

**KING FARM PRESBYTERIAN
RETIREMENT COMMUNITY, INC.
d/b/a Ingleside at King Farm**

RESIDENCE AND SERVICES AGREEMENT

90% Refundable

(Type C)

(Fee-for-Service)



Part I

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RESIDENCE AND SERVICES AGREEMENT

Part I

THIS RESIDENCE AND SERVICES AGREEMENT (this “Agreement”) is dated _____, 20__ and is between King Farm Presbyterian Retirement Community, Inc. d/b/a Ingleside at King Farm, a Maryland not-for-profit corporation (“IKF”), and _____ (“Resident”) (if husband and wife, or two other persons sign this Agreement as co – residents, the word “Resident” shall apply to either or both of them as the context requires).

Introduction

IKF owns and operates the King Farm continuing care retirement community (the “Community” or “King Farm”) dedicated to maintaining the health and independence of its residents and providing life-long support and health care resources on campus.

IKF is affiliated with Ingleside at Rock Creek in Northwestern Washington, D.C. and Westminster at Lake Ridge in Lake Ridge, Virginia. However, the organizations are not responsible for the financial and contractual obligations of IKF or of each other.

Resident has applied for entry to the Community, and IKF has accepted Resident for entry by entering into this Agreement. This Agreement is a legal contract which sets forth the rights and responsibilities of IKF and Resident.

This Agreement shall consist of this Part I, Exhibit A hereto, any Addenda and Exhibit B if executed, the General Conditions set forth at Part II, the Resident’s Application for Residence, including the attached financial and medical statements and any amendments or supplements executed by both parties. IKF encourages Resident to review the terms of this Agreement. All terms used herein and not otherwise defined shall have the meaning set forth in Section 101 of Part II and all section references are to sections of Part II unless otherwise specified.

NOW, THEREFORE, Resident and IKF agree as follows:

1. Acceptance. Upon execution of this Agreement by IKF and Resident, Resident is guaranteed acceptance into the Community provided that Resident continues to meet the criteria for admission.
2. Residence. The Residence selected by Resident and the associated charges are set forth in Exhibit A and agreed to by Resident. Resident has the right to lifetime occupancy and use of the Residence from and after the Occupancy Date, subject to change in accommodations as hereinafter provided and subject to the terms and conditions of this Agreement, including, without limitation Sections 234 and Article 4.

3. Optional Custom Improvements and Surcharge. If Resident has requested that certain optional custom improvements be made to the Residence as itemized on Exhibit B attached to this Agreement, Resident agrees to pay the costs of such improvements in the amount and in the manner set forth on Exhibit B (the "Improvements Surcharge"). Resident shall not be entitled to any credit for such costs unless Resident is transferred from the original Residence pursuant to Section 404. All optional custom improvements must be approved by the Executive Director.

4. Occupancy Date. The date the Residence is available for occupancy is set forth in Exhibit A.

5. Services Provided. Subject to the terms and conditions of this Agreement, IKF will furnish Resident the residential and health care facilities and services specified in this Agreement from the Occupancy Date until the death of Resident or the earlier termination of this Agreement.

6. Entrance Fee.

(a) Amount. Upon execution of this Agreement, Resident will pay the remaining balance as set forth in Exhibit A.

(b) Description. Resident's Entrance Fee will be 90% refundable upon termination of this Agreement. See Article 6 for more information.

7. Monthly Fee. In addition to the Entrance Fee, Resident agrees to pay to IKF a Monthly Fee, as set forth in Exhibit A, commencing on the Occupancy Date, and each month thereafter. The Monthly Fee is a fixed monthly charge associated with Resident's specific type and size of Residence and occupancy status (single or double). THE MONTHLY FEE MAY BE CONTINUED EVEN THOUGH RESIDENT IS TRANSFERRED TO THE HEALTH CENTER OR INCREASED OR ADJUSTED AS DESCRIBED IN SECTIONS 502 AND 503.

8. Additional Services and Charges. A number of services that are not covered directly by this Agreement may be provided to Resident by IKF on a fee-for-service basis at the request of Resident. IKF will bill Resident on a monthly basis for any such additional services used by Resident, and Resident agrees to pay to IKF all charges so billed. IKF reserves the right to alter the charges for such services or terminate them.

In addition, IKF makes available a number of additional services to Resident at the Community through independent contractors. Resident will be responsible for payment of the charges for any such services used by Resident, and IKF has no obligation to provide for the billing of such charges.

9. Termination by IKF Prior to Occupancy. IKF RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT IF IKF DETERMINES THAT RESIDENT IS INELIGIBLE FOR ENTRANCE INTO THE FACILITY. IN THE EVENT OF SUCH A TERMINATION, RESIDENT SHALL BE ENTITLED TO A FULL REFUND OF THE ENTRANCE FEE PREVIOUSLY PAID, AS PROVIDED IN SECTION 612(a).

10. Entire Agreement. This Agreement constitutes the entire agreement between IKF and Resident. Resident acknowledges that IKF has relied on Resident's Application for Residence, including the financial and medical statements, in accepting Resident as a member of the Community and Resident warrants that it is true and complete. Except as provided in the next paragraph, any modification of this Agreement must be in writing and signed by both Resident and IKF and approved by the Maryland Department of Aging.

If Resident wishes to transfer to Assisted Living or Comprehensive Care, Resident is required to sign an additional separate agreement for Assisted Living services or Comprehensive Care services, as applicable, that will not be approved by the Maryland Department of Aging for compliance with legal requirements or coordination with this Agreement. Assisted Living and Comprehensive Care contracts and services are regulated by the Office of Health Care Quality within the Maryland Department of Health.

11. Restrictions on Transferability. Except with respect to any refund payable to Resident's estate in accordance with this Agreement, the rights and privileges of Resident under this Agreement are personal to Resident and cannot be transferred or assigned by Resident, by a proceeding at law, or otherwise. IKF may assign its rights hereunder to a trustee for bondholders or otherwise in connection with the securing of indebtedness.

12. Notices. Prior to the Occupancy Date, communications from Resident to IKF shall be mailed or delivered to IKF at 701 King Farm Boulevard, Rockville, MD 20850, Attention: Executive Director. Communications from IKF to Resident shall be mailed to Resident at the address given below until Resident occupies the Residence. IKF and Resident undertake to supply any changes of mailing address each to the other party, in writing, in a timely manner. After Resident has occupied the Residence, notices to IKF shall be mailed or delivered to the Executive Director and notices to Resident may be delivered either to Resident personally, to Resident's Residence or to Resident's mailbox.

13. Use of Fees. Fees collected by IKF under this Agreement may only be used for purposes set forth in this Agreement. IKF may use fees paid by residents of the Community for purposes unrelated to the construction, operation, maintenance or improvement of the Community, including for the furtherance of IKF's corporate mission, to distribute profits or to benefit an affiliated community.

IN WITNESS WHEREOF, this Residence and Services Agreement has been executed in duplicate as of the date first written above.

WITNESS/ATTEST:

**KING FARM PRESBYTERIAN
RETIREMENT COMMUNITY, INC.
d/b/a INGLESIDE AT KING FARM**

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Resident

Address:

By: _____ (SEAL)
Resident

Address:

EXHIBIT A

SPECIAL TERMS OF RESIDENCE AND SERVICES AGREEMENT

Name(s) of Resident: _____

Apartment Type: _____

Apartment No.: _____

Occupancy Date: _____

90% Refundable

Entrance Fee:	1 st Person	\$ _____
	2 nd Person	\$ _____
	Total	\$ _____

Total Entrance Fee: \$ _____

Minus Entrance Fee Deposit Paid
at Time of Execution of Reservation
Deposit Agreement: -\$ _____

Minus Wait List Deposit Paid at
Execution of Wait List Agreement,
if any: -\$ _____

Balance of Entrance Fee
Paid at Time of
Execution of this Agreement: \$ _____

Initial Monthly Fee:	Single Occupancy	\$ _____
	Double Occupancy	\$ _____
	Total	\$ _____

Improvements Surcharge: \$ _____

Dated: _____, 20__

The charges set forth below in this Exhibit A are current as of the date of this Agreement and are subject to change. When you are ready to request an item or service, please be sure that you have obtained the most current rate from IKF's staff because that is what you will be charged.

ENTRANCE FEES, MONTHLY FEES
(Fees as of January 1, 2024)
Independent Living Residence Entrance Fees

Residence Type	Square Feet	90% Refundable Entrance Fee*	50% Refundable Entrance Fee#	Declining Balance Refund+	Single Occupancy Monthly Fee
Dupont – Studio	549	\$343,620	\$233,910	\$165,600	\$3,300
Woodley – 1 BR, 1 Bath	845	\$528,109	\$360,180	\$254,093	\$3,875
Kalorama – 1 BR, 1 Bath	879	\$565,007	\$383,778	\$271,843	\$3,995
Takoma – 1 BR, 1½ Bath, w/Den	1024	\$685,203	\$466,930	\$330,476	\$4,633
Congressional – 1 BR, 1½ Bath, w/Den	1250	\$787,811	\$536,223	\$378,448	\$4,840
Grosvenor – 2 BR, 2 Bath	1244	\$830,280	\$564,921	\$398,314	\$5,049
Lafayette – 2 BR, 2½ Bath w/Den	1542	\$955,693	\$650,802	\$458,998	\$5,272
Chevy Chase – 2 BR, 2 Bath, Deluxe Corner	1601	\$967,914	\$658,663	\$464,736	\$5,428
Bethesda – 2 BR, 2Bath w/ Den Special	1690	\$1,049,959	\$716,038	\$504,898	\$5,593
Dumbarton – 2 BR, 2½ Bath w/ Den	1799	\$1,060,779	\$728,005	\$520,308	\$5,689
Georgetown – 2 BR, 2 Bath w/ Den, Deluxe Corner	1894	\$1,124,546	\$765,380	\$540,471	\$5,916
Potomac – 3 BR, 3 Bath	2309	\$1,372,505	\$933,630	\$658,896	\$6,096
SECOND PERSON FEE (for all units)	549	\$47,500	\$33,000	\$24,000	\$1,572

All pricing is subject to change per the Residence and Services Agreement.

Monthly Fee includes:

- Flexible dining plan including Casual & formal restaurants
- 24 hour emergency response
- Performing Arts Theatre
- Meeting Rooms for clubs
- Weekly housekeeping
- 24 hour security
- Creative Arts Studio
- Lounge & marketplace
- Apartment maintenance
- Scheduled Transportation
- Fitness Center
- Property taxes
- Landscaping and snow Removal
- Utilities (except phone, internet)
- Indoor heated pool & spa
- Underground parking

Assisted living, Comprehensive Care and memory care are available on campus for an additional fee.

*Under the terms of the 90% Refundable Entrance Fee, the entrance fee is always 90% refundable. Residents who select this plan may access the refund to cover long term care costs as stated in the Residence and Services Agreement.

+According to the terms of the Declining Balance Refund, the entrance fee refund declines 4% per month.

#The 50% Refundable Entrance Fee declines 2% per month until 50% of the Entrance Fee remains to be refunded. Residents who select this plan may access the refund to cover long term care costs as stated in the Residence and Services Agreement.

For entrance fee refunds, please review the Residence and Services Agreement.

Gardenside - Independent Living Residence Entrance Fees (2024)

Residence Type	Square Feet	90% Refundable Entrance Fee*	50% Refundable Entrance Fee#	Declining Balance Refund+	Single Occupancy Monthly Fee
1 BR, 1 Bath					
Amaryllis	882	\$537,094	\$408,191	\$332,998	\$4,368
1 BR, 1½ Bath					
Orchid	902	\$578,182	\$439,419	\$358,473	\$4494
Aster	935	\$569,368	\$432,720	\$353,009	\$4494
1 BR, 1½ Bath w/Den					
Lotus	1092	\$718,722	\$546,228	\$445,607	\$4,618
Primrose	1179	\$814,782	\$619,234	\$505,165	\$4,618
Verbena	1186	\$828,128	\$629,377	\$513,439	\$4,618
Sage	1193	\$785,197	\$579,369	\$486,822	\$4,618
Thistle	1198	\$788,488	\$596,750	\$488,862	\$4,618
Goldenrod	1216	\$865,562	\$657,827	\$536,648	\$4,618
Lilac	1269	\$835,218	\$634,765	\$517,835	\$4,618
Meadow	1284	\$870,443	\$661,537	\$539,675	\$4,618
2 BR, 2 Bath					
Iris	1270	\$919,562	\$698,867	\$570,128	\$4,993
Jasmine	1289	\$915,541	\$695,811	\$567,636	\$4,993
Freesia	1325	\$913,700	\$694,412	\$566,494	\$4,993
Trillium	1329	\$943,952	\$717,404	\$585,250	\$4,993
Zinnia	1329	\$860,475	\$653,961	\$533,494	\$4,993
Ivy	1330	\$944,662	\$717,943	\$585,691	\$4,993
Camillia	1373	\$946,800	\$719,568	\$587,016	\$4,993
2 BR, 2 Bath w/Den					
Rosewood	1,563	\$1,024,361	\$778,515	\$635,104	\$5,243
2 BR, 2½ Bath w/Den					
Mulberry	1439	\$915,625	\$695,875	\$567,688	\$5,617
Lily	1517	\$994,214	\$755,603	\$616,413	\$5,617
Dahlia	1695	\$1,110,872	\$844,263	\$688,741	\$5,617
Pine	1707	\$962,393	\$731,419	\$596,684	\$5,617
3 BR, 2½ Bath					
Magnolia	2541	\$1,606,868	\$1,257,610	\$1,053,877	\$6,117
3 BR, 3 Bath					
Dogwood	2042	\$1,251,072	\$950,814	\$775,664	\$6,117
Lavender	2123	\$1,325,954	\$1,007,725	\$822,092	\$6,117
Azalea	2160	\$1,349,063	\$1,025,288	\$836,419	\$6,117
Spruce	2173	\$1,357,182	\$1,031,459	\$841,453	\$6,117
Wisteria	2183	\$1,363,428	\$1,036,205	\$845,325	\$6,117
Rosemary	2189	\$1,367,176	\$1,039,053	\$847,649	\$6,117
Gardenia	2289	\$1,429,632	\$1,086,520	\$886,372	\$6,117
Hydrangea	2330	\$1,455,239	\$1,105,982	\$902,248	\$6,117
SECOND PERSON FEE (for all units)		\$47,500	\$33,000	\$24,000	\$1,572

All pricing is subject to change per the Residence and Services Agreement.

Monthly Fee includes:

- Flexible dining plan including Casual & formal restaurants
- Weekly housekeeping
- Apartment maintenance
- Landscaping and snow Removal
- 24 hour emergency response
- 24 hour security
- Scheduled Transportation
- Utilities (except phone, internet)
- Performing Arts Theatre
- Creative Arts Studio
- Fitness Center
- Indoor heated pool & spa
- Meeting Rooms for clubs
- Lounge & marketplace
- Property taxes
- Underground parking

Assisted living, Comprehensive Care and memory care are available on campus for an additional fee.

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+According to the terms of the Declining Balance Refund, the entrance fee refund declines 4% per month.

#The 50% Refundable Entrance Fee declines 2% per month until 50% of the Entrance Fee remains to be refunded. Residents who select this plan may access the refund to cover long term care costs as stated in the Residence and Services Agreement.

For entrance fee refunds, please review the Residence and Services Agreement.

Additional Fees - 2024

Refundable Wait List Deposit (If applicable)	\$5,000 per individual or couple
Non-refundable Wait List Deposit Appl. Fee (If applicable)	\$300 per individual
Entrance Fee Deposit (Deposit paid at the time of execution of a Reservation Deposit Agreement.):	10% of Entrance Fee

Assisted Living Entrance Fees – 2024

Assisted Living Apartment	Entrance Fee
Private Suite	\$18,500 per person

Assisted Living Fees for Assisted Living Apartment - 2024

**Level 1, Level 2 and Level 3
Fees for One Person in Suite or First of Two Persons in Suite**

Private Suite	Level 1	Level 2	Level 3
Monthly:			
Studio	\$11,090	\$13,193	\$14,407
1 Bedroom	\$11,251	\$13,356	\$14,530
1 Bedroom Deluxe	\$11,938	\$14,043	\$15,256
2 Bedroom	\$14,569	\$16,714	\$17,888

2024 Fees

Level 1, Level 2 and Level 3 – Fees for Second Person in Suite

Private Suite	Level 1	Level 2	Level 3
Monthly:			
Studio	\$6,679	\$8,783	\$9,956
1 Bedroom	\$6,759	\$8,863	\$10,077
1 Bedroom Deluxe	\$7,162	\$9,268	\$10,482
2 Bedroom	\$8,741	\$10,886	\$12,059

Assisted Living Memory Support Charges -2024

Type of Dwelling	Monthly Rate
Standard Room	\$12,203
Large Room	\$13,428
Extra Large Room	\$14,654
Second Person Fee	\$6,116

Comprehensive Care Charges -2024

	Daily
Comprehensive Care Residence*	\$642
Comprehensive Care Residence* - Memory Support	\$760

* Under Maryland regulations, you may be admitted directly to Comprehensive Care if your spouse or relative is admitted at the same time under a joint contract to an Independent Living Residence, or a person with whom you have a long-term relationship with is admitted to the Community at the same time under a joint contract to an Independent Living Residence.

Exhibit A
2024 ANCILLARY FEES AND CREDITS

Credits	Rate	Occurrence
Absence Credit	\$ 10.00	Per person per day
<i>Per person daily credit for extended absences with a notice made 15 days prior to absence; credits begin immediately upon admission to Healthcare or Assisted Living. No credits are issued for any absence less than 15 days.</i>		
Housekeeping	Rate	Occurrence
Laundry (Comforter, Pillows, etc.)	\$ 37.75	for pick-up and delivery/wash
Laundry (Personal - Not Dry Cleaning)	\$ 8.75	per load
Laundry (Health Center Only)	\$ 83.50	per month
Spot Cleaning (Carpets)	\$ 27.00	per 30 min.
Whole Area Cleaning (Carpets)	\$ 54.00	per hour
General Housekeeping	\$ 33.75	per hour
Heavy Housekeeping	Variable	
Trash Removal	\$ 5.75	additional
Turning Mattresses	\$ 34.75	each time
Maintenance	Rate	Occurrence
General Maintenance Services	\$ 53.50	per hour
Additional Maintenance: Ingleside is happy to offer additional maintenance services to our residents, including but not limited to mounting of TVs, installation of grab bars, installation of ceiling fans, picture hanging, general landscaping, and custom services like kitchen backsplash installation, ceramic tile upgrades, vanity upgrades, hardware upgrades, under cabinet water filtration systems and more. Requests for this type of custom upgrade should be submitted to the Maintenance Department where the appropriate contractor(s) will be contacted to consult with you further and provide precise proposals.		
Keys, Fobs, Devices, etc.	Rate	Occurrence
Replacement FOB	\$ 30.00	each replacement
Additional FOB	\$ 57.00	each (limit of two)
Mailbox Key Replacement	\$ 30.00	each replacement
Mailbox Lock Replacement	\$ 54.00	each replacement
Emergency Pendant	\$ 197.50	each replacement
Garage Door Opener	\$ 57.00	each replacement

Miscellaneous	Rate	Occurrence
Return Check Fee	\$ 38.75	per check
Late Payment Charge	1.50%	of monthly service
Postage Stamps	Actual Costs	
Covered Indoor Parking - 2nd Space	\$ 130.75	per month
Resident ID Badge Replacement	\$ 21.75	per badge
Year-End Billing Summary Report	\$ 5.50	per report
USPS	Actual Costs	
Fed-Ex/UPS	Actual Costs	
Salon Services	Rate	Occurrence
Salon Services	Variable	see salon
Fitness Center	Rate	Occurrence
Other Specialty Classes	Variable	see instructor
Personal Training	Variable	see trainer
Transportation	Rate	Occurrence
Medical Transportation	\$ 26.00	per hour
Medical Transportation with Escort (Health	\$ 52.00	per hour
IL Under 5 miles to Medical Appointments (drop-off and pick-up only)	Free	Monday-Friday 8:30am-4:30pm
Non-Medical Transportation - Monday - Friday	\$ 26.00	per hour
Non-Medical & Medical Transportation - After Hours & Weekends	\$ 45.25	per hour
Cancellation Fee	\$ 25.75	<24 hr notice from time of scheduled transportation from IKF

Cultural Arts / Special Functions	Rate	Occurrence
Trip or Program Cancellation Fee	\$ 5.25	< 72 hr notice
<i>Resident will also be billed for the ticket of the trip or event cancelled.</i>		
Other Specialty Classes	Variable	see instructors
Resident Event Setup Fees	Rate	Occurrence
Private Dining Room	\$ 75.00	per 4 hours
Formal Dining Room	\$ 150.00	per 4 hours
Private and Formal Combined	\$ 225.00	per 4 hours
Clubroom	\$ 150.00	per 4 hours
Cultural Arts Center	\$ 250.00	per 4 hours
Cultural Arts Center (1 Room)	\$ 100.00	per 4 hours
Cultural Arts Center (2 Rooms)	\$ 150.00	per 4 hours
Ingleside Engaged	\$ 200.00	per 4 hours
<i>Afterhours programs in the above event spaces are \$25/hr.</i>		
<i>Outside catering is not permitted in any of the above spaces.</i>		
Program Bulletin Printing/Copies	\$ 0.50	per page
Program Bulletin Printing/Copies (Color)	\$ 0.75	per page
Ingleside Engaged	Rate	Occurrence
Resident Full Day	\$ 88.00	per day
Non-Resident Full Day	\$ 109.00	per day

Dining Services		
Dining Services	Rate	Occurrence
Bistro Meal Resident	\$ 22.50	per hour
Bistro Meal Guest	\$ 29.75	per meal
Bistro Child (age 3-8)	\$ 15.75	per meal
Sunday Brunch Meal Resident	\$ 27.25	per meal
Sunday Brunch Meal Guest	\$ 33.25	per meal
Mother's Day Meal Resident	\$ 37.00	per meal
Mother's Day Meal Guest	\$ 44.75	per meal
Holiday & Theme Meal Resident	\$ 34.00	per meal
Holiday & Theme Meal Guest	\$ 38.00	per meal
Courtyard Café Eat-In/ Carry Out Meal	\$ 22.50	per meal
Courtyard Café Guest	\$ 29.75	per meal
Delivery Charge	\$ 8.50	per meal
Lump Crab Cake Upcharge	Market Price	per meal
Filet Mignon Upcharge	Market Price	per meal
Single Quarterly Pricing	\$ 2,040.00	quarterly
Couple Quarterly Pricing	\$ 4,081.00	quarterly
Healthcare Center Guests	Rate	Occurrence
Breakfast	\$ 7.00	per meal
Lunch	\$ 14.00	per meal
Dinner	\$ 17.50	per meal
Children Under 12	Half Price	per meal

Healthcare pricing only applies to Healthcare Dining Rooms, not other venues.

Assisted Living Furniture Rental

Item	Rate	Occurrence
Bed Frame with Headboard	\$ 64.00	per month, each
Mattress & Boxspring Set	\$ 57.00	per month, each
Pillows	\$ 5.00	per month, each
Dresser	\$ 59.00	per month, each
Nightstand	\$ 36.00	per month, each
Sofa	\$ 46.00	per month, each
Accent Chair	\$ 21.00	per month, each
Coffee Table	\$ 18.00	per month, each
LR End Table	\$ 17.00	per month, each
Table Lamp	\$ 10.00	per month, each
TV Console	\$ 22.00	per month, each

2024 Medical Supply Ancillary Charges

Item	Price	Unit of Measure
Air Mattress Set	\$ 172.00	each
Abdominal Pad	\$ 6.00	case/box
Alginate Dressing	\$ 19.00	each
Alginate Dressing (1x12)	\$ 15.00	each
Applicator	\$ 2.00	each
Aquaphor	\$ 24.00	each
Bacitracin	\$ 2.00	each
Bandage / Gauze	\$ 2.00	each
Basin	\$ 2.00	each
Bedpan	\$ 2.00	each
Bordered Gauze	\$ 2.00	each
Brief/Underwear	\$ 48.00	case/box
Brief/Underwear XL	\$ 60.00	case/box
Brief/Underwear XXL+	\$ 79.00	case/box
Cannula	\$ 2.00	each
Catheter (Red Rubber or Foley)	\$ 2.00	each
Catheter Kit	\$ 5.00	each
Central Lock Pouch	\$ 3.00	each
Cold Pack	\$ 2.00	each
Colgate Toothpaste	\$ 3.00	each
Collagen Dressing (1x8)	\$ 17.00	each
Collagen Dressing (2x2)	\$ 15.00	each
Collagen Dressing (4x4)	\$ 43.00	each
Collagen Powder	\$ 21.00	each
Comb/Brush	\$ 2.00	each
Coude Catheter	\$ 6.00	each
Covaderm Dressing	\$ 2.00	each
Covaderm Dressing (4x14)	\$ 5.00	each
Curad Dressing	\$ 2.00	each
Dakins Solution	\$ 23.00	each
Denture Adhesive .75oz	\$ 5.00	each
Denture Adhesive 2.4oz	\$ 8.00	each
Denture Container	\$ 2.00	each
Denture Tablets	\$ 6.00	case/box
Denture Tablets (Efferdent)	\$ 14.00	case/box
Deoderant	\$ 2.00	each

Item	Price	Unit of Measure
Distilled Water	\$ 23.00	case/box
Drain Pouch (1 pc)	\$ 9.00	each
Drain Pouch (2 pc)	\$ 2.00	each
Drainage Bag	\$ 2.00	each
Drainage Bag Cover	\$ 2.00	each
Dressing Kit	\$ 21.00	each
Emesis Basin	\$ 2.00	each
Fitright Extended Wear	\$ 55.00	case/box
Flu Test	\$ 24.00	each
Fluoride Toothpaste	\$ 2.00	each
Foam Cleanser	\$ 4.00	each
Foley Secure	\$ 7.00	each
Foley Strap	\$ 5.00	each
Foley Kit	\$ 29.00	each
Foot Wrap	\$ 57.00	each
Gastronomy Tube	\$ 33.00	each
Geri Sleeve	\$ 19.00	each
Glucose Test Strip	\$ 2.00	each
Hand Sanitizer	\$ 7.00	each
Heel Protector	\$ 65.00	each
Heel Protector (XL)	\$ 104.00	each
Humidifer	\$ 7.00	each
Hydrofera Dressing (2x2)	\$ 9.00	each
Hydrofera Dressing (4x4)	\$ 13.00	each
Hydrogel Gauze	\$ 3.00	each
Incentive Spirometer	\$ 7.00	each
Incontinence Products	\$ 56.00	case/box
Iodine Gel	\$ 20.00	each
Iodine Solution	\$ 4.00	each
IV Catheter	\$ 9.00	each
Lancet/Syringe	\$ 2.00	each
Leg Bag	\$ 3.00	each
Liquid Supplement	\$ 3.00	each
Lubrication	\$ 2.00	each
Maxorb Dressing (4x4)	\$ 5.00	each
Maxorb Dressing (6x6)	\$ 13.00	each
Mepilex Dressing (4x10 or 4x12)	\$ 9.00	each
Mepilex Dressing (4x4)	\$ 5.00	each

Item	Price	Unit of Measure
Mouthwash (4 oz)	\$ 2.00	each
Mouthwash (Gallon)	\$ 48.00	each
N95	\$ 3.00	each
Nail Clipper	\$ 2.00	each
Nebulizer Kit/o2 Mask	\$ 2.00	each
Opaque Stocking	\$ 43.00	each
Optifoam (4x4)	\$ 5.00	each
Optifoam (6x6)	\$ 9.00	each
Optifoam Gentle Liquitrap	\$ 21.00	each
Ostomy Wafer	\$ 5.00	each
Oxygen Tank	\$ 52.00	each
Paper Surgical Tape	\$ 2.00	each
Poly-Lined Drape	\$ 2.00	each
Powder Supplement	\$ 3.00	each
Prism Glucose Test Strip	\$ 21.00	each
Prostat Supplement	\$ 89.00	each
Quilted Wipe	\$ 4.00	each
Razor	\$ 2.00	each
Remedy/Ointment	\$ 5.00	each
Saline Solution	\$ 2.00	each
Shampoo	\$ 4.00	each
Shampoo Cap	\$ 3.00	each
Shave Cream (less than 11 oz)	\$ 2.00	each
Shave Cream (11 oz)	\$ 5.00	each
Slipper	\$ 2.00	each
Sponge Gauze	\$ 2.00	each
Spray Cleanser	\$ 2.00	each
Steristrip	\$ 2.00	each
Stocking	\$ 6.00	each
Stoma Powder	\$ 12.00	each
Suction Kit	\$ 2.00	each
Supplement (30 oz)	\$ 34.00	each
Suture Removal Tray	\$ 2.00	each
Telfa Pad	\$ 2.00	each
Therahoney Dressing	\$ 11.00	each
Threflex Bandage	\$ 19.00	each
Tissues	\$ 2.00	each
Toothbrush	\$ 2.00	each

Item	Price	Unit of Measure
Towel	\$ 2.00	each
Tranquility Underwear	\$ 55.00	each
Tube-fed Supplement	\$ 21.00	each
Oxygen / Humidifier Tubing	\$ 2.00	each
Urinal	\$ 2.00	each
Urine Collection Hat	\$ 2.00	each
Wedge	\$ 38.00	each
Wipe/Washcloth	\$ 2.00	each
Wound Cleanser (1 oz)	\$ 3.00	each
Wound Cleanser (8 oz)	\$ 8.00	each
Wound Paste (.5 oz)	\$ 7.00	each
Wound Paste (1.5 oz)	\$ 18.00	each
Wrap Dressing	\$ 2.00	each
Xeroform Dressing	\$ 2.00	each

The above is not an all-inclusive listing. Other medical ancillary supplies may be required as additional medical services are provided or by physician order. Ingleside will notify all responsible parties of additional charges in advance. Any pricing changes for the above listed items will be communicated with a 60-day written notice.

Wellness Clinic Services		
Service	Price	Unit of Measure
Blood Pressure	\$ 10.00	each service
Vital Signs	\$ 10.00	each service
Minor First Aid (Under 15 Minutes)	\$ 20.00	each service
Minor First Aid (15 - 30 Minutes)	\$ 35.00	each service
Blood Sugar Test	\$ 20.00	each service
Dressing (Under 15 Minutes)	\$ 20.00	each service
Dressing (15 - 30 Minutes)	\$ 35.00	each service
Small Needle Box	\$ 10.00	each
Large Needle Box	\$ 15.00	each
Needle Box Disposal	\$ 20.00	each
Bedside Urinal	\$ 8.00	each
Administration of Eye Drops	\$ 20.00	each service
Injections (per injection)	\$ 20.00	each service
Ear Irrigation	\$ 50.00	each service
Med Consult & Instruction (< 15 Min)	\$ 20.00	each service
Med Consult & Instruction (15-30 Min)	\$ 35.00	each service
Registered Dietician Consult (1 Hour)	\$ 100.00	each
PPD for Ext'l Private Aides & Residents	\$ 40.00	each service
In-Home Visit (30 minutes)	\$ 40.00	each
In-Home Visit (60 minutes)	\$ 80.00	each

EXHIBIT B

OPTIONAL CUSTOM IMPROVEMENTS

This Optional Custom Improvements form, dated _____, is between King Farm Presbyterian Retirement Community, Inc. d/b/a Ingleside at King Farm, a Maryland not-for-profit corporation, and _____ (Resident(s)) who will reside in Residence # _____, a _____ (Type of Apartment).

The optional custom improvements to the Residence requested by Resident (the "Optional Custom Improvements") are described in the attached Optional Custom Improvements Scope Sheet.

Resident agrees to pay a charge for the Optional Custom Improvements in the amount of \$ _____ (the "Improvements Surcharge"), which equals the "Total Cost of Improvements" on the attached Optional Custom Improvements Scope Sheet, unless the Improvements Surcharge also includes a Delayed Occupancy Charge as set forth below. The Improvements Surcharge:

- Includes a Delayed Occupancy Charge in the amount of \$ _____
- Does Not Include a Delayed Occupancy Charge

The Delayed Occupancy Charge is imposed when the Occupancy Date in Exhibit A is more than ninety (90) days after the date of the Reservation Deposit Agreement between the Resident and IKF because the Optional Custom Improvements requested by a Resident are unable to be completed (whether due to the nature of the improvements, the timing of their selection by Resident, or for any other reason except due to the fault of IKF) within such ninety (90) day period. For the avoidance of doubt, the Resident and IKF will set the Occupancy Date in advance (and calculate any Delayed Occupancy Charge accordingly) and shall insert such Occupancy Date in Exhibit A when entering into this Residence and Services Agreement. The Delayed Occupancy Charge is equal to the amount of the Monthly Fee set forth in Exhibit A for each thirty (30) days (or pro rata portion thereof) between the date that is ninety (90) days after the date of the Reservation Deposit Agreement between the Resident and IKF and the Occupancy Date set forth in Exhibit A. In circumstances in which a supply chain or other issue arises that causes an additional delay past the Occupancy Date previously inserted in Exhibit A, then (i) the Occupancy Date will be delayed until the Optional Custom Improvements can be completed and the Residence is available for occupancy (which updated Occupancy Date will be reflected in Exhibit A as appropriate) and (ii) there will be no charge to Resident due to such additional delay, such that the only charge to Resident will be the Improvements Surcharge and Delayed Occupancy Charge previously set forth herein.

The Optional Custom Improvements will not be constructed unless IKF receives payment of Improvements Surcharge upon execution of the Residence and Services Agreement. Once work commences on the Optional Custom Improvements, no part of the Improvements Surcharge (other than the Delayed Occupancy Charge) is refundable except as provided in Part 610 of the Residence and Services Agreement.

Part II

**GENERAL CONDITIONS
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ARTICLE 1

INTRODUCTION

Section 101. Definitions.

The capitalized terms used in this Agreement are defined as follows:

“Assisted Living” means a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of these services to meet the needs of individuals who are unable to perform, or who need assistance in performing, the activities of daily living or instrumental activities of daily living, in a way that promotes optimum dignity and independence for the individuals.

“Assisted Living Apartment” means one of the apartments in the Health Center intended for residents who require assistance with one or more activities of daily living.

“Attending Physician” means the physician responsible for a resident’s health care, whether a King Farm Physician or the resident’s personal physician.

“Comprehensive Care” means the care provided to residents, who require medical service and nursing service rendered by or under the supervision of a registered nurse, and which care is rendered in a licensed nursing facility.

“Date of Relocation” means the date Resident agrees to occupy the new residence and release and vacate the current residence.

“Emergency” means a situation of imminent danger of serious harm to Resident’s health or safety or the health or safety of other residents.

“Entrance Fee” means the one-time fee due from Resident payable in the amount specified in Exhibit A of Part I of this Agreement.

“Entrance Fee Deposit” means the ten percent (10%) deposit made by the Resident at the time of execution of a Reservation Deposit Agreement.

“Executive Director” means the chief executive officer of IKF appointed by its Board of Directors.

“Health Center” means the health care facility at the Community which includes Assisted Living, Comprehensive Care, memory support, the Wellness Center and related services.

“Just Cause” means grounds for termination of this Agreement by IKF for: nonpayment of an amount due under this Agreement; a material breach of this Agreement or IKF’s written reasonable Rules and Regulations that contractually bind the Resident; or health status or behavior that constitutes a substantial threat to the health or safety of the Resident or other residents.

“King Farm Physician” means any of the physicians under contract with IKF to supervise the health care of residents residing in the Health Center, to conduct scheduled office hours at the Community, and to answer emergency calls.

“Medical Director” means the physician or physicians designated as such by IKF. The Medical Director shall supervise the health care facilities and health services provided in the Community.

“Monthly Fee” means the monthly fee payable hereunder as provided in Section 502 as adjusted from time to time as provided herein.

“Occupancy Date” means the date the Residence is available for occupancy as set forth in Exhibit A.

“Prolonged Transfer” means a transfer from a Resident’s Residence to the Health Center for a period of 90 days or more.

“Relocate(s)” or “Relocation” means a move to another accommodation within the Community that does not involve a change in the Resident’s level of care.

“Required Insurance Coverage” means the insurance coverage that Resident is required to maintain as set forth in Section 331.

“Residence” means the independent living apartment selected by Resident for occupancy as identified in Part I of this Agreement.

“Resident” means the person or persons identified as Resident in Exhibit A to Part I of this Agreement.

“Resident Review Team” means a committee comprised of three or more persons, including the Medical Director, at least one other representative of the health care staff and the Executive Director.

“Resident Supporting Fund” means the benevolent fund established by IKF to provide assistance to residents of the Community.

“Residents’ Association” means the association, if any, organized by and for the residents of the Community.

“Rules and Regulations” means the written, reasonable rules and regulations developed and amended from time to time by IKF as described in Section 223.

“State” means the State of Maryland.

“Transfer(s) or Transferred” means a move to another accommodation within the Community or to a facility outside the Community which, in either case, involves a change in the Resident’s level of care.

“Wait List Deposit” means that portion of the Entrance Fee payable pursuant to an agreement with IKF to consider an applicant’s request for residence sequentially in the order of the applicant’s position on a wait list.

Section 102. Headings. The title and headings of this Agreement are included for ease of reference only and shall not define or limit the substantive provisions.

ARTICLE 2

RESIDENTIAL FACILITIES AND SERVICES; GENERAL MATTERS

PART 200 DESCRIPTION OF RESIDENTIAL FACILITIES PROVIDED BY IKF

Section 201. Resident’s Residence. Resident has the right to occupy and use the Residence during the term of this Agreement, subject to a Relocation or Transfer to another living accommodation at Resident’s request or upon a Transfer as provided in Article 4 and subject to the terms of Section 234(a).

(a) Furnishings and Appliances. IKF will furnish the Residence with wall-to-wall carpeting (except in the kitchen and bathroom areas), mini-blinds, a range, sink, microwave, garbage disposal, dishwasher and refrigerator in the kitchen area, an automatic washer and dryer, a bathroom with grab bars in the tub and/or shower, individual thermostatic control for heating and air conditioning, and an emergency response system. Resident shall provide all other furnishings.

(b) Structural Changes; Redecoration. After the Occupancy Date, any structural or physical changes to the Residence, including any alteration (such as the construction of bookshelves) or redecoration (such as painting or wallpapering (other than painting or other maintenance performed by IKF) will require the prior approval of the Executive Director and will be made only under his or her supervision and direction. The cost of any change requested by Resident shall be at Resident’s expense. The Executive Director may require, as a condition of approval of a requested change, that Resident either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of Resident’s occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to IKF.

Section 202. Common Areas. All indoor communal areas, such as the Community Atrium, formal and casual dining areas, indoor swimming pool, wellness and fitness center, activity room, library, computer room, lounge and all outdoor communal areas, such as walking paths, gardens, and sitting areas, are for the use of the Community residents and their guests. Individuals are not permitted to modify, remove or enhance any communal area without the express written permission of the Executive Director.

Shops providing special services, such as the Salon, will charge fees for services provided.

Section 203. Parking Facilities. Each Residence will have one designated standard size covered parking space so long as one or more residents therein own and operate a car. Additional parking areas will be available for guests and, depending upon demand and subject to IKF's right to charge residents extra for parking their second cars, may be available for Community residents. Long term or indefinite storage of cars that are unlicensed or non-operable is not permitted.

Section 204. Laundry Assistance. Assistance with laundry will be available for an additional fee. (See Exhibit A.)

Section 205. Storage Facilities. Each Residence in the Community will have one assigned storage bin.

PART 210 RESIDENTIAL SERVICES PROVIDED BY IKF

Section 211. Flexible Dining Plan.

(a) Dining Card. Each quarter, IKF will provide each Resident with a dining card that will be credited with an amount of money equal to thirty (30) meals per month for three (3) months. (The quarter will be based upon move-in date and pro-rated accordingly.) The Resident may use the dining card at the formal and casual dining areas or at the marketplace. Residents may charge additional meals to their account if they use all of the credits within a quarter. Resident may use the dining card for any meals (breakfast/lunch/dinner). Credits not used during the first or second month of the quarter may be carried over to the next month; however, unused credits remaining at the end of the third month of the quarter cannot be carried over to the next quarter. The dining card can also be utilized by Resident to purchase meals for guests, but not for catered events (eight or more persons).

(b) Tray Service. Meal delivery service will be provided for Resident in his or her Residence if ordered by the Executive Director or his designee. IKF will charge additional fees for any tray service not related to illness or disability.

(c) Guest Meals. Resident may invite guests to meals in the formal and casual dining areas. Prior notice is requested. Guest meal charges will be included in Resident's monthly statement or Residents may utilize their dining card for guest meals.

Section 212. Maintenance, Repair and Security. IKF will maintain the buildings and grounds, including common area landscaping and lawn services, roads and drives, including snow removal, and will be responsible for the necessary maintenance, repairs and replacement of property and equipment owned by IKF, including exterior maintenance of the living accommodation building(s). Additional maintenance services may be available for an extra fee.

IKF will employ or contract for 24-hour security personnel for the buildings and grounds.

Section 213. Housekeeping Services. IKF will provide housecleaning services annually that include window washing and carpet cleaning. IKF will also furnish light housekeeping services such as vacuuming and bathroom and kitchen cleaning on a weekly basis. Additional housekeeping services may be contracted for on a fee-for-service basis. Trash disposal and waste management from designated locations will be provided by IKF on a regular basis, excluding hazardous waste, furniture and appliance disposal.

Section 214. Utilities. IKF will furnish water, heat, air conditioning, gas, basic cable television connection and electricity to the Residence. Telephone and internet service is not included in the Monthly Fee.

Section 215. Transportation. IKF will provide scheduled transportation for certain activities such as scheduled events and shopping. (See Resident Handbook.) Transportation for special, personal and group trips may be made available at an additional charge.

Section 216. Social and Recreational Activities. Social and recreational activities will be developed by the residents in collaboration with the Community staff and administration who will provide planning and coordination.

Section 217. Other Services. Services for which an additional charge may be made, if provided, include: group trips arranged for special cultural, social, sporting and scenic excursions; daily delivery of local and metropolitan newspapers; laundry/dry cleaning pick-up and delivery; instructional classes; special entertainment activities; and other services not specifically described in this Agreement as provided by IKF or contract vendors.

Section 218. Wellness Activities. Regularly-scheduled blood pressure screenings and coordination of a fitness plan will be provided at no additional cost.

PART 220 RIGHTS AND RESPONSIBILITIES OF IKF

Section 221. General. IKF accepts responsibility for providing the facilities and services described above and in Section 311, provided that IKF shall not be responsible for any interruption of services caused by labor disputes, governmental orders and requirements, acts of God, civil riot, and any other cause not reasonably within its control, and which, by the exercise of ordinary care, IKF is unable, wholly or in part, to prevent or overcome.

Section 222. IKF's Right of Entry. Resident recognizes and accepts IKF's right to enter Resident's Residence under certain circumstances. Such right of entry includes, but is not limited to, entry for the following purposes: (i) response to the automatic fire alarm or emergency response system, (ii) entry in the event that Resident is reported as missing or as not having responded to a call, and (iii) performance of maintenance procedures. IKF recognizes Resident's right to privacy and its responsibility to limit entry of the Residence to perceived medical or other emergencies, and, with prior notice to Resident, routine maintenance services. For Resident's safety, Resident agrees not to replace or add any locks to the Residence.

Section 223. IKF's Rules and Regulations. IKF represents, and Resident acknowledges, that Resident has received, at least two (2) weeks before signing this Agreement, a copy of the current version of the written rules of IKF, which appear in the Resident Handbook, and which are subject to change by IKF from time to time. Resident agrees to abide by the Rules and Regulations.

IKF reserves the right to make rules and adopt regulations which do not violate this Agreement, and to amend the Resident Handbook from time to time.

Section 224. Taxes. IKF will be responsible for the payment of all real and personal property taxes assessed against the property owned or leased by IKF.

Section 225. Additional or Different Agreements; Use of Facilities. IKF reserves the right (a) to offer additional types of agreements covering residential and health care facilities and services and to enter into different versions of this Residence and Services Agreement as determined appropriate by IKF, and (b) to provide residence and care and other services at this Community to persons not signing Residence and Services Agreements, including without limitation providing access to certain facilities to residents of adjacent and other developments.

Section 226. Notice of Change in Scope of Care or Services. Except for changes required by State or federal assistance programs or by law, IKF will notify Resident of any proposed change in the scope of care or services provided in this Residence and Services Agreement at least 30 days before such change is effective. No change involving a decrease in the scope of care or services as set forth in this Agreement shall be effective unless it has first been approved in writing by the Maryland Department of Aging.

PART 230 RIGHTS AND RESPONSIBILITIES OF RESIDENT

Section 231. Light Housekeeping. Resident shall maintain the Residence in a clean, sanitary, and orderly condition and perform all light housekeeping tasks required between scheduled housekeeping services provided by IKF. If Resident is unable to maintain the Residence in a proper manner, IKF shall have the right, with Resident's permission, and in its discretion, after thirty (30) days written notice to Resident, either to Transfer Resident to Assisted Living or provide additional housekeeping services, the cost of which shall be billed to Resident on a monthly basis. Notwithstanding the foregoing sentence, if Resident refuses to allow IKF to provide such housekeeping, then IKF may terminate this Agreement in accordance with Section 602 if Just Cause exists. (See Section 602 herein for the definition of "Just Cause.")

Section 232. Internet and Telephone Service. Resident shall provide his or her own internet connection and telephone and shall pay the installation charges and monthly charges for internet and telephone service, if Resident desires such services. A computer room shall be available within the Community with internet connection.

Section 233. Guests. No person other than the Resident may reside in the Residence. Resident's guests are welcome to visit the Community if they abide by the rules and policies of IKF. IKF requires that overnight guests be registered. Resident shall obtain written approval in advance by the Executive Director: (a) to have any individual guest stay overnight for longer than one week (seven consecutive days), (b) to have any individual guest stay overnight for more than seven non-consecutive days in any month, or (c) to have more than five overnight guests in total during any month. Resident will be responsible for the conduct of Resident's guests, damages caused by Resident's guests and for payment of any charges incurred by Resident's guests. No guest shall be entitled to any rights or privileges under this Agreement by reason of his or her status as Resident's guest.

Section 234. Resident's Rights to Property.

(a) Nature of Resident's Interest. RESIDENT'S RIGHTS ARE PRIMARILY FOR SERVICES, WITH A CONTRACTUAL RIGHT OF OCCUPANCY. THE RIGHTS AND PRIVILEGES GRANTED TO RESIDENT BY THIS AGREEMENT DO NOT INCLUDE ANY RIGHT, TITLE OR INTEREST IN ANY PART OF THE PERSONAL PROPERTY, LAND, BUILDINGS OR IMPROVEMENTS OWNED OR ADMINISTERED BY IKF. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED TO CREATE A LEASE OR THE RELATIONSHIP OF LANDLORD AND TENANT BETWEEN IKF AND RESIDENT.

(b) Subordination to Financing. Except as may be limited by rights arising under the Human Services Article of the Annotated Code of Maryland, Sections 10-401 through 10-499 (the "Continuing Care Act"), the Resident's rights under this Agreement shall at all times be subordinate to the rights of any bona fide lender under any

mortgage, lease, deed of trust or other security interest, now existing or hereafter created, on or in all assets of IKF, including without limitation all premises, fixtures, equipment, furnishings, inventory, accounts receivable, revenues, cash, securities, books and records or other assets of any nature of IKF, whether now existing or hereafter acquired, any of the property of IKF and to all amendments, modifications, replacements or refinancing of any such mortgage, lease, deed of trust or security interest. This subordination shall not apply to any refunds of Entrance Fees payable prior to the Occupancy Date or payable by IKF for termination by IKF pursuant to Section 602 hereof to the extent such subordination is prohibited by Section 10-448 of the Human Services Article of the Annotated Code of Maryland, as amended from time to time. The Resident shall execute and deliver any documents reasonably required by the Corporation or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination. ANY DEFAULT OF IKF UNDER ANY SUCH SECURITY AGREEMENT MAY RESULT IN A FORECLOSURE ON THE REAL OR PERSONAL PROPERTY CONSTITUTING THE COMMUNITY AND RENDER IMPOSSIBLE THE PROVIDING OF SERVICES TO THE RESIDENT UNDER THIS AGREEMENT.

Section 235. Resident's Responsibility for Damages. Resident shall be responsible for any personal injury and for loss or damage to real or personal property of IKF or others caused by the negligence (including the negligent failure to act) or misconduct of Resident or any guest of Resident and shall reimburse IKF for any costs or damages incurred as a result of such negligence or misconduct. In addition, Resident shall be responsible for charges related to pest remediation if Resident's negligent or willful acts required IKF to obtain pest control services. IKF assumes no responsibility for, and any injury to Resident or damage or loss to Resident's property caused by the negligence or misconduct of another resident or any invitee of another resident, unless IKF has also been negligent and such negligence contributed to such injury, damage or loss.

Section 236. Insurance. Resident is responsible for the repair, maintenance and replacement of all personal property of Resident. IKF does not have an insurable interest in the personal property of Resident and Resident is therefore responsible for the loss of or damage to Resident's personal property due to theft, fire, or any other cause, including any personal property stored in the Community storage facilities. In addition, Resident is responsible for any damages Resident causes to IKF's property. For example, if Resident leaves water running and it overflows causing damage to property; Resident leaves on the stove and a fire is started; or Resident hits furniture and walls with a motorized scooter causing property damage. In the case of fire or water damage, Resident may not be able to live in their accommodation and will have to incur the expense of housing. Furthermore, Resident is personally liable for his/her actions that result in harm to another resident or guest. For example, Resident runs over a resident's foot with a motorized scooter; or Resident gets into an argument and harms another person. Because insurance can help to limit the costs associated with any of these circumstances, Resident is required to obtain and maintain the following insurance at Resident's expense: (a) personal property insurance; (b) personal liability insurance; (c) property liability insurance; and (d) loss of use insurance to cover housing. If Resident neglects to obtain and maintain the

aforementioned insurance, Resident remains liable for any costs associated with damages caused by Resident.

Section 237. Residents' Association. IKF encourages independence and self-governance on the part of residents of the Community. Residents who have entered into Residence and Services Agreements with IKF shall have the right to organize a residents' association at the Community and to meet there privately to conduct business.

Section 238. IKF's Resident Handbook. IKF's Resident Handbook provides information about the Community, contact information and IKF's Rules and Regulations.

Section 239. Pets. Resident may keep a dog, cat or other pet upon completing a Pet Agreement, and remaining in compliance with IKF's Rules and Regulations relating to pets, including without limitation, restrictions on the size, type and number of pets kept at the Community and the areas in which pets may be kept or exercised. Resident agrees to make other arrangements for the care of any pet if, in the judgment of the Executive Director, (i) such pet is or becomes a nuisance or danger to Resident or others or (ii) Resident can no longer care for the pet without assistance. Resident shall reimburse IKF for any damage done to any part of the Community, including furnishings, by any pet of Resident. (See Addendum B, "Pet Agreement.")

PART 240 RESIDENCY REQUIREMENTS AND RELEASE

Section 240. Waiver of Liability. The Resident hereby releases IKF from liability for his death, injury to the Resident's person or property caused by any fire, theft, assault or other cause beyond the control of IKF, and not due to IKF's negligent acts or omissions or those of its employees or agents, and from any liability resulting from the negligence or wrongful acts of other Residents, and hereby waives any claim that the Resident or the Resident's estate may have against IKF therefrom.

Section 241. Smoke-Free Campus. For the health, safety and well-being of our residents and guests, IKF has instituted a smoke-free campus by providing a healthy smoke-free environment.

Section 242. Independent Living Tenancy. Independent living residents shall be: (a) able to initiate emergency help if needed; (b) able to react promptly and appropriately to fire alarms or other disaster signals; (c) capable of safely operating various types of household and adaptive equipment; (d) able to live within customary environmental features or an adaptive environment; (e) able to keep abreast of rules and regulations with respect to safety and security; and (f) safely manage the activities of daily living and the instrumental activities of daily living without assistance or with supportive care. The inability of a resident to meet the aforementioned criteria may require the resident to obtain supportive care in their Residence or Transfer to another level of care within the Community. See Article 4 for information about Relocations and Transfers.

Section 243. Resident Agrees to Update Health and Financial Information Periodically. Resident agrees to update health and financial information every three (3) years to determine whether additional health care services or financial assistance may be needed by Resident in the foreseeable future.

Section 244. Forms Made a Part of this Agreement. The information submitted by Resident to IKF in making application for residence includes the “Application for Residence” and the “Confidential Financial Form” which are both made a part hereof. Knowing that IKF will rely on the Resident’s statements made on such forms, Resident warrants that all statements made there are true and complete. Resident specifically warrants that there has been no change in the financial information contained in the “Confidential Financial Form” between the date such information was provided and the date of this Agreement. In addition, Resident warrants that there has been no change in Resident’s health between the time Resident submitted the Application for Residence and the date of this Agreement.

ARTICLE 3

HEALTH CARE FACILITIES AND SERVICES

PART 300 DESCRIPTION OF HEALTH CARE FACILITIES

The Health Center incorporates both Assisted Living and Comprehensive Care. Additionally, there is a Wellness Center providing ambulatory health care services during regular business hours. The Health Center, which houses Comprehensive Care residences, participates in the Medicare and Medicaid programs.

IKF may offer direct entry into the Health Center’s Assisted Living and Comprehensive Care programs through per diem contracts and in compliance with Maryland laws and regulations governing such admissions. (See Section 811 herein for restrictions related to direct admissions into Comprehensive Care.) Priority status is given to IKF residents and those on the wait list.

PART 310 DESCRIPTION OF HEALTH CARE SERVICES

Section 311. Services To Be Provided by IKF. IKF provides Assisted Living services and Comprehensive Care services to Resident, on a temporary or long-term basis, in the Health Center. Resident must pay the cost of such services at the per diem rate then in effect for the specific unit of the Health Center occupied.

Section 312. Access to Other Services. Additional health care services may be made available at the Community through independent contractors approved by IKF. Resident will be responsible for paying the fees charged by such independent contractors for any services utilized by Resident, and IKF has no obligation to provide for the billing of such services unless such services are provided to the Health Center’s Comprehensive Care

residents. Some examples of the types of services which may be provided by independent contractors are as follows:

- (a) Physician specialist medical care, including scheduled office hours and emergency calls, by King Farm Physicians;
- (b) dental care;
- (c) pharmacy services;
- (d) physical therapy;
- (e) occupational therapy;
- (f) speech therapy;
- (g) podiatric care; and
- (h) home health care.

Section 313. Assisted Living Services. IKF is licensed to provide up to three levels of care, Level 1 (low), Level 2 (moderate), and Level 3 (high) Assisted Living services. The level of Assisted Living services that may be required by Resident is determined through an initial assessment of Resident, and will be recorded in the medical record. In the event IKF determines that Resident needs a different level of care than has been determined by the initial evaluation, Resident agrees to allow IKF staff to conduct another functional assessment to determine whether a different level of care is appropriate. All recommendations involving a change in the level of care will be made by a team consisting of three or more persons including the Medical Director, at least one other representative of the health care staff, and the Executive Director (the "Resident Review Team"). Resident's Attending Physician shall also be consulted. Recommended changes in level of care will be communicated to Resident and Resident's representative so that discussions may occur with Resident, Resident's representative and, if feasible, designated relevant family members to invite expression of opinions and feelings in order to arrive at a plan that will meet Resident's needs. Changes in level of care will be provided in a written notice to Resident; will be recorded in the medical record; reflected in a revised service plan; and the rate charged will be in accordance with the level of service provided.

Section 314. Emergency. In the event of an Emergency which could make it unsafe or unhealthy to continue to provide services in the Health Center, arrangements will be made to temporarily relocate you to another facility which has space and provides the same or higher care capabilities as have been provided by IKF.

PART 320 RESPONSIBILITIES OF IKF

Section 321. Costs in Excess of Insurance Coverage. IKF expects that portions of the cost of the health care to be provided by IKF under this Agreement will be covered by payments under the insurance required to be maintained by Resident pursuant to Section 331 (the "Required Insurance Coverage"). Nonetheless, Resident is primarily liable for all health care costs charged to the Resident for use of the Health Center and shall be obligated to pay such costs, whether or not such costs are covered by insurance.

Section 322. Payment of Benefits. If Resident fails to pay IKF for health care services provided to Resident, any benefits paid under the Required Insurance Coverage

which are attributable to health care services provided by IKF shall be assigned to IKF as reimbursement for IKF's costs in providing such services. Any proceeds from such benefits in excess of IKF's per diem rates for such services shall be paid to Resident.

Section 323. IKF's Option To Insure. IKF may (but is not obligated to) obtain one or more insurance policies covering some or all of the health care services to be provided by IKF under this Agreement. IKF will be responsible for payment of all premiums on any such policy. Resident agrees to cooperate fully with IKF in connection with the application for, and the maintenance of, any such insurance.

Section 324. Use and Disclosure of Medical Information. IKF shall maintain, use and disclose Resident's health information in accordance with State and Federal laws and regulations governing such health information. IKF shall have no liability for releasing information to a health care provider in accordance with State and Federal laws and regulations if it reasonably believes that: (a) such provider is to provide services or consultation to Resident; or (b) Resident has approved such release.

PART 330 RESPONSIBILITIES OF RESIDENT

Section 331. Maintenance of Health Insurance. Resident shall obtain and maintain in force, at Resident's expense, insurance reasonably satisfactory to IKF to cover the costs of comprehensive services. Such insurance shall include, but shall not be limited to, maximum coverage available under Medicare Part A and Part B (or equivalent coverage as reasonably determined by IKF), under any future program offered by Medicare, and under the supplemental plan offered under Blue Cross and Blue Shield Medicare Supplemental insurance or another "Medigap" policy reasonably acceptable to IKF (collectively, the "Required Insurance Coverage"). RESIDENT HEREBY AUTHORIZES IKF ON RESIDENT'S BEHALF TO MAKE APPLICATION FOR AND PAY PREMIUMS ON SUCH REQUIRED INSURANCE COVERAGE IF RESIDENT DOES NOT ACQUIRE IT. RESIDENT SHALL REIMBURSE IKF FOR THE COSTS OF ANY SUCH PREMIUMS PAID BY IKF. Resident will be required to cooperate with IKF in providing the documentation necessary to apply for Medicaid services prior to eligibility, and before Resident becomes unable to pay for nursing or Assisted Living services, as applicable.

RESIDENT WILL BE RESPONSIBLE TO PAY THE FULL PER DIEM RATE THEN IN EFFECT FOR HEALTH CARE SERVICES, REGARDLESS OF (a) THE BENEFITS PAID UNDER THE REQUIRED INSURANCE COVERAGE OR (b) IF RESIDENT IS OR BECOMES INELIGIBLE FOR, OR OTHERWISE CANNOT MAINTAIN, ANY PART OF THE REQUIRED INSURANCE COVERAGE.

Section 332. Payment for Health Care Services Not Provided by IKF. Resident is responsible for payment of the cost of all health care services not expressly covered by this Agreement. Among the physical and mental health care services not covered under this Agreement are: private duty nursing care, services rendered by a clinic, physician, or other practitioner of any therapeutic or palliative art or profession; dentures, eyeglasses, hearing

aids, refractions, contacts, services rendered by a hospital, rehabilitation facility or laboratory; prescription and over-the-counter medications; diagnostic imaging; cancer therapy; medication supplies; and appliance, equipment, or other aids to modify the effects of disabling conditions.

Section 333. Attending Physician. Resident shall have an Attending Physician at all times and shall inform IKF of the identity of his or her Attending Physician. The Attending Physician for any person residing in the Health Center must be approved by the Medical Director, which approval shall not be unreasonably withheld and which shall not constitute any endorsement or warranty as to such physician's skills. If Resident does not have a personal physician who will act as Resident's Attending Physician, Resident may choose one of the King Farm Physicians as his or her Attending Physician. IF RESIDENT HAS NOT DESIGNATED AN ATTENDING PHYSICIAN AND IS UNABLE TO SELECT AN ATTENDING PHYSICIAN, IKF IS HEREBY AUTHORIZED TO SELECT ONE OF THE KING FARM PHYSICIANS AS RESIDENT'S ATTENDING PHYSICIAN.

Section 334. Illness or Accident Away From the Community; Hospital Care. If an accident or illness occurs while Resident is traveling or visiting away from the Community, Resident shall make every reasonable effort to notify IKF. IKF will have no responsibility to pay for any nursing care until Resident returns to the Community. Payment for medical, surgical and hospital care not provided by this Agreement is Resident's responsibility, whether at or away from the Community.

Section 335. Handling of Finances. The Resident is solely responsible for the handling and management of all Resident's personal finances. IKF will not be responsible for handling Resident's finances.

Section 336. Private Duty Nurses/Companions.

- (a) If Resident would like a private duty nurse or private duty nursing assistant, Resident is responsible for selecting a person licensed and/or certified according to State laws and regulations, and in accordance with the private duty guidelines. Resident is also responsible for paying the private duty nurse or nursing assistant and for notifying IKF that a private duty nurse or private duty nursing assistant has been hired. The person hired is not an employee or agent of IKF, but he or she must meet IKF's standards and follow IKF's policies and procedures. Employees of IKF may not serve residents as private duty nurses, private duty geriatric aides or be hired directly by residents in any other capacity while employed by, or hired by, IKF.
- (b) A private duty nurse or private duty nursing assistant hired by Resident in accordance with Article 3, Part 330, Section 336 to provide services for Resident in the Residence may not: (a) work more than two eight-hour shifts (sixteen hours total) in a single day, or (b) sleep in the Residence. If two or

more private duty nurses or private duty nursing assistants provide services for Resident in the Residence, the total amount of time they work may not exceed sixteen hours in total in a single day.

- (c) Notwithstanding the limitations contained in Subsection (b) of this Section, IKF will make reasonable accommodations in its rules, policies, practices or services that are necessary for a Resident with a disability to have an equal opportunity to use and enjoy the Residence and services offered in the Community.

Section 337. Sign Out Procedure for Health Center. For Resident's safety and protection, Resident shall sign out of the Health Center when Resident is leaving the premises and sign in when returning.

Section 338. Discharge Against Medical Advice. If Resident or Resident's legal representative insists upon discharge from the Health Center against medical advice, Resident and/or Resident's legal representative must sign a release absolving IKF and the attending physician of all further responsibility and legal liability. Any refusal to sign such release shall be deemed a release in and of itself. All discharge summary information will be completed and shall be retained in the Resident's clinical record.

ARTICLE 4

RELOCATIONS AND TRANSFERS

PART 400 RELOCATIONS BETWEEN INDEPENDENT LIVING APARTMENTS

Section 401. Request by Resident for Change in Residence. Resident may request a change in living accommodation at any time. It is IKF's policy to approve accommodation changes requested by a resident for any of the following reasons: health, finances, death of a spouse or co-resident, marriage and the availability of a type of living accommodation requested but not available at the time of Resident's entrance into the Community. Additional factors to be considered by IKF in determining whether to grant such request will include the availability of alternative accommodations and waiting lists therefore and Resident's agreement to pay the excess, if any, between the then current Entrance Fee for the requested accommodation and the Entrance Fee paid on the originally selected accommodation. Any such change must be approved by the Executive Director.

If approved, residents who Relocate to another independent living accommodation shall: (i) sign a Relocation Amendment; (ii) arrange for and pay their own moving expenses; and (iii) pay the costs of refurbishment of their current residence (beyond normal wear and tear), if applicable.

In addition, Residents moving to a more-costly independent living accommodation shall pay the difference in entrance fee between the current residence and the new residence. The refund shall be in accordance with Section 611(e).

Residents moving to a less-costly independent living accommodation, shall refer to Section 611(d) for information concerning any refund.

Resident may be Relocated by IKF only to protect the health or safety of the Resident or for the general and economic welfare of other residents in the Community. All decisions regarding Relocations will be made upon recommendation of the Resident Review Team. Except in an Emergency (as defined in Section 411), Resident may not be transferred to a higher level of care without Resident's consent (or, if Resident is not competent, the consent of an authorized representative).

Section 402. Change in Accommodation Due to Death or Withdrawal of One of Two Residents. When the residency of one of two co-residents occupying the same living accommodation is terminated due to death or withdrawal, the remaining resident may continue to occupy the living accommodation and his or her Monthly Fee will be adjusted to the single occupancy rate for that living accommodation. Such resident may request a Relocation to a smaller living accommodation as provided in Section 401 above, and following such Relocation shall pay the Monthly Fee associated with the smaller living accommodation at the single occupancy rate.

Section 403. Transfer Made by One of Two Residents. In the event that one of two co-residents sharing a living accommodation Transfers on a permanent or prolonged basis to the Health Center or another medical facility, the remaining resident may continue to occupy the living accommodation or, for medical or financial reasons as approved by the Executive Director, may move to a smaller living accommodation.

Section 404. Relocation at Option of IKF. If IKF reasonably determines that the Resident's Residence needs to be vacated to permit repairs or renovations thereto or the transfer of such space to either a different use or a different configuration, IKF may Relocate the Resident to a new living accommodation of the same size provided that IKF (a) consults with, and obtains the consent of, Resident prior to undertaking any such Relocation, (b) gives Resident reasonable notice of and time to prepare for such Relocation, (c) incurs all the costs of such move and (d) arranges for the prompt and convenient moving of Resident's personal furnishings.

PART 410 TRANSFERS FROM RESIDENCE TO HEALTH CENTER

Section 411. Standard and Procedure for Transfer. Resident may be Transferred without Resident's consent in an "Emergency" (a situation of imminent danger of serious harm to Resident's health or safety or the health or safety of other residents). Advance notice of such Transfer will be provided to the extent practicable. Following an Emergency, when it is determined that care can safely and adequately be provided to

Resident, Resident may return to his/her Residence, or to another living accommodation appropriate to Resident's level of care. A temporary Emergency Transfer shall not, in and of itself, establish Just Cause for termination of this Agreement.

Absent an Emergency, all decisions to recommend permanent or Prolonged Transfer to the Health Center will be made by IKF upon the recommendation of the Resident Review Team or the Medical Director.

Section 412. Permanent or Prolonged Transfer. IKF may declare Resident's Residence vacant if Resident has Transferred on a permanent or prolonged basis from Resident's Residence pursuant to Section 411 or Section 422. In such event, Resident or Resident's representative shall remove Resident's personal belongings from the Residence within thirty (30) days after it has been determined that the Transfer will be a permanent or Prolonged Transfer. Resident shall continue to pay the Monthly Fee until such time as the Residence is vacated and Resident's personal belongings have been removed therefrom. If, after Resident's Residence has been so released, Resident's condition improves so that Resident is able to resume residency outside the Health Center to which Resident had been Transferred, IKF agrees to provide Resident a living accommodation appropriate to Resident's condition as soon as such a living accommodation becomes available.

Section 413. No Refund of Entrance Fee Upon Transfer. Resident shall not be entitled to a refund of any portion of the Entrance Fee by virtue of a Transfer from the Residence to Assisted Living or Comprehensive Care or from Assisted Living to Comprehensive Care in the Health Center.

PART 420 TRANSFERS OUT OF THE COMMUNITY

Section 421. Hospitalization. If, in the judgment of Resident's Attending Physician, Resident requires hospitalization, Resident's Attending Physician shall have the authority to arrange for such hospitalization with the consent of Resident or, in an Emergency (as defined in Section 411), without the consent of Resident. When Resident's Attending Physician determines that hospitalization is no longer required, Resident's Attending Physician shall arrange with the Medical Director or a King Farm Physician for Resident's transfer to the Health Center or to Resident's Residence. Payment by Resident of the Monthly Fee shall continue during any period of hospitalization subject to Section 503(d).

Section 422. Insufficient Space at Health Center. Although it is anticipated that bed space at the Health Center will be adequate to meet the demand for such space, IKF cannot guarantee the availability of bed space at the Health Center. Should bed space at the Health Center not be available when needed, IKF will assist the Resident in locating comparable healthcare services at a nearby licensed facility. Resident shall be financially responsible for all charges associated with the outside facility. If the Resident is transferred to an outside facility, Resident shall have the right, on a priority basis, to be returned to the Health Center as soon as appropriate space is available. Resident shall continue to pay

the Monthly Fee for the Residence less a meal allowance, if applicable, until the Residence previously occupied is released for resale. If the transferred person is one of two co-residents and the other resident remains in their Residence, Resident thereafter shall pay for the resident remaining in the Residence a Monthly Fee based on the Monthly Fee for the Residence at the single occupancy rate.

ARTICLE 5

FINANCIAL OBLIGATIONS, ADJUSTMENTS

PART 500 FINANCIAL OBLIGATIONS OF RESIDENT

Section 501. Financial Obligations of Resident. Resident shall pay to IKF the Entrance Fee as described in Exhibit A to Part I of this Agreement, the Monthly Fee as described in Section 502 and any additional fees owed to IKF under the terms of this Agreement, including without limitation any amounts due under Sections 211, 213, 215, 217, 231, 233, 235, 239, 312, 321, 331, 332, 505, 507 and 615. IKF has no obligation to bill for services provided by third parties unless provided for skilled nursing care residents.

Section 502. Monthly Fee. Beginning on the Occupancy Date, Resident will pay the Monthly Fee in advance to IKF each month on the first day of such month (or on the first day of occupancy if it is not the first day of the month). If the Occupancy Date is determined to fall on other than the first day of a month, a pro rata adjustment based on the number of days from (and including) the Occupancy Date to the end of the month in which the Occupancy Date occurs will be made on the following Monthly Fee statement. IKF periodically will provide Resident with a statement of the charges for services provided by IKF on a fee-for-service basis or otherwise payable to or through IKF. Resident will pay all such charges within fourteen (14) days of receipt of such statement. If payment for any charge accruing under this Agreement is not made within such fourteen (14) days, IKF may charge a late payment fee on the past due amounts at a rate of one and one-half percent (1 ½%) calculated on a simple basis, each month on the unpaid balance.

The Monthly Fee is based on the type and size of the Residence and the number of persons occupying the unit and is subject to adjustment as provided in this Agreement.

Section 503. Increases In and Adjustments to the Monthly Fee.

(a) Increases. **IKF may adjust the Monthly Fee from time to time, in its discretion, upon not less than THIRTY (30) DAYS prior written notice to Resident.** IKF intends, to the extent possible and subject to unforeseen circumstances, to limit increases in the Monthly Fees to once a year.

(b) Adjustment for Change in Number of Occupants in Independent Living. When the residency of one of two co-residents is terminated, the Monthly Fee payable by the remaining resident in the independent living accommodation will be

adjusted to the single occupancy rate for the independent living accommodation being occupied. If a resident previously paying a Monthly Fee at the single occupancy rate is married or commences living with a co-resident in the independent living accommodation as provided in Section 701 hereof, their Monthly Fee will be adjusted to reflect such double occupancy.

(c) Adjustment for Change in Residence. If Resident moves from their Residence to another as provided in Part 400 hereof, the Monthly Fee payable by such Resident shall be changed to the Monthly Fee associated with such new living accommodation.

(d) Adjustment to Monthly Fee Due to Absence from the Community. If Resident is away from the Community for a period of more than fourteen (14) consecutive days and if either (i) Resident gives IKF advance written notice of such absence or (ii) such absence is a result of hospitalization of which IKF has notice, Resident's Monthly Fee will be reduced by the current Away Credit which is determined on an annual basis and posted in the "Ancillary Fees and Credits." Resident shall not be entitled to any other fee adjustments for temporary absences from the Community.

(e) Adjustment Upon Transfer to Health Center. If a resident Transfers to the Health Center, such resident thereafter shall pay the per diem rate then in effect for the Health Center and the single occupancy Monthly Fee for the living accommodation less an Away Credit, until the living accommodation previously occupied is released for resale. If the Transferred person is one of two co-residents and the other resident remains in their living accommodation, the Transferred resident shall pay the per diem rate then in effect for the Health Center, and the resident remaining in the living accommodation shall thereafter pay a Monthly Fee based on the Monthly Fee for the living accommodation at the single occupancy rate. If two co-residents transfer to the Health Center on a permanent or prolonged basis, each co-resident shall pay the per diem rate then in effect for the Health Center, and the single occupancy Monthly Fee less an Away Credit, until the living accommodation previously occupied is released for resale.

Section 504. Resident's Covenant of Performance. Resident agrees to pay, and to make provision for future payment of, his or her obligations hereunder. Resident represents that no gift of real or personal property has been made in contemplation of entering into this Agreement and covenants not to make gifts or expend Resident's assets so as to affect in a materially adverse manner Resident's ability to meet Resident's financial obligations under this Agreement. If more than one person is entering into this Agreement as Resident, each such person agrees to make all necessary provisions to ensure that each person will have sufficient financial resources to meet his or her obligations under this Agreement even if the other person should die or withdraw from the Community.

Section 505. Costs of Litigation. If Resident or anyone acting as Resident's legal representative institutes any litigation, arbitration or other proceeding against IKF,

Resident shall pay IKF the reasonable costs and expenses (including, but not limited to, reasonable attorney's fees) incurred by IKF in connection with any such proceeding so long as IKF is not found liable in such proceeding. If IKF institutes any litigation, arbitration or other proceeding against Resident, IKF shall pay Resident or Resident's legal representative the reasonable costs and expenses (including, but not limited to, reasonable attorney's fees) incurred by Resident or Resident's legal representative, in connection with any such proceeding so long as Resident is not found liable in such proceeding.

Section 506. Accessing the Entrance Fee Refund. When Resident Transfers to the Health Center for any reason, Resident may request that IKF allow them to access fifty percent (50%) of their 90% Refundable Entrance Fee to pay for the per diem portion of the Health Center charges after any and all Medicare, and other third party payor payments have been made. The amount to be accessed is limited to the actual amount attributable to the Resident's Entrance Fee refund. After fifty percent (50%) of the Resident's Entrance Fee refund has been fully refunded, the Resident shall remain responsible for all per diem Health Center charges in accordance with the terms of this Agreement.

Resident shall only have such access to the Entrance Fee refund as described below:

(a) Single Resident. If Resident is the sole occupant of a Residence and Resident Transfers to the Health Center, Resident may request that IKF apply to their outstanding balance the following amount attributable to the Resident's Entrance Fee refund: the difference between the current Monthly Fee for the Residence and the current monthly sum of the per diem Health Center charge after any and all Medicare, and other third party payor payments, as applicable, provided that the monthly sum of the per diem Health Center charge is more costly than the Monthly Fee. (Example: Monthly Fee = \$2,000; monthly sum of per diem Health Center charges after third party payor payments = \$7,500; difference = \$5,500. Five thousand five hundred dollars (\$5,500) would be applied to Resident's outstanding balance from the amount attributable to the Entrance Fee refund. This example assumes a one-month residency in the Health Center. Shorter stays would be prorated in accordance with the actual number of days in the Health Center.)

(b) Double Occupancy in the Residence - Single Transfer to Health Center. If two Residents share the Residence and the first Resident Transfers to the Health Center, then Resident will pay for the Resident remaining in the Residence the 1st Person Monthly Fee for the Residence. The transferring Resident may request that IKF apply to their outstanding balance the following amount attributable to the Resident's Entrance Fee refund: the difference between the current lowest monthly fee for a one bedroom living accommodation and the current monthly sum of the per diem Health Center charge, after any and all Medicare, and other third party payor payments, as applicable, provided that the monthly sum of the per diem Health Center charge is more costly than the Monthly Fee. (Example: Monthly Fee = \$1,700 for transferring Resident; monthly sum of per diem Health Center charges after third party payments = \$7,500; difference = \$5,800. Five thousand eight hundred dollars (\$5,800) would be applied to transferring Resident's

outstanding balance from the amount attributable to the Entrance Fee refund. This example assumes a one-month residency in the Health Center. Shorter stays would be prorated in accordance with the number of actual days in the Health Center.)

(c) Double Occupancy in the Residence - Second Transfer to the Health Center. If two Residents share the Residence and both Transfer to the Health Center, then the first transferring Resident is entitled to access the Entrance Fee refund as described in Section (b) above, and the second transferring Resident may request that IKF apply to their outstanding balance the following amount attributable to the Resident's Entrance Fee refund: the difference between the current 1st Person Monthly Fee for the Residence and the current monthly sum of the per diem Health Center charge, after any and all Medicare, and other third party payor payments, as applicable, provided that the monthly sum of the per diem Health Center charge is more costly than the Monthly Fee. (Example: 1st Person Monthly Fee = \$2,000; monthly sum of per diem Health Center charges after third party payments = \$7,500; difference = \$5,500. Five thousand five hundred dollars (\$5,500) would be applied to Resident's outstanding balance from the amount attributable to the Entrance Fee refund. This example assumes a one-month residency in the Health Center. Shorter stays would be prorated in accordance with the number of actual days in the Health Center.)

(d) Accounting. Each time the Resident enters the Health Center, the Entrance Fee refund may be applied to the Resident's outstanding balance of the monthly sum of the per diem Health Center charges, after any and all Medicare, and other third party payor payments, incurred during that stay in the Health Center. An accounting will be provided to the Resident indicating the funds remaining in the Resident's Entrance Fee refund.

Section 507. Costs to Restore Residence. When Resident permanently vacates the Residence following termination of this Agreement, IKF may assess Resident or Resident's estate with the reasonable costs of restoring the Residence to its condition immediately prior to the construction of any Optional Custom Improvements for which Resident paid the Optional Custom Improvements Surcharge under Exhibit

B. Resident or Resident's estate shall pay such restoration costs to IKF within thirty (30) days following receipt from IKF of an invoice to Resident or Resident's estate for such restoration costs.

ARTICLE 6

TERMINATION, REFUNDS AND SUBSIDY

PART 600 TERMINATION

Section 601. Prior to Occupancy.

(a) Termination by Resident. Prior to occupancy, Resident may rescind this Agreement at any time upon written notice to IKF.

(b) Automatic Cancellation. This Agreement is automatically cancelled if, before the Occupancy Date, any of the following occurs:

(i) IKF determines that Resident is ineligible for entrance into the Community;

(ii) Resident elects to terminate this Agreement for any reason; or

(iii) Resident dies prior to the Occupancy Date; provided, however, that if two Residents have signed this Agreement and are going to occupy the same Residence, this Agreement shall terminate only at the option of the survivor.

Section 602. Termination by IKF. After the Occupancy Date, IKF may terminate this Agreement at any time only for "Just Cause," which means:

(a) Nonpayment of an amount due under this Agreement;

(b) Material breach of this Agreement or IKF's written reasonable Rules and Regulations that contractually bind the Resident; or

(c) Health status or behavior that constitutes a substantial threat to the health or safety of the Resident or other residents.

The notice of termination shall include at least the following:

(d) A statement of the intent to terminate this Agreement;

(e) A statement of each reason for termination, which shall include at least one of the reasons stated above;

(f) The facts that serve as the basis for IKF's decision to terminate this Agreement; and

(g) The effective date of termination, which shall be at least sixty (60) days from the date Resident received notice of the termination.

Section 603. Termination by Reason of Death.

Unless sooner terminated by its own provisions, this Agreement shall terminate at the death of Resident, provided that: (i) the death of one of two co-Residents who have entered into this Agreement shall not effect a termination with respect to the other co-

Resident; and (ii) Resident's personal representative or designated person has removed all of Resident's personal property from the Residence and returned the keys to IKF. Upon such termination, all obligations of IKF shall cease, other than those relating to a refund of the Entrance Fee as provided in Part 610, and IKF's responsibility related to Resident's personal property as stated below. Resident's obligation to pay the Monthly Fee shall not terminate until all of Resident's personal property has been removed from the Residence and Resident's personal representative or designated person has returned the keys to the Residence to IKF.

Following such termination, if any items are not removed within thirty (30) days after the Resident's death, IKF may either (a) if practicable, deliver such items to Resident's personal representative or any of the persons most recently designated by Resident in a written notice to IKF or (b) hold such items in storage for up to six months after which they may be sold by IKF with the proceeds of any items sold by IKF under this Section to be paid to the Resident's estate. Resident or Resident's estate shall be responsible for the costs incurred by IKF in connection with any such storage, sale or delivery. Resident agrees that IKF will not be held liable for failure to deliver Resident's personal property to Resident's personal representative or designated person (or for any damage thereto), provided that IKF shall exercise ordinary care in ascertaining the identity of the person to whom delivery is made.

Section 604. Termination by Resident. Resident has the right at any time after the Occupancy Date to terminate this Agreement by delivering to IKF prior written notice of intent to do so. Such notice shall specify an effective date not less than sixty (60) days after the date of such notice, unless a shorter period is approved by the Executive Director. On or before the effective date, Resident shall move from the Community and release the Residence to IKF. Resident's obligation to continue to pay the Monthly Fee shall cease on the effective date provided Resident has moved and released the Residence to IKF.

If two Residents have signed this Agreement, then either Resident may terminate it as to him/herself and this shall not effect a termination with respect to the other Resident. If this Agreement is continued by one of the Residents, the Entrance Fee shall be treated as having been paid on behalf of the remaining Resident, and no Entrance Fee refund will be paid to the Resident who is leaving.

Section 605. Disputed Termination. Resident and IKF agree to attempt to resolve as quickly as possible any dispute concerning termination or any dispute the resolution of which might result in termination of this Agreement. In the event that Resident and IKF are unable to agree on the resolution of any such dispute, either one of them, or both, may seek a declaratory judgment in the appropriate State Court declaring the rights of the parties with respect to such dispute. Both agree that the filing of any such action may include a request for an expedited hearing. This provision shall not restrict the right of IKF to terminate this Agreement or take other action to enforce the terms of this Agreement.

Section 606. Enforcement. IKF shall have the right at all times to enforce the provisions of this Agreement in strict conformance with their terms, notwithstanding any previous conduct or custom on the part of IKF in refraining from doing so on any previous occasion or occasions.

PART 610 REFUNDS TO RESIDENT

Section 611. Refund of Entrance Fee Upon Voluntary Termination By Resident.

(a) Termination Prior to Occupancy. Upon termination of this Agreement for any reason prior to the Occupancy Date, Resident shall be entitled to a refund of all money paid, except for any special additional costs that do not exceed the costs of modification or the reasonable costs of restoration actually incurred by IKF in connection with the modifications of the Residence which were requested by Resident and described in Exhibit B of Part I of this Agreement.

(b) Death of One Resident Prior to Occupancy. If one of two Residents who signed this Agreement dies prior to the Occupancy Date, the remaining Resident may, but is not required to rescind this Agreement. The surviving Resident may request a different living accommodation, and IKF will refund or charge any difference in the Entrance Fee based on the type and occupancy status of the living accommodation selected.

(c) Termination After Occupancy. In the event of a voluntary termination by Resident after occupancy for any reason, including death, IKF shall refund to Resident 90% of the Entrance Fee paid by Resident less: (i) any amounts due IKF pursuant to Section 615; and (ii) any amount already paid from the Entrance Fee to IKF pursuant to Section 506 herein.

(d) Relocation to a Less-Costly Independent Living Accommodation. Should Resident Relocate to a less-costly independent living accommodation, Resident is not entitled to an Entrance Fee refund at the time of Relocation. Thereafter, Resident is entitled to that portion of the Entrance Fee which would be owed to Resident as if such Relocation had not occurred. The Entrance Fee will be refunded in accordance with Section 614 herein and subject to: (i) any amounts due IKF pursuant to Section 615; and (ii) any amount already paid from the Entrance Fee to IKF pursuant to Section 506 herein.

(e) Relocation to a More-Costly Independent Living Accommodation. If Resident Relocates to a more-costly independent living accommodation, Resident shall pay the difference, if any, between the Entrance Fee paid on the current accommodation and the entrance fee for the more-costly independent living accommodation on the Date of Relocation. For example, if a resident paid \$300,000 for the current unit and the unit they wish to relocate to is \$500,000 on the Date of Relocation, then the difference would be \$200,000. Ninety percent (90%) of the total Entrance Fee paid (that is, 90% of the total amount paid comprised of (i) the Entrance

Fee paid on the current accommodation and (ii) the aforementioned paid difference between the current accommodation and more-costly accommodation) shall be refunded subject to the deduction of (i) additional charges outstanding and owing to IKF through the effective date of termination, including those due pursuant to Section 615, and (ii) any amount already paid from the Entrance Fee to IKF pursuant to Section 506 herein.

Section 612. Refund of Entrance Fee Upon Termination by IKF.

(a) **Termination by IKF Prior to Occupancy.** In the event IKF determines that Resident is ineligible for entrance into the Community, Resident shall be entitled to a refund of all money paid by Resident, except for any special additional costs that do not exceed the costs of modification or the reasonable costs of restoration actually incurred by IKF in connection with the modifications of the Residence which were requested by Resident and described in Exhibit B of Part I of this Agreement.

(b) **Termination by IKF After Occupancy.** In the event IKF terminates this Agreement for Just Cause, IKF shall refund Resident's Entrance Fee as follows:

(i) IKF shall pay the greater of: (1) the refund amount, if any, the Resident would have been entitled to under Section 611(c) if the Resident had terminated this Agreement, or (2) the "Statutory Refund" as set forth in Section 10-448 of the Human Services Article of the Annotated Code of Maryland, which is equal to the total Entrance Fee divided by the Resident's years of expected lifetime¹ at admission, multiplied by the Resident's years of expected lifetime at termination. When the Statutory Refund is paid because of IKF's discharge of one or both Residents, it is calculated on the assumption that the Entrance Fee is attributable in equal shares to each Resident. One-half (1/2) of the Entrance Fee is multiplied and divided by the appropriate life expectancy of each Resident and, if to be paid to both Residents, the results added to determine the total refund.

In the event of a discharge of one Resident, the Resident not discharged may terminate this Agreement and receive a refund based on the same formula.

(ii) If the non-discharged Resident elects to remain in the Residence, payment of the remainder of the Entrance Fee refund, if any, will not occur until the remaining Resident leaves the Community and his or her Residence and Services Agreement is terminated.

¹ Years of expected lifetime shall be computed for both purposes at the time of termination and be based upon the life tables of the U. S. Department of Health and Human Services (or the equivalent thereof if such agency is no longer in existence) and most recently published at the time of termination.

Section 613. Death or Withdrawal of One of Two Residents. If the Entrance Fee has been paid on behalf of two co-residents and one of the two co-residents dies or withdraws from the Community, the Entrance Fee shall be deemed to have been paid on behalf of the surviving or remaining Resident and no refund of the Entrance Fee shall be made.

Section 614. Timing of Refunds.

(a) **Prior to Occupancy Date.** For termination prior to the Occupancy Date, Resident is entitled to a refund within thirty (30) days of IKF's receipt of notice of such termination, or within thirty (30) days of IKF's notice to the Resident that he is ineligible for entrance into the Community.

(b) **Termination by Resident Within the First Ninety (90) Days of Occupancy.** If Resident terminates this Agreement by Resident's election or death within the first ninety (90) days of occupancy, then any refund of the Entrance Fee due under this Agreement shall be paid within thirty (30) days after the earlier to occur of: (1) the re-contracting of Resident's unit by: (i) another resident for whom an entrance fee has been paid, or (ii) another party who is not a resident; or (2) the later to occur of: (i) the ninetieth (90th) day after the date the written termination notice is given or the date of death; or (ii) the day the independent living apartments at the facility have operated at ninety-five percent (95%) of capacity for the previous six (6) months.

(c) **Termination by Resident After the First Ninety (90) Days of Occupancy.** If Resident terminates this Agreement by Resident's election or death after the first ninety (90) days of occupancy, then any refund of the Entrance Fee due under this Agreement shall be paid within sixty (60) days after Resident's death or the effective date of termination, if on the date of death or at any time between the date the written termination notice is given and the effective date of termination: (1) Resident resides in a unit at a higher level of care than the level of care in which Resident resided upon initially entering the Community; and (2) the last unit in which Resident resided at the initial level of care on entering the Community has been occupied by or reserved for another resident who has paid an entrance fee.

(d) **Termination by IKF.** If this Agreement is terminated by IKF, payment of the refund shall be made within sixty (60) days after the later of: (1) the effective date of Resident's discharge from IKF, or (2) Resident vacating the premises and removing his personal belongings.

(e) **Termination by Resident Not Meeting the Requirements of Section 614(c).** When this Agreement is terminated by Resident after the first ninety (90) days of occupancy, and Resident does not meet the requirements of Section 614(c) above, such payment shall be deferred until: (i) Resident has vacated the premises and removed his or her belongings therefrom; and (ii) IKF has accepted and entered into a Residence and Services Agreement with a new resident who has accepted and paid the Entrance Fee for the Residence formerly assigned Resident. However, IKF agrees to

make reasonable efforts to obtain another resident who pays an entrance fee for the Residence formerly assigned Resident. In the event of termination due to death, IKF may require letters of administration before the refund is paid.

Section 615. Deductions from Refund. Any refund otherwise due pursuant to this Agreement shall be reduced by (a) the amount of any subsidy to Resident, including any amounts given as loans and amounts given with no expectation of repayment and interest thereon in accordance with Section 621, and (b) any amounts owed for unpaid fees of the Health Center or otherwise by Resident to IKF on the effective date of termination.

Notwithstanding any of the foregoing provisions, if Resident is entitled to receive the Statutory Refund, the refund to Resident shall not be reduced beyond the amount of the Statutory Refund.

Section 616. Entrance Fee Refund Provisions. Resident acknowledges reviewing all of the terms of the Entrance Fee refund clauses and provisions contained in this Agreement.

Resident understands that any portion of the Entrance Fee to be refunded is not held in trust or in escrow for the Resident after occupancy.

PART 620 SHORTAGE OF INCOME AND SUBSIDY BY IKF

Section 621. Subsidy by IKF. IKF has established a Resident Supporting Fund in order to provide financial assistance to residents under certain circumstances. It is IKF's policy to provide, subject to availability of funds and prudent financial management, assistance to a resident by subsidizing part or all of his or her Monthly Fee where (a) the resident in question is otherwise in compliance with the terms of this Agreement; (b) such resident establishes facts which justify the grant of a whole or partial subsidy to resident; and (c) IKF determines that there are sufficient moneys in the Resident Supporting Fund to cover such subsidy or such subsidy can be granted or continued without impairing the ability of IKF to attain its objectives while operating on a sound financial basis. To justify the grant of a whole or partial subsidy, a resident must provide conclusively to IKF that his or her inability to pay is due to financial reverses over which such resident had no control or is due to depletion of such resident's assets in a reasonable manner by the passage of time. Such resident shall not have impaired his or her ability to meet the financial obligations under this Agreement by reason of transferring assets in contemplation of, or after execution of, this Agreement, other than to meet ordinary and customary living expenses.

All determinations made by IKF concerning the grant or continuance of a subsidy shall be final and within IKF's sole discretion. Upon any discontinuance by IKF of a subsidy, the full amount of a resident's Monthly Fee shall be due each month. Any determination by IKF with respect to the grant of, the continuance of or the discontinuance of, a subsidy shall be regarded as a confidential transaction between IKF and the resident,

except for any legal dispute and any reports required to be made to financial institutions lending money to IKF and to regulatory or other governmental bodies.

After completely spending down the Entrance Fee refund, any subsidy provided may be in any form designated by IKF, including without limitation (i) loans bearing interest at a reasonable rate, (ii) non-interest bearing loans and (iii) grants to be repaid only upon a change in financial circumstances of Resident, from the Resident's estate and/or from any refunds otherwise payable to Resident or Resident's estate. Resident's estate shall be liable for all such amounts to the extent not credited against any refund due to Resident from IKF. This Agreement shall operate as a lifetime assignment, transfer and conveyance to IKF of so much of Resident's property as is necessary to cover such liability, and may be enforced against Resident or Resident's estate whether or not Resident is in residence at the Community at the time of death.

Section 622. Conditions for Receipt of Subsidy. Resident agrees that, in consideration for the grant or continuance of a whole or partial subsidy from IKF, the Resident shall:

(a) **Have spent down any Entrance Fee refund to which the Resident may have been entitled before applying for a subsidy;**

(b) At the request of IKF, transfer to a smaller living accommodation;

(c) Not sell or otherwise transfer any of Resident's real or personal property without the written consent of IKF;

(d) Enter into such agreements, powers of attorney, assignments or transfers (which may be required to be in recordable form) as IKF requires for the purpose of making available to Resident and IKF any other assets of Resident to offset such financial need;

(e) Provide a detailed financial statement and agree to provide additional financial statements, copies of tax returns and certifications as may be requested from time to time by IKF;

(f) Promptly notify IKF of any and all income or assets acquired through whatever means subsequent to receiving a subsidy;

(g) Assign or pay to IKF all or part of any income or assets acquired subsequent to receiving a subsidy to the extent of amounts subsidized by IKF; and

(h) Have lived in the Community for 3 years and be up to date on their financial obligations.

ARTICLE 7

PERSONAL AND FAMILY RELATED ISSUES

PART 700 PERSONAL RELATIONSHIPS

Section 701. Increase in Number of Occupants. If Resident would like to have another person live with him or her on a permanent basis in the Residence (whether as a legal spouse or otherwise), Resident must first obtain IKF's permission.

If a resident marries or desires to live with another resident of the Community and one of such residents has decided to vacate his or her living accommodation and move in with the other, the resident who is vacating his or her living accommodation shall be entitled to a refund subject to the provisions of Sections 611(c), 614 and 615. The two co-residents will pay the monthly fee at the double occupancy rate. IKF may require one or both of such residents to enter into a new Residence and Services Agreement, but the residents shall not be required to reapply for admission to the Community. The transferring resident will enter into a new Residence and Services Agreement, but only have to pay the second person entrance fee then in effect on the date of the transfer for the living accommodation to which the resident will be moving.

If a resident marries or desires to live with another resident of the Community and each resident will vacate his or her living accommodation and move into a third living accommodation, each resident shall be entitled to a refund to which he or she would be entitled if such resident's Residence and Services Agreement were then being terminated subject to the provisions of Sections 611(c), 614 and 615. Then, both residents shall enter into a new Residence and Services Agreement and pay the entrance fee then in effect for the new living accommodation. The two co-residents will pay the monthly fee at the double occupancy rate.

If Resident marries or desires to live with a person who is not a resident of the Community, such person must apply for admission to the Community and sign a Residence and Services Agreement. If admitted for residency under a Residence and Services Agreement, such person will pay the second person entrance fee then in effect for the living accommodation, and the two co-residents will pay the Monthly Fee at the double occupancy rate.

Section 702. Death or Withdrawal of One of Two Residents. **If one of two co-residents dies or withdraws from the Community, the Monthly Fee shall be reduced from the double occupancy rate to the single occupancy rate, and the withdrawing person or Resident's estate shall not be entitled to a refund.**

Section 703. Transfer Made by One of Two Residents. In the event that one of two co-Residents transfers on a permanent or prolonged basis to the Health Center or an outside facility, the remaining Resident may continue to occupy the Residence or, for medical or financial reasons as approved by the Executive Director, may move to a smaller living accommodation when one becomes available. In the event of such a transfer to a

smaller living accommodation, Resident's Monthly Fee will be adjusted pursuant to subsections 503(c) and (e).

PART 710 ARRANGEMENTS FOR ILLNESS OR DEATH

Section 711. Information to be Supplied to IKF: Consultation with Representatives and Family. Resident agrees to provide IKF with the following information within thirty (30) days after the Occupancy Date: names and addresses of persons who should be notified in case of emergency; location of will; names and addresses of Resident's attorney and personal representative; names and addresses of legal guardian or person who will act as legal guardian if necessary; names and addresses of any banks, trust officers, etc.; name and address of funeral director (prior arrangements are encouraged); names and addresses of person or persons entitled to remove Resident's personal effects if a personal representative does not qualify within thirty (30) days of Resident's death; and information necessary to complete a death certificate. Resident agrees to advise IKF of any changes in such information as such changes occur.

To the extent reasonably possible, IKF will contact and discuss with Resident's attorney or personal representative and, where appropriate, Resident's Attending Physician and/or family members any proposed transfer of Resident to the Health Center or another facility or any termination of this Agreement pursuant to Section 602.

Section 712. Advance Directives. The State has a law allowing individuals to specify, by means of a written document, their wishes about health care in advance of a medical crisis. Known as Advance Directives, these documents comprise the Durable Power of Attorney for Health Care and the Terminal Care Document or "Living Will." A Durable Power of Attorney for Health Care makes it possible for a person to designate an agent to make medical decisions for him or her in the event he or she is incapable of doing so. A Living Will permits a person to specify that he or she does not want extraordinary measures to be taken if he or she is in a terminal state and there is no reasonable expectation that life can be continued with dignity and without pain. IKF encourages Resident to have Advance Directives and IKF will assist Resident in understanding both of the Advance Directives.

Section 713. Terminal Care. The Health Center does not have sophisticated means of prolonging life. Its policy is to provide comfort measures to relieve pain and suffering for those in the last stages of terminal illness. When appropriate, IKF will initiate a candid and open discussion between Resident, his or her agent and/or family, Resident's Attending Physician and Health Center personnel about terminal care.

Section 714. Resident Waiver of Medically Ordered Restrictions. In the event that Resident (or Resident's representative or legal guardian) requests that IKF refrain from implementing medically ordered restrictions, Resident agrees to execute (or have executed on Resident's behalf) such waivers as shall reasonably be required by IKF, including a waiver of any claim of negligence for failure by IKF to implement such restrictions,

provided that this sentence shall not imply any liability on the part of IKF if such waivers are not obtained.

Section 715. Legal Guardian. If Resident becomes legally incompetent or is unable properly to care for himself or herself or his or her property, and no legal guardian has been appointed for Resident, then Resident authorizes IKF to seek to have a legal guardian for Resident appointed. If Resident has designated a person or legal entity to serve as his or her guardian, IKF shall seek to have such person so appointed. Under State law, IKF and any officer or employee of IKF is prohibited from acting as a legal guardian for Resident. Resident agrees to pay to IKF any reasonable attorney's fees and other expenses incurred in connection with successfully obtaining appointment of a guardian for Resident.

Section 716. Funeral Arrangements. Resident acknowledges that IKF has no responsibility for providing Resident with any type of funeral or memorial service or for paying the cost of burial or cremation. Resident agrees to make proper arrangements for funeral and burial. In the event Resident has not made such arrangements, IKF will provide for a local burial, provided that Resident and Resident's estate shall reimburse IKF for any expenses advanced by IKF for such burial.

ARTICLE 8

MISCELLANEOUS

Section 801. Delegation by Executive Director or Medical Director. Any authority or responsibility given by this Agreement to the Executive Director may be delegated by him or her to a committee or another administrative employee. Any authority or responsibility given by this Agreement to the Medical Director may be delegated by him or her to a committee or to a King Farm Physician. Any authority or responsibility given by this Agreement to Resident's Attending Physician may be delegated by him or her to another physician to the extent permitted by the Medical Director.

Section 802. Tax Advice. Each person considering executing this Agreement should consult with his/her tax advisor regarding the tax consequences associated with this Agreement, including the possibility that the Internal Revenue Service may impute interest income to a resident as a result of the payment and subsequent refund of the Entrance Fee.

Section 803. Responsibility for Motorized Vehicles. Resident shall operate a motorized vehicle such as a motorized cart or scooter only upon entering into an Addendum to this Agreement, and in compliance with IKF's Rules and Regulations. (See Addendum A, "Motorized Vehicle Agreement, Rules for Motorized Vehicles.")

Section 804. Unauthorized Use. Resident's Accommodation shall not be used in violation of any zoning restrictions or any applicable laws, regulations or codes.

Section 805. Financial or Disclosure Statement. IKF shall make available to Resident, upon request and at least annually, any certified financial statement or disclosure statement of IKF transmitted to the Maryland Department of Aging. In addition, copies of all materials that IKF submits to the Department of Aging and that are required to be disclosed under the Public Information Act, shall be made readily available by IKF to its residents for review at IKF's corporate office.

Section 806. Beneficiary Designation. Resident may designate that any Entrance Fee refund owed due to the death of Resident on or after the Occupancy Date be sent to a beneficiary chosen by the Resident if: (a) the designation is in writing; (b) the designation is witnessed by two or more competent witnesses; (c) the designation is non-contingent; and (d) the designation is specified in percentages and accounts for 100% of the refund due.

Section 807. Certificate of Registration. **A preliminary certificate of registration or certificate of registration is not an endorsement or guarantee of this facility by the State of Maryland. The Maryland Department of Aging urges you to consult with an attorney and a suitable financial advisor before signing any documents.**

Section 808. Differences in Facility Requirements. If there are differences between the requirements for continuing care certification and the licensure requirements for Assisted Living and Comprehensive Care facilities, the applicable requirements most favorable to Resident will prevail while Resident is residing in an Assisted Living Apartment or Comprehensive Care residence.

Section 809. Acknowledgment and Representation.

(a) Disclosure Statement. Resident has received a copy of IKF's latest Disclosure Statement, and has reviewed the Disclosure Statement provided.

_____ Date

_____ Date

(b) Certified Financial Statement. Resident has received a copy of IKF's latest certified financial statement at least two (2) weeks before signing this Agreement, and has reviewed the certified financial statement provided.

_____ Date

_____ Date

(c) Continuing Care Agreement and Disclosure Statement. IKF represents that the Resident has received, at least two weeks before signing this Agreement, the Residence and Services Agreement with all of its attachments, exhibits and addenda and the current Disclosure Statement with its attachments, exhibits and addenda.

Section 810. Grievance Procedure. IKF encourages residents and family members to express their grievances and to suggest remedies or improvements in rules and services. IKF will assign personnel to investigate submitted grievances.

IKF has established an internal grievance procedure to address resident grievances. A resident or a group of residents collectively may submit a grievance in writing to the Executive Director. The Executive Director will send a written acknowledgment to the resident or group of residents within five days after receipt of the written grievance. A resident or group of residents who submit a written grievance are entitled to a meeting with management of IKF within 30 days after receipt of the written grievance, in order to present the grievance. The Executive Director will provide a response in writing within 45 days after receipt of the written grievance as to the investigation and resolution of the grievance.

Within 30 days after IKF provides its response to the grievance, a resident, group of residents or IKF may seek mediation through one of the community mediation centers in the State or another mediation provider. If a resident, group of residents or IKF seeks mediation under the preceding sentence, the mediation shall be nonbinding and the resident, group of residents or IKF may not be represented by legal counsel.

Residents may also contact the following regulatory agencies: Maryland Department of Aging; Office of Health Care Quality (for Assisted Living and Comprehensive Care residents); Long-Term Care Ombudsman (for Comprehensive Care and Assisted Living residents); Montgomery County Department of Social Services (for adult protective services); or any other regulatory agency having jurisdiction over the matter, including, but not limited to, Medicare and Medicaid.

Section 811. Restricted Direct Admission to Comprehensive Care. Under Maryland regulations, an individual may be admitted directly to Comprehensive Care only if:

(a) the individual's spouse or relative is admitted at the same time under a joint contract to a Residence or an Assisted Living Apartment; or a person with whom the individual has a long-term relationship with is admitted to the Community at the same time under a joint contract to a Residence or an Assisted Living Apartment; or

(b) the individual's personal physician, who is not an owner or employee of the Community, has certified in writing that the individual has the potential for an eventual transfer to a Residence or an Assisted Living Apartment; occupancy of the total number of Comprehensive Care beds by continuing care residents who have been directly

admitted is twenty percent (20%) or less; and the admission would not cause the occupancy of the Comprehensive Care portion of the Health Center to exceed ninety-five percent (95%) of full capacity.

Section 812. Severability. The invalidity or unenforceability of any part of this Agreement will not impair or affect the validity or enforceability of the rest of this Agreement, except that the Resident may rescind this Agreement at any time if the terms of this Agreement are in violation of the terms of the Continuing Care Act, and Resident is injured by the violation.

Section 813. Legal Remedies. If IKF does not comply with the terms of the Continuing Care Act, and Resident is injured thereby, Resident shall have the right to enforcement of benefits afforded hereunder and under the Continuing Care Act. Under the Continuing Care Act, the Resident may:

- (a) Rescind this Agreement if it is found to violate the terms of the Continuing Care Act and Resident is injured by the violation. In such case, Resident will be entitled to treble damages for extensive injuries arising from the violation; and
- (b) Bring an appropriate action for equitable relief or an action for the recovery of damages in any court of general jurisdiction and, in such cases, the court may award reasonable attorneys' fees to a resident in whose favor a judgment is rendered.

Section 814. Agency. The execution of this Agreement on behalf of IKF will be by the duly authorized agent of IKF. No officer, director, agent or employee will have any personal liability to Resident under this Agreement under any circumstances.

Section 815. Binding Obligation. This Agreement shall inure to the benefit of the parties hereto, their successors, heirs, and representatives.

Section 816. Governing Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State.

Section 817. Non-Discrimination. No person shall be subject, on the basis of race, color, religion, sex, lifestyle, handicap or national origin, to discrimination in the terms or conditions for admission to, the provision of services in, or any termination from, any accommodation.

**ADDENDUM A
TO
RESIDENCE AND SERVICES AGREEMENT**

**MOTORIZED VEHICLE AGREEMENT
RULES FOR MOTORIZED VEHICLES**

The Resident and IKF agree that the Resident shall be entitled to use a motorized wheelchair, scooter, cart or similar device (“Motorized Vehicle”) in the Community so long as the Residence and Services Agreement remains in force, and upon agreeing to adhere to the following Rules for Motorized Vehicles:

1. Resident must register the Motorized Vehicle for identification and safety purposes and obtain a sticker by filling out the attached information form.
2. While not required, IKF recommends that the Resident obtain general liability insurance covering the operation of the Motorized Vehicle, as the Resident is responsible and liable for any and all damages and injuries resulting from the Resident’s operation of the Motorized Vehicle.
3. The Motorized Vehicle should be driven in the center of the hallway. The Resident must stop at hallway intersections, look both ways and make sure it is clear before slowly proceeding through the intersection.
4. Residents will stop at all intersections, inside and outside buildings, before proceeding and yielding to pedestrian traffic. Only one Motorized Vehicle is permitted in an elevator at a time.
5. Resident will reduce speed when approaching pedestrians. No Motorized Vehicle shall be operated in the Community at a speed that exceeds a normal walking pace, estimated at 2 miles per hour.
6. Motorized Vehicles are to be turned off when not in use.
7. The Motorized Vehicle must be operated at all times in a safe manner and with due care to avoid causing any personal injury or property damage. The Resident must be particularly careful to avoid persons who are entering or leaving their living accommodations.
8. The Motorized Vehicle must not be left unattended near, or block any entrances to, exits or intersections. When the Resident retires to his or her living accommodation, he or she must also bring the Motorized Vehicle inside.
9. A Resident may be restricted in the use of a Motorized Vehicle if there is evidence that such use would constitute a direct threat to the health or safety of others or would result in substantial physical damage to the property of others.
10. Residents may be assessed a minimum service/maintenance fee if their negligence or failure to adhere to this Policy results in physical damage to the facility.

REVIEWED AND AGREED TO AS OF THIS ____ DAY OF _____,
200__.

ATTEST/WITNESS:

**King Farm Presbyterian Retirement
Community, Inc. d/b/a Ingleside at King
Farm**

By: _____
Authorized Representative

_____ **Resident**

[CONTINUED ON THE NEXT PAGE]

**ADDENDUM A
TO
RESIDENCE AND SERVICES AGREEMENT**

**MOTORIZED VEHICLE AGREEMENT
REGISTRATION OF MOTORIZED VEHICLE**

All Motorized Vehicles shall be registered with IKF so as to identify ownership and for safety purposes if the Motorized Vehicle is blocking an area, abandoned, or not properly returned to the Resident's living accommodation.

The following information will be used to identify ownership:

Resident's Name: _____

Address: _____

Telephone Number: _____

When the aforementioned information is submitted to the Executive Director's office, Residents will be provided with a sticker that should be placed on the right side of the Motorized Vehicle indicating that it has been registered.

ADDENDUM B

**TO
RESIDENCE AND SERVICES AGREEMENT**

PET AGREEMENT

King Farm Presbyterian Retirement Community, Inc. d/b/a Ingleside at King Farm (“IKF”) consents to the Resident keeping in the Residence the household pet described as follows (the “Pet”):

_____	Kind and breed
_____	Name
_____	Color
_____	Height (<u>maximum height permitted is 18”</u>)
_____	Weight (<u>maximum weight permitted is 30 lbs.</u>)
_____	Age

The Resident will provide IKF a photograph of the Pet at the time this Agreement is executed.

A. Responsibilities of the Resident. The Resident will keep the Pet in the Residence, except when walking the Pet, if applicable, or transporting it to and from the Residence. The Resident will not allow the Pet in building lobbies or in common residential areas, other than to transport the Pet to and from the Residence. The Resident will walk and curb the Pet only in areas designated by IKF and will be responsible for cleaning up after the Pet. When the Pet is not in the Residence, the Resident will keep it on a leash no longer than five feet or in a cage or other appropriate closed and ventilated container, and in the control of the Resident. If the Pet is a bird, the Resident will keep it caged both in and out of the Residence. If the Pet is a dog or cat, the Resident will ensure that it wears a collar with appropriate identification (including the Resident’s telephone number) at all times that it is out of the Residence.

The Resident will comply with all vaccination and licensing requirements applicable to the Pet, showing proof of this upon request, and will comply with appropriate standards of care, treatment, and grooming. The Resident will be responsible for the health, welfare, and proper care of the Pet. The Resident will ensure that the Pet does not disturb the right of other residents to the peaceful enjoyment of their Residence and of the common areas. The Resident will not leave the Pet unattended when the Pet is not in the Residence.

The Resident will be liable for any personal injury or property damage caused by the Pet that is suffered by IKF, its employees or agents, other residents, guests, or invitees. The Resident will pay all costs and expenses, including reasonable attorneys’ fees and court costs incurred by IKF in enforcing any liability of the Resident under this Agreement.

B. Term and Termination. This Agreement will continue until the Residence and Services Agreement between the Resident and IKF is terminated, unless either party terminates this

Agreement for any reason by giving seven (7) days prior written notice to the other party. IKF may terminate this Agreement upon twenty-four (24) hours' notice in the event the Resident breaches any of the Resident's obligations under this Agreement. In the event that the Pet is left unattended for more than twenty-four (24) hours, or if IKF determines that the Resident, for any reason, is unable to care for the Pet, IKF reserves the right to arrange for the Pet to be delivered to:

(Sponsor)

or to such other individual or agency as IKF determines to be appropriate. The Resident will pay all costs of delivery, feeding, care, treatment, and housing of the Pet. The Resident acknowledges that the Resident has no right to keep a pet except to the extent expressly permitted by this Agreement, and that IKF reserves the right to withdraw its consent to the Resident keeping the Pet at any time by terminating this Agreement as permitted above.

REVIEWED AND AGREED TO:

**KING FARM PRESBYTERIAN
RETIREMENT COMMUNITY, INC.**

Date: _____

By: _____
Authorized Representative

RESIDENT

Date: _____

Signature

(Print Name)

RESIDENT

Date: _____

Signature

(Print Name)

**ADDENDUM C
TO
RESIDENCE AND SERVICES AGREEMENT**

DIRECTION FOR DISPOSITION OF ENTRANCE FEE REFUND

Note: It is recommended that you review this form with the attorney who advises you on estate planning so that the disposition of the Entrance Fee refund, if any, can be coordinated with your existing will and estate plan.

I, _____ (name of Resident), understand that pursuant to the Residence and Services Agreement (the "Agreement") with King Farm Presbyterian Retirement Community, Inc. d/b/a Ingleside at King Farm, a Maryland not-for-profit corporation ("**IKF**") dated _____, 20___, I may be entitled to a refund of the Entrance Fee (the "Refund") under the conditions specified in Section 611(c) of the Agreement.

I further understand that I may assign my right to the Refund and designate a beneficiary to receive the Refund, and that the disposition of the Refund, as provided below, supersedes any prior instructions I may have provided to take effect during the period prior to the date set forth below.

In the event that a Refund becomes payable under the terms of the Agreement due to my death on or after the Occupancy Date set forth in the Agreement, **I HEREBY DIRECT IKF** to pay or transfer the Refund at such time as the Refund becomes payable, to:

Beneficiary1	Percentage of Refund2
A. _____ To my Estate.	
B. _____ To the individual(s) or organization(s) and in the percentages named below.	
(1) _____	_____ %
(Name)	

(Address)	
(2) _____	_____ %
(Name)	

(Address)	

1 Additional names and addresses may be added if necessary.
 2 The Percentage of Refund must account for 100% of the Refund due.

(3) _____ %
(Name)

(Address)

(4) _____ %
(Name)

(Address)

C. _____ To the individual(s) and in the percentage(s) named in Section B above. If any individual(s) named in Section B above is not then surviving, then: (1) _____ to the individual's(s') descendants per stirpes; or (2) _____ to the remaining beneficiaries in equal amounts; or (3) _____ other (please specify _____).

D. _____ To the organization(s) and in the percentage(s) named in Section B above. If the organization(s) is no longer in existence, then: (1) _____ to its successor organization(s); or (2) _____ to the remaining beneficiaries in equal amounts; or (3) _____ other (please specify _____).

If none of the beneficiaries named in Sections B, C or D, above is living or in existence at the time the Refund is to be distributed, then I direct the amount payable to be paid to my estate.

I reserve the right to revoke or change this beneficiary designation by notice to **IKF**.

The undersigned hereby authorizes **IKF** to offset against any repayment of the Refund all sums which remain unpaid under the terms of the Agreement at the time that the Refund becomes payable; provided, however, that if the Refund is payable in accordance with the terms of Section 612(b) of the Agreement, then the Refund shall not be reduced beyond the amount due to the Resident by law (a refund equal to the Entrance Fee divided by the Resident's years of expected lifetime at admission, multiplied by the Resident's years of expected lifetime at discharge or dismissal).

The undersigned hereby agrees to indemnify and hold IKF harmless from any claims and any costs or expenses, including reasonable attorney's fees, which may be incurred by IKF as a result of, or otherwise in connection with, IKF's payment of the Refund in accordance with this Direction for Disposition of the Entrance Fee Refund. This indemnity provision is binding on the undersigned, his or her estate, heirs, personal representatives, and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Direction for Disposition of the Entrance Fee Refund on this _____ day of _____, 20____.

WITNESSES:

(1) _____
Resident

(2) _____
Print Name

(1) _____
Resident

(2) _____
Print Name

IKF hereby acknowledges receipt of the executed Direction for Disposition of the Entrance Fee Refund.

**KING FARM PRESBYTERIAN
RETIREMENT COMMUNITY, INC.
d/b/a INGLESIDE AT KING FARM**

By: _____

Title: _____

Date: _____