Health Center at Meadow Ridge or an Assisted Living Apartment, then your Loan shall become due and payable on the earlier of: (A) ninety (90) days after the date that your Apartment is reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident, or (B) thirty-six (36) months from the date of the actual release of your Apartment and the removal of the contents of your Apartment;

(iii) if you die or the survivor if there are two of you dies while residing in The Health Center at Meadow Ridge or an Assisted Living Apartment and at the time of such death your Apartment had been released in connection with your (or such survivor's) admission to The Health Center at Meadow Ridge or an Assisted Living Apartment and your Apartment has been reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident has been made prior to your death (or the death of the survivor if there are two of you), then your Loan shall become due and payable six (6) months after the date of such death, otherwise on the earlier of: (A) ninety (90) days after the date that your Apartment is reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident, or (B) thirty-six (36) months from the date of such death;

(iv) if you are residing or the survivor if there are two of you is residing in The Health Center at Meadow Ridge or an Assisted Living Apartment and you (or such survivor) decide to voluntarily relocate out of The Community and terminate your Residency Agreement and at the time of such move your Apartment previously had been released in connection with your (or such survivor's)

admission to The Health Center at Meadow Ridge or an Assisted Living Apartment and your Apartment has been reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident has been made prior to such relocation, then your Loan shall become due and payable six (6) months after the date that you actually move out of The Health Center at Meadow Ridge or the Assisted Living Apartment, as the case may be, otherwise on the earlier of (A) ninety (90) days after the date that your Apartment is reoccupied by a new resident to The Community and the payment in full of the applicable admission payment by such new resident, or (B) thirty-six (36) months from the date of your move out of the Health Center or the Assisted Living Apartment, as the case may be; and

(v) if your Residency Agreement has not been canceled or terminated in accordance with the provisions of the Residency Agreement, then your Loan shall become due and payable thirty (30) years from the date hereof.

The amount of the loan proceeds repaid may be reduced by (1) any unpaid Regular Monthly Charges owed by you, (2) any unreimbursed health care expenses that we have advanced on your behalf, (3) any charges deferred due to your financial inability to pay as provided in Section 9.2.3 of the Residency Agreement, (4) any charges due under Section 10.6 of the Residency Agreement and (5) any other sums owed by you.

5. Successors and Assigns.

All terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Executed at _____, Connecticut this ____ day of _____, 20__.

RESIDENT:

Resident or Resident's Representative

Witness

Resident or Resident's Representative
REDDING LIFE CARE, LLC
d/b/a Meadow Ridge

Witness

By: _____



EXHIBIT B

ADDITIONAL SERVICES FOR THOSE IN NEED OF ASSISTANCE

Services and charges are subject to change upon notice.

The following services are available for an extra charge. A list of the extra charges can be obtained from The Community's front desk. A copy of the extra charges is also in the Resident Handbook provided to all new residents. Each year, a current copy of the extra charges is distributed to each resident, along with the notification of any fee increases for the upcoming year.

- A resident will be assessed an initial fee (lifetime charge) to begin assisted living services.
- Nursing care services will be billed in 15 minute increments.
- The services of a certified nursing assistant (CNA) will be billed in increments of 15 minutes.
- Medication management by a nurse is available for a per week charge (after payment of the initial lifetime charge).
- Administration of medications by a nurse will be billed per 15 minute visit.
- Medication reminder service is available at a per reminder charge.
- Vitamin B 12 injections are available for a fee per injection.
- Registered Dietician assessment and consultation will be billed on an hourly basis.
- Weekly blood drawing is available.

- Additional emergency call pendants are available at a charge per pendant.
- The Community offers rental of wheelchairs or scooters at a daily rental rate.

EXHIBIT C

MANAGED RESIDENTIAL COMMUNITY RESIDENTS' BILL OF RIGHTS

You have the right to:

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

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

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

Department of Public Health
Facility Licensing Investigations Section
410 Capitol Ave., MS# 12 HSR
Hartford, CT 06134-0308
Phone: (860) 509-7400

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

Complaints: Janet Williams, R.N.

Public Health Services Manager (860) 509-7400

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

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

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

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

Date

Resident

Resident's Representative

Relationship to Resident

Date

Resident

Resident's Representative

Relationship to Resident

EXHIBIT D

RESIDENT COMPLAINT RESOLUTION

It is the goal of The Community to take all problems and complaints seriously and to solve each one in a timely and caring fashion. Residents and family members are free to communicate grievances to the staff of The Community and to outside representatives of their choice, without restraint, interference, coercion, discrimination, or reprisal. All grievances will be properly documented and responded to.

A resident or his/her family member may pursue the resolution of a problem in any of the following ways:

- All emergency service problems can be resolved by calling the Reception Desk at The Community at (203) 544-1000. The Receptionist will contact the appropriate personnel to resolve the problem. Even after normal business hours, please contact the Reception Desk. Your call will automatically transfer to the Health Center if the Receptionist is not on duty.
- By contacting:
 - ✓ The Department Director by calling, writing a letter, and/or scheduling an appointment.
 - ✓ The Executive Director or Administrator by calling, writing a letter, and/or scheduling an appointment.
 - ✓ The Chairperson of the specific Meadow Ridge Committee.
 - ✓ A Residents Association Board Representative.
 - ✓ The Chairperson of the Residents Association Board.
- You may voice your concern or complaint at a monthly Resident Update Meeting.

- If your issues are not resolved by using the above channels, you may write a letter to Director of Operations Management; Life Care Services LLC; 205 Old Boston Post Road, 2nd Floor; Old Saybrook, CT 06475. A copy of the letter should be provided to Ownership.
- As a final option, the resident may appeal to Ownership when the previous means have not resulted in a satisfactory outcome.

The Community has also publicized and posted information pertaining to all governmental regulatory resources available for use by residents in handling complaints. This information is included in the *Managed Residential Community Bill of Rights*, a copy of which is attached as Exhibit C to the Residency Agreement.

Dated: May 15, 2008

EXHIBIT E

ACKNOWLEDGMENT OF RECEIPT OF RESIDENT HANDBOOK

I, the undersigned, acknowledge receipt of the Meadow Ridge Resident Handbook dated _____, 20____, which contains certain rules, policies, and guidelines in order to promote the health, safety and welfare of the residents of The Community.

The Resident Handbook also contains a list of extra charges as referenced in the Residency Agreement.

Date

Resident

Resident's Representative

Relationship to Resident

Date

Resident

Resident's Representative

Relationship to Resident