

THE HOUSE OF THE GOOD SHEPHERD

INDEPENDENT LIVING RESIDENT ADMISSION AGREEMENT

RESIDENT ADMISSION/LEASE AGREEMENT for:

Resident:

(print full name)

Resident's home
address prior
to admission:

Resident Representative:

(print full name)

Home address:

Home phone:

Work phone:

Cell phone:

E-mail:

Relationship to Resident:

ARTICLE I. INTRODUCTION AND MUTUAL PROMISES

This Agreement is a legally binding contract between and among the Resident and the Resident Representative, each as identified on the first page of this Agreement, and The House of the Good Shepherd (the "Facility"). By signing this Agreement, Resident and the Resident Representative are legally bound by it. In consideration of the mutual promises, representations and warranties set forth in this Agreement, Resident, the Resident Representative and the Facility agree as follows.

ARTICLE II. BASIC SERVICES

In exchange for the payment as herein provided and in compliance with all the terms and conditions set forth herein, Facility agrees to accept Resident and provide services as set forth in this Agreement.

ARTICLE III. MINIMUM AGE

Resident must have reached his/her sixty (60th) birthday prior to becoming a resident at the Facility. Where this Agreement applies to two residents, then one must have reached his/her sixty (60th) birthday prior to becoming a resident at the Facility.

ARTICLE IV. ACCOMMODATIONS

4.1. Residence. Resident may occupy and use the unit identified on Exhibit A (the "Residence") for residential dwelling purposes only and subject to the terms of this Agreement. Resident and Resident Representative acknowledge that they have had the opportunity to inspect the Residence and accept the Residence in its "as is" condition. Resident shall provide all furnishings for the Residence not otherwise set forth in this Agreement.

4.2. Utilities. The Facility will provide water, heat, air conditioning, wireless internet connectivity, electricity, and telephone outlets. Telephone and cable television service in the main building will be provided by the Facility and billed by the Facility to the Resident.

4.3. Furnishings.

- (a) Residences will feature individually controlled heat and air conditioning, in-unit washers and dryers, and a kitchen equipped with a range and refrigerator. The Residence will also contain the following safety features: smoke detectors, 24-hour emergency call system in bathroom(s), and assist bars in the bathroom(s).
- (b) Certain styles of Residences will have additional features, furnishings fixtures, etc. such as a second full bathroom, and a dishwasher in the kitchen.
- (c) All furnishings are provided by the Resident and shall remain Resident's personal property. Resident and/or Resident Representative shall remove all of Resident's furniture, appliances, and special equipment when the Residence is vacated, and shall continue to pay the Monthly Service

Fee until the Residence is vacated and restored to its original clean condition (excluding normal wear and tear).

4.4. Alterations or Custom Improvements. Alterations, renovations or additions to the Residence must be approved in advance by the Facility, in its sole discretion, and must be initiated in conformity with policies of the Facility. All costs for approved alterations, renovations and additions are to be paid by Resident. All alterations, renovations and additions must meet the following conditions:

- (a) The names of each person/entity proposed to conduct the custom improvement must be submitted to the Facility for prior written approval. All such individuals shall be licensed/certified as applicable and shall be insured for all work proposed to be performed.
- (b) Facility staff may be available to perform requested custom improvements. In such a case, costs must be paid to Facility prior to work being performed.
- (c) Resident is solely responsible for all costs associated with the custom improvements. At the time of approval, Resident will be notified if Facility requires the Residence to be restored to its original condition upon termination of this Agreement. In such a case, a nonrefundable deposit for the removal costs of the custom improvements will be due to the Facility from Resident.
- (d) In the event this Agreement is terminated after construction of the custom improvements has begun, but before it is completed, Resident shall, at the Facility's discretion, advance to Facility all costs necessary to complete the improvements or to return the Residence to its original condition and to pay other related costs incurred by the Facility; any remaining balance will be refunded to Resident.
- (e) Upon completion of the custom improvements, all such custom improvements will belong to the Facility and will remain its property.
- (f) The Resident may change fixtures and equipment in the Residence only with prior written approval of the Facility; the new fixtures or equipment will become the property of the Facility.

4.5. Entrance by Facility. Resident recognizes and accepts the responsibility of the Facility to enter the Residence in order to carry out the purpose and intent of this Agreement. Such entry, upon reasonable notice to Resident except in case of emergency, includes, but is not limited to: (a) performance of scheduled housekeeping duties; (b) response to an emergency; (c) response to the automatic fire alert system; (d) entry by authorized personnel in the event that Resident is reported missing or not responsive to calls; (e) maintenance and security procedures and (f) entry upon termination of this Agreement. Resident shall not in any way impede the Facility's access into the Residence upon reasonable notice or in the case of an emergency. Resident shall not install any lock onto the Residence door without the express written consent of the Facility and, in the event such consent is given, Resident shall ensure the Facility has a key to said lock.

4.6. Guest Policies. No one other than Resident(s) named herein shall have a right of occupancy in the living accommodation without the consent of the Chief Executive Officer (CEO), unless otherwise permitted pursuant to guest policies established by Facility. The intent of such policies shall be to permit stays of short duration by guests of residents where such stays shall not, in the opinion of the CEO, adversely affect the operation of the Facility or be inconsistent with the welfare of residents.

4.7. Smoke-Free Facility. The House of the Good Shepherd is a smoke-free Facility. Smoking is prohibited in common areas and in individual Residences.

4.8 Pets. With the written approval of the CEO, Resident may bring a domesticated pet (i.e., cat, dog, bird, etc.) to the Residence at the Facility. Approval may be rescinded by the Facility at any time if it determines that the pet constitutes a nuisance or danger to the Facility community, or threatens the quiet enjoyment of others. The Resident handbook includes rules concerning pets living at the Facility.

4.9. Right of Property. The rights and privileges granted to Resident by this Agreement do not include any right, title or interest in any part of the Residence or other personal property, land, buildings, and improvements constituting the Facility, other than the right to receive services, including the occupancy of the Residence, as set forth in this Agreement. Execution of this Agreement and payment of the Admission or Community Fee does not constitute the transfer of any interest in real estate. All rights, privileges, or benefits under this Agreement shall be subordinate to any mortgage, deed of trust, or security interest on or in any of the land, premises, fixtures, equipment, or furnishings of the Facility, and to all amendments, modifications, replacements, or refinancing of any such documents. Resident agrees that, upon request, Resident will execute and deliver any document which is required by the Facility or by the holder of any such mortgage, deed of trust or security interest, to effect such subordination or give evidence of it.

ARTICLE V. INDEPENDENT LIVING SERVICES

5.1. Meals. Resident is entitled to one meal per day included in the Fee indicated on Exhibit A. Additional meals are available at an additional published charge. The Facility will make available morning, noon and evening meals at designated hours with varied menus. The Resident handbook includes details of meal service at the Facility.

ADDITIONAL MEAL OPTIONS ARE AVAILABLE AS FOLLOWS:

- (a) **Tray Service.** Tray service will be provided in the Residence for the included meal if Resident is receiving care for minor illness and if ordered and/or approved by Facility personnel. A delivery service fee will be charged for each daily meal delivered.
- (b) **Away Allowance.** If Resident intends to be away from the Facility for a period of at least 14 continuous days, Resident will be given a credit for meals not taken. In order to receive the credit Resident must notify the Facility in writing at least seven (7) days in advance of his/her intended absence, except for absences due to emergencies.

5.2. Basic Laundry Service. Laundry of personal items is the responsibility of the Resident using the washer and dryer located in the Residence. Resident may not use any other laundry facilities in the Facility.

Additional laundry services are available upon request and at an additional published charge.

5.3. Housekeeping Services. Housekeeping services shall be as follows:

- (a) The Facility will be responsible for the housekeeping in all public areas.
- (b) The Facility will furnish one annual housecleaning of the Residence. Resident may contract for additional housekeeping services at an additional published charge.
- (c) Resident shall maintain the Residence in a clean, sanitary and orderly manner. The Facility reserves the right to inspect the Residence, after proper notice to Resident, and, if the Residence appears to be in need of extra cleaning, as determined by the Facility at its sole discretion, the Facility shall provide cleaning services to the Residence. The Resident will be charged for these services.
- (d) The Facility shall not be held responsible for any accidental breakage that occurs in the course of cleaning or providing resident assistance.

5.4. Emergency Call System and Security. The Residence will be equipped with an emergency call system by which Resident can contact Facility personnel who will be available to provide or obtain assistance 24 hours a day, seven days a week.

5.5. Maintenance and Repair. The Facility will be responsible for all necessary repairs, maintenance and replacement of property and equipment owned by the Facility. Except in an emergency, as determined by Facility personnel, maintenance and repair services will be provided during normal working hours, Monday through Friday. Resident is responsible for maintenance and repair of his/her own property.

The Facility maintains the right to charge Resident for any repairs, maintenance or replacement required as a result of the negligence or intentional acts of Resident or his/her guests.

5.6. Buildings and Grounds. The Facility will maintain all community buildings, common areas and grounds, including lawns, walkways and driveways. Landscaping and decorative plantings will be provided and maintained by the Facility, as it deems appropriate.

5.7. Transportation. The Facility will provide transportation, at no charge to Resident, for local medical appointments, generally within one-half hour's driving time from the Facility. The Facility reserves the right to define and limit days and times transportation is available for medical appointments. In addition, scheduled transportation will be provided to local shopping centers. Additional transportation may be provided by the Facility upon request of Resident at an additional published charge.

Resident utilizing Facility transportation must be able to:

- (a) Remain safe in vehicle without assistance or provide his/her own accompaniment, space permitting
- (b) Independently navigate from vehicle to medical office or provide his/her own accompaniment.

Should facility personnel deem the resident too ill for transport on one of its vehicles, facility personnel will inform Resident and/or Resident Representative, time permitting, and activate EMS.

Weekend transportation is not available.

5.8. Trash and Garbage. Resident shall dispose of trash in accordance to the rules outlined in the Facility handbook.

5.9. Recreation. The Facility will provide certain recreational programs for those Residents who wish to participate. Some recreational programs may incur additional costs.

5.10. Parking. Residents with automobiles will have one (1) assigned parking space provided without additional charge. Additional parking is available on a first come, first served basis. In order for Resident to maintain a vehicle at the Facility and on Facility property, the

vehicle must be in safe, working condition and must maintain a valid and current registration. In addition, Resident shall maintain a current valid driver's license and automobile insurance.

5.11. Additional Independent Living Services. Additional Independent Living Services not previously set forth in Articles IV or V (“Additional Independent Living Services”), may be available on an as-requested and as-available basis, for an additional charge to Resident. Such services and additional charges/fees are identified in the Resident Handbook.

5.12. Interruption of Services. Temporary interruption of services or failure to maintain services provided for in this Agreement shall not constitute a breach of this Agreement if the interruption results from causes beyond the reasonable control of the facility, such as, but not limited to, fire or weather-related damage, labor disturbances, interruptions caused by equipment malfunctions, third-party providers or government regulations. In such circumstances, the Facility will use its best efforts to sustain or restore service or provide substitute service.

ARTICLE VI. RESIDENT/RESIDENT REPRESENTATIVE RESPONSIBILITIES

6.1. Resident’s Capacity for Independent Living. The independent living area of the Facility consists of unlicensed and/or certified continuing care residential community residential units with convenience services designed for persons who are capable of providing for their own health care and personal care needs. The Facility is not licensed to offer and does not offer assistance with medications, bathing, dressing, mobility needs, or other personal care activities in its independent residential apartments. Resident represents to the Facility that Resident is capable of arranging for Resident's own health care and personal care needs and will provide for all such needs so long as Resident resides in the Residence. If Resident utilizes any private duty caregivers or companions while at the Facility, Resident agrees to comply with the Facility’s applicable policies for such personnel.

6.2. Absence from Facility. Resident may leave and return to the Residence at will, provided the Resident informs the Facility he/she will be temporarily absent overnight, or for a longer period of time. The Resident shall continue to pay the full Monthly Service Fee even during any absence.

6.3. Change in Condition. Resident agrees to disclose immediately to the Facility any material change in Resident's physical, financial or cognitive condition.

6.4. Payment of Fees. Resident shall timely pay all fees and charges due under this Agreement.

6.5. Insurance. In order to insure proper protection for Resident and the Facility, Resident will be required to maintain the following types of insurance coverage.

- (a) Auto Insurance (if applicable) - Coverage as required by the State of New Jersey.
- (b) Tenant/Renter’s Insurance- Coverage for Resident's personal property and comprehensive personal liability.

(c) **HEALTH INSURANCE - RESIDENT SHALL MAINTAIN, AT ALL TIMES, AT HIS/HER OWN EXPENSE, MAXIMUM COVERAGES AVAILABLE THROUGH MEDICARE PART A (OR ANY SUCCESSOR PROGRAM) AND MEDICARE PART B (OR ANY SUCCESSOR PROGRAM) OR COVERAGE FROM A PRIVATE HEALTH INSURANCE CARRIER PROVIDING BENEFITS REASONABLY EQUIVALENT TO MEDICARE PART A AND PART B AND SUPPLEMENTAL INSURANCE. THE HEALTH PLANS MUST BE ACCEPTABLE TO THE FACILITY. IN THE EVENT A SPOUSE IN A COUPLE IS LESS THAN 65 YEARS OF AGE, THAT SPOUSE MUST PROVIDE DOCUMENTATION OF HAVING HEALTH INSURANCE THAT IS ACCEPTABLE TO THE FACILITY.**

(d) Resident shall provide the Facility with proof of insurance and the necessary assignment of benefits form provided by Facility upon admission.

6.6. Ancillary Charges. Resident shall pay ancillary service, hospital or other health care facility charges, including transportation charges, incurred when Resident utilizes such services.

6.7. Compliance with Rules. Resident shall comply and conform to all Facility rules and policies currently in effect, and as amended from time to time at the Facility's sole discretion. Facility will provide periodic notice, or more frequent as needed, of any change in the rules or policies. Resident shall also respect the personal rights and private property of other residents.

6.8. Taxes. The Facility is not currently assessed for property taxes. In the event Good Shepherd should be assessed for property taxes in the future, Resident agrees to bear separately from any other charges, his/her proportionate share of property taxes attributable to the Residence.

6.9. Prohibited Acts. For the safety and peace of mind of all Facility residents, in addition to those prohibitions set forth in our current rules and policies, Resident shall not bring or keep any firearm, other dangerous instrument or illegal contraband in the Facility. Resident is prohibited from striking, assaulting, battering or threatening any person, including other residents, Facility staff or visitors. Resident agrees that any violation of this Section renders you conclusively a danger to self and others, and subject to immediate discharge as provided in this Agreement. Any illegal activity shall also be reported to the appropriate authorities.

6.10. Electric Powered Carts and Electric Wheelchair Use. The use of electric carts and electric wheelchairs ("Devices") is limited to only those residents who physically require the use of these Devices for the enjoyment of the amenities or services of the Facility. Facility reserves the right to require certification from the Facility's Director of Therapy that the use of such Devices is medically necessary. The cost of the certification shall be borne by the Resident. The Facility also requires that the operators of these Devices pass an appropriate examination(s) to determine that each operator has sufficient visual and cognitive abilities to operate the Device safely. The Facility recommends that Resident obtain a personal liability insurance policy for any injury or damage caused by the Device or use of the Device. Resident shall be fully responsible for any and all damages and/or injuries caused by his or her operation of these Devices. Failure

by Resident to operate a Device safely and responsibly may result in termination of this Agreement.

ARTICLE VII. RESIDENT REPRESENTATIVE

7.1. Access to Resources. The Resident Representative represents and warrants he/she has legal access to Resident's income, assets and resources to pay for the services provided by the Facility. The Resident Representative does not, by reason of signing this Agreement, assume an obligation to reimburse the Facility for Resident's care, except from Resident's income, assets and resources; however, the Resident Representative does assume other legal obligations as set forth in this Agreement and the Resident Representative Agreement and may be held legally responsible for failing to fulfill these obligations.

7.2. Resident Representative Agreement. The Resident Representative shall execute the Resident Representative Agreement attached hereto at Exhibit B.

7.3. Notice. The Resident Representative shall provide the Facility with his or her current home address and phone upon Resident's admission and in the event of any change. If the Resident Representative fails to provide his or her current home address and phone, Resident and the Resident Representative waive any right the Resident Representative would otherwise have had to any notices.

ARTICLE VIII. HEALTH CARE SERVICES

8.1. Independent Living Health Care. As set forth above, the Facility is not licensed to offer and does not offer assistance with medications, bathing, dressing, mobility needs, or other personal care activities in its independent residential apartments. Resident shall be responsible for Resident's own health care and personal care needs while residing in the Residence. Programs promoting wellness and health screenings will be offered by the Facility.

8.2. Resident's Physician. Resident shall designate a properly licensed personal physician to oversee the Resident's medical care while residing in the Facility's independent living residential apartment. The services of the Resident's physician are the sole responsibility of the Resident.

8.3. Relocation Due to Care Needs: If the CEO determines that Resident is incapable of providing, or fails to provide, for Resident's own health care or personal care needs, or if Resident requires more care than can be provided in the Residence or the Resident develops a physical or mental condition that creates a danger to Resident or others, this Agreement shall be terminated pursuant to the termination provisions herein.

Upon such termination, the Resident agrees to relocate to the appropriate level of care within the Facility such as the Facility's licensed assisted living/comprehensive personal care unit ("AL/CPC") or the licensed skilled nursing unit (the "Health Care Unit"), depending on availability, or to an appropriate outside care facility or other location of the Resident's choice.

In the event Resident relocates to the AL/CPC or Health Care Unit in the Facility, the

services provided to the Resident and certain additional rights and obligations upon relocation are set forth in the applicable Assisted Living Admission Agreement (Exhibit C) or Nursing Facility Admissions Agreement (Exhibit D). Although the Facility encourages Resident and/or Resident Representative to sign the applicable Assisted Living Facility Admission Agreement or Nursing Facility Admission Agreement, Resident and/or Resident Representative agree to all terms of these separate Agreements regardless of whether Resident/Resident Representative is able to execute the applicable agreement upon relocation. Accommodation in the AL/CPC or Health Care Unit shall be provided in a semiprivate unit.

8.4. Temporary Relocation. If Resident relocates to the AL/CPC or Health Care Unit or outside care facility on a temporary basis, Resident may reserve the Residence for his/her return upon written notice to the Facility of such reservation and the continued payment of the Monthly Service Fee for the Residence in addition to payment of the per diem charge for the type of accommodation and level of care Resident is temporarily receiving.

8.5. Relocate to Outside Facility. If Resident is relocated to another facility on a temporary basis, Resident shall pay the Monthly Service Fee for his/her Residence until his/her return to the Residence or the termination of this Agreement pursuant to the terms herein.

8.6. Health Care Unit Bed Reservation. If Resident is relocated to another facility on a temporary basis and anticipates returning to the Health Care Unit at the Facility prior to returning to the Residence, the Facility will reserve a bed in the Health Care Unit, where available, as follows:

- (a) the Facility will reserve a Health Care Unit bed one time for a period of forty-eight (48) hours upon receiving notice of the Resident's anticipated return to the Health Care Unit from the outside facility provided that a bed is available in the Health Care Unit. Upon the expiration of the 48 hour reservation, the Health Care bed will be released and filled on a first-come, first-served basis or the Resident can choose to continue the reservation pursuant to Section 8.9(b) below; or
- (b) the Facility will guaranty a Health Care Unit bed will be open upon the Resident's return to the Facility from an outside facility for days for a bed reservation fee of % of the Facility's current fee in the Health Care Unit at the time requested. The bed reservation fee shall be in addition to Resident's continuing obligation to pay the Monthly Service Fee. This guaranty is only valid where a bed in the Health Care Unit is available at the time of the commencement of the payment of the reservation fee.

8.7. Illness or Accident Away from the Facility. If Resident is ill or injured while away from the Facility, Resident will be responsible for the cost and provision of care Resident may require. When Resident returns to the Facility, the provisions of this Agreement relating to the provision of care will apply.

8.8. Right of Subrogation. If Resident is injured by a third party, the Facility retains the right of subrogation against that party for any excess expenses it incurs, pursuant to this

Agreement, in providing medical care to Resident resulting from that injury. If necessary, Resident agrees to cooperate and participate in that action.

8.9. Other Costs. In addition to the other costs to be paid by Resident under this Article VIII, Resident shall be solely responsible for payment of all other health care costs including, but not limited to, the following: hospitalization, physician services, therapeutic services, routine eye examinations, refractions, eyeglasses, hearing aids, dentures, inlays, orthopedic appliances, over-the-counter drugs, prescription drugs, treatment for drug or alcohol abuse and psychiatric disorders, podiatry or chiropractic services or supplies, and any other services that the Facility has not specifically undertaken to provide in this Agreement.

ARTICLE IX. PAYMENT AND FINANCIAL TERMS.

9.1. Application and Fee. Resident shall pay an Application Fee and, depending on the type of Plan chosen by Resident, an Admission or Community Fee as described more fully at Exhibit A.

9.2. Monthly Service Fee. For the services described in this Agreement (except as otherwise noted), Resident shall pay a monthly service fee billed in advance by the Facility (the "Monthly Service Fee"). The Monthly Service Fee is determined by the type of Residence and the number of persons occupying the Residence. Resident's initial Monthly Service Fee is set forth at Exhibit A.

- (a) **Monthly Statement.** The Facility will present Resident with a detailed monthly statement including:
 - i. The Monthly Service Fee for the following month.
 - ii. Any credits.
 - iii. Charges for additional services rendered during the preceding month.
 - iv. Any other amounts due House of the Good Shepherd.
 - v. Payments received.
- (b) **Payment of Charges on Monthly Statement.** The charges set forth on the monthly statement shall be paid to the Facility by the fifth (5th) day of each calendar month following receipt of the monthly statement. If Resident has the financial resources to make payment, but fails to do so within thirty (30) days after receipt of the statement, the Facility may give written notice that Resident must make such payment within thirty (30) days after receiving such notice. If Resident fails to comply with such notice, the Facility may terminate this Agreement, in accordance with the applicable provisions of this Agreement.
- (c) **Late Payment.** A late charge of one and one-half percent (1.5%) per month equaling eighteen percent (18%) annually, or the maximum allowable within the State of New Jersey, will be assessed and charged if payment for all services is not received within thirty (30) days of Resident's and/or Resident Representative's receipt of the monthly statement.

Resident and/or Resident Representative shall pay all costs and expenses, including reasonable attorney's fees and court costs, incurred by the Facility in collecting amounts past due under this Agreement.

- (d) **Adjustments to the Monthly Service Fee.** Services and fees, including the Monthly Service Fee, are subject to change at the sole discretion of the Facility. Any change shall become effective upon 30 days' advance written notice to Resident. Changes to the Monthly Service Fee will be based upon factors which include, but which are not limited to: changes in the Consumer Price Index, operating income and expenses, maintenance of necessary reserve funds, and to insure the financial stability of Provider.

ARTICLE X. FINANCIAL INABILITY TO PAY.

10.1. Financial Assistance. In the event that circumstances arise causing Resident to be financially unable to continue payment of the Monthly Service Fee, for reasons beyond Resident's control, Resident may petition the CEO of the Facility for financial assistance through the Facility's subsidy program.

- (a) **Use of Community Fee.** Without in any way qualifying the right of the Facility to terminate this Agreement, upon Resident's application for financial assistance due to Resident's lack of financial resources to pay the financial obligations under this Agreement, the CEO will review the matter with Resident, Resident Representative and/or Resident's family, where applicable. At the CEO's sole discretion, the Facility may elect to charge any amounts owed by Resident against the amount otherwise available to Resident as a refund of the Community Fee, as applicable, under this Agreement. (See Exhibit A). The minimum refund to which Resident is entitled will be reduced by the amount of such charges; even to the extent Resident exhausts the entire refundable portion of the Community Fee.
- (b) **Possible Special Financial Consideration.** In the event of an exhaustion of the Community Fee, as applicable, or where such a fee was not provided, and without in any way qualifying the right of the Facility to terminate this Agreement, the CEO will review the matter with Resident, Resident Representative and/or Resident's family, where applicable and, at the CEO's sole discretion, the Facility may partly or wholly subsidize Resident's fees, provided that subsidy can be granted or continued without impairing the ability of the Facility to attain its objectives while operating on a sound financial basis.

All determinations made by the Facility concerning the granting or continuing of special financial consideration shall be final and binding upon the Resident. Any such determination shall be regarded as a confidential transaction between Resident and the Facility except for

reports required to be made to organizations providing assistance to Resident, to financial institutions lending monies to the Facility and to regulatory or other governmental bodies. Breach of confidentiality may result in the termination of this Agreement

- (c) **Conditions of Special Financial Consideration.** In order for the Facility to make the appropriate determination as to whether to provide Resident a subsidy, Resident shall provide all necessary financial information including, but not limited to, an updated financial disclosure and Resident's previous five years of tax returns.

As a condition of receiving a subsidy, Resident must not have disposed of any asset, including cash or property, via gift or other transfer for less than fair market value, gambling or other actions that do not demonstrate prudent responsibility for the Resident's financial obligations, in contemplation of the execution of this Agreement or subsequent to this Agreement which would further impair Resident's ability or the ability of Resident's estate to satisfy Resident's financial obligations under this Agreement.

If Resident's sources of income are found to be inadequate to meet his/her responsibilities to the Facility and to pay personal and incidental expenses, Resident will make every effort to obtain assistance from family connections or other available sources and, if Resident can qualify, to take the necessary steps to obtain county, state, or Federal aid or assistance. If Resident's monthly charges are subsidized wholly or partly by the Facility, Resident shall, from time to time, at the request of Facility, supply the Facility with financial statements and copies of tax returns.

- (d) **Repayment by Resident's Estate.** If Resident's monthly charges have been subsidized wholly or partly by the Facility, upon Resident's death, Resident's estate shall be liable to the Facility for the full amount of the subsidy received by Resident plus an additional amount which the Facility determines to be equal to the decreased purchasing power of the subsidy. This Agreement shall operate as a lifetime assignment, transfer and conveyance to the Facility for so much of resident's property as is necessary to cover such liability. This paragraph shall survive the termination of this Agreement and shall apply whether or not Resident resides at the Facility at the time of his/her death.
- (e) **Transfer to Alternate Residence.** If Resident's monthly charges are subsidized wholly or partly by the Facility, the Facility reserves the right to require that Resident move to a smaller or less expensive accommodation.

- (f) **Termination Upon Fraud or Otherwise.** Failure or inability to pay which is the result of disposition of Resident's assets or fraud or misrepresentation by Resident shall be grounds for termination of this Agreement. Failure or inability to pay when it has been determined by the Facility that the Resident has the ability shall be grounds for termination of this Agreement.

ARTICLE XI. TERM AND TERMINATION

11.1. Term. This Agreement shall commence on the date set forth on Exhibit A (the "Effective Date") and continue for one (1) year (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed (subject to any modifications or amendments made by the Facility pursuant to the terms set forth herein) and be extended annually for an additional one (1) year period (the "Renewal Term"), unless sooner terminated by either party in accordance with Article XII of this Agreement. Each Renewal Term shall commence on the date of the preceding Initial or Renewal Term, as applicable.

11.2. Termination by Resident. Resident has the right to terminate this Agreement by advising the Facility in writing at least sixty (60) days in advance of the date that Resident intends to leave the Facility. Resident's obligations under this Agreement shall continue until the date that Resident actually vacates the Facility or at the end of the sixty (60) day notice period, whichever is later.

11.3. Termination by Facility. In addition to the other reasons for termination set forth in this Agreement, the Facility may terminate this Agreement for any of the following reasons:

- (a) Resident fails to perform any obligations under this Agreement, including the obligation to pay the Monthly Fees and other charges;
- (b) Resident omitted or falsified information on the application form;
- (c) Resident's actions or medical condition threaten the safety, peace, health or well-being of Resident or the other residents;
- (d) Resident refuses to relocate to a more appropriate care setting either within the Facility or in an outside facility;
- (e) Resident has repeatedly failed to follow the Resident Policies and Procedures of the Facility; or
- (f) Resident fails to make an Admission or Community Fee deposit or payment, or any other payment, when due to the Facility under this Agreement;

If this Agreement is terminated by the Facility, Resident will receive at least sixty (60) days advance written notice of such termination, except in the case of an emergency, as determined by the Facility.

11.4 Termination by Death. Unless sooner terminated in accordance with its provisions, this Agreement shall terminate upon Resident's death, whereupon all obligations of the Facility under this Agreement shall cease, except for those relating to payment of the refundable portion of the Community Fee, if applicable. The obligation to pay the Monthly Service Fee shall continue until the Residence has been vacated by Resident's estate or family.

11.5. Death of One of Two Residents. If the Admission or Community Fee has been paid on behalf of two Residents, then upon the death of one of them, the double occupancy Monthly Service Fee shall be discontinued and replaced by a single occupancy Monthly Service Fee. The surviving Resident may elect to continue this Agreement or terminate this Agreement according to its terms. The surviving resident may also choose to remain in the same living unit or relocate to another living unit as provided in this Agreement.

11.6. Refund of Community Fee. Resident is entitled to a refund of all or a portion of the Community Fee after the termination of this Agreement, as set forth in Exhibit A.

11.7. Refund Where Two Residents Occupy a Residence. In the event that two residents occupy the Residence (whether or not they are married), the Community Fee shall be available to cover the charges described in provisions of this Agreement related to Resident's financial inability to pay whether incurred by either or both residents. Upon termination of the survivor's residency, the Community Fee refund shall be paid as provided below, and shall be divided equally between the two residents or their estates or personal representatives, unless other arrangements have been set forth in an addendum to this Agreement.

11.8. When Refund is Paid. The Facility shall pay any refund to which Resident is entitled under this Agreement within sixty (60) days after the Residence has been vacated and a new resident has signed an agreement and paid an Admission or Community Fee or other fee for the vacated Residence. If one of two residents remains in the Residence after the other vacates, the refund will be paid only after the remaining resident has terminated his or her residency, and then only in accordance with the first sentence of this paragraph.

ARTICLE XII. TRANSFER TO ANOTHER RESIDENCE.

12.1. Transfer at Request of Resident. Resident may request to change Residences at any time. The Facility will consider the request if another Residence is available and if Resident agrees to pay the difference, if any, between the current Admission or Community Fee for the requested Residence and the Admission or Community Fee paid for the Residence the Resident is then occupying. No Admission or Community Fee refund or credit is due as a result of Resident's move to a Residence with a lower Fee. Resident shall also pay for relocation, including the actual cost of preparing the original Residence for occupancy by a new resident. Once Resident has moved to another Residence, the Monthly Service Fee will be adjusted accordingly.

12.2. Transfer at the Discretion of the Facility. The Facility may relocate Resident to another Residence if it determines, in its sole discretion, that such a move should be made for Resident's health and safety, the general welfare of the other residents or the Resident's financial condition and Resident's ability to pay the Monthly Service Fee. In determining to make such a transfer, the Facility may consult with Resident, Resident Representative Resident's family, the Medical Director and/or Resident's personal physician (if appropriate). Resident shall pay the Monthly Service Fee applicable to the Residence he/she occupies.

ARTICLE XIII. SHARED RESIDENCE AFTER ADMISSION

13.1. Sharing Residence with a Nonresident. If Resident seeks to share the Residence with a nonresident (spouse, friend, family member, etc.), the nonresident individual may become a resident of the Facility if the nonresident individual meets all admission requirements of the Facility. The nonresident individual shall enter into a separate and distinct Resident Admission Agreement with the Facility. Where a Community Fee is to be paid by the nonresident individual, charges to the nonresident individual under the separate agreement shall be an amount equal to one-half the then current Community Fee for the smallest one bedroom residential living unit at the Facility. The Resident and nonresident individual shall assume the Monthly Service Fee for double occupancy in the Residence. The additional Community Fee, where applicable, will be added to the original Community Fee paid by Resident for purposes of calculating any Refund in accordance with this Agreement.

If Resident seeks to residence with a nonresident who does not meet the admission requirements, Resident may terminate his/her Agreement in accordance with the terms of this Agreement.

13.2. Sharing Residence with a Resident. If Resident seeks to share accommodations with another resident and the two intend to reside in one of their respective Residences, the resident who is relinquishing his/her Residence will cease paying the Monthly Service Fee for the Residence when it is vacated and all furniture and personal possessions are removed. At that time, the Residents will begin to pay the double occupancy Monthly Service Fee for the Residence in which they are residing. The Resident Admission Agreements will remain in effect and neither resident will be entitled to a refund of any Community Fee paid as a result of the above, where applicable.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

14.1. Responsibility for Damages. Any loss or damage to real or personal property of the Facility caused by Resident or Resident's guests shall be paid by the Resident. The Facility assumes no responsibility for any harm done to Resident by another resident and Resident hereby releases and discharges the Facility from all liability or responsibility for injury or damage to Resident or to his/her personal property caused by the fault or negligence of other residents.

14.2. Responsibility for Protection of Resident's Property. The Facility shall not be responsible for the loss of any personal property belonging to Resident due to theft, fire, or any other cause. Resident shall have the responsibility, at Resident's own expense, to insure his/her property against such risks.

14.3. Resident Policies and Procedures. The Facility reserves the right to establish Resident Policies and Procedures to carry out the purposes of this Agreement and to promote the convenience, comfort, safety and security of all residents of The Facility. The Facility also reserves the right to make all necessary arrangements and adjustments regarding residency not otherwise specifically provided for in this Agreement.

14.4. Non-Discrimination. All applications for residency will be considered equally without regard to the individual's race, sex, sexual orientation, national origin, creed, or marital status.

14.5. No Waiver and Severability. The Facility's failure to enforce any part of this Agreement does not constitute a waiver and does not prevent the Facility from enforcing the Agreement as to later violations. If any provision or portion of this Agreement is found to be invalid, void or unenforceable the remaining provisions nevertheless shall continue in full force and effect without impairment and this Agreement shall be reformed so as to give the fullest possible effect to the purposes of this Agreement.

14.6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Facility, Resident, the Resident Representative, if any, and the Resident's respective personal representatives, heirs, successors and assigns. Resident may not assign any benefits or delegate any duties under this Agreement without the prior written, signed approval of the Facility. The Facility shall have the right to assign its rights and obligations hereunder without Resident's written approval or consent.

14.7. Resident's Association. Residents at the Facility have the right of self-organization and Resident is encouraged to participate in the Residents' Association.

14.8. Governing Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey.

14.9. Notice. Notices required by this Agreement shall be in writing and delivered either by personal delivery or U.S Mail. If delivered by mail, notices shall be sent by Express Mail, or by certified or registered mail, return receipt requested, with all postage and charges prepaid. All notices and other written communications required under this Agreement shall be addressed as indicated below, or as specified by subsequent written notice by the party whose address has changed.

IF TO THE FACILITY

The House of the Good Shepherd
798 Willow Grove Street
Hackettstown, New Jersey 07840
Attention: CEO

IF TO RESIDENT

Attention: _____

14.1. Acknowledgements.

- (a) Resident acknowledges receiving a copy of the Facility's current rules and regulations governing resident rights and responsibilities.

_____ (Resident's or the Resident Representative's initials)

- (b) Resident hereby grants the Facility authorization to use Resident's pictures for promotional or educational programs, provided that these pictures are used with dignity and discretion.

_____ (Resident's or the Resident Representative's initials)

- (c) Resident authorizes the Facility to release Resident's records when Resident is transferred to another health care institution or when release of the records is required by law or by a third-party payer contract.

_____ (Resident's or the Resident Representative's initials)

The parties freely enter into this Agreement on the _____ day of _____, 20_____.

Resident's Name [please print]

Resident Representative's Name [please print]

Resident's Signature.

Resident Representative's Signature

Facility's Authorized Representative (Name and Title)

Facility's Authorized Representative Signature

EXHIBIT A
The House of the Good Shepherd
Admission Fee Plan

Effective Date. This Agreement is effective as of _____ or the date executed by the Resident and the Facility.

Residence Identified. Resident has selected Residence _____ (type and number).

1. Application Fee. Each individual or couple executing this Agreement has previously paid an Application Fee of \$ _____. The Application Fee is not refundable.

2. Admission Fee. Resident shall pay to the Facility an Admission Fee of \$ _____ payable as follows:

- a. A deposit upon signing of this Agreement, in the amount of: \$ _____ (the "Deposit").
- b. The balance of the Admission Fee payable on the date on which Resident occupies the Residence or within fifteen (15) days after the Facility notifies Resident that the accommodation is ready for occupancy, whichever occurs first.

3. Escrow of Admission Fee. The Admission Fee is escrowed for repayment without interest up until the time the Resident has occupied the Residence.

Admission Fee Escrow account:
_____ (Bank)
_____ (Account No.)

4. Refund of Admission Fee. If this Agreement is terminated after Resident has occupied the Residence, for any reason, including death, Resident will not be entitled to a refund of any Admission Fee amount.

5. Monthly Service Fee. From and after the date Resident occupies the Residence, Resident shall pay to the Facility a Monthly Service Fee as set forth in the Agreement.

Initial Monthly Service Fee (single occupancy): \$ _____.
Initial Monthly Service Fee (double occupancy): \$ _____.

The Monthly Service Fees are subject to change as set forth in the Agreement.

Note: The Agreement designated as a "Admission Fee Plan" is not subject to regulation under the New Jersey Continuing Care Retirement Community Regulation and Disclosure Act (N.J.S.A. 52:27D-330 et seq.) or any regulations promulgated thereunder (N.J.A.C. 5:19-1.1 et seq.)

EXHIBIT A
The House of the Good Shepherd
Community Fee Plan

Effective Date. This Agreement is effective as of _____ or the date executed by the Resident and the Facility.

Residence Identified. Resident has selected Residence _____ (type and number).

1. Application Fee. Each individual or couple executing this Agreement has previously paid an Application Fee of \$ _____. The Application Fee is not refundable.

2. Community Fee. Resident shall pay to the Facility a Community Fee of \$ _____ payable as follows:

- a. A deposit upon signing of this Agreement, in the amount of: \$ _____ (the "Deposit").
- b. The balance of the Community Fee payable on the date on which the Resident occupies the Residence or within fifteen (15) days after the Facility notifies Resident that the accommodation is ready for occupancy, whichever occurs first.

3. Escrow of Community Fee. The Deposit shall be placed in an escrow account with a bank, trust company or other escrow agent authorized to do business in the State of New Jersey.

Community Fee Escrow account:

_____ (Bank)
_____ (Account No.)

4. Refund of Community Fee. If this Agreement is terminated after the Resident occupies the Residence, for any reason, including death, Resident will be entitled to a refund of an amount equal to one hundred percent (100%) of the Community Fee paid, without interest, or the then prevailing Community Fee for the same size and type of unit, whichever is less, minus:

- a. An amount equal to ten percent (10%) of the Community fee paid (for processing and refurbishment of the unit);
- b. Two and one-half percent (2.5%) of the Community Fee paid for each full or partial month of occupancy of the Residence (the period between the date the Residence was available for occupancy and the date on which the Resident vacates the Residence);
- c. Any amount charged against the refund in accordance with provisions of this Agreement related to Resident's financial inability to pay; and
- d. Any other amounts that may be owed the Facility under the terms and conditions of this Agreement

After 36 months no refund will be due and payable

5. Monthly Service Fee. From and after the date Resident occupies the Residence, Resident shall pay to the Facility a Monthly Service Fee as set forth in the Agreement.

Initial Monthly Service Fee (single occupancy): \$_____.

Initial Monthly Service Fee (double occupancy): \$_____.

The Monthly Service Fees are subject to change as set forth in the Agreement.

Note: The Agreement designated as a "Community Fee Plan" is not subject to regulation under the New Jersey Continuing Care Retirement Community Regulation and Disclosure Act (N.J.S.A. 52:27D-330 et seq.) or any regulations promulgated thereunder (N.J.A.C. 5:19-1.1 et seq.)

EXHIBIT B

RESIDENT REPRESENTATIVE AGREEMENT

This Resident Representative Agreement (the "Agreement") is made between The House of The Good Shepherd (the "Facility") and _____, the legal representative or representative individual (the "Resident Representative") of _____, (the "Resident").

WHEREAS, the Resident Representative and Facility enter into this Agreement to facilitate the provision of care and/or services to the Resident.

WHEREAS, the Resident Representative may be the Guardian, the Agent under a valid Power of Attorney, or any person authorized by Resident to serve as Resident's Representative.

WHEREAS, Facility shall discuss and consult with Resident Representative regarding pertinent decisions related to Resident's stay and care at the Facility.

THEREFORE, Facility and Resident Representative agree to the following terms and conditions:

1. Resident Representative affirms that the information provided in the Resident Admission Agreement and related documents are true and correct to the best of his or her knowledge. Resident Representative acknowledges that the submission of any false information, misrepresentation or lack of disclosure may result in the termination of the Resident Admission Agreement and may result in the discharge of the Resident from the Facility at the Resident and/or Resident Representative's expense.
2. Resident Representative affirms that he or she has access to Resident's income and resources and that Resident's income and resources are available to pay for Resident's care and services in the Facility. The Resident Representative shall pay Facility from Resident's financial resources for services and supplies provided to Resident in accordance with the Resident Admission Agreement.
3. The following provisions shall apply in the event that the Resident is relocated to the Facility's AL/CPC or Health Care Unit:
 - a. When the Resident's financial resources warrant it, Resident Representative shall take any and all actions necessary and appropriate to initiate, make and conclude application for Medical Assistance ("Medicaid") benefits or any other benefits for which the Resident may be eligible on behalf of the Resident, including providing all necessary documentation, complying with deadlines and pursuing all necessary appeals. Resident Representative shall exercise diligent efforts in the application and appeal processes to assure benefits from any third party or government payor. Resident Representative shall utilize Resident's income and resources only for Resident and shall not utilize any of Resident's income or resources for Resident

Representative's benefit nor transfer any of Resident's real property except for proceeds at fair market value for the benefit of Resident.

- b. In the event Resident applies for Medicaid, Resident Representative shall pay the applicable Resident Income to Facility on a monthly basis. The Resident Income is determined by the local Medicaid office or County Board of Social Services ("CBOSS") and set forth on Form PA-3L (PR-1). Resident Representative, at the request of Facility and to the extent permitted by law, shall immediately sign over and/or designate the Facility as the representative/designated payee for any income available to Resident in an amount not to exceed the Resident Income. Resident Representative should take whatever action as may be necessary to insure that such payments are made directly to Facility.
- 4. Resident Representative understands that if he or she fulfills his or her obligation under this Agreement, he or she shall not be held personally liable for the Resident's charges. This Agreement shall not be construed or operate as a third party guaranty.
- 5. Resident Representative acknowledges that he or she has received a copy of the Resident Admission Agreement and understands the terms and conditions contained therein.
- 6. Resident Representative acknowledges that he or she has reviewed this Resident Representative Agreement and understands the information set forth herein.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby, have signed this Resident Representative Agreement on this ____ day of _____, 20__ .

**THE HOUSE OF THE
GOOD SHEPHERD**

Resident Representative

Signature

Signature

Print Name and Title

Print Name

Date: _____

Date: _____

