



McLean Affiliates, Inc.

Residency Agreement

January 2016

Table of Contents

- I. INTRODUCTION AND DEFINITION OF TERMS
- II. OUR RESPONSISBILITIES TO YOU AS A RESIDENT
- III. YOUR RESPONSIBILITIES AS A RESIDENT
- IV. HEALTH SERVICES
- V. FEES
- VI. TRANSFER FROM YOUR INDEPENDENT LIVING OR HEALTH CARE
- VII. TERMINATION OF AGREEMENT; REFUNDS
- VIII. CO-RESIDENT' RIGHTS AND RESPONSIBILITIES
- IX. MISCELLANEOUS

EXHIBITS

This Residency Agreement (“Agreement”) is made as of _____, 20__ by and between McLean Affiliates, Inc. (to be referred to as “McLean”) and _____ (“you” or “Resident”). If more than one person is signing this Agreement, these terms refer to each of you individually, and to both of you together, and the rights and obligations of each of you are joint and several, except as the context of this Agreement otherwise requires.

I. INTRODUCTION

A. McLean Affiliates

1. McLean is a non-stock corporation organized under Connecticut law and exempt from taxation under section 501(c)(3) of the Internal Revenue Code. McLean is a subsidiary of the McLean Fund, a trust, created by the will of Senator George P. McLean. McLean is registered with the Connecticut Department of Social Services as a continuing care facility. The continuing care facility, which consists of villas and apartments, is in the McLean Village. It is operated as a continuing care entrance fee community for qualified persons aged 62 and older.
2. You have applied for residency at McLean, and McLean has approved you for admission to the Village.

B. Effective Date

1. The effective date of this Agreement shall be the Occupancy Date, _____, 20____, which is the date your residence becomes available for occupancy, provided you remain medically and financially qualified for admission on the date of move-in.
2. You agree to notify the McLean Village Director promptly of any adverse change in your health or any decrease of 10% or more in your income or assets between the date of this Agreement and the Date of Occupancy. You agree to begin paying the Monthly Service Fee set forth in Section VB1 of this Agreement as of the date you assume occupancy or within thirty (30) days after the Occupancy Date, whichever is earlier.

C. Term of Agreement

The term of this Agreement shall be month-to-month, unless and until it is terminated as set forth in Section VB1 of this Agreement.

D. Definition of Terms

Certain terms used in this Agreement have specific meanings. For your convenience in reading and understanding this Agreement, some of the terms are defined as follows:

1. Agreement – this Residency Agreement between McLean Affiliates, Inc. and you.
2. Village – includes all independent living residences at McLean, apartments, cottages, and villas.
3. Resident – you as a party to this Agreement. When the word resident in lower case is used, it is referring to any person occupying a residence at McLean.
4. Co-Resident – each of the persons approved by McLean to occupy an apartment or villa in McLean Village.
5. Non-Resident – a person who is seeking approval to be a resident or co-resident at McLean.
6. Monthly Service Fee – the amount the Resident agrees to pay McLean each month from the occupancy date until the cancellation date as consideration for the facilities, services and benefits provided under this Agreement.
7. Entrance Fee – the amount the Resident agrees to pay McLean to become a Resident of the Village.
8. Village Rules and Regulations – the “Member Handbook,” which is attached as Appendix A and incorporated by reference and made a part of this Agreement and which consist of the rules and regulations that govern residency at the Village and which McLean may amend from time to time in its sole discretion.

II. OUR RESPONSIBILITIES TO YOU AS A RESIDENT

In consideration for the Entrance Fee, Monthly Service Fee and other fees payable by you under this Agreement, McLean will furnish you with the following residence, services and amenities, subject to the terms and conditions of this Agreement.

A. Your Apartment or Villa

1. You have selected _____ in which you will live (“your Residence”). You will have a personal and non-assignable right to live in your Residence, subject to the terms of this Agreement, and the Resident Handbook, as amended from time to time, in McLean’s discretion. Appendix A contains the current Resident Handbook.

2. Your residence includes the following:

Fully equipped kitchen – full sized stove, refrigerator, dishwasher and microwave	Emergency response system*
Washer and dryer	Fire safety systems
Individually controlled heat and air conditioning	One parking place (see Section D2 on additional parking) (garage in villa)
Curtains-blinds	Personal locked storage area (apartments)
Wall-to-wall carpeting	Utilities except phone and cable (apartments only)
TV/Cable/Internet connections	Individual mail boxes in lobby or driveway

* Emergency Response

Your Residence is equipped with an emergency response system, which is monitored 24 hours a day by a service. If the emergency response system is used often and inappropriately, you may be charged for the response.

3. McLean is responsible for maintaining the buildings and grounds; payment of utilities and property taxes; and hiring and supervision of McLean staff.

B. Services

Unless otherwise specified, the following services are provided under your Monthly Service Fee. McLean reserves the right, in its sole discretion, to adjust services available under the Monthly Service Fee, and reserves the right to charge for additional services outside the scope of the Monthly Service Fee, as outlined in the Fee Schedule.

1. A flexible meal plan account with the equivalent of 25 pre-loaded, full dinners per monthly cycle.
 - a. Dining services including the Burkholder Restaurant, Burkholder Café, the Senator’s Café, the Pfirman Dining Room, and Hop Meadow Country Club.
 - b. Dinner is offered Monday – Saturday plus a Sunday Brunch in the Burkholder Restaurant, seven days a week in the Senator’s Café and Pfirman Dining Room.
 - c. Lunches are available six days a week in the Burkholder Café and seven days a week in the Senator’s Café and Pfirman Dining Room.

- d. You may choose to use two full fare credits per cycle at Hop Meadow Country Club as part of your meal plan.
 - e. Special diets will be considered.
 - f. Tray service during temporary illness, when approved by the McLean Village Director, for up to ten days per incidence (limited to twice per year)
2. A variety of cultural, recreational, and educational activities
 3. Social Membership to Hop Meadow Country Club, including access to all activities at the clubhouse, use of the pub, pool during the weekdays, use of facilities for parties and family gatherings, plus tennis and golf during the weekdays at the guest rate
 4. Membership in McLean Healthy Living Fitness and Warm Water Pool Program
 5. Scheduled van or car transportation to local shops
 6. Scheduled local transportation to doctors within the Farmington Valley (Simsbury, East Granby, Granby, Avon, Canton and Farmington)
 7. Every other week light housekeeping: which may include dusting, vacuuming, washing bathrooms and kitchen including the floors, changing linens, and interior windows
 8. Care Coordination to help you plan medical services and needs for a different level of care on a temporary or permanent basis. Our Care Coordination certified Home Care staff will work with you and your designated family members, our Medical Director, and/or your doctors on services you may need for temporary care or for a permanent change in your level of care. The initial, one hour evaluation is included. Other visits will be paid privately.
 9. All utilities except telephone and cable (apartments only, not villas)
 10. Building and grounds maintenance
 11. Religious services – non-denominational and with several area clergy
 12. Monthly health clinic for health screening, blood pressure monitoring, weight and diet checks
 13. Priority access to the Health Center and other McLean health care services

C. Amenities and Common Facilities

You will be entitled to share with all residents the use of the grounds and common facilities subject to the McLean Village rules and regulations. McLean may expand, eliminate, or modify common facilities in its sole discretion.

1. Burkholder Restaurant
2. Burkholder Café
3. Senator's Café – Health Center
4. Pfirman Dining Room – Health Center
5. Burkholder Hartford Community Room
6. Burkholder fireplace lounges
7. Gardens and guided walking trails
8. Beauty salons/barber shops
9. Libraries and computers with internet access
10. Sorenson Technology Center with web cam and memory training equipment
11. Auxiliary Gift Shop – Health Center
12. Workshop

D. Services Available at an Additional Charge

The following services are available at an additional charge, as set forth in the Fee Schedule attached at Exhibit B:

1. USA Program

Our USA Program is designed specifically for those in The Village who would benefit from a few hours of assistance a week – but who are not yet ready for assisted living. Certified Nursing Assistant services are provided through an exclusive partnership with Brightstar. USA offers three levels of services. Please see the Concierge for details.

2. Health Services

- a. McLean offers several levels of care. You will have priority access to all levels of care and health care services. While you reside in McLean Village, you may make arrangements with McLean, with the help of our Care Coordination staff, to make arrangements

necessary to meet your health care needs. See Section IV for further details about health care services. Should you move permanently from the Village to Assisted Living or Skilled Nursing care, this Agreement will terminate and you will stop paying the Monthly Service Fee for this Agreement. You will sign a new agreement and pay the new rate that applies. See Termination Section VII.

- b. There are medical professionals on campus that you may choose, or you may elect to continue to have your own physicians and other health care professionals in the community. McLean has a geriatric physician and a dental office located in the Health Center. In addition, a podiatrist is available on a monthly basis. McLean's Health Center has a Rehab Clinic that offers outpatient physical, occupational and speech rehabilitation services that you may access as prescribed by your physician. See Section IV.A.
- c. McLean Home Care and Hospice is available to provide skilled nursing, therapy and social work services in your residence, if ordered by a physician. You may contract with any other home health care agency of your choice.

3. Other Services

- Additional housekeeping services and clothing exchanges from/to storage
- Special housekeeping for spills and accidents
- Additional parking*
- Transportation to airport and other venues in the Farmington Valley (Simsbury, Granby, Avon, Canton, and Farmington)
- Lunch can replace dinner meals within the meal plan with a full lunch at any venue above.

*Additional parking and covered parking may be available for a fee. Villas have garages. Guests may self-park in designated areas. Special arrangements must be made for RV parking. You may not store vehicles that do not belong to you in your designated parking places.

III. YOUR RESPONSIBILITIES AS A RESIDENT

A. Maintenance of Your Unit

You are responsible for the interior maintenance of your unit. McLean will provide special housekeeping services in the event of incidents such as spills or accidents. You agree to pay an additional charge for such services.

B. Decoration and Furnishing of your Residence

You may furnish, equip and decorate your Residence in accordance with your own tastes and preferences provided the following are met:

1. Decorations and all other modifications that will affect the exterior appearance of your Residence require the prior written approval of the McLean Village Director.
2. If you wish to re-carpet or paint the interior of your residence (prior to or after occupancy), you may do so at your own expense and subject to C. below.
3. You are at liberty to use your own furniture, minor appliances, and special equipment, provided that the safety standards of the Village are met. (See Resident Handbook).

C. Alterations

1. You may make alterations, additions or modifications to your Residence, provided that (1) you obtain prior written approval of the McLean Village Director to make the specific alterations, additions or modifications; (2) you contract for these changes prior to beginning alterations, additions or modifications directly with McLean or with a contractor approved by the McLean Village Director; and (3) you assume sole financial responsibility for these changes. All changes must be in accordance with applicable safety and government codes and regulations.
2. You or your estate will be responsible for restoring the original décor when your Residence is vacated, unless the McLean Village Director, in his/her sole discretion, exempts you in writing from this requirement. See Section V. D. regarding the treatment of any fees you pay to upgrade your Residence.

D. Maintenance and Repairs

McLean will be responsible for making all necessary repairs to your Residence. However, you are responsible for reimbursing McLean for the cost of any repairs to your Residence that is not the result of normal wear and tear. Refurbishment of your Residence may be performed from time to time at McLean's sole discretion.

E. Guests

1. Guests are always welcome in the Village. Cots are available on first come basis with a sign up sheet in the office. To make your guests' stay more pleasant, we ask that they comply with the same guidelines as Villagers. Young visitors should be supervised and should respect the rights of residents.

2. A guest suite is available on a first come, first serve basis for a fee. The suite sleeps 4 (2 twin beds; 1 Queen sleeper sofa). Sheets are provided by McLean and changed after guests leave. Guests are to provide their own toiletries and towels. Contact the McLean Village office for reservations. Holidays are assigned on a lottery basis. The guest suite is currently offered by McLean and may be discontinued at McLean's sole discretion.
3. A guest may not stay in your residence for more than 14 consecutive days without prior written approval of the McLean Village Director. Charges for guest meals, services or accommodations in the Guest Suite are set forth in the McLean Village Fee Schedule (Appendix B.). Guests may not stay in your Residence when you are not present, unless you obtain prior written approval from the McLean Village Director. Any private duty aides providing services to you are not considered guests and are not entitled to the same privileges as guests. See Section VI. B. regarding private duty aides.

F. Right to Organize

McLean Village Residents have the right to form a Residents' Council. The Residents' Council shall have the right to meet without McLean staff present and to bring suggestions, issues, and concerns to the McLean Village Director in writing or in a mutually agreed upon scheduled meeting.

G. Pets

Pets are permitted subject to the McLean Village Pet Policy which is subject to change in McLean's sole discretion.

H. Smoking

McLean has a no smoking policy throughout the campus. You have the responsibility to adhere to the McLean non-smoking policy on campus and to ensure that your guests adhere to the non-smoking policy.

I. Non-transferable

This Agreement is non-transferable and your Residence may not be sublet.

J. Financial Statements, Auto Registration and Insurance

1. Upon application and admission or shortly before, you must submit financial statements to McLean. While you are a resident of McLean, you must submit a copy of your income tax return and such other current financial statements as McLean may request to confirm your net worth and your continuing ability to pay for Fees.

2. If you plan to have a car at McLean , upon admission or shortly before, a copy of your automobile registration and a proof of auto insurance may be requested. You agree to submit a copy of your current auto insurance card as McLean may request.

K. Preservation of Your Assets

You are responsible for preserving your assets so they can be used to pay for your personal and health needs. See Section VII B.6. McLean reserves the right to terminate this Agreement in the event it becomes clear, upon examination of future financial statements, that this has not been upheld.

IV. HEALTH SERVICES

By entering into this Agreement, you have priority access to all McLean’s levels of care and health care services. Through McLean’s Care Coordination Services (See Section II.B.8) initial plan, McLean staff will work with you, your designated family members, and/or physician on services you may need for temporary care or for a permanent change in your level of care. Should you need health services outside of your Residence, at another level of care, you will have priority access to the next available, appropriate residence or bed. While you reside in your Residence at McLean, you are responsible for making arrangements to meet your health care needs. You agree to keep McLean informed of any changes in your condition.

A. Services while you are a Resident of The Village

1. While you reside in your Residence, you will have access to McLean’s Care Coordination Services plan described above. Further, McLean staff will observe your health status to identify and help you respond to your dietary, social, and health care needs and will provide you with consultations regarding social and health-related issues.
2. A free health clinic (health screening, blood pressure monitoring, weight and diet checks) is offered monthly in the Village.
3. McLean Home Care and Hospice provides skilled nursing, therapy, and social work services in your Residence, if ordered by a physician. You have the right to contract with any licensed home health care agency or caregiver of your choice. If you choose to engage another agency or caregiver to provide services at your Residence, you must inform McLean of the caregiver within 24 hours of the arrangement and comply with McLean’s policies for private duty assistance, including sign-in procedures and the need to move to assisted living or skilled care if you need ongoing, daily ADL assistance.
4. The McLean USA Program is designed specifically for those in The Village who would benefit from a few hours of assistance a week – but who are not yet ready for assisted living. Certified Nursing Assistant

services are provided through an exclusive partnership with Brightstar. USA offers three levels of services.

5. If you are interested in ordering from the pharmacy that serves the Health Center, contact the Village office. Medication through this service is delivered to your door. Please note that McLean staff may not sign for medications.
6. You may also access the following clinics and professional services on the McLean campus for additional fees or charges, which shall be your responsibility and not the responsibility of McLean. Most are not billed by McLean:
 - Primary Care Physician. You may choose a McLean geriatric physician to serve as your primary care physician.
 - Podiatrist. A podiatrist is available, on a monthly basis, for appointments in the Village.
 - Dentist. A Dental Office is located in the Health Center.
 - McLean Rehab. McLean's Rehab Clinic is located in the Wellness Center and offers outpatient physical, occupational and speech rehabilitation services that you may access, as prescribed by your physician and covered by Medicare, by your insurance, and/or paid by you.

B. Assisted Living/Memory Care

1. If you need daily help with activities of daily living such as bathing, dressing, and medication management, and/or if you need memory care support services, you may transfer to the Assisted Living Centers, which consist of residential studios and suites that are located on the McLean campus and offer licensed assisted living services.
2. If you need to transfer to an assisted living residence and one is not available, McLean will work with you to arrange for appropriate services, billed to you, in your current Residence, or another residence, until an appropriate assisted living residence becomes available.
3. If you transfer to the Assisted Living Center, you agree to sign a separate Assisted Living Addendum in its then current form prior to your admission. You may receive assisted living services as long as you require them, provided you meet the criteria to remain safely and appropriately at that level of care.

4. If you transfer to an Assisted Living Center, you will pay an Assisted Living Monthly Service Fee, which will be subject to periodic increases as set forth in the Assisted Living Addendum. The community fee will be waived. The terms of this Agreement shall continue to apply, and in the event of a conflict between the terms of this Agreement and the Assisted Living Addendum, this Agreement shall govern.

C. Health Center

1. If you need skilled nursing care, you will have priority access, subject to availability of the appropriate bed, to receive skilled nursing care in the McLean Health Center.
2. You agree to sign a separate Health Center Addendum in its then current form prior to your admission. The terms of this Agreement shall continue to apply, and in the event of a conflict between the terms of this Agreement and the Health Center Agreement, this Agreement shall govern.
3. For a temporary stay in the Health Center, you will continue to pay the Monthly Service Fee described in Section V.C. After you exhaust all of your benefit under Medicare Part A – eligible days (and/or other insurance plans) you may receive a 10% discount on your Health Center Room and Board Fee. After you have been a resident of The McLean Village for twelve (12) months, you may be eligible for an additional discount, which is determined annually for CCRC residents.

These days or discounts are non-cumulative and non-assignable. The Health Center Room and Board Fee, as adjusted from time to time, will be charged in addition to the Monthly Service Fee.

4. For a permanent stay in the Health Center, if you are not covered for at least 60 days under your Medicare Part A – eligible days (and/or other insurance plans), you may receive a 10% discount on your Health Center Room and Board Fee for 60 days (permanently for CCRC residents who were residents of the apartments as of 10/30/09). If you have been a resident of The McLean Village for twelve (12) months, you may be eligible for an additional discount, which is determined annually for CCRC residents. These days or discounts are non-cumulative and non-assignable.

D. Health Services Away From the McLean Village

You may be relocated from the McLean campus for hospitalization or other health-related services, if McLean determines that: (1) McLean does not have adequate facilities or staff to provide the nursing services, medical care, or other care you need, (2) your continued occupancy of your Residence constitutes a danger or health hazard to you or others, or is detrimental to the peace or security

of other residents, or (3) for any reason set forth in Section VI. F. Involuntary Transfer. If you are transferred from the Village under this section, you will be responsible for all fees resulting from the transfer.

E. Level of Care Determinations

The Medical Director or designee, in consultation with the Village Director or designee, will determine your care needs, your appropriate level of care placement and whether such placement is temporary or permanent, in consultation with you, your family or responsible party and your physician.

V. FEES

A. Entrance Fee

You have already paid McLean _____ dollars (\$_____) as a deposit toward your Entrance Fee. The balance of your Entrance Fee, _____ dollars (\$_____), is due on the Effective Date of this Agreement. Upon termination of this Agreement as specified in Section IX, and upon leaving the care of McLean permanently or by death, you will be entitled to any refund of a portion of your Entrance Fee pursuant to Section IX E.

B. Monthly Service Fee

1. Amount

The Monthly Service Fee applicable to your Residence, described in Section II., is currently _____ dollars (\$_____). If your Residence is jointly occupied, the Additional Person Monthly Service Fee is currently _____ dollars (\$_____). McLean may change your Monthly Service Fee in accordance with Section 3. below.

2. Payment Procedures

- a. McLean will bill you in advance of each month for the Monthly Service Fee. You will be obligated to pay the Monthly Service Fee by the first day of the month for which the Fee is due.
- b. Your continued residency at the Village is contingent upon timely and full payment of all fees due under this Agreement, including but not limited to, the Monthly Service Fee and fees for optional services. McLean may, in its sole discretion, charge interest at the maximum legal rate, plus a late charge covering its administrative costs, on all accounts not current by the thirtieth (30th) day of each month. You will also be responsible for McLean’s costs of collecting any unpaid fees.

- c. If you routinely fail to pay your Monthly Service Fee or other charges in full by the thirtieth (30th) day of each calendar month, McLean may terminate this Agreement in accordance with Section IX. Termination.

3. Adjustments

- a. Fees. McLean, in its discretion, may increase or decrease your Monthly Service Fee upon giving you thirty (30) days prior written notice. Factors used in determining any increase or decrease may include, but not be limited to: actual and projected operating expenses, administrative costs and fees, reserves for expansion, lender reserve requirements, capital expenditures, costs of improvements, changes in CPI, changes in taxes, actuarial requirements, state and federal regulations, and changes in contract services.
- b. Services. McLean may modify the scope and/or frequency of services provided under this Agreement upon thirty (30) days prior written notice to you.

C. Fees for Optional Services

You will be billed for optional services either at the time such services are rendered or at the time you are billed your Monthly Service Fee. The current schedule for optional fees is attached (Appendix. B.)

D. Upgrade Fees

You have paid _____ (\$_____) to McLean for upgrades to your Residence. Any amounts paid for upgrades to your Residence are not considered part of your Entrance Fee when the refund is calculated.

E. Medicare and Supplemental Insurance

1. As a condition of this Agreement, you are required to be enrolled in Medicare Parts A. and B. (or C), if you are eligible. If you are ineligible, then the equivalent insurance policy, acceptable to McLean, is required.
2. You agree to enroll in Medicare Part D, if eligible, or a policy providing equivalent coverage.
3. You agree to obtain supplemental (“Medigap”) coverage for Medicare co-payments and deductibles in a form and with a carrier acceptable to McLean. If an HMO is available that is acceptable to McLean, the HMO may be used as a substitute. In the event the HMO no longer covers services at a rate acceptable to McLean, it will be your responsibility to secure a replacement policy acceptable to McLean.

4. You are responsible for obtaining and maintaining the insurance coverage described above at your own expense.

F. Responsibility for Fees

If two of you are signing this Agreement, you shall be jointly and severally liable for all fees described in this Agreement.

G. Absence from the Village

If you are absent from the Village for more than seven (7) consecutive days for a scheduled absence, you will be entitled to a credit toward your monthly service fee. The number of days for the credit will be determined at the sole discretion of McLean.

H. Termination for Failure to Make Payments

1. By entering into this Agreement, you accept responsibility for timely and complete payment of the Monthly Service Fee and all other charges now and in the future. You further represent that you have the means to pay such fees and charges.
2. If you fail to pay your Monthly Service Fee or other charges in a timely fashion, McLean, in its sole discretion, may terminate this Agreement under Section IX upon thirty (30) days prior written notice to you. In the event of such termination, you are responsible for all Fees and charges (including late fees and interest), and any outstanding Fees and charges will be deducted from any refund that McLean may owe you under Section IX E.
3. In the event of possible financial difficulties due to a dramatic change in your assets, which make it difficult to pay your Monthly Service Fee, you should ask McLean to offer you the next available lower cost living unit. If moving to a lower cost unit has not been sufficient to help you pay the Monthly Service Fee, you then may apply to the Vice President of Finance for permission to spend down your refundable portion of the entrance fee (should there be any remaining) to cover a portion of your Monthly Service Fee. In addition, upon possible transfer to a Long Term Skilled Unit in the Health Center, you may qualify for Medicaid which McLean does accept for care.

VI. TRANSFER FROM YOUR RESIDENCE

A. Service Limitations in Residential Living

1. The Village has a preferred provider that offers services for our USA Program. The USA Program offers supportive services to assist members

in remaining independent. Information on the USA Program is available from the Concierge.

2. You represent to McLean that you do not require any supportive assistance.

B. Transfer Due to Care Needs

1. If at any time you require supportive services, or if you develop a physical or mental condition that creates a danger to yourself or others, you agree to move promptly out of your Residence and into an appropriate outside accommodation of your choice. Any determination that you are required to move for reasons set forth in this paragraph shall be made in the sole judgment of the Medical Director of McLean.
2. If you require private duty care and/or home care on a daily or ongoing basis, beyond a short term illness, or more than a few hours a week for assistance (see USA Program), you agree to move from your Residence to the appropriate level of care [assisted living or skilled care].

C. Release from Responsibility for Your Care

It is your responsibility to provide for your health care and personal care needs as long as you reside at McLean. You hereby indemnify, hold harmless and release McLean Affiliates, Inc. and its Trustees, Directors, agents, and employees, from any and all liability, cost, and responsibility for injury and damage, including attorneys' fees, arising from your failure to obtain, or from the failure of others to furnish, appropriate health care or personal care services, and from all injury and damage which could have been avoided or reduced if such services had been obtained or furnished.

D. Voluntary Residence Change

1. If you request a change of residence, McLean will consider such request and may grant it at McLean's sole discretion. You will be in line for the next available unit based upon your original occupancy date.
2. You will pay the then current Entrance Fee for your new residence. If the Entrance Fee is larger than the Entrance Fee you paid pursuant to Section V.A. of this Agreement, you will be expected to pay the difference in the Entrance Fee. If you move to a Residence with a lower Entrance Fee than the one you paid pursuant to Section V.A., McLean will not refund the difference.
3. You will pay the applicable Monthly Service Fee for the new Residence beginning on your first day of occupancy. If you move on any day other than the first of the month, the Monthly Service Fee will be prorated. You will be responsible for all moving costs. You will also be responsible for

paying one additional month of the Monthly Service Fee for the Residence you are vacating to cover the costs of refurbishing the unit. See Section IV.D.2. regarding treatment of the Entrance Fee for the new residence.

E. Joint Occupancy by Residents

1. If you and another resident, residing in two separate residences, decide to live together, you may release either of your residences and live in the other residence, or you may release both of your residences and move into a new residence, subject to availability. No additional, Additional Person Entrance Fee will be charged if you move in with another resident. Your Residency Agreement will remain in effect.
2. If the Residence you select or the new Residence has a larger Entrance Fee, you will be responsible for payment of the difference between the new Entrance Fee and your current Entrance Fee recognizing the current refundable balance. Such payment shall be made on the Date of Occupancy. If the new residence has a lower Entrance Fee, whichever Entrance Fee is smaller shall be refunded within 30 days of the re-occupation of the unit no longer used as a Residence.
3. You will pay the applicable Monthly Service Fee and Additional Person Monthly Service Fee for the jointly occupied Residence. In addition, you will both sign an amendment to this Agreement which states that one or both of you have agreed to live in a different Residence, and identifies the Residence, Entrance Fee and Monthly Service Fee for that residence. You will be responsible for all moving costs. You will also be responsible for paying one additional month of the Monthly Service Fee for the Residence you are vacating to cover the costs of refurbishing the unit.
4. If the Residents are not legally married in the state of Connecticut, then the Entrance Fee shall follow the residents as if they were married.

F. Joint Occupancy by Resident and Non-Resident

If you wish to live with a non-resident in your Residence, the non-resident must follow the standard application procedures for admission to the Village, including payment of the Application Fee. If the application is approved, the new resident must enter into a separate Residency Agreement and shall pay, the Additional Person Entrance Fee. Once the non-resident moves in, you will pay the Additional Person Monthly Services Fee in addition to the Monthly Service Fee.

G. Temporary Transfer for Health Reasons

1. If you require temporary care outside of your Residence, you may retain your Residence during your absence. In that case you will be obligated to continue payment of your Monthly Service Fee. If you transfer on a temporary basis to McLean's Assisted Living Center or the Health Center,

then, in addition to the Monthly Service Fee, you will be responsible for payment of daily charges as applicable.

2. McLean shall determine the need for transfer, and whether the transfer is temporary or permanent, in accordance with Section VII.
3. If you transfer to a facility away from the Village, you will receive an adjustment to your Monthly Service Fee as specified in Appendix A.

H. Permanent Transfer for Health Reasons

1. Joint Occupancy

a. One Resident Requires Transfer

If two of you occupy your Residence and one of you requires permanent care in the Assisted Living Center or the Health Center, the remaining person may continue to occupy your Residence. In that case, the remaining person will pay the single occupancy Monthly Service Fee, and the transferred person will pay the applicable Monthly or Daily Charge for nursing or assisted living care, as determined by McLean. If the transferring resident requires permanent care outside McLean, this Agreement will terminate with respect to that resident and will continue with respect to the remaining resident.

b. Both Residents Require Transfer

If two of you occupy your Residence, and both of you require permanent care outside of your Residence, you will be required to vacate your Residence and remove your property from the Residence within ten (10) days of the date that McLean determines that your transfer is permanent. You will be responsible for payment of the Monthly Service Fee until your Residence is vacated. If you transfer to the Assisted Living Center or the Health Center, you will each pay the applicable daily or monthly charge for nursing or assisted living care, as determined by McLean. If you permanently transfer to an outside facility, this Agreement will terminate.

2. Single Occupancy

If you require permanent care outside of your Residence, you will be required to vacate and remove your property from your Residence within ten (10) days of the date that McLean determine that your transfer is permanent. You will pay the Monthly Service Fee until your Residence is vacated, and if you transfer to the Assisted Living Center or the Health Center, you will pay the applicable daily or monthly charge for nursing or

assisted living care, as determined by McLean. If you permanently transfer to an outside facility, this Agreement will terminate.

I. Involuntary Transfer

In accordance with Section IV.D., McLean may require that you be transferred to the Health Center, Assisted Living Center, or an outside facility, as appropriate, for good cause, including but not limited to the following: (1) your transfer is necessary to protect your health and safety or the health and safety of others; (2) you require care that McLean is unable to furnish in your Residence or does not routinely provide in your Residence; or (3) transfer to a nursing facility, hospital, or other facility is appropriate and McLean does not have such facilities available. The provisions of Section VI.G. and/or H. above apply. If McLean incurs costs in obtaining possession of your Residence or storing your possessions, you will be responsible for such costs. Your transfer will be deemed permanent if McLean determines, in consultation with you, your family or responsible party, and your physician that it is not feasible for you to resume living in your Residence without ongoing services.

J. Recovery

If, after your permanent transfer and release of your Residence, your health status improves so that you are able to return to a residential living or assisted living residence, McLean will offer you the next available, appropriate Residence of the same style and size (or smaller if desired). You shall be responsible for any moving and refurbishing costs.

VII. TERMINATION OF AGREEMENT; REFUNDS

A. Termination by Resident

1. Prior to Occupancy

a. Right of Rescission

You may rescind this Agreement by notifying McLean of your decision to rescind within thirty (30) days of signing this Agreement. You shall not be required to move into your Residence before the expiration of the thirty (30) day period. In the event of such rescission, any money transferred to McLean shall be refunded, less:

- i.** Additional costs incurred by McLean due to modifications in the structure or furnishings of your Residence which you specifically requested; and
- ii.** If you have moved into your Residence, a pro-rated amount of Monthly Service Fee covering your actual number of

days of occupancy plus and additional fees you incurred;
and

- iii. A reasonable service charge, not to exceed the greater of \$1,000 or two per cent (2%) of the Entrance Fee.

Any refund to which you are entitled under this Section shall be made, without applicable interest, within 30 days of McLean's receipt of your notice of rescission.

b. Automatic Cancellation

If, after the thirty (30) day rescission period set forth above, on account of death, illness, injury or incapacity, you are precluded from occupying your Residence under the terms of this Agreement, upon notice to McLean, this Agreement shall be cancelled automatically and you or your legal representative shall receive a refund of all money transferred to McLean, less:

- i. Additional costs incurred by McLean due to modifications in the structure or furnishings of your Residence which you specifically requested; and
- ii. If the Residence was actually available for occupancy, a pro-rated amount of Monthly Service Fee covering your actual number of days of occupancy plus and additional fees you incurred; and
- iii. A reasonable service charge, not to exceed the greater of \$1,000 or two per cent (2%) of the Entrance Fee.

Any refund to which you are entitled under this Section shall be made, without applicable interest, within 30 days of McLean's receipt of your notice of rescission.

c. Other Termination by You Prior to Occupancy

If this Agreement is not terminated pursuant to Sections IX.A.1.a. or b. above, you may terminate this Agreement at any time prior to occupancy upon notice to McLean. In the event of a termination under this Section, any money transferred to McLean shall be refunded, less:

- i. Additional costs incurred by McLean due to modifications in the structure or furnishings of your Residence which you specifically requested; and
- ii. A reasonable service charge, not to exceed the greater of \$1,000 or two per cent (2%) of the Entrance Fee.

Any refund to which you are entitled under this Section shall be made, without applicable interest, within 30 days of McLean's receipt of your notice of rescission.

2. After Occupancy

After the Occupancy Date, you may terminate this Agreement at any time and for any reason by giving McLean thirty (30) days prior written notice, unless you and McLean agree to a shorter notice. If you give such notice, you will pay all applicable fees and charges until the expiration of such thirty (30) day period or until you vacate your Residence, whichever is later.

B. Termination by McLean

McLean may terminate this Agreement at any time, for good and sufficient cause, by giving you thirty (30) days prior written notice, unless you and McLean agree to a shorter notice. Good and sufficient cause shall include, but not be limited to, the following:

1. Breach of Agreement/Failure to Pay Fees. Your failure to perform your obligations under this Agreement, including but not limited to, your obligation to pay the full Monthly Service Fee and other charges on a timely basis;
2. Needs Beyond McLean's Capacity. You need care or services that McLean is not licensed to provide or does not routinely provide;
3. Violation of Village Rules and Regulations. Your or your guests persistent failure to abide by the Village Rules and Regulations, as they now exist or may later be amended, or as otherwise communicated to you;
4. Nuisance. You or your guest create a disturbance within the community or engage in conduct that is disruptive or detrimental to the health or safety of others or their peaceful enjoyment of the community;
5. Misrepresentation: There are omissions or misstatements in your Application for Residence Form, Financial Form, and/or Medical Form, or any other application documents, or in oral representations made to McLean;
6. Improper Asset Transfer: You make a material transfer of your assets or income for less than fair market value or intentionally transfer or deplete your assets to an extent that will render you unable to meet your financial obligations under this Agreement;
7. Failure to Make Financial Disclosure: You fail to disclose information about your financial condition after being asked to do so;

8. Permanent Transfer: You transfer permanently (or, if there are two of you, you both transfer permanently) from the premises of McLean.

C. Termination by Death

This Agreement shall terminate upon your death (or if there are two of you, the death of the last survivor); the death of the first spouse in a jointly occupied Residence shall not cause the Agreement to be terminated.

D. Monthly Service Fee Obligation; Unpaid Fees

You shall pay the Monthly Service Fee throughout any and all notice periods described in this section and until you have vacated the Residence, removed all your possessions, and returned the Residence to McLean in its original condition. McLean will bill you and if not paid, may deduct from any refundable portion of the Entrance Fee and/or other refund due to you (1) all unpaid fees and charges; (2) the cost of restoring your Residence to its original clean condition (that is not the result of normal wear and tear).

E. Refunds

1. Termination Due to Death or Your Voluntary Termination

- a. If this Agreement is terminated due to your death, or to your voluntarily termination when you are no longer living on the McLean campus in another level of care, McLean shall make a refund to you or your heirs. The refund is based upon a declining balance due, as shown in the Refund Balance Sheet (Exhibit C). The amount due to you or your heirs shall be equal to the indicated balance as shown on the Refund Balance Sheet, minus any unpaid fees, charges, and repair costs. If McLean must use any of the entrance fee for health care charges, we will charge the applicable interest rate on the funds expended.

The Entrance Fee refund shall be calculated based on the months lived at McLean for the second resident, if any, upon the death of the second resident. (See attached Refundable Balance Schedule)

You shall receive the refund either within thirty (30) days after the date that your former Residence is reoccupied by a new resident who has executed a Residence Agreement and paid the then-applicable Entrance Fee for the Residence OR three years from the date the contract is terminated, whichever occurs first. You or your estate agrees to execute a document releasing McLean from any and all duties and obligations under this Agreement following termination of this Agreement. Additional fees made for refurbishment and the application Processing Fee will not be refunded.

b. If you remain at McLean for care after leaving the Village, upon your death or termination of your care agreement due to leaving the care of McLean, McLean shall make a refund to you or your heirs equal to _____ (____%) of your Entrance Fee minus any unpaid fees and charges (including any unpaid health care charges, plus late fees) and repair costs. If McLean must use any of the entrance fee for health care charges, we will charge the applicable interest rate on the funds expended. You shall receive the refund within thirty (30) days after the date that your former Residence is reoccupied by a new resident who has executed a Residence Agreement and paid the then-applicable Entrance Fee for the Residence. You or your estate agrees to execute a document releasing McLean from any and all duties and obligations under this Agreement following termination of this Agreement.

2. Double Occupancy.

If two of you occupy the Residence, this Agreement shall not terminate and there shall be no refund of your entrance Fee, except the Additional Person Entry Fee, if one of you leaves the campus or dies. If the remaining Resident elects to keep this Agreement in effect, the entire Entrance Fee shall be deemed to apply to the remaining resident, and he or she shall pay the Monthly Service Fee for single occupancy. Any refund or repayment due shall be paid only upon termination of this Agreement as to the remaining Resident and shall be computed based upon the remaining Entrance Fee.

3. Upgrade Unit Fees.

If you have paid a fee for any approved alteration, addition or modification of your Residence, you shall not be entitled to any refund of such payments when this Agreement is terminated.

F. Removal of Property

Within ten (10) days after termination of the Agreement, all of your personal property shall be removed from your Residence. If your personal property is not removed within the required time period, McLean shall have the right to remove it from the Residence and place it in storage at your expense. Payment of the Monthly Service Fee shall continue on a prorated basis until all personal property is removed from your Residence; provided, however, that in the event of termination because of your death, your estate or family will only be responsible for payments for a period of time not to exceed fifteen (15) days following death as long as your Residence has been vacated.

VIII. CO-RESIDENTS' RIGHTS AND RESPONSIBILITIES

If two people are approved to and live in your Residence, then all sections of this Agreement, as outlined for joint residency, apply to the rights and responsibilities of each and both. The surviving spouse or co-resident shall maintain all rights and obligations under the contract. If the first resident transfers to a higher level of care, and then runs out of assets to pay for Skilled Nursing or Assisted Living care, the refundable portion of the Entrance Fee will be used to cover such costs for the first resident before this first resident may be deemed eligible to apply for Medicaid.

IX. MISCELLANEOUS

A. Resident Rights Limited

1. **No Real Property or Trust Interest.** This Agreement entitles you to occupy your Residence and to obtain the services specified in the Agreement. You shall have no estate, leasehold, or other real property interest in your Residence or the community or any ownership or managerial interest in McLean. You may not lease your Residence to any person or allow any person to occupy it in your place. All fees paid by you to McLean, including the Entrance Fee once it is released to McLean pursuant to Connecticut law, shall become the sole property of McLean and are not held in trust.
2. **No Interest in Financial or Other Assistance.** McLean reserves the right to apply for and receive all financial and other aid from federal, state or municipal sources to which it may legally be entitled to apply, and to apply for and receive aid or donations, but will, deed, or otherwise, from any source. You shall have no interest in any such aid or assistance received by McLean and no right to accounting for such aid or assistance.
3. **No Security Interest.** This Agreement does not grant you or anyone else any security interest in any land, buildings, or other property owned or managed by McLean, whether at the campus in Simsbury or elsewhere. Your rights under this Agreement are and shall be subordinate to the rights of a secured lender under any mortgage, deed or trust, or other senior security interest that is placed on McLean's property, now or in the future. You agree that you will execute, upon request, any documentation required to implement or serve as evidence of such subordination.
4. **Rules and Regulations.** You agree to be bound by all policies, rules and regulations of the community, as they now exist and as they later may be amended. You hereby acknowledge receipt of a copy of the current Resident Handbook, Appendix A.
5. **Other Residents.** You will have no right to object to or to determine the admission, terms of admission, placement, or dismissal of any other

resident. This Agreement alone sets forth your rights and obligations with respect to your care and residence at McLean.

6. Assignment. Your rights and privileges to use and enjoy the living accommodations, facilities and services of McLean are personal to you, and may not be transferred or assigned by you, or by any proceeding at law or otherwise. McLean reserves the right to assign this Agreement, and it shall inure to the benefit of McLean's successors and assigns.

B. Resident Representations

1. Application Documents. As part of the application process, you submitted an Application for Residency, a Medical Form and a Financial Form, which are attached to this Agreement as Appendix D and incorporated by reference into this Agreement. You warrant that all information contained in these attachments is true and correct, and you understand that McLean has relied on this information in accepting you for residency.
2. Resident's Financial Condition. Throughout the term of this Agreement, you agree to give McLean upon request information about your financial condition including, but not limited to, financial statements and tax returns.

C. Personal Planning

1. Conservator. Within ninety (90) days of taking occupancy of your Residence, you agree to have in place a Financial Power of Attorney, which includes a Designation of Conservator Provision, who will handle your financial affairs in the event you become unable to do so. You shall be responsible for keeping McLean informed of any changes in the name and address of your designated Conservator. In the event that such person is unable or unwilling to serve as your Conservator, you understand that a court may name an alternative Conservator upon application of any interested party, including McLean, subject to all bonds, accounting, and other legal requirements. Neither McLean nor any of its respective employees, Directors, Trustees, or agents may be named a Conservator.
2. Durable Power of Attorney or Health Care Representative and Advance Health Care Directive. You agree to provide McLean with copies of any previously executive Advanced Health Care Directive, including but not limited to, a Durable Power of Attorney for Health Care Decisions, or appointment of a Health Care Representative. If you have not already executive such documents, you agree to do so prior to your Occupancy Date.

D. Private Duty Caregiver

McLean offers the USA Program to keep you independent. Should you choose a different short term caregiver, you must inform McLean within 24 hours. If you have or need private duty care and/or home care beyond a short term illness or incidence, McLean shall require you to move to the appropriate level of care (assisted living or skilled care). See Section VI.B.2 for details.

E. Third Party Liability

If you are injured as a result of an act or omission of a third party, you hereby grant McLean a lien of any judgment, settlement, or recovery in the amount of any expense incurred by McLean in caring for you as a result of such injury that is not reimbursed directly to McLean by you or by another source. You agree to cooperate in the diligent prosecution of any claim or action against the third party.

F. Liability and Property Matters

1. **Liability in General.** You accept full responsibility for any injury or damage caused to others, or suffered by you, as a result of your own acts from omissions, and those of your guests or invitees, and you indemnify and hold harmless McLean and its respective Directors, Trustees, Agents and employees from any and all liability for such injury or loss, including attorneys' fees.
2. **Insurance.** You agree to maintain general liability insurance in an amount and form satisfactory to McLean to cover such liability.
3. **Property Damage.** McLean shall not be responsible for the loss or damage to any property belonging to you due to theft, fire, or any cause beyond the control of McLean. You are required to obtain insurance protection to cover the replacement value of all of your personal property at McLean, and to furnish McLean with evidence of such protection upon request. You shall also be responsible for any loss or damage that you or your guests cause to the property of McLean that is not the result of ordinary wear and tear.

G. Right of Entry [Connecticut law may determine this]

You agree that any duly authorized employee or agent of McLean shall have the right, at all reasonable times, to enter your Residence as necessary for purposes of management, housekeeping, maintenance, enforcement of applicable laws and regulations, emergency response and for any other reasonable purpose.

H. Relationships between Residents and Staff

McLean employees must adhere to our code of conduct which expects staff to be cordial, helpful and respectful. The relationship between residents and staff should remain professional and at arm's length.

Employees may not be delayed or deterred by residents from performance of their duties. The staff is supervised solely by McLean and not the residents. Any complaints must be made to the McLean Village Director or other McLean Managers as appropriate and available.

Giving gratuities or bequests to employees or employee families are not permitted under any circumstances. Of course, a kind word or thank you note is always welcome. Residents are encouraged to recognize exceptional service with a gift or bequest to the Employee Fund, or a fund of your choosing, in the McLean Foundation in honor of the staff member or members. They will be notified of the honor.

I. Notices

All notices under this Agreement shall be in writing and addressed to the McLean Village Director, or the President of McLean. Such notices will be in effect when personally delivered, placed in a mailbox, postmarked, provided they were properly addressed with postage pre-paid in full.

J. Entire Agreement

This Agreement is the entire Agreement between you and McLean, and it may be amended only by the written document signed by you or your legal representative and by an authorized representative of McLean. This Agreement superseded any promotional materials or other information given to you by McLean or any entity. The invalidity or amendment of any restriction, condition, or other provision of this Agreement shall not impair or affect in any way the validity, enforceability, or effect of the rest of this Agreement.

K. Waiver of Breach of Contract

The failure of McLean in any instance or instances to require your full performance or observance of, or compliance with, any terms of provisions of this Agreement, shall not be construed to be a waiver or relinquishment of its right to require your full compliance with all of the terms and provisions of this Agreement. The acceptance of your Monthly Service Fee or other charges under this Agreement shall not constitute a waiver of the right to require your full performance of all terms of this Agreement, nor shall it waive McLean's right to terminate this Agreement for any breach previously committed by you.

L. Governing Law

This Agreement is governed by Connecticut law.

M. Arbitration of Disputes

By entering into this Agreement, you agree to any and all claims and disputes arising from or related to this Agreement or to your residency, care, services at McLean shall be resolved by submission to a neutral, binding arbitration; except that any claim or dispute involving unlawful detainer proceedings (i.e. evictions) shall not be subject to arbitration unless both parties agree to arbitrate such proceedings. Both parties give up their constitutional rights to have any such dispute decided in a court of law before a jury, and instead accept the use of arbitration. The arbitration shall be conducted in Simsbury, CT, by a neutral arbitrator selected in accordance with the provisions of CT Arbitration Law. Each party will bear its own costs of the arbitration. The arbitration binds all parties to the Agreement, their spouses, heirs, representatives, Trustees, directors, successors, and assigns, if applicable. After termination of this Agreement, this arbitration clause shall remain in effect for the resolution of all claims and disputes that are unresolved as of that date.

N. Actions Not Subject to Arbitration

Any action arising out of or related to this Agreement that is brought by or against McLean for which arbitration is not allowed by law or that is excluded from arbitration under M. above, shall be brought in the appropriate court before a judge, THE PARTIES HEREBY EXPRESSLY WAIVE THEIR RIGHT TO BRING THE MATTER BEFORE A JURY.

RESIDENT(S)

DATE RESIDENT

DATE RESIDENT

McLean Affiliates, Inc.

By: _____

Its: _____

Date: _____