

MERCY RIDGE, INC.
RESIDENCY AND CARE AGREEMENT

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**MERCY RIDGE, INC.
RESIDENCY AND CARE AGREEMENT**

This Agreement is made this ____ day of _____, 20____, between Mercy Ridge, Inc., a Maryland not-for-profit Corporation, and the undersigned _____ (herein referred to as “Resident”). If more than one person is named here, the term “Resident” as used in this Agreement means both persons, individually or collectively, unless the context requires otherwise.

BACKGROUND

Mercy Ridge, Inc. (the “Corporation”) was formed by the Archdiocese of Baltimore and Mercy Health Services, Inc. to develop, own and operate a continuing care retirement community known as Mercy Ridge (“Mercy Ridge”) and located at 2525 Pot Spring Road, Timonium, Maryland. Mercy Ridge, Inc., and not the Archdiocese of Baltimore and Mercy Health Services, Inc., is solely responsible for the agreements set forth herein and the financial and contractual obligations of the Corporation. Mercy Ridge shall operate as a fee for service facility and Resident shall pay separately for all nursing services provided to Resident. Mercy Ridge shall offer independent living apartments and assisted living.

If a Resident needs the level of care provided by comprehensive care facility such care will be available to Resident on a priority basis at Stella Maris Nursing Home. Stella Maris is a licensed nursing home located on property adjacent to Mercy Ridge. Like Mercy Ridge, Inc., Stella Maris is affiliated with Mercy Health Services, Inc. Resident shall enter into a separate agreement with Stella Maris, Inc. for services provided at Stella Maris in addition to this Resident and Care Agreement. Such services are not included in any fees paid to the Corporation. Mercy Ridge is designed to provide retirement living to eligible persons at least sixty-two (62) years of age, regardless of race, religious creed, color, sex, ancestry or national origin.

MERCY RIDGE AND RESIDENT HEREBY AGREE AS FOLLOWS

1. Provisions for Admission

A. Age. Resident is at least sixty-two (62) years of age at the time of commencement of occupancy. However, if a Resident is married to a person (Spouse) or otherwise resides with a person who is or will be less than 62 years of age at the time of commencement of occupancy, that person may reside at Mercy Ridge, but will not qualify under the terms of this Agreement until he or she is 62 years of age. In this case, the Resident would be liable for all payments and other obligations of the non-signing spouse or other individual until such spouse or other individual reaches the age of 62. Until such time as he or she reaches 62 years of age, he or she shall pay a Second Person Monthly Service Fee and receive the services which would otherwise be provided under the terms of Section 7 of this Agreement, with the exception of nursing care services. Upon

achieving the age of 62, in order to qualify as a Resident under the terms of this Agreement, the Spouse or other individual must meet the same medical requirements which are applicable to new Residents. At that time, he or she will be required to pay the then applicable Second Person Entrance Fee and this Agreement shall be amended to include the Spouse. The Spouse or other individual will pay the second person Monthly Service Fee at all times during his or her occupancy at Mercy Ridge. In the event that this Agreement is terminated for any reason prior to or after occupancy of the Residential Unit, then all rights of a non-qualifying Spouse or other individual to occupy the Residential Unit shall also terminate.

B. Admission and Occupancy. Resident will be admitted to Mercy Ridge in accordance with the terms of this Agreement, except as may be waived by the Corporation in its sole discretion. The Corporation requires that Resident be able to reside independently, with or without assistance, and have the financial resources needed to continue to meet the ordinary and customary living expenses after assuming occupancy.

C. Physical. Resident must meet the requirements of admission, which include being capable of living independently, with or without assistance.

D. Financial. Resident's income must be sufficient to meet the anticipated Monthly Service Fee for the Residential Unit selected and to pay normal living expenses outside of services to be provided. Resident must have a net worth which, in accordance with the policy of the Corporation, is sufficient to pay the Entrance Fee. A Confidential Data Application (CDA) executed by Resident is attached to and made part of this Agreement. The Corporation has the right to ask for an updated Confidential Data Application periodically but no more often than annually.

2. Extent of Care. Beginning on the Resident's Occupancy Date (as defined below in Section 6), Mercy Ridge will provide Resident with a Residential Unit, together with the facilities, services and access to nursing care as specified hereafter in this Agreement, for and during the balance of Resident's life or each of the Resident's lives, or for such shorter period as shall apply under this Agreement.

3. Residential Unit

A. Unit. Resident has selected:

Residential Unit Number _____
Type of Residential Unit _____

for Resident's initial Residential Unit in Mercy Ridge. Resident will have a personal and non-assignable right to live in this Residential Unit, subject to the terms of this Agreement.

B. Custom Modifications. If Resident so chooses to modify the Residential Unit, and management agrees to make modifications to the Residential Unit, there may be costs associated with these changes as well as a charge to restore the unit to its original condition as discussed in

Exhibit A. Such costs shall remain Resident's obligation and are not subject to refund except in the limited circumstances stated in Exhibit A.

4. Entrance Fee Deposit and Processing Fee Rescission. Resident shall pay Corporation an Entrance Fee Deposit of ten percent (10%) of the Entrance Fee described below plus a processing fee of one hundred fifty dollars (\$150). The Entrance Fee Deposit will be credited to the payment of the Entrance Fee. The processing fee is not refundable. Resident may terminate this Agreement at any time prior to occupancy. Upon termination, Resident's refund rights will be as set forth below in Section 9.

5. Entrance Fees

A. Entrance Fee Refundability and Resident's Review of Refund Terms. The Corporation currently offers two Entrance Fee refund options. The first option is for the Resident to pay a higher Entrance Fee and, upon termination of this Agreement, receive a refund of one hundred percent (100%) of the Entrance Fee set forth below in accordance with Section 9 (the "100% Refund Option"). The second option is for the Resident to pay a lower Entrance Fee and, upon termination of this Agreement, receive a refund of ninety percent (90%) of the Entrance Fee set forth below in accordance with Section 9 (the "90% Refund Option").

Resident hereby selects the: _____ one hundred percent (100%) Entrance Fee refund

_____ ninety percent (90%) Entrance Fee refund

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

B. Entrance Fee. By signing this Agreement and having selected a Residential Unit, you have agreed to pay an Entrance Fee of:

First Person Entrance Fee: \$ _____

Second Person Entrance Fee: \$ _____

Total Entrance Fee for this Agreement: \$ _____

This Entrance Fee will not increase after this Agreement is signed by Resident and the Corporation.

C. Entrance Fee Deposits for Residential Units. The Entrance Fee specified above will be due and payable as follows:

Entrance Fee Deposit of ten percent (10%), or \$ _____, due upon submission of your Residency and Care Agreement, if not previously paid. A Priority Deposit of \$ _____ previously paid by Resident has been applied to and is included in the Entrance Fee Deposit amount.

The remaining ninety percent (90%) of the Entrance Fee, or \$_____, due not later than sixty (60) days from the date that the Residential Unit is or will be available to Resident unless other arrangements have been agreed to and approved in writing by the Corporation.

In any event, the total Entrance Fee must be paid before Resident occupies the Residential Unit. The current Entrance Fees for each type of Residential Unit are shown on Exhibit B.

Note: This agreement may not be amended without the prior approval of the Maryland Department of Aging.

D. Refund Not Escrowed. The portion of the Entrance Fee to be refunded after occupancy is not held in trust or escrow for the benefit of the Resident.

E. Interest on Deposits Prior to Occupancy. No interest will be credited to Resident (i) on the Entrance Fee or any other amount after the date of this Agreement or (ii) on account of any payments made prior to the date of this Agreement by Resident pursuant to any previous agreement.

F. Use of Fees. Fees collected by the Corporation under this Agreement may only be used for purposes set forth in this Agreement. The Corporation does not currently use fees paid by continuing care residents of Mercy Ridge for purposes other than those directly related to the construction, operation, maintenance, or improvement of Mercy Ridge. However, the Corporation reserves the future right to use fees paid by continuing care residents of Mercy Ridge for purposes both related and unrelated to the construction, operation, maintenance, or improvement of Mercy Ridge, including (i) for the furtherance of the Corporation's corporate mission to provide elderly persons and handicapped persons with housing facilities and services specially designed to meet their physical, social and psychological needs, and to promote their health, security, happiness and usefulness in longer living; (ii) to distribute funds to affiliated entities; or (iii) to benefit an affiliated community.

6. Monthly Service Fee. Resident agrees to pay to the Corporation a Monthly Service Fee in the amount of:

\$_____ per month for the first person occupying the Residential Unit ("First Person Monthly Service Fee"), plus an additional \$_____ per month for the second person occupying the Residential Unit ("Second Person Monthly Service Fee").

The Monthly Service Fee may be revised periodically based on the experience of Mercy Ridge and estimates of its future costs, as determined by management of the Corporation in its sole discretion. Factors to be considered in reviewing Monthly Service Fees include, but are not limited to, changes in the consumer price index, government regulations, reserve fund maintenance, and occupancy levels. **The Corporation will endeavor to make such adjustments not more often than once a year and will provide Resident with SIXTY (60) days prior written notice of any such adjustments.**

This Monthly Service Fee will begin sixty (60) days from the date that the Residential Unit is or will be available to Resident or upon occupancy of the Residential Unit, whichever shall first occur (such date is referred to as the "Occupancy Date") unless other arrangements have been agreed to and approved in writing by the Corporation. These payments are due on the first day of each month. The Corporation reserves the right to charge a fee of one percent (1%) per month on Monthly Service Fees paid more than 15 days after the monthly statement is sent to the Resident. If a Resident moves into the Residential Unit during the middle of the month, then the first Monthly Service Fee will be calculated by dividing the number of days in which the Residential Unit is occupied by the total number of days in the month in which the Residential Unit is occupied and multiplying that percentage by the applicable Monthly Service Fee.

Resident, or a person designated by Resident, will receive a monthly statement of account itemizing the Monthly Service Fee and any other services available for an extra charge that Resident may have used.

If this Agreement has been signed by more than one Resident, and in the event of the demise of one Resident or the termination of this Agreement by one Resident because of divorce or other circumstances permitted by this Agreement or by the termination of the Agreement by the Corporation as to one Resident, the remaining Resident shall pay the First Person Monthly Service Fee for the Residential Unit. The remaining Resident shall continue to be responsible for any and all fees and charges owed for residency and services provided under this Agreement prior to the departure of a Resident that signed this Agreement. However, after the departure of a Resident that signed this Agreement, the remaining Resident shall not be required to pay any fees or charges for the Resident who departed.

The current Monthly Service Fees for each type of Residential Unit and Assisted Living Unit are shown on Exhibit B.

7. Services Provided to Residential Unit Residents

A. Food Services

1. Dining Room Service. Residents will receive one (1) meal per day or an equivalent alternative dining option. Resident may choose which meal of the day that Resident prefers to take as their prepaid meal and it may be taken in either the main dining room or such other dining alternatives as may be available.

2. Tray Service. Mercy Ridge will provide tray service to the Residential Unit if Resident is receiving care for minor illness and if tray service is ordered by Resident's personal physician or Mercy Ridge nursing staff. This service will be provided at no additional charge for a maximum of fourteen (14) consecutive days per illness. After 14 days, this service may continue, but Resident shall pay a reasonable per diem charge.

3. Meal Allowance. If Resident will be away from Mercy Ridge for a period of seven (7) consecutive days or more, Resident will be credited with a Meal Allowance on the Monthly Service Fee statement for all days on which Resident misses their prepaid meal as a result

of such absence. The Meal Allowance Credit shall be in the amount of the raw food costs of each meal missed. In order to receive the Meal Allowance Credit, Resident must make this arrangement with Mercy Ridge management at least three (3) days in advance of the first day Resident will be absent.

4. Guest Privilege. Resident is encouraged to have and register guests for meals. Prices charged for guest's meals shall be billed to Resident on the Monthly Service Fee statement.

B. Services

1. Emergency Responses. Mercy Ridge will have licensed, professional nurses on staff twenty-four (24) hours a day to respond to emergency calls from Resident's Residential Unit. Each Residential Unit will be equipped with a call system to summon emergency aid.

Prior to moving into Mercy Ridge, Resident is required to select a local physician, and Resident must furnish the physician's name, address and telephone number to the Mercy Ridge Nursing Office.

2. Service and Supplies Not Provided. It will be Resident's responsibility to take care of the costs of all services and supplies not provided by this Agreement, either by direct payment or by insurance reimbursements. Such services and supplies include, but are not limited to, prescription medicines, physicians, outpatient services, physical therapy, occupational therapy, respiratory therapy, oxygen, hospital care, medical and incontinent supplies, eye glasses, hearing aids, dentistry, orthopedic appliances, therapy for psychiatric disorders, treatment for mental illness, personal laundry, telephone, television, non-medical supplies, hair care or transportation. Any specialized or personalized equipment (such as kidney machine or respiratory equipment) that Mercy Ridge would have to rent for Resident will be charged to Resident. Non-emergency supplies and routine services provided by the Residential nurses may be billed to Resident.

C. Activities and Social Services. Mercy Ridge will provide a planned schedule of social, educational, recreational and non-denominational religious activities designed to stimulate and support the overall physical, spiritual and emotional well-being of the Residents. Resident may join in as many activities as Resident finds appealing.

Residents may participate in the planned trips and tours that will be available for Residents during the year. Trips and tours (other than shopping trips) will be available to Residents at the cost determined by the tour providers. Mercy Ridge shall not be responsible for the performance of tour providers who provide such tours.

D. Common Facilities. Resident may use, in common with others and in accordance with the rules and regulations from time to time set forth by Mercy Ridge, the dining room, cafe, auditorium, social and activities rooms, and other facilities provided at Mercy Ridge. The private dining room can be reserved for a reasonable fee.

E. Transportation. Mercy Ridge will provide regularly scheduled transportation, at no extra charge to Residents, to Stella Maris and for shopping trips to selected local malls and shopping centers. Individualized transportation for appointments may be provided on a fee for service basis. Mercy Ridge reserves the right to modify the schedule and destinations as it deems appropriate.

F. Utilities and Services. Mercy Ridge will furnish water, heat, electricity, sewer service, and air-conditioning to each Residential Unit, and it will be responsible for trash removal from central locations, and grounds maintenance. Resident agrees to comply with the recycling rules and regulations.

G. Mail. Mercy Ridge will provide for a centralized mail area for the delivery of the Resident's mail by the U.S. Postal Service.

H. Security. For the comfort and safety of the Residents, Mercy Ridge will furnish 24-hour security services to the Mercy Ridge campus, as well as an emergency call system in each Residential Unit.

I. Parking. Each Residential Unit shall have one assigned parking space for the use of that unit's Residents. Additional spaces and enclosed parking may be available on a limited basis at an additional charge in an amount to be determined by the Corporation from time to time.

J. Housekeeping. Mercy Ridge will provide housekeeping services every other week in the Residential Units. If Resident should keep Resident's Unit in such a condition that unusually heavy housekeeping is required, Mercy Ridge reserves the right to charge Resident a fee for the extra service that is required. Mercy Ridge will provide annual housecleaning of each Residential Unit.

K. Resident Storage. Mercy Ridge will make available a small storage area for Resident to store those items not required for daily use. Resident shall not store perishable or hazardous materials in this storage area.

L. Furnishings. Mercy Ridge will furnish wall-to-wall carpeting, kitchen appliances consisting of those appliances listed on the "appliance list" attached hereto as Exhibit "C" and other permanent fixtures in the Residential Unit. All other furnishings shall be provided by Resident and shall remain Resident's personal property. No physical changes may be made to a Residential Unit without the written approval of the Corporation and such changes are subject to Section 3.B. herein.

M. Maintenance. Mercy Ridge shall be responsible for all necessary repairs, maintenance and replacement of property and equipment owned by Mercy Ridge to maintain Mercy Ridge in a first class condition, as determined by the Corporation in its sole discretion. Residents will be responsible for their own property. Resident agrees to permit the Staff to enter Resident's Residential Unit at reasonable times and with reasonable notice for routine and emergency maintenance services.

N. Telephone. Each Residential Unit will be pre-wired for telephone installation. Wiring will be multiline enabling a separate line connection for fax, modem or data. Residents are required to have a telephone installed at their expense. The management and others, from time to time, may have to make contact via this service.

O. Cable TV. Each Residential Unit will be pre-wired for cable television service. The Corporation reserves the right to determine the cable television service provider for Mercy Ridge. The fees for standard basic cable service will be included in the Monthly Service Fee; premium cable channels will be available at the expense of the Resident.

P. Insurance. The Corporation will carry casualty and liability insurance on the buildings and grounds. With the exception of losses due to the Corporation's negligence, the Corporation is not responsible for the loss or damage to Resident's personal property. It will be Resident's responsibility to maintain insurance to cover the contents of Resident's Residential Unit or Assisted Living Unit and those items stored in the storage area, as well as adequate liability coverage typical for residences.

Any loss or damage to real or personal property of the Corporation caused by Resident's negligent or other tortious acts, or those of Resident's guests, pets or invitees, shall be charged to and paid for by Resident. If Resident's negligent or other tortious acts, or those of Resident's guests, pets or invitees result in injury or damage to any other Resident or to any other Resident's property, the Corporation assumes no responsibility and Resident hereby agrees to indemnify, defend and hold harmless the Corporation against any damages or claims resulting from such acts including its counsel fees, if any. In addition, Resident hereby waives and releases the Corporation from any claims for injury or damage to Resident or Resident's personal property caused by Resident's acts, or those of Resident's guests, pets or invitees, or acts of other Residents or of their guests, pets or invitees.

Q. Laundry. Mercy Ridge will provide weekly laundry service for bed linens.

R. Services Available for Extra Charge. Many services in addition to those covered by the Monthly Service Fee will be available to Residents for an extra charge. The extra services available and the prices for those services may be changed periodically. A schedule of services available for an extra charge and the current charge for each service will be published periodically by Mercy Ridge. The current schedule, that is the one in effect at the time the Resident signed this Agreement, is included as Exhibit B. If a Resident requires services provided in the Assisted Living facility at Mercy Ridge or comprehensive nursing care provided at Stella Maris, such services shall be provided pursuant to Section 13.

8. Assisted Living

A. Licensure. The Assisted Living Units are fully licensed to provide all levels of assisted living services—Level 1: Low Level of Care; Level 2: Moderate Level of Care; and Level 3: High Level of Care as defined in Chapter 10.07.14 of the Code of Maryland Regulations. Mercy Ridge offers Assisted Living Units in a suite or one bedroom format and also offers Assisted Living Units specially designed for Residents suffering from dementia. Non-residents may be admitted directly into an Assisted Living Unit without paying an entrance fee. Such non-residents will not sign this Agreement, but will instead sign a separate agreement that is entered into only with assisted living residents.

B. Determination of Level of Care. All Residents needing a transfer to another level of care will be identified by the Health Maintenance Committee anticipated to be comprised of the Executive Director, Program Manager and other staff as needed. The Committee is anticipated to meet as needed but generally not less than monthly. A functional assessment will be conducted by the Program Manager on the Resident, including the State of Maryland Assessment Tool to determine the appropriate level of care. The results of the assessment and the conclusions of the committee will be communicated to the Resident prior to transfer. After the assessment is completed, a collaborative decision will be made, in consultation with the Resident and/or a family member of the Resident, regarding the level of care needed. If, after admission to an Assisted Living Unit at Mercy Ridge, a Resident needs care which exceeds that offered at Mercy Ridge, Mercy Ridge may transfer the Resident to Stella Maris as provided herein in Section 13. Except in cases of emergency, a Resident may not be transferred to an Assisted Living Unit or Stella Maris unless the Resident consents to the transfer.

C. Services Provided to Assisted Living Residents

1. Food Services

(a) Dining Room Service. Residents will receive three well-balanced (3) meals per day in Assisted Living. In addition, snacks are available in between meals. In the absence of an employed dietitian, Residents are responsible for managing their own dietary needs.

(b) Tray Service. Mercy Ridge will provide tray service to the Assisted Living Unit if Resident is receiving care for minor illness and if tray service is ordered by Resident's personal physician or Mercy Ridge nursing staff.

(c) Dietary Services. At no additional charge, Mercy Ridge will provide Resident with supervision of eating, limited assistance for eating (e.g. opening of containers), and with dietary consultation and services, dependent upon the Resident's needs.

2. Services

(a) Emergency Responses. Mercy Ridge will have licensed, professional nurses on staff twenty-four (24) hours a day to respond to emergency

calls from Resident's Assisted Living Unit. Each Assisted Living Unit will be equipped with a call system to summon emergency aid.

Prior to moving into Mercy Ridge, Resident is required to select a local physician, and Resident must furnish the physician's name, address and telephone number to the Mercy Ridge Nursing Office.

(b) Service and Supplies Not Provided Directly by Mercy Ridge. It will be Resident's responsibility to take care of the costs of all services and supplies not provided by this Agreement, either by direct payment or by insurance reimbursements. Mercy Ridge will not provide such services, but will work with Resident to facilitate access to needed services, subject to Resident's needs. Such services and supplies include, but are not limited to, prescription medicines, physicians, hospice, outpatient services, rehabilitative services, home health services, physical therapy, occupational therapy, respiratory therapy, oxygen, hospital care, medical and incontinent supplies, eye glasses, hearing aids, dentistry, orthopedic appliances, counseling or therapy for psychiatric disorders, social work services, treatment for mental illness, personal laundry, telephone, television, non-medical supplies, hair care or transportation. Any specialized or personalized equipment (such as kidney machine or respiratory equipment) that Mercy Ridge would have to rent for Resident will be charged to Resident. Non-emergency supplies and routine services provided by the Residential nurses may be billed to Resident.

(c) Nursing Services. Nursing services to be provided to Residents of Assisted Living are as follows:

(i) **Twenty-four hour supervision by licensed nursing staff.**

(ii) **Medication management, including an initial and periodic assessment of the ability to self-administer medications.**

(iii) **Individualized case plan for each Resident with individualized Resident assessment.**

3. Activities and Social Services. Mercy Ridge will provide a planned schedule of social, educational, recreational and non-denominational religious activities designed to stimulate and support the overall physical, spiritual and emotional well-being of the Residents. Assisted Living Residents may join in as many activities as Resident finds appealing.

Assisted Living Residents may participate in the planned trips and tours that will be available for Residents during the year. Trips and tours (other than shopping trips) will be available to Residents at the cost determined by the tour providers. Mercy Ridge shall not be responsible for the performance of tour providers who provide such tours.

4. Common Facilities. Assisted Living Residents may use, in common with others and in accordance with the rules and regulations from time to time set forth by Mercy Ridge, the dining room, cafe, auditorium, social and activities rooms, and other facilities provided at Mercy Ridge. The private dining room can be reserved for a reasonable fee.

5. Transportation. Mercy Ridge will provide regularly scheduled transportation, at no extra charge to Assisted Living Residents, to Stella Maris and for shopping trips to selected local malls and shopping centers. Individualized transportation for appointments may be provided on a fee for service basis. Mercy Ridge reserves the right to modify the schedule and destinations as it deems appropriate.

6. Utilities and Services. Mercy Ridge will furnish water, heat, electricity, sewer service, and air-conditioning to each Assisted Living Unit, and it will be responsible for trash removal from central locations, and grounds maintenance. Resident agrees to comply with the recycling rules and regulations.

7. Mail. Mercy Ridge will provide for a centralized mail area for the delivery of the Resident's mail by the U.S. Postal Service.

8. Security. For the comfort and safety of the Residents, Mercy Ridge will furnish 24-hour security services to the Mercy Ridge Community at large, as well as an emergency call system in each Assisted Living Unit.

9. Housekeeping. Mercy Ridge will provide weekly housekeeping services in the Assisted Living Units. If Resident should keep Resident's Assisted Living Unit in such a condition that unusually heavy housekeeping is required, Mercy Ridge reserves the right to charge Resident a fee for the extra service that is required. Mercy Ridge will provide annual housecleaning of each Assisted Living Unit.

10. Resident Assistance. Mercy Ridge will provide supervision and/or assistance with activities of daily living, including but not limited to personal hygiene, toileting, mobility, bathing and dressing as need indicates. Each Resident has the right to privacy, including the right to have a staff member knock on the Resident's door before entering, unless the staff member knows that the resident is asleep.

11. Furnishings. Mercy Ridge will furnish wall-to-wall carpeting and other permanent fixtures in the Assisted Living Unit. Resident has the option of either furnishing Resident's own unit or Mercy Ridge will furnish the unit for Resident according the applicable Maryland regulations governing assisted living.

12. Maintenance. Corporation shall be responsible for all necessary repairs, maintenance and replacement of property and equipment owned by Corporation to maintain Mercy Ridge in a first class condition, as determined by the Corporation in its sole discretion. Residents will be responsible for their own property. Resident agrees to permit the Staff to enter Resident's Residential Unit at reasonable times and with reasonable notice for routine and emergency maintenance services. Each Resident has the right to privacy, including the right to have a staff

member knock on the Resident's door before entering, unless the staff member knows that the resident is asleep.

13. Telephone. Each Assisted Living Unit will be pre-wired for telephone installation. Wiring will be multiline enabling a separate line connection for fax, modem or data. Residents are required to have a telephone installed at their expense. The management and others, from time to time, may have to make contact via this service.

14. Cable TV. Each Assisted Living Unit will be pre-wired for cable television service. The Corporation reserves the right to determine the cable television service provider for Mercy Ridge. The fees for standard basic cable service will be included in the Monthly Service Fee; premium cable channels will be available at the expense of the Resident.

15. Insurance. The Corporation will carry casualty and liability insurance on the buildings and grounds. It will be Resident's responsibility to maintain insurance to cover the contents of Resident's Assisted Living Unit, as well as adequate liability coverage.

Any loss or damage to real or personal property of the Corporation caused by Resident's negligent or other tortious acts, or those of Resident's guests, pets or invitees, shall be charged to and paid for by Resident. If Resident's negligent or other tortious acts, or those of Resident's guests, pets or invitees result in injury or damage to any other Resident or to any other Resident's property, the Corporation assumes no responsibility and Resident hereby agrees to indemnify, defend and hold harmless the Corporation against any damages or claims resulting from such acts including its counsel fees, if any. In addition, Resident hereby waives and releases the Corporation from any claims for injury or damage to Resident or Resident's personal property caused by Resident's acts, or those of Resident's guests, pets or invitees, or acts of other Residents or of their guests, pets or invitees.

16. Laundry. Mercy Ridge will provide weekly laundry service for bed linens and Resident's personal laundry. Mercy Ridge also maintains laundry facilities within each wing of the Assisted Living facility.

17. Services Available for Extra Charge. Many services in addition to those covered by the Monthly Service Fee will be available to Residents for an extra charge. The extra services available and the prices for those services may be changed periodically. A schedule of services available for an extra charge and the current charge for each service will be published periodically by Mercy Ridge. The current schedule that is in effect at the time this Agreement is signed is included as part of Exhibit B.

18. Services not Available. Mercy Ridge will not provide the following services: colostomy care, incontinent care, hand or tube feeding, catheter care, wound care, IV therapy, oxygen therapy other than oxygen concentrators, suctioning, tracheotomy care, radiology, on-site laboratory, on-site pharmacy and health equipment (including a walker, geriatric care, wheelchair, pressure matters or a trapeze). If a Resident requires comprehensive nursing care provided at Stella Maris, such services shall be provided pursuant to Section 13, below, at the Resident's own expense.

D. Resident Accounts. Mercy Ridge will not handle Resident trust accounts. All Residents of Mercy Ridge are responsible for handling their own finances, bank accounts and investments, and for making all payments, fees or charges due to Mercy Ridge. The Resident's responsibility for payments, fees or charges due to Mercy Ridge is not limited to the extent of the the Resident's funds.

E. Disposition of Resident's Property after Resident Vacates Assisted Living Unit. All of Resident's personal property and belongings shall be removed by the Resident or a representative of Resident from the Assisted Living Unit and storage area within 30 days after Resident's demise or Resident's permanent transfer to Stella Maris, or move out of Mercy Ridge. The Monthly Service Fee shall continue until all personal property and belongings have been removed from the Assisted Living Unit and the Assisted Living Unit keys returned to the staff. After the expiration of the 30 day period, all remaining property will be removed and handled as determined by the Executive Director of Mercy Ridge. The Corporation reserves the right to charge Resident or Resident's estate for any expenses incurred in returning the Assisted Living Unit to its original condition, normal wear and tear excepted.

9. Termination of Agreement. This Agreement may be terminated, as set forth below. Resident's right to occupy a Residential or Assisted Living Unit in Mercy Ridge and to receive services as set forth in this Agreement will terminate upon the termination of this Agreement. However, Residents will be required to pay Mercy Ridge the fees applicable under this Agreement until they have fully vacated their Residential or Assisted Living Unit in Mercy Ridge.

A. Termination by Resident

1. Prior to Occupancy. If prior to occupancy Resident elects to terminate this Agreement for any reason and gives the Corporation written notice of their election to terminate, this Agreement will be terminated. In such event, the Corporation will return to Resident within thirty (30) days the full amount of the Entrance Fee Deposit (provided that the refund shall not include interest on the Entrance Fee Deposit) and any other monies paid by Resident less: the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B and Exhibit A of the Agreement, and the \$150 processing fee.

2. After Occupancy. Resident or a party named by Resident to be responsible may terminate this Agreement after occupancy of the Residential Unit by giving at least 30 days written notice to that effect. In that event, this Agreement will terminate at the end of such notice period, and Resident will vacate the Residential Unit no later than such termination date.

If Resident selected the 100% Refund Option, a refund will be paid in an amount equal to 100% of the Entrance Fee set forth in Section 5.B less (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B and Exhibit A of this Agreement, which have not been paid for by Resident; and (ii) any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in assisted living and Stella Maris.

If Resident selected the 90% Refund Option, a refund will be paid in an amount equal to 90% of the Entrance Fee set forth in Section 5.B less (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement, which have not been paid for by Resident; and (ii) any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in assisted living and Stella Maris.

The refund will be made upon receipt by the Corporation of the then current Entrance Fee for the last Residential Unit in which Resident resided from a prospective Resident desiring admission to Mercy Ridge. The Corporation agrees to make reasonable efforts to satisfy the condition for payment of the Entrance Fee refund.

If the termination described in this section 9.A.2. occurs within the first ninety (90) days of occupancy, Mercy Ridge shall pay the refund within 30 days of the earlier to occur of:

- (1) The recontracting for the unit of that Resident; or**
- (2) The later to occur of:**
 - (i) The 90th day after the date the written termination notice is given or the date of death; or**
 - (ii) The day the independent living units at the facility have operated at 95% of capacity for the previous 6 months.**

Notwithstanding anything in this Agreement to the contrary, if this Agreement is terminated due to the election of the Resident or a party named by Resident to be responsible, and such termination is after the first 90 days of occupancy, Mercy Ridge will pay any contractual entrance fee refund within 60 days after the effective date of termination, if at any time between the date the written termination notice is given and the effective date of termination:

- (1) the Resident resides in a unit at a higher level of care than the level of care in which the Resident resided on initially entering Mercy Ridge; and**
- (2) the last unit in which the Resident resided at the initial level of care on entering Mercy Ridge has been occupied by or reserved for another Resident who has paid an entrance fee.**

B. Termination by Demise of Resident

1. **Prior To Occupancy.** In the event of the demise of Resident prior to occupancy of the Residential Unit, a full refund of any Entrance Fee Deposits (provided that the refund shall not include interest on the Entrance Fee Deposit) and any other monies paid by Resident less (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement; and (ii) a \$150 processing fee will be made within thirty (30) days after receipt of written notice of the demise of Resident, unless the survivor elects to continue this Agreement and move into Mercy Ridge.

2. **After Occupancy.** After occupancy of the Residential Unit, this Agreement shall terminate at Resident's demise or at the demise of the survivor if there is more than one Resident, whichever occurs later.

If Resident selected the 100% Refund Option, a refund will be paid in an amount equal to 100% of the Entrance Fee set forth in Section 5.B less (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement, which have not been paid for by Resident; and (ii) any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in assisted living and Stella Maris.

If Resident selected the 90% Refund Option, a refund will be paid in an amount equal to 90% of the Entrance Fee set forth in Section 5.B less (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement, which have not been paid for by Resident; and (ii) any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in assisted living and Stella Maris.

The Refund will be made only after the Resident's unit has been vacated and upon receipt of payment by the Corporation of the then current Entrance Fee for the last Residential Unit in which Resident resided from a new prospective Resident desiring admission to Mercy Ridge; provided, however, in the event the Corporation has not received such Entrance Fee within twelve (12) months after the Residential Unit has been vacated, the Board of Directors of the Corporation may nonetheless pay all or a portion of such refund if, in their sole discretion, the Board of Directors determines that payment of such amount will not materially and adversely affect the financial viability of Mercy Ridge. The Corporation agrees to make reasonable efforts to satisfy the condition for payment of the Entrance Fee refund.

If the termination described in this paragraph occurs within the first ninety (90) days of occupancy, Mercy Ridge shall pay the refund within 30 days of the earlier to occur of:

- (1) The recontracting for the unit of that resident; or
- (2) The later to occur of:
 - (i) The 90th day after the date the written termination notice is given or the date of death; or
 - (ii) The day the independent living units at the facility have operated at 95% of capacity for the previous 6 months.

Notwithstanding anything in this Agreement to the contrary, if this Agreement is terminated due to the Resident's death and such termination is after the first 90 days of occupancy, Mercy Ridge will pay any contractual entrance fee refund within 60 days after the Resident's death if on the date of death:

- (1) the Resident resided in a unit at a higher level of care than the level of care in which the Resident resided on initially entering Mercy Ridge; and
- (2) the last unit in which the Resident resided at the initial level of care on entering Mercy Ridge has been occupied by or reserved for another Resident who has paid an entrance fee.

C. Termination by the Corporation. After occupancy of the Residential Unit, the Corporation may terminate this Agreement only for just cause, as defined below:

- 1. Non payment,
- 2. Material breach of this Agreement or the reasonable written rules of Mercy Ridge that contractually bind Resident; and
- 3. Health status or behavior which constitutes a substantial threat to the health or safety of Resident or to the other Residents.

To terminate this Agreement for just cause, the Corporation will give Resident sixty (60) days written notice of termination and Resident will have sixty (60) days from the date of such notice to vacate the Residential Unit and remove all possessions. The Corporation shall refund to Resident (or Resident's personal representative) an amount determined by the following formula:

Refund amount = the greater of (a) the refund the Resident would have received under Section 9.A.2 if Resident had voluntarily terminated or (b) the statutory refund, which equals the Entrance Fee paid (as stated in section 5.B.) ÷ Resident's years of life expectancy at admission times Resident's years of life expectancy at termination.

The life tables of the U.S. Department of Health and Human Services most recently published at the time of termination shall be used to compute both life expectancies. Such refund amount, if any, will be paid to Resident within sixty (60) days following the effective date of the Corporation's termination of the Agreement.

In the event of termination of one person from a unit contracted for by two persons, the person not terminated has the option to terminate the Agreement and receive a refund based on the same formula as stated above. The refund is calculated based on the assumption that the entrance fee is attributable in equal shares to each person. One half of the entrance fee is multiplied and divided by the appropriate life expectancy of each person, and the results added to determine the total refund.

In the event of termination of two persons contracted for a single unit, the refund is calculated based on the assumption that the entrance fee is attributable in equal shares to each person. One half of the entrance fee is multiplied and divided by the appropriate life expectancy of each person, and the results added to determine the total refund.

The Corporation shall be entitled to and have a claim against Resident for (i) the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement which have not been either paid for directly by Resident or previously reimbursed by Resident to the Corporation; (ii) any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in assisted living and Stella Maris. While the Corporation cannot deduct any monies owed it before paying the statutory refund, after it pays the statutory refund it is entitled to pursue a claim against Resident for any outstanding amounts due from Resident pursuant to this Agreement including, but not limited to, any fees outstanding for any services provided to Resident in Assisted Living and Stella Maris.

D. Termination Prior to Occupancy. This Agreement may be terminated prior to occupancy by the Corporation if Resident is found to be unqualified for admission. In such event, the Corporation will return to Resident within thirty (30) days the full amount of the Entrance Fee Deposit (provided that the refund shall not include accrued interest earnings on the Entrance Fee Deposit) and any other monies paid by Resident less: the cost of any custom modifications requested by Resident, approved by management and incurred by the Corporation pursuant to Section 3.B. and Exhibit A of this Agreement and a \$150 processing fee.

E. Payment of Refunds. Entrance Fee refunds that are owed due to (i) cancellation of the Agreement prior to occupancy or (ii) the Corporation's termination of the Agreement for just cause pursuant to Section 9.C of this Agreement will be made to Resident or the Resident's legal representative. Any Entrance Fee refund that is owed due to the death of the Resident on or after the date of occupancy may be paid by the Corporation to one or more beneficiaries, if any, as determined by Resident in the Beneficiary Designation Form attached as Exhibit F. Upon payment, the Corporation is released from any further liability or obligations to Resident.

F. Termination by One Resident. If one of the Residents terminates this Agreement, the Monthly Service Fee payable by the one Resident who remains shall be adjusted to the First Person Monthly Service Fee. **This means that the remaining Resident will pay the First Person Monthly Service Fee, which is the fee that is applicable to a single resident. If the remaining Resident had been paying the Second Person Monthly Service Fee, or a pro-rated fee accounting for a second resident, the monthly fee will be increased accordingly to the First Person Monthly Service Fee. Any Second Person Monthly Service Fee that has already been paid for the month in which the leaving Resident terminates will be refunded or credited on a pro-rated basis.** All responsibility of the Corporation under this Agreement with respect to the person who has moved from Mercy Ridge shall end (unless otherwise contractually arranged with the Corporation), and this Agreement shall terminate with respect to that person. The party to this Agreement remaining in the Residential Unit shall continue to be bound by the obligations of and enjoy the benefits of this Agreement. The remaining Resident shall continue to be responsible for any and all fees and charges owed for residency and services provided under this Agreement prior to the departure of a Resident that signed this Agreement. However, after the departure of a Resident that signed this Agreement, the remaining Resident shall not be required to pay any fees or charges for the Resident who departed. There will be no partial refund of the Entrance Fee paid by a departing Resident.

10. Disposition of Property after Resident Vacates Residential Unit. All of Resident's personal property and belongings shall be removed by the Resident or a representative of Resident from the Residential Unit and storage area within 30 days after Resident's demise or Resident's permanent transfer to Assisted Living or Stella Maris, or move out of Mercy Ridge. The Monthly Service Fee shall continue until all personal property and belongings have been removed from the Residential Unit and the Residential Unit keys returned to the staff. After the expiration of the 30 day period, all remaining property will be removed and handled as determined by the Executive Director of Mercy Ridge. The Corporation reserves the right to charge Resident or Resident's estate for any expenses incurred in returning the Residential Unit to its original condition, normal wear and tear excepted.

11. Financial Policy Regarding Residents. The Entrance Fee paid by Resident is paid as a condition of entrance into a Residential Unit in Mercy Ridge. The Monthly Service Fee is necessary to support the ongoing operations of Mercy Ridge. The Resident shall be responsible for payment of the applicable Monthly Service Fee, and any additional fees or charges incurred by Resident in accordance with this Agreement. The Resident's responsibility for payments, fees or charges due to Mercy Ridge is not limited to the extent of the Resident's funds.

Corporation shall not dismiss Resident nor terminate this Agreement solely because of Resident's financial inability to continue to pay all or part of the Monthly Service Fee. However, Resident's acceptance into Mercy Ridge has been based on facts recorded by Resident on Resident's Confidential Data Application. If Resident's financial position or Resident's ability to pay the Monthly Service Fee has diminished or Resident has misrepresented facts recorded on the Resident's Confidential Data Application, financial statement, Corporation reserves the right, if just cause is present, to terminate this Agreement pursuant to Section 9 (C) hereof. Corporation

does not currently plan to participate in the Medicaid Program. Resident will not be required to apply for benefits under the Medicaid or public assistance programs.

If Resident is unable to pay all or part of the Monthly Service Fee, Corporation may request a current financial statement from Resident, and Resident agrees to allow Corporation to confirm Resident's assets as shown on Resident's financial statement and to otherwise answer reasonable financial questions. If Resident does not provide such a statement within 30 days after such request, Corporation reserves the right to transfer Resident, with Resident's consent, to a smaller Residential Unit if Resident is unable to pay all or part of the Monthly Service Fee for the Residential Unit occupied by Resident. If Resident is unwilling to consent to a move to a smaller unit, Corporation reserves the right to terminate this Agreement if permitted by, and pursuant to Section 9 (C) hereof.

Should Resident find Resident's current income insufficient to meet Resident's Monthly Service Fee(s), Resident shall take necessary steps to liquidate investments or capital assets in order to keep Resident's account on a current basis. Any unpaid Monthly Service Fees or parts thereof, plus interest on the unpaid balance, will remain Resident's liability and shall be paid to Corporation within 30 days of moving out of Corporation.

12. Arrangements for Guardianship and Estate. Resident agrees to comply with such reasonable Rules and Regulations of Mercy Ridge (see Section 16) which may be adopted with respect to having a will, a power of attorney and funeral and burial arrangements. Resident understands that Corporation does not undertake the separate responsibility of providing funeral and burial arrangements.

13. Change of Accommodations and Transfer Agreements

A. To Another Residential Unit. Resident has the option to move from the Residential Unit identified in this Agreement to another Residential Unit within Mercy Ridge, if available and approved by the Staff. Resident's request for the change must be submitted in writing well in advance to allow time for proper arrangements.

A moving charge to cover the costs of refurbishing, lost Monthly Service Fees, and other related costs will be agreed to in writing prior to the move. Resident will be responsible to pay such charge and for making the arrangements for and paying the expenses of the move, including the hiring and costs of a licensed, professional mover.

If Resident should want to move to another Residential Unit with a higher or lower Entrance Fee than the current Entrance Fee for the Residential Unit identified in this Agreement, any additional charge or refund will be based upon the difference in the costs of the current Residential Unit and the new Residential Unit and will be documented by Resident and the Corporation at that time. Resident agrees to sign an addendum to the Residency and Care Agreement identifying the new Residential Unit and terminating the prior Residential Unit and the addendum shall be attached to this Agreement as Exhibit G.

B. Permanent Transfer to Assisted Living or Stella Maris. After consultation between the Corporation Medical Director, Resident's physician and Resident, if it is determined that Resident is in need of permanent care in Assisted Living or Stella Maris and Resident agrees to relocate to Assisted Living or Stella Maris, then such permanent care will be provided to Resident in Assisted Living or Stella Maris. If there are differences between (a) the certification requirements for continuing care and (b) the licensure requirements for assisted living and comprehensive care facilities, the applicable requirements most favorable to the Resident will prevail while the Resident is living in an Assisted Living Unit or comprehensive care unit at Stella Maris. A Resident who is able to return to Assisted Living or independent living will be entitled to the first available Assisted Living Unit or Residential Unit, as applicable, at Mercy Ridge.

1. Assisted Living. Corporation shall provide assisted living care in a private accommodation in Assisted Living at the rates then in effect in Assisted Living, under this Agreement, minus any proceeds from Medicare or other forms of insurance, if any. The services to be provided in Assisted Living are outlined in Section 8. In the unlikely event that no Assisted Living accommodations are available at Mercy Ridge, Mercy Ridge will assist the Resident and his or her representatives to identify an alternative Assisted Living bed at another location until such time as an assisted living bed in Mercy Ridge becomes available. During any time when a Resident is temporarily residing at another location's assisted living unit waiting for an assisted living bed in Mercy Ridge to become available, the Resident will be responsible for paying the other location for the residency and care provided by the other location and will not incur any fees from Mercy Ridge, provided that the Resident does not hold a Residential Unit at Mercy Ridge. If the Resident does hold a Residential Unit at Mercy Ridge during any time when the Resident is temporarily residing at another location's assisted living unit waiting for an assisted living bed in Mercy Ridge to become available, the Resident will continue to be responsible for paying Mercy Ridge the Monthly Service Fees associated with the Residential Unit held by the Resident.

2. Skilled Nursing Care. Skilled nursing care shall be provided to Mercy Ridge Residents in a room in Stella Maris available to Mercy Ridge Residents on a priority basis at the regular private pay rates then in effect at Stella Maris minus any proceeds from Medicare or other forms of insurance, if any. The Corporation has entered into a Priority Agreement with Stella Maris, Inc. The Corporation shall promptly notify Resident and the Maryland Department of Aging of any change in the formal priority arrangement between the Corporation and Stella Maris, Inc. In the unlikely event that no beds are available at Stella Maris, Corporation shall assist Resident in order to locate another nursing home for the Resident to reside in temporarily until a room is available at Stella Maris.

3. Separate Agreement for Skilled Nursing Care. In the event Resident agrees to relocate to Stella Maris on a permanent basis, Resident will be required to execute an additional, separate admissions agreement with Stella Maris, Inc. In the event a temporary stay at another nursing home becomes necessary until a bed is available at Stella Maris, Resident will be required to execute an additional, separate admissions agreement with the other nursing home. Unless terminated pursuant to this Agreement, this Agreement will remain in full force and effect in the event a Resident transfers permanently to Stella Maris even if Resident is a single resident or the last member of a joint residency to transfer. The admissions agreement with Stella Maris, Inc. or other nursing home will not be approved by the Department of Aging for compliance with legal

requirements or for coordination with this Agreement. Where there are differences between this Agreement and the admissions agreement for Stella Maris, or other nursing home, the provisions most favorable to Resident shall apply. The Resident shall pay Stella Maris (or the other nursing home if applicable) the cost of residing in and receiving the services of the nursing home, in accordance with the admission agreement of that nursing home.

4. Entrance Fee. No refund of the Entrance Fee is due when a Resident permanently transfers to Assisted Living or Stella Maris. No new or additional Entrance Fee will be charged at the time of such move. A Resident may draw down upon the Entrance Fee to pay the amounts due to pay for care in Assisted Living and Stella Maris. However, a Resident who selects the 90% Refund Option may not draw down in excess of ninety percent (90%) of the Entrance Fee paid by such Resident. Any draw down amounts used by the Resident to pay for care shall be deducted from the refund of the Entrance Fee due to Resident unless this Agreement has been terminated by the Corporation for just cause in which case the refund shall be as set forth above in Section 9.C.

5. Unit Release. It is understood that, if Resident is the only Resident permanently residing in the Residential Unit or Assisted Living Unit at the time of the transfer, once Resident permanently moves into Assisted Living or Stella Maris, Resident relinquishes the right to reoccupy the Residential Unit or Assisted Living Unit and that unit shall be released back to the Corporation. In the event that Resident again becomes able to live independently or in assisted living, as applicable, Resident will be entitled to the first available unit of the type last occupied by Resident.

6. Single Resident Transfers to Assisted Living or Stella Maris. If a single Resident permanently transfers to assisted living, Resident shall pay the assisted living fees required by this Agreement, and shall continue to pay the Monthly Service Fee for Resident's Residential Unit until the Residential Unit is vacated. If a single Resident permanently transfers to a skilled nursing care facility, Resident shall pay the fees required by the nursing facility's admission agreement to the nursing facility and shall continue to pay to the Corporation the Monthly Service Fee for the unit Resident transferred from until the unit, whether a Residential Unit or Assisted Living Unit, is vacated.

7. Joint Residents, One in the Residential Unit. If two Residents occupy a Residential Unit and one Resident permanently transfers to Assisted Living, the Resident who transfers shall pay the assisted living fees required by this Agreement and the second Resident shall pay the First Person Monthly Service Fee for the Residential Unit. If two Residents occupy the Residential Unit and one Resident permanently relocates to a skilled nursing care facility, the Resident who transfers shall pay the fees required by the nursing facility's admission agreement to the nursing facility and the second Resident shall pay the First Person Monthly Service Fee for the Residential Unit.

8. Joint Residents, Both Transfer to Assisted Living. If both Residents permanently transfer to Assisted Living, the Residents shall pay the assisted living fees required by this Agreement and shall continue to pay the Monthly Service Fee for the Residential Unit until the Residential Unit is vacated. If both Residents reside together in a one-bedroom apartment unit

in Assisted Living, the accommodation fee associated with that one-bedroom apartment will be charged. If two separate assisted living private suites or two separate assisted living one-bedroom apartments are occupied by the Residents, accommodation fees for both units will be charged. Each Resident will be assessed individually to determine their level of care needs and corresponding level of service charges will be charged to each Resident, in addition to the accommodation charges.

9. Joint Residents, Both Transfer to Stella Maris. If both Residents permanently transfer to Stella Maris, the Residents agree to pay the fees of Stella Maris directly to Stella Maris (not to the Corporation) in accordance with the nursing home's admission agreement and shall continue to pay the Corporation the Monthly Service Fee for their Residential Unit or Assisted Living Unit, as applicable, until the Residential Unit or Assisted Living Unit is vacated.

10. Joint Residents, One in Assisted Living and the Other in Skilled Nursing Care. If one Resident permanently transfers to Stella Maris and other Resident permanently transfers to Assisted Living, each Resident agrees to pay the fees of the facility to which they transfer to the operator of that facility and shall continue to pay the Monthly Service Fee for Resident's Residential Unit until the Residential Unit is vacated.

C. Temporary Assistance or Nursing Care. If, after consultation between the Mercy Ridge Medical Director, Resident's physician and Resident, it is determined that Resident is in need of temporary nursing care or assistance and Resident agrees to relocate to Assisted Living or Stella Maris, such temporary nursing services or assistance will be provided in Assisted Living or Stella Maris. If there are differences between (a) the certification requirements for continuing care and (b) the licensure requirements for assisted living and comprehensive care facilities, the applicable requirements most favorable to the Resident will prevail while the Resident is living in an Assisted Living Unit or comprehensive care unit at Stella Maris.

1. Assisted Living. Corporation shall provide temporary assisted living care in a private accommodation in Assisted Living at the rates then in effect in Assisted Living under this Agreement, minus any proceeds from Medicare or other forms of insurance, if any. The services to be provided in Assisted Living are outlined in Section 8. In the unlikely event that no Assisted Living accommodations are available at Mercy Ridge, Mercy Ridge will assist the Resident and his or her representatives to identify an alternative Assisted Living bed at another location until such time as an assisted living bed at Mercy Ridge becomes available. During any time when a Resident is temporarily residing at another location's assisted living unit waiting for an assisted living bed in Mercy Ridge to become available, the Resident will be responsible for paying the other location for the residency and care provided by the other location and will not incur any fees from Mercy Ridge, provided that the Resident does not hold a Residential Unit at Mercy Ridge. If the Resident does hold a Residential Unit at Mercy Ridge during any time when the Resident is temporarily residing at another location's assisted living unit waiting for an assisted living bed in Mercy Ridge to become available, the Resident will continue to be responsible for paying Mercy Ridge the Monthly Service Fees associated with the Residential Unit held by the Resident.

2. Skilled Nursing Care. Skilled nursing care shall be provided temporarily to Mercy Ridge Residents in a room in Stella Maris available to Mercy Ridge Residents on a priority basis at the regular private pay rates then in effect at Stella Maris, minus any proceeds from Medicare or other forms of insurance, if any. In the unlikely event that no beds are available at Stella Maris, Corporation shall assist Resident in order to locate another nursing home for the Resident to reside in temporarily until a room is available at Stella Maris.

3. Separate Agreement for Skilled Nursing Care. In the event Resident agrees to relocate to Stella Maris on a temporary basis, Resident will be required to execute an additional, separate admissions agreement with Stella Maris, Inc. In the event a temporary stay at another nursing home becomes necessary until a bed is available at Stella Maris, Inc. Resident will be required to execute an additional separate admissions agreement with the other nursing home. Unless terminated pursuant to this Agreement, this Agreement will remain in full force and effect in the event a Resident transfers temporarily to Stella Maris even if Resident is a single resident or the last member of a joint residency to transfer. The admissions agreement with Stella Maris, Inc. or other nursing home will not be approved by the Department of Aging for compliance with legal requirements or for coordination with this Agreement. Where there are differences between this Agreement and the admissions agreement for Stella Maris or other nursing home, the provisions most favorable to Resident shall apply. The Resident shall pay Stella Maris (or the other nursing home, if applicable) the cost of residing in and receiving the services of the nursing home, in accordance with the admission agreement of that nursing home.

4. Single Resident in Residential Unit Temporarily Transfers to Assisted Living or Stella Maris.

(a) If Resident is the only Resident in the Residential Unit and Resident has agreed to temporarily transfer to Stella Maris or Assisted Living, the Residential Unit will be held for Resident for 90 days or until Resident is able to reoccupy the Residential Unit, whichever is less. During a temporary stay in Stella Maris or Assisted Living, Resident shall continue to pay the Monthly Service Fee for the Residential Unit in addition to the then current monthly or daily fees for nursing care or Assisted Living, as applicable, minus a credit for any proceeds from Medicare or other forms of insurance, if any.

(b) After a period of 90 days and upon receipt of a doctor's determination stating that the single Resident is incapable of moving back into independent living, in accordance with applicable Mercy Ridge Rules and Regulations, the Corporation may revoke Resident's license to occupy the Residential Unit, make the Residential Unit available to other occupants, and consider the transfer as permanent.

5. Single Resident Transfers from Assisted Living to Stella Maris.

(a) If Resident is the only Resident in the Assisted Living Unit and the Resident has agreed to temporarily transfer to Stella Maris, their Assisted Living Unit will be held for a period of thirty (30) days or until Resident is able to reoccupy the Assisted Living Unit, whichever is less. While the Assisted Living Unit is being held, Resident shall continue to pay the assisted living accommodation fees required by this Agreement, in addition to the then current

daily fees for nursing care under the separate agreement with Stella Maris. However, while the Assisted Living Unit is being held, Resident shall not be required to pay the assisted living services fees that would otherwise be required by this Agreement.

(b) After thirty (30) days and upon receipt of a doctor's determination stating that Resident is incapable of moving back into Assisted Living, the Corporation may revoke Resident's license to occupy the Assisted Living Unit, make the Assisted Living Unit available to other occupants, and consider the transfer as permanent.

6. One of Multiple Residents Transfers from Residential Unit to Assisted Living or Stella Maris.

(a) If two Residents occupy the Residential Unit and one Resident temporarily transfers to Assisted Living or Stella Maris, the Second Person Monthly Service Fee will be suspended during the temporary transfer. The First Person Monthly Service Fee for the Residential Unit and the applicable monthly fees for assisted living or daily fees for Stella Maris shall be paid by Resident during the temporary transfer.

(b) If the transfer is to Stella Maris, then after a period of 90 days, and upon receipt of a doctor's determination stating that the Resident is incapable of moving back into independent living or assisted living, the Corporation may consider the transfer as permanent as to the relocated Resident.

(c) If the relocation is to Assisted Living, then after a period of 30 days, and upon receipt of a doctor's determination stating that the Resident is incapable of moving back into independent living, the Corporation may consider the transfer permanent as to the relocated Resident.

7. One of Multiple Residents in Assisted Living Transfers to Stella Maris.

(a) If two Residents occupy one Assisted Living Unit and one Resident temporarily transfers to Stella Maris, the fees associated with the Assisted Living Unit will continue to be charged during the transfer as well as the then current daily fees for nursing care under the separate agreement with Stella Maris.

(b) If two Residents occupy two separate Assisted Living Units and one Resident temporarily transfers to Stella Maris, the fees associated with both units will continue to be charged during the transfer as well as the then current daily fees for nursing care under the separate agreement with Stella Maris.

(c) After a period of 90 days and upon a receipt of a doctor's determination stating that the transferred Resident is incapable of moving back into assisted living, the Corporation may consider the transfer as permanent as to the transferred Resident. If the transferred Resident had a separate Assisted Living Unit, and the transfer becomes permanent, then the Corporation may revoke Resident's license to occupy the separate Assisted Living Unit and make the unit available to other occupants.

8. Joint Residents Transfer from Residential Unit to Assisted Living.

(a) If two Residents have agreed to temporarily transfer from independent living to Assisted Living, the Residential Unit will be held for at least one Resident's return for a period of 90 days or until at least one Resident is able to reoccupy the Residential Unit or until such time as both Residents agree to be permanently transferred to Assisted Living, whichever is less. While the Residential Unit is being held, Resident shall continue to pay the Monthly Service Fee for the Residential Unit. In addition, Resident will pay the applicable fees for assisted living during the temporary transfer period.

(b) After 90 days, and upon receipt of a doctor's determination stating that neither Resident is capable of moving back into independent living, the Corporation may consider the transfer as permanent as to both Residents, revoke Residents' license to occupy the Residential Unit, and make the unit available to other occupants.

9. Joint Residents Transfer from Residential Unit to Stella Maris.

(a) If two Residents have agreed to temporarily transfer from independent living to Stella Maris, the Residential Unit will be held for at least one Resident's return for a period of 90 days or until at least one Resident is able to reoccupy the Residential Unit or until such time as both Residents agree to be permanently transferred to Stella Maris, whichever is less. While the Residential Unit is being held, Resident shall continue to pay the fees for the Residential Unit. In addition, Resident will pay the applicable fees for nursing care during the temporary transfer period.

(b) After 90 days, and upon receipt of a doctor's determination stating that neither Resident is capable of moving back into the Residential Unit, the Corporation may consider the transfer as permanent as to both Residents, revoke Residents' license to occupy the Residential Unit, and make the unit available to other occupants.

10. Joint Residents Transfer from Assisted Living to Stella Maris.

(a) If two Residents have agreed to temporarily transfer from Assisted Living to Stella Maris, the Assisted Living Unit will be held for at least one Resident's return for a period of 30 days or until at least one Resident is able to reoccupy the Assisted Living Unit or until such time as both Residents agree to be permanently transferred to Stella Maris, whichever is less. While the Assisted Living Unit is being held, Resident shall continue to pay the assisted living accommodation fees required by this Agreement, in addition to the then current daily fees for nursing care under the separate agreement with Stella Maris. However, while the Assisted Living Unit is being held, Resident shall not be required to pay the assisted living services fees that would otherwise be required by this Agreement.

(b) After 30 days, and upon receipt of a doctor's determination stating that neither Resident is capable of moving back into assisted living, the Corporation may consider

the transfer as permanent as to both Residents, revoke Residents' license to occupy the Assisted Living Unit, and make the unit available to other occupants.

14. Policy Regarding Subsequent Marriage of Resident

A. Marriage to a Non-Resident. If Resident wishes to marry a person who is not a Resident of Mercy Ridge, with the intent of both residing at Mercy Ridge after the marriage, the new Spouse will be required to meet all normal admission requirements and pay an Entrance Fee equal to the then-current published Second Person Entrance Fee for the Residential Unit to be occupied. In addition, the new Spouse will be required to pay the Second Person Monthly Service Fee for the Residential Unit to be occupied. Resident and the new Spouse will be required to execute Exhibit H (Shared Occupancy Arrangements Addendum) attached hereto, with the new Spouse being the "Additional Resident" in that document. **Exhibit H includes refund information regarding the new Spouse.** In the event that the person who is not residing at Mercy Ridge does NOT meet the admission requirements, then that person will not be offered a continuing care agreement.

B. Marriage to Another Resident. In the event Resident wishes to marry a person who is presently residing at Mercy Ridge, Resident may either retain both existing units and continue to pay separate Monthly Service Fees on both units, or permanently vacate one of the two units and jointly reside in only one unit with one Monthly Service Fee plus the Second Person Monthly Service Fee. If both Residents wish to terminate each of their Agreement(s), refunds will be governed by Section 9.

C. Other Shared Occupancy Arrangements. In the event that a Resident wishes to share occupancy with another Resident the provisions of the section 14B above shall apply.

In the event that one of you wishes to share occupancy with a Non-Resident, the new Resident will be required to meet all normal admission requirements and pay an Entrance Fee equal to the then-current published Second Person Entrance Fee for the dwelling unit to be occupied. In addition, the new Resident will be required to pay the Second Person Monthly Service Fee for the Residential Unit to be occupied. Resident and the new Resident will be required to execute Exhibit H (Shared Occupancy Arrangements Addendum) attached hereto, with the new Resident being the "Additional Resident" in that document. **Exhibit H includes refund information regarding the new Resident.**

D. Residing with a Person Under 62 Years of Age. If a Resident resides with a person who is then under the age of 62 years, that person will be able to live at Mercy Ridge. However, the other individual will not qualify under the terms of this Agreement until he or she is 62 years of age and meets the same medical requirements which are then applicable to new Residents. Until such time as the new individual qualifies, he or she shall pay a Second Person Monthly Service Fee and receive the services which would otherwise be provided under the terms of Section 7 of this Agreement. At the time the new resident qualifies for a Residency and Care Agreement, he or she will be required to pay the then prevailing Second Person Entrance Fee and Second Person Monthly Service Fee on an ongoing basis. If the new individual cannot qualify for an Independent Unit, he or she can sign a Residency and Care Agreement for an Assisted Living Unit if that is the

appropriate level of care and an Assisted Living Unit is available. In the event that the Residency and Care Agreement of the qualifying individual is terminated for any reason, including death, then all rights of the non-qualifying individual to occupy the Residential Unit are also terminated and the non-qualifying individual must vacate the Residential Unit within sixty days of the termination of the Residency and Care Agreement of the qualifying individual.

15. Release of Health Information. Corporation shall maintain, use and disclose Resident's health information in accordance with State and Federal laws and regulations governing such health information. Corporation 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.

16. Rules and Regulations. Resident agrees to comply with the operating Rules and Regulations of Mercy Ridge, found in the Resident Handbook, which will cover such things as smoking policies, pet policies, and similar items providing for the health, safety and welfare of the Residents. Changes to these day-to-day operating Rules and Regulations, not specifically covered by this Agreement, will be made after consultation with the Residents' Council.

17. Residents' Council. Corporation will have an elected Residents' Council with representation from various areas of Corporation. The Residents' Council will act in an advisory capacity to the Staff and will serve to facilitate the exchange of ideas between the Residents and the Staff. The management of Corporation will hold quarterly meetings with the Residents for the purpose of free discussions of policies, programs, services, etc. Corporation Residents shall have the right to self-organization and to meet privately at Corporation to conduct business.

18. Pet Policy. Resident may bring such pets into Mercy Ridge as Resident now owns, if approved by the Staff. Each pet must be viewed and approved by the Staff before the pet can be brought into Mercy Ridge. No pet shall be a nuisance to other Residents or the Staff and must be properly cared for at all times. Pets are not permitted in any of the common areas, and the hallways in the building are to be used only as a means of taking Resident's pet in or out of the building. Failure to comply with any rules and regulations regarding pets may necessitate the removal of such pet from Mercy Ridge. If a pet is not removed from Mercy Ridge after the Staff requests such removal, the Corporation reserves the right to terminate this Agreement for just cause, if permitted by, and pursuant to Section 9 (C) hereof. Resident shall be responsible for all damages caused by Resident's pet. Pets will be leashed or carried and in the control of the owner at all times when outside of the Residential Unit. Further rules and regulations regarding pets will be found in the Resident Handbook.

19. Guest Privileges. Resident has the right to have guests stay with Resident in the Residential Unit at no additional charge other than for meals, and other services utilized by the guest but such stays shall be limited to 30 consecutive days. The maximum number of guests allowed will be at the discretion of the Staff. A nominal daily charge will be billed for each guest remaining beyond 30 days. Resident is responsible to pay all applicable guest charges.

20. Tax Disclosure Statement. As a Resident of Mercy Ridge, current tax law (Section 7872 of the Internal Revenue Code of 1986) may affect Resident's taxable income. Under this provision, the Internal Revenue Service may characterize the amount to be refunded, if any, to Resident's estate on Resident's demise as an interest free loan from Resident to the Corporation and may attribute to Resident annual receipt of interest income on the amount characterized as a loan, even though Resident did not receive interest payments. Resident should consult with Resident's accountant or attorney to determine whether and to what extent this provision affects Resident.

21. Annual Financial Statement. An annual financial statement will be provided to Resident within one hundred and twenty (120) days after the end of the fiscal year of the Corporation. It is the policy of the Corporation to fund financial reserves which are deemed appropriate and are in keeping with sound financial practices as established by the Board of Directors.

22. Notices. Any notice, demand, or request which may be or is required to be given to Resident under this Agreement shall be delivered in person or, if prior to Resident's occupancy of the Residential Unit, shall be mailed by U.S. Certified or Registered mail, postage prepaid, to Resident at the address set forth opposite Resident's signature at the end of this Agreement. Upon occupancy of the Residential Unit, Resident's address will be the address of the Residential Unit and any notices, demands or requests may be delivered by being delivered personally to the Residential Unit or by being placed in the mail box for the Residential Unit located in Mercy Ridge. Any notices, demands or requests to be delivered to the Corporation may be delivered in person to the Executive Director of Mercy Ridge.

23. Rights to Property. The rights and privileges granted to Resident by this Agreement do not include any right, title or interest in or to any part of the personal property, land, buildings and improvements owned or administered by the Corporation. Resident's rights under this Agreement are for services with a right of occupancy. Except as may be limited by rights arising under Title 10, Subtitle 4 of the Human Services Article of the Annotated Code of Maryland, all rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust on any of the premises or other interests in real or personal property of the Corporation and to all amendments, modification, replacements or refunding of any such mortgage, deed of trust or other encumbrance. Resident agrees that upon request Resident will execute and deliver any document which is required by the Corporation, or by the order of any such mortgage or deed of trust, or other encumbrance to effect such subordination or to evidence the same.

24. Right to Make Final Decisions. The Corporation reserves the right to make final decisions relating to the policies and procedures of Mercy Ridge.

25. Non-Transferable. Resident's rights and privileges under this Agreement with respect to the Residential Unit, facilities and services are personal to Resident and cannot be transferred or assigned by Resident, or by any proceeding at law, or otherwise. If any person, other than the person(s) who sign(s) this Agreement, establishes residency in the Residential Unit without following the proper procedures established by the Corporation and exercised through its Executive Director, the Corporation may have the right to terminate this Agreement pursuant to Section 9 (C) hereof.

26. Severability Provision. If any provision of this Agreement shall be held invalid or unenforceable, such invalidity shall not affect any other provision hereof and this Agreement shall be construed and enforced as if such provision had not been included, except that Resident may rescind this Agreement at any time if the terms of this Agreement are in violation of Title 10, Subtitle 4 of the Human Services Article and Resident is injured by the violation.

27. Legal Remedies. Residents of facilities such as Mercy Ridge are protected by the provisions of Title 10, Subtitle 4 of the Human Services Article, which provides that Residents injured by violation of that subtitle may bring an action for the recovery of damages in any court of general jurisdiction, and the award may include reasonable attorneys' fees in the event of a favorable judgment. Residents may rescind an agreement at any time if the terms of the agreement are in violation of the terms of Title 10, Subtitle 4 of the Human Services Article, and the Resident is injured by the violation. Resident shall be entitled to treble damages for extensive injuries arising from the violations.

28. Certified Financial Statements. Upon request, the Corporation will make available to Resident any certified financial statements and Disclosure Statement transmitted to the Maryland Department of Aging as required by Title 10, Subtitle 4 of the Human Services Article.

29. Indemnification. The Corporation shall not be liable for, and Resident agrees to indemnify, defend and hold Corporation harmless from claims, damages and expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property to the extent caused by, resulting from, attributable to, or in any way connected with Resident's negligent or intentional act or omission.

30. Grievance Procedure. There is an internal grievance procedure to address the grievances of Residents.

31. Rules and Regulations and Receipt of Documents. The Corporation represents and Resident acknowledges that Resident has received, at least two weeks before signing this Agreement, the following: (i) this Agreement with its exhibits; (ii) the current Disclosure Statement, with its Exhibits, if any; and (iii) a copy of the current written rules and regulations of Mercy Ridge, which are subject to change by the Corporation from time to time.

A CERTIFICATE OF REGISTRATION IS NOT AN ENDORSEMENT OR GUARANTEE OF THIS FACILITY BY THE STATE OF MARYLAND. THE MARYLAND DEPARTMENT OF AGING URGES RESIDENT TO CONSULT WITH AN ATTORNEY AND A SUITABLE FINANCIAL ADVISOR BEFORE SIGNING ANY DOCUMENTS.

Resident _____

Address _____

Signature_____ Witness_____

Resident _____

Address _____

Signature_____ Witness_____

Mercy Ridge, Inc.

Witness:

By: _____
Name:
Title:

I have received a copy of the Provider's latest certified financial statement at least two (2) weeks before signing this Agreement and I have reviewed the certified financial statement provided to me.

Applicant

Applicant

I have received a copy of the Provider's latest disclosure statement and I have reviewed the disclosure statement provided to me.

Applicant

Applicant

EXHIBIT A
CUSTOM MODIFICATIONS

Resident has requested that the following custom modifications be made to:

Residential Unit Number

Type of Residential Unit

Resident agrees to pay a charge for such modifications requested before or after occupancy in the amount of \$_____ in addition to the Entrance Fee. Payment of this charge is due prior to the commencement of said modifications. To the extent they have been incurred by the Corporation, these charges are non-refundable. In addition, upon termination of this Agreement, there shall be a charge assessed to return Resident's Unit to its original condition based on the reasonable cost of the work actually incurred by the Corporation for such restoration work which may be waived by the Corporation in its sole discretion.

Resident

Date

Resident

Date

Mercy Ridge, Inc.

By: _____

Name: _____

Title: _____

Date

EXHIBIT B

SCHEDULE OF FEES **90% Refundable Plan**

Independent Residential Units

One Bedroom Apartments

	ENTRANCE FEE	MONTHLY SERVICE FEE
The Wicklow	\$216,000	\$2,557
The Clare	\$276,000	\$2,871
The Clare II	\$276,000	\$2,871
The Galway	\$312,000	\$3,549
The Galway II	\$312,000	\$3,549

Two Bedroom Apartments

	ENTRANCE FEE	MONTHLY SERVICE FEE
The Carlow	\$347,000	\$4,054
The Carlow w/Alcove	\$347,000	\$4,054
The Carlow II	\$347,000	\$4,054
The Carlow III	\$347,000	\$4,054
The Dubliner	\$398,000	\$4,686
The Dubliner w/Alcove	\$398,000	\$4,686
The Waterford	\$488,000	\$5,067
The Waterford Custom	\$501,000	\$5,295

SECOND PERSON	\$16,000	\$1,078
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7/1/2022

EXHIBIT B

SCHEDULE OF FEES **100% Refundable Plan**

Independent Residential Units

One Bedroom Apartments

	ENTRANCE FEE	MONTHLY SERVICE FEE
The Wicklow	\$238,000	\$2,557
The Clare	\$304,000	\$2,871
The Clare II	\$304,000	\$2,871
The Galway	\$344,000	\$3,549
The Galway II	\$344,000	\$3,549

Two Bedroom Apartments

	ENTRANCE FEE	MONTHLY SERVICE FEE
The Carlow	\$382,000	\$4,054
The Carlow w/Alcove	\$382,000	\$4,054
The Carlow II	\$382,000	\$4,054
The Carlow III	\$382,000	\$4,054
The Dubliner	\$438,000	\$4,686
The Dubliner w/Alcove	\$438,000	\$4,686
The Waterford	\$537,000	\$5,067
The Waterford Custom	\$552,000	\$5,295
SECOND PERSON	\$16,000	\$1,078

7/1/2022

EXHIBIT B

SCHEDULE OF FEES

Assisted Living Units

I. Regular Assisted Living

MONTHLY SERVICE FEE

Private Suite (Room Costs) \$5,980

One Bedroom (Room Costs) \$7,570

Additional Costs (Service Costs):

Level One services \$ 777

Level Two services \$1,358

Level Three services \$1,941

Level Four services \$2,523

II. Dublin Court Dementia Care

ALL-INCLUSIVE MONTHLY SERVICE FEE

Includes Room and Service \$8,940

EXHIBIT B

Ancillary Charges

Dining & Hospitality Services

- Room service delivery fee
- Catering

Charges

\$ 5.00 per trip to unit
Varies

Café

- Resident Continental Breakfast
- Guest Continental Breakfast
- Resident Dinner
- Guest Dinner
- Children Guest Dinner (10 years and under)

Complimentary
\$ 3.50 per person
\$13.95 per person
\$16.95 per person
\$ 7.95 per person

Bistro

- Prices are stated on the menu.

Dulaney Room

- Resident Dinner
- Guest Dinner
- Children Guest Dinner (10 years and under)
- Resident Sunday Brunch
- Guest Sunday Brunch
- Children Sunday Brunch (10 years and under)
- Filet Mignon Upcharge
- Ladies Luncheon

\$13.95 per person
\$16.95 per person
\$ 7.95 per person
\$11.95 per person
\$14.95 per person
\$ 7.95 per person
\$ 7.50 per person
\$11.00 per person

Special Holiday Meals

- Resident Dinner
- Guest Holiday Meal

\$13.95 per person
\$24.95 per person

Baggott Street Pub

- Domestic beer
- Imported beer
- Rail Mixed Drink
- Top Shelf Mixed Drink
- Wine
- Specialty

\$ 3.25 per bottle
\$ 3.75 per bottle
\$ 3.75 per drink
\$ 4.75 per drink
\$ 3.75 per glass
\$ 5.75 per glass

EXHIBIT B

Ancillary Charges

Administration & Resident Services

	<u>Charges</u>
• Photocopying and fax services	.10 per page
• Access key card replacement	\$ 25.00 each
• Garage door opener replacement	\$ 70.00 each
• Garage parking	\$ 90.00 per month
• Guest room	\$ 90.00 per night
• Name tag replacement	\$ 10.00 each
• Non-medical transportation	\$ 7.00 per trip
• SARA bathroom button replacement	\$ 150.00 each
• SARA personal pendant replacement	\$ 150.00 each
• CATIE iPad Replacement	\$ 625.00 each
• Beauty Shop (services provided by third party contractor)	

Maintenance

• ADA height Champion toilet	\$ 390.00 each
• Extra maintenance	\$ 40.00 per hour
• Separate Lock for closet door	\$ 100.00
• Key replacement of unit or mailbox key	\$ 15.00 per key
• Re-keying unit (market cost)	\$ 225.00
• Storm door installation - parts & labor	\$ 555.00

Housekeeping

Additional housekeeping services	\$ 30.00 per hour
• Washing comforter or bedspread	
• Apartment cleaning	
• Carpet cleaning	
• Cabinet cleaning	
Other housekeeping services	\$ 15.00
• Bed making	
• Watering plants	
• Sweeping patio	

EXHIBIT B

Ancillary Charges

Wellness Services

Services provided at the Wellness Center	<u>Charges</u>
• Blood glucose test	\$ 6.00 each
• Blood pressure	\$ 2.00 per test
• Case management	\$ No Charge
• Eye or ear drop	\$ 2.00 per treatment
• Injections	\$ 8.00 each
• Weight recording	\$ 2.00 per recording
• Wound care	\$ 6.00 per treatment
Services provided in-home	
• Blood glucose Test - supplied by Mercy Ridge	\$ 10.00 each
• Blood glucose Test - supplied by resident	\$ 5.00 each
• Blood pressure	\$ 5.00 per test
• Case management	\$ No Charge
• Eye or ear drop	\$ 4.00 per treatment
• Injections	\$ 10.00 each
• Wound Care - supplied by Mercy Ridge	\$ 15.00 per treatment
• Wound Care - supplied by resident	\$ 10.00 per treatment
• Non-Emergency wellness calls	\$ 50.00 per visit

EXHIBIT C

FURNISHINGS - APPLIANCE LIST

Electric Range with self cleaning oven and stove top

Refrigerator with an ice maker

Dishwasher

Washer and Dryer (stacking type unit)

Garbage Disposal

Microwave Oven

EXHIBIT D

MERCY RIDGE, INC. CONFIDENTIAL DATA APPLICATION

Date _____ Unit # _____ Type of Residential Unit _____ Entrance
Fee _____
Applicant's Name _____
Monthly Service Fee _____
Second person _____
Monthly Service Fee _____
Address _____
Telephone number _____
City _____ State _____ Zip _____
First Person SS# _____ Birthdate _____ Marital Status _____
Second Person SS# _____ Relationship _____
Birthdate _____ Marital Status _____
Please give name, address and telephone of children or nearest relatives
1. _____
2. _____

FINANCIAL DATA

Assets

1. Equity in residence \$ _____
2. Savings & CD's \$ _____
3. Stocks & Bonds \$ _____
4. Trusts & Estate Equity \$ _____
5. Other Real Estate Equity \$ _____
6. Other \$ _____
7. Insurance \$ _____
Total Assets \$ _____

Monthly Income

First Person

Second Person

1. Social Security	\$ _____	\$ _____
2. Savings & CD's	\$ _____	\$ _____
3. Stocks & Bonds	\$ _____	\$ _____
4. Trusts & Estate Equity	\$ _____	\$ _____
5. Pension & Retirement	\$ _____	\$ _____
6. Other \$ _____	\$ _____	
7. Amenities \$ _____	\$ _____	
8. Wages or Salary	\$ _____	\$ _____
Total Monthly Income	\$ _____	\$ _____
Total Combined Monthly	\$ _____	

Please list any liabilities in excess of \$5,000 _____

EXHIBIT D "CONTINUED"

Notes to Financial Data and Monthly Income (by line number)

Medicare # First person _____ Second person _____

Medicare Part B Coverage:

First Person _____ (yes or no)

Second person _____ (yes or no)

Supplemental Hospital Insurance

First Person _____

Second Person _____

I/we certify that the information contained in this confidential data application accurately reflects my/our financial condition. I/we agree to provide any additional information that Mercy Ridge, Inc. may reasonably require. I/we understand that if any of the information contained in this application is materially inaccurate, my/our unit reservation may be subject to cancellation.

Signature

Signature

EXHIBIT E

HEALTH INFORMATION

Are you capable of independent living, with or without assistance?

First Person _____ (yes or no) Second Person _____ (yes or no)

Please describe any medication that you presently taking or have taken in the last six months.

First Person _____

Second Person _____

Please explain any change in your general health in the past two years.

First Person _____

Second Person _____

Please explain any hospitalization you have had in the past three years.

First Person _____

Second Person _____

Please give name, address and telephone of primary physician.

First Person _____

Second Person _____

I hereby release any medical records for review by Mercy Ridge and I hereby declare that all statements made herein are true according to my best knowledge and belief, in witness whereof I have hereunto set my hand to this application this _____ day of _____, 20__.

First Person

Second Person

Witness

Witness

EXHIBIT F
DESIGNATION OF BENEFICIARIES- 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, _____(Resident) understand that under the Residency Agreement with Mercy Ridge, Inc., date _____, 20____, I may be entitled to a refund of all, or a portion of, the Entrance Fee under the conditions specified under the Agreement. In the event that a refund becomes payable under the terms of the Agreement due to my death on or after my date of occupancy, I hereby direct the Corporation to pay or transfer the refund at such time as the refund becomes payable, to:

_____	_____ %
Print Name	
Mailing Address	
City	State
_____	Zip
	_____ %
_____	_____ %
Print Name	
Mailing Address	
City	State
_____	Zip
	_____ %
_____	_____ %
Print Name	
Mailing Address	
City	State
_____	Zip
	_____ %
_____	_____ %
Print Name	
Mailing Address	
City	State
_____	Zip
	_____ %
Total 100%	

- The foregoing designation of beneficiary(ies) is irrevocable and may not be amended or revoked without the written consent of the beneficiary(ies) identified above. This option may be elected only if the beneficiary(ies) have paid, or have agreed to pay, the Entrance Fee on behalf of the Resident.

or

- The foregoing designation of beneficiary(ies) is revocable upon written instruction of the Resident delivered to the Corporation.

Resident shall notify the Corporation immediately and in writing of any revocation or amendment of the foregoing designation of beneficiary(ies).

The Resident hereby authorizes Corporation to offset against any repayment of the refund all sums that remain unpaid under the terms of the Agreement at the time that the refund becomes payable; provided, however, that the refund shall not be reduced beyond the amount due to the Resident by law.

Resident Name (Please Print)

Unit #

Resident Signature

Date

Witness Signature

Date

Resident Name (Please Print)

Unit #

Resident Signature

Date

Witness Signature

Date

(If refund is made payable to a trust please include the complete name and date of the trust.)

EXHIBIT G
CHANGE OF INDEPENDENT LIVING UNIT ADDENDUM

_____ currently residing in Unit # _____ at
 Mercy Ridge are transferring to Unit # _____ on _____ (date). I/We
 understand that according to the current pricing schedule, the additional Entrance Fee due
 by the above transfer date will be \$ _____; or the amount of refund due us will be
 \$ _____. Any refund due will be made upon receipt of the entrance fee from a new
 resident occupying Unit # _____. The additional entrance fee or refund is
 calculated as follows:

Current Unit

Unit Type _____

First Person Entrance Fee	_____
Second Person Entrance Fee	_____
Less: Other Credits	_____
Total Entrance Fee Paid (A)	_____

New Unit

Unit Type _____

First Person Entrance Fee	_____
Second Person Entrance Fee	_____
Total New Entrance Fee (B)	_____
Total Entrance Fee Paid (A)	_____
Less:	
Total New Entrance Fee (B)	(_____)
Less: Transfer Fee	(_____)
Refurb. Costs	(_____)
Other Costs	(_____)
Refund or (Additional Payment) Due	_____

I/We acknowledge that all terms of conditions of the Residency and Care Agreement
 dated _____ remain in full force and effect and that the applicable monthly
 service fee will be the monthly service fee relating to the _____ style of Unit, as such
 fee changes from time to time.

Signature of Resident(s) _____ Date _____

Mercy Ridge Representative _____

FOR ACCOUNTING USE

Date Entrance Fee Received from New Resident _____ Date of Refund to
 Current Resident _____ Check # _____

EXHIBIT H
SHARED OCCUPANCY ARRANGEMENTS ADDENDUM

_____ currently residing in Unit # _____ at Mercy Ridge (“Current Resident”) has requested shared occupancy with a prospective resident _____ (“Additional Resident”) as of _____ (“Addition Date”) in the _____ style of unit. In accordance with the current pricing schedule, the additional Second Person Entrance Fee due by the Addition Date will be \$ _____; and the additional Second Person Monthly Service Fee that is due by the above date, and monthly thereafter in accordance with the terms of the Initial Agreement (as defined below) will be \$ _____.

The Additional Resident agrees that s/he has been provided a copy of the Residency and Care Agreement that was entered into by the Current Resident (the “Initial Agreement,”) and has been provided ample time to consult with all legal and financial advisors about it. By signing this Addendum, the Additional Resident agrees to comply with all the applicable requirements of the Initial Agreement and the rules of Mercy Ridge. Furthermore, the Additional Resident acknowledges and agrees that the Second Person Monthly Service Fee changes from time to time pursuant to the terms of the Initial Agreement.

By signing this Addendum, the Current Resident agrees to add the Additional Resident to the Initial Agreement, and to have the Additional Resident reside in the unit referenced above as of the Addition Date. Furthermore, the Current Resident agrees that all of the applicable terms of the Initial Agreement will apply to the Additional Resident.

The Additional Resident has met, and must continue to meet, all normal admissions and residency requirements. A Beneficiary form may be signed by the Current Resident and the Additional Resident to designate the determination of the Entrance Fee Refund.

All applicable terms, conditions, and requirements in the Initial Agreement will apply to Additional Resident. The Initial Agreement includes clauses and provisions addressing the refund of fees, including the refund of entrance fees, and the parties hereto agree and acknowledge that such refund provisions apply to Additional Resident (including, but not limited to, the Second Person Entrance Fee paid by Additional Resident), as applicable.

Signature of Current Resident _____ Date _____

Signature of Additional Resident _____ Date _____

Signature of Mercy Ridge Representative _____ Date _____

FOR ACCOUNTING USE ONLY

Date Additional Resident Entrance Fee Received _____ Check # _____

Date Additional Resident Monthly Fee Received _____ Check # _____