Salem Community Corporation

Briarwood Continuing Care Retirement Community

RESIDENCY AGREEMENT

Revised July 1, 2016

SALEM RESIDENCY AGREEMENT

I. RECITALS

A. Agreement made this _____ day of _____, _____, between _____ and _____ (herein after called "Resident") and Salem Community Corporation (hereinafter called "Salem"), a non-profit Massachusetts corporation which owns and operates a continuing care retirement community (hereinafter called "Briarwood") in Worcester, Massachusetts. If a husband and wife or two other persons desiring to share a living accommodation at Briarwood enter into this Agreement, the term "Resident" shall apply to them jointly and severally, and to the survivor of them.

B. Resident has applied to Salem to occupy a cottage or apartment (hereinafter called "The Living Accommodation").

C. As conditions precedent to the execution of this Residency Agreement by Salem and as a condition of occupancy of a Living Accommodation, Resident shall meet the following requirements to the satisfaction of Salem, subject to such exceptions as the Board of Trustees of Salem may approve in writing (Exhibit 1 – Disclosure Statement):

1. Financial

At the time of reservation of a Living Accommodation, Resident shall furnish information to Salem with respect to Resident's financial resources demonstrating to Salem's satisfaction that Resident has the financial ability to pay the Entrance Fee, the Monthly Fee, and charges for Additional Services, as hereinafter defined and personal living expenses during the term of the Agreement. Updated financial information shall be in a form satisfactory to Salem and submitted not less than sixty (60) days prior to occupancy. Salem reserves the right to declare this Agreement null and void if, based upon any information submitted by Resident, Salem determines that Resident does not meet the financial criteria for residency established by Salem. If that occurs, all deposits paid by Resident shall be promptly refunded.

2. Age

Resident, or one of them in the case of two persons, must be at

least 62 years of age at the time he or she occupies a Living Accommodation at Briarwood.

3. Application

Subject to the above, Resident having made application to Salem to reside at Briarwood and Salem having accepted Resident's application, Resident and Salem agree to the terms and conditions set forth in this Agreement.

II. FACILITIES PROVIDED BY SALEM

A. Living Accommodation

1. Resident has selected and Salem shall provide to Resident the Living Accommodation at Briarwood described as Cottage or Apartment _____ (together with any other Living Accommodation subsequently occupied by Resident under this Agreement). The Living Accommodation shall conform in all material respects to the plan furnished to Resident (Exhibit 2 – Floor Plan). Salem reserves the right to make changes to the Living Accommodation at any time to meet requirement of law or lawful order or direction of the Fire Marshall or other authorized public official. Any change to the Living Accommodation by Salem shall not be deemed a material change so long as any such change does not reduce the square footage of the unit. Resident shall have the exclusive right to occupy and use the Living Accommodation, subject to the terms and conditions of this Agreement and the laws and regulations of the United States, the Commonwealth of Massachusetts or any political subdivision thereof. The Living Accommodation will be available for occupancy (hereinafter the "Occupancy Date") on _____ provided, however, Salem shall not be liable for the failure to timely deliver the Living Accommodation due to fire, storm, earthquake or other casualty, or act of God or Force Majeure, by strike or lockout or other labor disputes of any kind, by government controls, or by other events or circumstances beyond the control of Salem. Once the Occupancy Date has been agreed to, if Resident has not paid the Entrance Fee in full on or before the Occupancy Date, then at the option of Salem, this Agreement may be immediately terminated, deposits refunded, and Resident shall have no further rights to the Living Accommodation.

2. Salem shall provide Living Accommodation #_____ with furnishings as noted below; furnishings not provided by Salem may be added at Resident's expense:

a. Floor coverings _____
b. Window blinds _____
c. Refrigerator _____
d. Stove _____
e. Dishwasher _____
f. Garbage Disposal _____
g. Microwave _____
h. Washer/Dryer _____
i. Emergency call alert system _____

3. Salem will maintain, repair and replace at Salem's sole cost and expense, appliances provided by Salem as well as the Living Accommodation's mechanical system, structure and locks as necessary due to normal wear and tear or casualty; however Resident will be liable for the cost of any work and materials or replacement necessitated by Resident's negligence or misuse or the negligence or misuse of and by Resident's employees, agents or guests. Resident agrees to report to Salem promptly any conditions in need of repair. Resident will be responsible for keeping the Living Accommodation clean and in good order and repair.

4. Resident shall not make any structural changes to the Living Accommodation without the prior written approval of Salem, which Salem will review in good faith with Resident, provided any such decision is within the sole discretion of Salem. Any request for structural changes shall be accompanied by a full set of plans detailing the work. A registered engineer or architect if and as applicable shall sign such plans. If approved, such changes shall be made at Resident's expense unless otherwise agreed to in writing by Salem. All changes whether previously agreed upon or contemplated will be listed in an exhibit to be attached to this Agreement (Exhibit 3 – Structural Alterations).

Resident may at his/her own expense make nonstructural alterations to the Living Accommodation (including painting, wallpapering, building of attached bookshelves, carpeting, etc.) in accordance with Resident's taste and preferences with the prior written approval of Salem not to be unreasonably withheld or delayed such reasonable time not to exceed ten (10) days. Resident may select an experienced contractor or other service provider to perform the alterations provided that the selected contractor or service provider demonstrates to Salem's satisfaction that all required licenses, insurances and permits are in place. For Resident's safety, Resident

agrees not to replace or add any locking devices to the Living Accommodation at any time.

Salem may require Resident to restore the Living Accommodation to its original condition, excepting normal wear and tear or casualty loss, upon vacating the Living Accommodation or within a reasonable time thereafter such reasonable time not to exceed sixty (60) days. Failure of Resident to so restore the Living Accommodation shall entitle Salem to undertake such restoration and to deduct the costs thereof from the refundable portion of the Entrance Fee unless Salem has specifically provided an exemption in writing to Resident. Salem reserves the right to approve the contractor(s) if engaged by Resident to perform the restorations, said approval not to be unreasonably withheld or delayed.

B. Common Areas

Resident, in common with and on the same terms as other Residents of Briarwood will have non-exclusive use of the common areas, such as but not limited to the following: central dining rooms, recreation room, hobby/computer room, lounges, library, woodworking shop and fitness center. Salem reserves the right to modify, alter, diminish or increase the common areas as to size, furnishing and use from time to time.

C. Personal Service Facilities

Salem will take reasonable steps to arrange for other services such as barber and beauty salon to be used by Resident at Resident's option and expense.

D. Health Care Facilities

As and when appropriate, and as provided hereinafter in this Agreement, to the extent permitted by law, and as availability permits, Resident will have priority access to Knollwood Nursing Center (hereinafter "Knollwood"), a licensed, skilled nursing center and The Elms Assisted Living apartments (hereinafter "Assisted Living") both owned and operated by Salem and both located on the Briarwood campus.

E. Parking Facilities

So long as Resident occupies a Living Accommodation within the congregate buildings, if Resident owns and is licensed to operate a motor vehicle, registered to Resident, Resident shall have access to one parking space solely for such registered motor vehicle. Space will not be available anywhere on the campus for recreational vehicles. A single car garage is provided for each

cottage home at Briarwood. No vehicle maintenance, including, but not limited to, the changing of oil or other fluids, shall be permitted on Briarwood's campus.

III. SERVICES PROVIDED BY SALEM

During Resident's occupancy of a Living Accommodation at Briarwood, in consideration of payment of Monthly Fee, Salem will provide Resident with the services described below; services not included shall be deemed to be at Resident's expense and Salem shall have no responsibility for providing such services or for payment thereof.

1. Utilities.
   a. Water and sewer _____
   b. Heat _____
   c. Air conditioning _____
   d. Electricity _____
   e. Trash removal _____
   f. Cable television, telephone and internet access _____ (charges are not included in the Monthly Fee and are paid by Resident)

2. Security. Personnel are present to patrol the campus and to respond to resident emergencies.

3. Maintenance - Landscaping. Salem will maintain all buildings and grounds.

4. Transportation. Salem provides transportation for weekly shopping, YMCA fitness programs and off-campus activities. For medical and other appointments Salem does refer residents to drivers that are independent operators and for whom Salem takes no responsibility.

5. Social and Recreational Programs. Salem will coordinate a variety of social, recreational, educational and cultural programs for Residents both on and off-campus.

6. Fitness Center. Use of the Fitness Centers is unlimited during hours of operation. Use is at Resident's risk. It is recommended that Resident discuss use with his/her physician. Access to water exercise is available through arrangement with the Greendale YMCA.

7. Dining. As part of the Monthly Fee, cottage residents are entitled to eight (8) meals per month; apartment residents are entitled to one meal per day. Residents may select additional meals at an

additional cost. A Resident absent from Briarwood for more than fourteen (14) consecutive days will receive a meal credit (based on raw food costs) prorated on a daily basis if Resident gives Salem written notice at least ten (10) days in advance of commencement of said fourteen (14) day period. Advance notice is not required for health-related absences.

8. Annual Housecleaning. Salem will furnish an annual housecleaning to include carpet cleaning and window washing.

ADDITIONAL SERVICES

Additional services as described below shall be available at Briarwood on a fee-for- service basis. Charges for Additional Services will be made in accordance with a fee schedule, which fee schedule is subject to change upon thirty (30) days' notice by Salem (Exhibit 4 - Current Fee Schedule). All fees for Additional Services will be billed to Resident monthly.

9. Transportation beyond that described above.

10. Catering for special occasions.

11. Meals delivered to the Living Accommodation.

12. Additional and/or guest meals beyond those described above.

13. Barber and Beauty Salon services.

14. Home Care services.

15. Maintenance and repairs for which Resident is responsible.

16. Assisted Living Care.

17. Skilled Nursing Care.

18. Light Housecleaning consisting of vacuuming, dusting, bathroom and kitchen cleaning.

IV. HEALTH SUPPORT SERVICES

A. Home Care Services

At such time as a Resident's health status interferes with his/her ability to manage activities of daily living within an independent living setting, Resident may contract with a home care or certified home health agency for home health, homemaker and/or nursing services in the Living

Accommodation. Briarwood's Resident Services Coordinator is available to provide information on resources.

B. Skilled and Assisted Living Services

If and when appropriate, Resident may transfer (subject to availability and clinical appropriateness) to Assisted Living or Knollwood (or alternative centers of Resident's choosing). The determination of the best setting for care will be made by Resident, representatives of Resident's choosing, Resident's physician and Salem's Management team.

While Salem endeavors to assist Resident in securing short or long-term care, it is the responsibility of the Resident and/or Resident's representatives to ultimately arrange and pay for these services. If it is determined that Resident moves permanently to nursing or assisted living center, Resident if the sole occupant will give up the Living Accommodation at Briarwood. If Resident moves permanently to nursing or assisted living center not owned or operated by Briarwood, this Agreement shall be terminated pursuant to Article VI.

Resident acknowledges that Knollwood and Assisted Living are not designed to care for persons who are afflicted with mental illness (except Alzheimer's Disease or conditions which result in characteristics substantially similar to persons having Alzheimer's Disease), contagious diseases, conditions related to drug and alcohol abuse or other conditions that assisted living and skilled nursing centers are not licensed or otherwise qualified to treat. Resident will not be able to transfer to or continue residency in Knollwood or Assisted Living if Resident has one of these conditions described above or Salem otherwise reasonably determines that such transfer or residency is or would be dangerous or detrimental to the life, safety, or health of Resident or other residents of Knollwood or Assisted Living. Under such circumstances, Salem will endeavor to assist Resident or Resident's representatives in identifying a center where Resident can receive appropriate services. However, ultimate responsibility for placement in an appropriate center remains with the Resident or Resident's representatives. Movement to such a center, if permanent, shall result in termination of this Agreement pursuant to Article VI.

C. Payment for Home or Skilled Nursing Services

Unless payment for such services and facilities is covered by Medicare or other similar insurance programs, Resident shall be

or The Elms Assisted Living wing and it is determined that Resident will remain at either, once the Living Accommodation is vacated, Resident shall be charged at a discounted rate of eighty-eight percent (88%) of the per diem rate then charged by Knollwood or The Elms for private pay patients for the type of unit occupied by Resident, provided that any services or items not included in the per diem rate shall be payable by Resident at one hundred percent (100%) of the fees then charged by Knollwood or The Elms for such additional service and items. Resident's right to obtain such services at the discounted rate of eighty-eight percent (88%) shall continue only so long as Resident remains in Knollwood or The Elms. A Resident residing in an alternative skilled nursing facility or assisted living program will be responsible to pay for all services and facilities at the alternative facility's prevailing charges.

Notwithstanding Resident's transfer to The Elms or Knollwood or an alternative facility, Resident shall continue to be responsible for payment of the Monthly Fee unless and until Resident's Living Accommodation is vacated.

D. Payment for Other Medical Services.

1. Medical Services and Supplies. Other than as specifically provided in Section C above. Resident shall be solely responsible for the cost of all medical services and supplies, including, without limitation: personal physician services, private duty nursing, inpatient and outpatient hospital services, laboratory and diagnostic services not rendered in conjunction with the services provided in this Agreement, audiological tests and all prosthetic devices and other durable medical equipment, rehabilitative therapies, podiatry, professional psychiatric care, treatment for alcohol and drug abuse, renal dialysis and other similar services and all medications.

V. FINANCIAL CONDITIONS

A. Fees

Resident shall pay to Salem (i) an Entrance Fee, and (ii) a Monthly Fee.

1. Entrance Fee. Resident shall pay Salem an Entrance Fee in the amount of $_____ and when appropriate, a Second Person Entry Fee in the amount of $_____ less the amount of any credits and incentives due Resident in the amount of $_____ (Exhibit 5-Credits and Incentives) for a net Entrance Fee of $_____ in accordance with the following schedule:

net Entrance Fee of $_____ in accordance with the following schedule:

a. _____ percent (_____%) of the Entrance Fee, shall be paid by Resident to Salem upon execution of this Agreement (the "Deposit"), unless such payment shall have already been paid at the time of reservation. Receipt of the Deposit in the amount of $_____ is hereby acknowledged by Salem.

b. As a condition of occupancy, the balance of the Entrance Fee in the amount of $_____ shall be paid by Resident to Salem on or before the Occupancy Date (as defined in Article II.A.l) whether or not Resident chooses to physically move into the Living Accommodation on that date.

c. The Entrance Fee (other than the Deposit) will not be held in segregated accounts and any interest earned thereon shall not accrue to Resident but may be used by Salem for such purposes as it is deemed necessary or desirable.

2. Monthly Fee and Other Payments.

a. Resident shall pay Salem monthly an amount determined by Salem ("Monthly Service Fee"). Resident's initial Monthly Service Fee for the Living Accommodation shall be that fee in effect on the Occupancy Date. The Monthly Service Fee is $_____ and $_____ representing the second person fee for a total Monthly Service Fee of $_____ less any credits and/incentives resulting in a net total Monthly Service Fee of $_____

b Right to Adjust Fees. Salem may make reasonable adjustments to the Monthly Service Fee in order to fulfill the operational requirements of Briarwood. Typically Salem will adjust the Monthly Service Fee in January of each calendar year. Adjustments to the Monthly Service Fee may be made more than once per calendar year if in that calendar year it is the judgment of the Trustees that additional revenues are required to maintain Salem's ability to operate Briarwood on a sound financial basis for the calendar year. Additional revenue requirements may result from unanticipated contingencies such as significant vacancy levels, changes in Knollwood's State or Federal reimbursements, property taxes, insurances or emergency campus need.

No change in the Monthly Service Fees shall be effective upon less

c. Monthly Statement. Salem will present each Resident with a detailed billing statement which will include but not be restricted to:

(1) The Monthly Fee for the current month;
(2) Any credits to Resident for the preceding month;
(3) Additional charges to Resident for services rendered during the preceding month;
(4) Any other amounts due Salem under this Agreement.

The amount due Salem from Resident as reflected in the monthly statement shall be due and payable by Resident upon receipt of monthly statement. If Resident fails to pay the amount due within ten (10) days of receipt of the monthly statement, Salem shall have the right to assess a late charge/interest at the rate of one and one half percent (1.5%) per month or portion thereof. In the event Resident makes late payments for two (2) consecutive months or any four (4) months within a calendar year then Salem shall have the right to terminate this Agreement pursuant to Article VI and after Resident receives written notice of the above and is given seven (7) days to cure for delayed payment. Salem may deduct such overdue amounts plus late charges/interest from any Entrance Fee refund. The foregoing notwithstanding, Salem shall not assess a late charge/interest during any time a billing amount is disputed by Resident.

d. Proration Fee. If the Occupancy Date is a date other than the first day of the month, or if the date this Agreement is terminated is a date other than the last day of the month, the fees due for the first or last month under this Agreement shall be reduced pro rata on a daily basis.

B. Insurance

1. Health Insurance.

Resident, at Resident's sole expense, must at all times maintain in full force and effect the maximum coverage available to Resident under Medicare Part A and Medicare Part B or equivalent health plans and under any successor programs hereafter adopted and a Medicare supplemental insurance plan or equivalent supplemental plan or gap coverage and under any successor programs hereafter

adopted. Salem maintains the right to request from time to time, proof of Health Insurance coverage.

2. Insurance Applications.

Should the Resident fail or neglect to arrange for Health Insurance coverage, the Resident hereby authorizes Salem to make application but without the obligation to do so, for such Health Insurance on his or her behalf, to pay any premiums required to obtain such Health Insurance, and to bill the cost of such Health Insurance to the Resident on his or her monthly statement.

3. Automobile Insurance.

If the Resident is licensed to operate a motor vehicle, the Resident shall obtain and maintain at his or her own expense insurance to cover medical and other costs resulting from automobile accidents causing injury to the Resident or to others and/or property damage in accordance with coverage limits established by Salem.

4. Renter's Insurance.

Resident is not obligated, but strongly advised to carry insurance on personal property/personal contents replacement and for the personal property/contents of other living accommodations that might sustain damage due to Resident's actions or negligence or the actions or negligence of Resident's employees, agents or guests.

C. Fee Adjustments for Altered Circumstances

1. Marriage or Other Joint Living Arrangements

a. Marriage or Joint Living Arrangements between Residents. A Resident who marries or desires to live with another person who also resides at Briarwood shall thereafter jointly pay a new Monthly Service Fee equal to the occupancy rate for two people for the Living Accommodation jointly occupied. The Resident vacating his/her Living Accommodation shall be entitled to a refund in accordance with Article VI.B.4.

b. Marriage or Joint Living Arrangement with a Non-Resident. If Resident marries or desires to live with another person who is not a resident of Briarwood, the non-resident may, provided he or she satisfies the requirements for acceptance as a resident of Briarwood, become a resident of Briarwood upon execution of a Residence and Care Agreement and payment of any applicable second person Entrance Fees and Monthly Service Fees.

2. Financial Inability to Pay

a. Salem's Policy. Without in any way limiting Salem's right to terminate this Agreement in accordance with Article VI, if the sole reason for Resident's failure to pay the Monthly Service Fee, or the amounts payable by Resident under Article V.B or any other amounts due to Salem under this Agreement (collectively referred to herein as the "Resident's Fees") is due to insufficient funds due to circumstances beyond the control of Resident, the failure to make such payments will be reviewed by the Chief Executive Officer, Chief Financial Officer and Finance Committee (the "Financial Review Committee") with Resident or his/her representatives. If Resident presents to the Financial Review Committee, facts which in the Financial Review Committee's sole opinion, justify special financial consideration, Salem may, but shall not be obligated to do so, partly or wholly subsidize Resident's Fees; provided however, that such subsidy will not impair the ability of Salem to attain its objectives and remain operating on a sound financial basis. Salem reserves the right to establish conditions to such subsidy.

b. Resident's Responsibility. It shall be a condition of receiving a subsidy that Resident shall warrant and represent to Salem that he or she has not made any gift of real or personal property or investment in contemplation of the execution of this Agreement or during the term of this Agreement. During such time as Salem shall subsidize Resident's Fees, Resident shall also, from time to time as requested by Salem, provide personal financial statements and copies of Resident's tax returns.

c. Recovery of Salem's Subsidy. Upon termination of this Agreement, Salem shall have the right to recover against Resident or Resident's estate the aggregate amount of the Resident's Fees that have been subsidized by Salem, together with interest on the amount of the subsidy at an annual rate

equal to the prime rate as published in The Wall Street Journal on the effective date of termination plus one percent (1%). Such amount maybe deducted by Salem from the amount of any Entrance Fee Refund that may be payable to Resident or to his or her assignees or to Resident's estate under the terms of this Agreement.

d. Financial Assistance. If Resident's resources are inadequate to meet his or her financial obligations to Salem, Resident shall make every reasonable effort to obtain all available financial assistance. Resident agrees not to make any gift of real or personal property or any investment subsequent to executing this Agreement that may materially impair Resident's ability, of the ability if his or her estate, to satisfy the financial obligations of Resident under this Agreement.

3. Change of Accommodation.

a. Change of Accommodation. Salem and Resident may mutually agree that it is in the best interest of Resident to relocate Resident to another Living Accommodation at Briarwood.

b. Transfer to a Hospital or Health Care Facility. Salem may transfer Resident to Knollwood or Assisted Living or an alternative facility in accordance with Article IV so long as Resident or Resident's representatives agree, in writing to the transfer. Resident may be admitted to a hospital upon the advice of his or her physician so long as Resident or resident's representative agrees to admission. If, after consultation with Resident (or, if and when appropriate, Resident's representative), it is the reasonable judgment of Salem's Chief Executive Officer, that Resident requires permanent long-term care Salem's Chief Executive Officer may require Resident's Living Accommodation to be vacated; provided, that such decision is made in accordance with the procedure set forth in Article IV. In such case, Resident or his/her representative shall make arrangements to remove Resident's personal belongings from the Living Accommodation within thirty (30) days (provided that no other Resident is then occupying such Living Accommodation) subject to compliance with any laws or regulations to the contrary. Resident shall remain obligated to pay the Monthly Service Fee until Resident's

personal belongings have been removed from the Resident's Living Accommodation. Payment for Knollwood or Assisted Living services shall be made in accordance with Article IV.C of this Agreement. No refund of any portion of the Entrance Fee shall be made upon Resident's transfer to a hospital, Knollwood, Assisted Living or an alternative health care facility unless this Agreement is terminated by Salem or Resident pursuant to the provisions set forth in Article V1.B of this Agreement.

c. Transfer of One of Two Residents Sharing a Living Accommodation. If two Residents occupy the Living Accommodation and one of them is transferred to a hospital or nursing center on a permanent or long-term basis, payment for the services for the transferred Resident shall be made in accordance with Article IV.C of this Agreement and the Monthly Service Fee for the remaining Resident then occupying the Living Accommodation shall be adjusted based upon single occupancy of the Living Accommodation. No refund of any portion of either Resident's Entrance Fee shall be made at such time.

d. Transfer to a Smaller Living Accommodation. If Resident should choose to move to a smaller Living Accommodation, Resident will be permitted to do so, subject to availability. Resident will pay any additional Entrance Fee in an amount equal to the difference between the Entrance Fee Resident has previously paid and the then current Entrance Fee for the new Living Accommodation. Following the move, Resident will pay the Monthly Service Fee allocable to the smaller unit. If the Entrance Fee for the new Living Accommodation is less than what Resident paid for the previous Living Accommodation, the differential in the Entrance Fees, less any deductions permitted by Article VI.B (4) will, at Resident's election, either be applied to Resident's future monthly charges or returned to Resident upon Salem's receipt of the total amount due for a Living Accommodation of the same type vacated by the Resident but in no event later than one (1) year following the move to the new Living Accommodation or, if later, the date upon which Resident has removed Resident's personal property therefrom.

e. Transfer to a Larger Living Accommodation. If Resident should choose to move to a larger Living Accommodation,

Resident will be permitted to do so, subject to availability. Resident will pay an additional Entrance Fee in an amount equal to the difference between the Entrance Fee Resident has previously paid and the then current Entrance Fee for the larger Living Accommodation. Following the move, Resident will pay the Monthly Service Fee allocable to the larger Living Accommodation.

f. Termination of Shared Living Arrangement. If two Residents sharing the Living Accommodation desire to separate, they may by mutual agreement choose among the following options:

(i) Retention of the Same Living Accommodation. One Resident may leave Briarwood and the other Resident may retain the Living Accommodation and pay the Monthly Service Fee for single occupancy thereof. No refund of any portion of either Resident's Entrance Fee will be made at that time.

(ii) Transfer to an Alternate Living Accommodation. One Resident may move to another Living Accommodation, if and when available. Upon move-in, such Resident shall be required to pay an additional Entrance Fee in an amount equal to the then current Entrance Fee for the new Living Accommodation less the portion of the Entrance Fee previously paid for the original Living Accommodation for double versus single occupancy of that accommodation. Resident shall also pay the Monthly Service Fee for single occupancy of the new Living Accommodation. The Resident staying in the original Living Accommodation then pays the Monthly Fee for single occupancy for that Living Accommodation.

VI. TERMINATION AND REFUNDS

A. Prior to Occupancy

1. Termination due to Death, Illness or Financial Condition.

a. If Resident dies (or if Resident is two persons both die) prior to assuming occupancy of the Living Accommodation, then

this Agreement shall automatically terminate. If Resident is two persons, and only one person dies, the other person shall have the right, but not the obligation, to terminate this Agreement without penalty.

b. If the financial condition of Resident changes prior to assuming occupancy to the extent that, in the opinion of Salem, Resident will be unable to meet the financial obligations under this Agreement, then this Agreement may be terminated by Salem by written notice to Resident.

c. Upon termination of this Agreement pursuant to a. or b. above, Salem shall refund to Resident, Resident's estate or his or her representative whichever is appropriate, all amounts paid to Salem by Resident less any costs specifically incurred by Salem at the written request of Resident as set forth in Exhibit 3 of this Agreement and signed by Resident.

2. Termination by Resident

a. At any time prior to assuming occupancy of the Living Accommodation, Resident may terminate this Agreement without cause upon written notice to Salem.

b. If the Living Accommodation is available for occupancy on the Occupancy Date, and the balance of the Entrance Fee has not been paid, Resident's failure to occupy the Living Accommodation on the Occupancy Date shall be deemed a termination of this Agreement by Resident unless an extension of the Occupancy Date has been agreed to in writing by Resident and Salem.

c. If the Living Accommodation is not available for occupancy on the Occupancy Date and Resident has not previously terminated this Agreement, this Agreement may be terminated by Resident or at Resident's request extended in writing by Resident and Salem.

d. Within thirty (30) days after the termination of this Agreement by Resident, pursuant to this part 2. a,b,c, Salem will refund to Resident or his or her representative, all amounts paid to Salem by Resident less any costs specifically incurred by Salem at the written request of Resident and set forth in Exhibit 3 and signed by Resident.

B. After Occupancy

1. Termination by Salem. Salem reserves the right to terminate this Agreement at any time after Resident assumes occupancy of the Living Accommodation for good cause, including but not limited to: a material breach by Resident of Resident's obligation under this Agreement and after providing written notice to Resident of such breach and a 30-day period in which to cure from receipt of the written notice; failure by Resident to abide by the rules adopted by Salem and after providing written notice to Resident of such failure to abide by such rules and a 30-day period in which to cure from receipt of the written notice; any material misrepresentations or omission by Resident in connection with his or her application for residency at Briarwood or continued residence at Briarwood becomes seriously disruptive or threatening to the health or safety of Resident or other Residents or employees of Salem.

   Any notice of termination shall be in writing specifying a date of termination not less than thirty (30) days or more than ninety (90) days after the date notice is given. On or before the date of termination Resident shall move from Briarwood and vacate the Living Accommodation. Following the termination date Resident shall remain obligated to continue paying the Monthly Service Fee to Salem until Resident has vacated the Living Accommodation and removed Resident's personal property from the Living Accommodation.

   If this Agreement is terminated by Salem pursuant to this Section B.1, Resident shall be entitled to receive a refund of a portion of the Entrance Fee in accordance with Article VI, Section B.4 below.

2. Termination by Resident. Resident has the right at any time after assuming occupancy of the Living Accommodation to terminate this Agreement by delivering to Salem written notice of termination. The written notice need not cite any reason for the termination but shall specify a date of termination which shall not be less than sixty (60) days nor more than one hundred twenty (120) days after the date the notice is given.

   On or before the date of termination, Resident shall move from Briarwood and vacate his or her Living Accommodation. Following the termination date, Resident shall remain obligated to pay the Monthly Service Fee to Salem until Resident has vacated the Living Accommodation and removed Resident's personal property from

the Living Accommodation. If Resident terminates this Agreement pursuant to this provision, Resident shall be entitled to a refund for a portion of the Entrance Fee in accordance with this Article VI, Section B.4 below.

3. Termination by Death.

a. If Resident is one individual, this Agreement shall terminate automatically upon the death of Resident except that Resident's obligation to pay the Monthly Service Fee shall continue after the date of death until Resident's personal property has been removed from the Living Accommodation by the family by the estate of the deceased Resident or by Salem, at which time the Monthly Service Fee shall no longer be due. The family or legal heirs will remove personal property from the Living Accommodation within one month of death unless special arrangements are made with Salem (Refer to Article VII, Sections C.2 regarding disposal of Resident's property).

If this Agreement is terminated by the death of Resident, Resident's estate shall be entitled to a refund of a portion of the Entrance Fee in accordance with Article VI, Section B.4 below.

b. If two persons have entered into this Agreement, upon the death of one Resident, this Agreement shall remain in full force and effect as to the survivor. No refund of the Entrance Fee shall be paid to the estate of the deceased Resident at such time. A refund is paid upon termination of this Agreement by the surviving party and then only pursuant to this Article VI, Section B4. The surviving Resident shall thereafter pay an adjusted Monthly Service Fee based upon single occupancy of the Living Accommodation.

4. Refund.

Upon termination of this Agreement as provided in this Section B, Resident (or Resident's estate) shall be entitled to a refund of a portion of the Entrance Fee (the "Entrance Fee Refund") in an amount and at the time(s) set forth below:

a. If termination of this Agreement as provided in this Section B occurs within the first twenty (20) months (including a

partial month) following Resident's occupancy of the Living Accommodation, the amount of the Entrance Fee Refund shall equal the Entrance Fee less one percent (1%) of the Entrance Fee for each of the first twenty (20) months of occupancy and then less any deductions permitted by this Agreement that have not been separately paid. Any Entrance Fee Refund payable under this paragraph shall be paid upon Salem's receipt of the total amount due for a Living Accommodation of the same type vacated by the Resident but in no event later than one (1) year following the date of termination or, if later, the date upon which Resident has vacated the Living Accommodation and removed Resident's personal property therefrom. Upon receiving written notice of termination of this Agreement or upon determining that this Agreement will terminate for any reason, whichever first occurs, Salem will use all reasonable efforts to either refill the vacated Living Accommodation or to sell a Living Accommodation of the same type however, Salem shall not be prevented from first selling other unoccupied Living Accommodations.

b. If termination of this Agreement as provided in this Section B occurs between the twenty-first (21st) and sixtieth (60th) months (including a partial month) following Resident's occupancy of the Living Accommodation, the amount of the Entrance Fee Refund shall equal the Entrance Fee less twenty percent (20%) of the Entrance Fee and then less any deductions permitted by this Agreement that have not been separately paid. Any Entrance Fee Refund payable under this paragraph shall be paid upon Salem's receipt of the total amount due for a Living Accommodation of the same type vacated by the Resident but in no event later than one (1) year following the date of termination or, if later, the date upon which Resident has vacated the Living Accommodation and removed Resident's personal property therefrom. Upon receiving written notice of termination of this Agreement or upon determining that this Agreement will terminate for any reason, whichever occurs first, Salem will use all reasonable efforts to either refill the vacated Living Accommodation or to sell a Living Accommodation of the same type however, Salem shall not be prevented from first filling other unoccupied Living Accommodations.

c. If termination of this Agreement as provided in this Section

B occurs after the sixtieth (60th) month following Resident's occupancy of the Living Accommodation, the amount of the Entrance Fee Refund shall equal the Entrance Fee less twenty percent (20%) of the Entrance Fee and then less two-tenths of one percent (0.2%) of the Entrance Fee for each month (including a partial month) of occupancy from month sixty-one (61) until this Agreement is terminated and then less any deductions permitted by this Agreement that have not been separately paid. Any Entrance Fee Refund payable under this paragraph shall be paid upon Salem's receipt of the total amount due for a Living Accommodation of the same type vacated by the Resident but in no event later than one (1) year following the date of termination or, if later, the date upon which Resident has vacated the Living Accommodation and removed Resident's personal property therefrom. Upon receiving written notice of termination of this Agreement or upon determining that this Agreement will terminate for any reason, whichever first occurs, Salem will use all reasonable efforts to either refill the vacated Living Accommodation or to sell a Living Accommodation of the same type however, Salem shall not be prevented from first filling other unoccupied Living Accommodations.

C. Release of Salem.

Upon the termination of this Agreement, Salem will be released from any and all obligations to Resident except for the obligation to pay any Entrance Fee Refund due hereunder and, if applicable, to continue to use good faith efforts to find a new Resident to occupy Resident's Living Accommodation.

VII. RIGHTS AND OBLIGATIONS OF RESIDENT

A. Right of Privacy.

Subject to the provisions of this Agreement, Resident shall have the exclusive right to occupy the Living Accommodation. Salem recognizes Resident's right to privacy and Salem's responsibility to limit entrance to the Living Accommodation. Resident recognizes and accepts the right of Salem to enter the Living Accommodation in order to carry out the purposes of this Agreement. Salem shall have the right to enter the Living Accommodation for the purposes of: 1) performing scheduled housekeeping upon reasonable advance notice; 2) responding to a medical alert; 3) responding to the fire alert system; 4) undertaking

emergency maintenance; 5) checking the status of Resident if health or safety is in question; 6) Showing the Living Accommodation to a prospective resident but only during normal daytime hours and after notice of termination of this Agreement has been given or Resident has been required to vacate the Living Accommodation in accordance with the provisions of this Agreement and then, only upon reasonable advance notice; 7) inspecting the Living Accommodation upon reasonable belief that there is a violation of the Rules and Regulations or 8) removing personal property in accordance with this Agreement.

B. Responsibility for Damages.

Resident shall be solely responsible and agrees to pay for any loss or damage to real or personal property of Salem caused by the negligence or acts of Resident, Resident's employees, agents or guests. If any negligence of anyone other than Salem or its staff results in injury to Resident or Resident's employees, agents or guests or if same negligence results in damage to Resident's personal property or the personal property of Resident's employees, agents or guests, Resident hereby releases and discharges Salem, its Corporators, Trustees, executives, managers, employees and agents from all liability or responsibility for such injury or damage.

C. Salem's Responsibility for Protection of Resident's Property.

1. If Resident fails to remove personal property from his or her Living Accommodation on or before the effective Date of Termination of this Agreement for any reason, Salem shall have the right (but not the obligation), in compliance with applicable law, to remove Resident's property and to store it at Resident's expense. If stored at a commercial warehouse providing notice to Resident has been given in writing, Salem shall have no further responsibility for the property.

2. In the case of Resident's death, Salem shall release all property of Resident to the person(s) designated by Resident in writing to receive it, or if no such person(s) shall have been designated, then to Resident's executor or administrator, or if no executor or administrator qualifies within thirty (30) days of Resident's death, then to Resident's next of kin. Salem will hold such property for not more than thirty (30) days following Resident's death at the risk of Resident's estate or of the persons entitled to receive the property. Salem will exercise ordinary care in safeguarding the property during that time. Resident hereby grants to Salem a limited power of attorney to hold and deliver

Resident's property as provided herein, including the authority to store it at Resident's expense in a commercial warehouse, if it has not been removed from the Living Accommodation within thirty (30) days of Resident's death.

VIII. OTHER CONDITIONS

A. Power of Attorney and Guardianship.

Resident will maintain a current durable power of attorney and health care proxy in a form acceptable to Salem and will provide a copy of such document to Salem upon request.

B. Delegation by the Chief Executive Officer.

Any authority or responsibility given by this Agreement to the Chief Executive Officer may be delegated by him or her to any one or more members of Salem's staff.

C. Guest Policies.

A Resident may have a guest in the Living Accommodation for up to two (2) weeks. For more than two weeks the written consent of the Chief Executive Officer of Salem must be obtained. The intent of such policy shall be to permit stays of short duration by guests of Resident where such stays will not, in the opinion of Salem, adversely affect Briarwood's other residents.

D. Pets.

One small dog, one domestic cat, a caged bird or fish may be kept in the Living Accommodation only with the prior written approval of the Chief Executive Officer, whose approval may be revoked at any time. Resident will be responsible for cleanliness, litter and any damage caused by any pet and Salem, in its sole discretion, may at any time require Resident either 1) pay an additional minimum hourly charge of twenty ($20) dollars when Salem's employees are required to provide for the pet or 2) subscribe to a pet service. Resident agrees to give up the pet upon the request of the Chief Executive Officer when Resident demonstrates an inability to properly care for the pet.

E. Smoking Policy

Salem observes a no smoking policy in all common areas and the

campus grounds except in any areas that may be designated smoking areas, at Salem's discretion.

Smoking is permitted in the Living Accommodation except that at no time is smoking allowed in the Living Accommodation when oxygen is in use or stored or when Salem's employees are present to perform services.

F. Rules Adopted by Salem.

Salem reserves the right to adopt policies, procedures and rules regarding residency at Briarwood consistent with the provisions of this Agreement. Resident agrees to observe the rules and regulations adopted by Salem.

G. Non-Discrimination.

It is understood and agreed that Salem admits persons to Briarwood without regard to sex, handicaps, race, color, national origin, sexual orientation and religious affiliation.

H. Sole Responsibility.

All legal and financial obligations assumed by Salem in this Agreement are solely the responsibility of Salem.

I. Entire Agreement.

This Agreement, which includes any Agreement Exhibits or Amendments, constitutes the entire Agreement between Resident and Salem.

J. Notices.

Notices shall be given in writing to Salem at the address of its Administrative Offices given below and to Resident at the address given below until Resident enters Briarwood and thereafter the Resident's assigned campus address. A change in address may be affected by written notice given by one party to the other.

K. Non-Transferability.

The rights and privileges of Resident under this Agreement are personal to Resident and cannot be transferred or assigned by act of Resident, by any proceedings of law, or otherwise. If any person, other than the person who has signed this Agreement commences to live in

Resident's Living Accommodation without following the procedures established by Salem, Salem, reserves the right to charge Resident an additional, second person Monthly Fee and/or terminate this Agreement.

L. Amendment.

No amendment to this Agreement shall be valid unless in writing executed by Salem and Resident.

M. Unenforceability.

If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of all other provisions and of the entire Agreement shall not be affected thereby.

N. Governing Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of law provisions. Salem and Resident agree that any and all disputes, claims or controversies arising out of or relating to this Agreement that cannot be resolved by negotiation with executives who have authority to settle the disputes, claims or controversies shall be submitted to JAMS located in Boston, Massachusetts or its successor, for mediation and if necessary, for final and binding arbitration. Resident and Salem agree to participate in good faith with the process and to equally share in any costs incurred unless in the event of arbitration it is determined that one of the parties is the prevailing party and therefore may be awarded an appropriate percentage of the costs reasonably incurred by said prevailing party.

O. Joint and Several Liability.

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

P. Residents' Association.

The Briarwood Residents Association consists of all residents residing at Briarwood. Each resident is automatically a member of the Association. The purpose of the Association is to further common resident interests and activities, to communicate and cooperate with those directly charged with the operation and management of Briarwood in

establishing and promoting the well-being of Residents and to take appropriate action necessary to implement the same.

Q. Right of Management.

Salem reserves the absolute right of management. Salem reserves the right to accept or reject any person for residency in accordance with the provisions of this Agreement. Resident does not have the right to manage or set policy or to determine admissions, terms of admission, or transfer of other Residents. Salem reserves the right to pursue the expansion, demolition, or renovation of any of its buildings or properties, notwithstanding such activity may cause an inconvenience or disruption to Resident and such activity will not constitute a breach of a covenant of quiet enjoyment.

R. Right of Subrogation.

In case of injury to Resident by a third party in which Salem incurs any cost or expense, Salem shall have the right of subrogation, for all of its costs and expenses incurred, and shall have the right, in the name of the Resident, to take all necessary steps to enforce payment of same by the party responsible for the injury. Resident agrees to cooperate and assist in recovering said costs.

S. Representation.

Resident represents that all statements and documents submitted to Salem are true and complete and acknowledges that Salem is relying on the truth and accuracy of such statements and documents. Any misrepresentation or willful omission may render this Agreement null and void. Salem is neither liable nor bound in any manner by any statement or representation or promise made by any person representing or purporting to represent Salem unless set forth in this Agreement.

T. Documentation.

In addition to any Agreement amendments the following documents, if completed, become a part of this Agreement:

1. Financial and Medical Documentation
2. Salem's Disclosure Statement
3. Additional Exhibits 1-5

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT THE DATE AND YEAR FIRST ABOVE WRITTEN.

RESIDENT:_____

RESIDENT:_____

ADDRESS:_____

_____

Salem Community Corporation
Briarwood Continuing Retirement Community
65 Briarwood Circle
Worcester, MA 01606

By: _____

Title: _____

EXHIBIT 1

DISCLOSURE STATEMENT

Exhibit 1
Disclosure Statement

Pursuant to Massachusetts General Laws, Chapter 93, Section 76 this Disclosure Statement has been prepared by Salem Community Corporation hereinafter sometimes referred to as "Salem" with respect to a Continuing Care Retirement Community knows as "Briarwood" located at 65 Briarwood Circle, Worcester, Massachusetts 01606.

1. Name and Address of Salem

   Salem Community Corporation
   dba Briarwood and Knollwood
   65 Briarwood Circle
   Worcester, Massachusetts 01606

2. Corporate Status

   Salem Community Corporation is a Massachusetts not-for-profit corporation, incorporated under the provisions of General Laws Chapter 180 in May of 1974. This corporation owns and operates a Continuing Care Retirement Community known as Briarwood.

3. Officers, Board Members and Senior Manager of Salem

   Each person listed below with the exception of the CEO, serves as a volunteer without compensation in the capacity shown:

   Paul F. Bowler, PhD, CEO

   BOARD OFFICERS AND OTHER TRUSTEES

   Robert Evans, President
   Robert Chase, Sr., Vice President
   Stephen Pitcher, Treasurer

Ellen Ferrante, Clerk
Robert Armstrong (Resident)
Janice Bjork
Dix F. Davis
Raymond Grenier
Donald Kipp (Resident)
Robert Longden, Esq.
Julia Marks
Sarah McGee, MD
E. Malcolm Parkinson, PhD
Emily Starr, Esq.
Virginia Ursin (Resident)
Joseph Wetton

4. Description of Business Experience of Salem

Salem Community Corporation was formed by members of the First Baptist and Salem Covenant Churches of Worcester, Massachusetts for the purpose of developing affordable housing and health-related services for people 62 years and older. In 1984, the first sixty cottages and a community center known as Briarwood were opened. Over the next several years, Briarwood expanded to a campus consisting of 105 cottages, 64 apartments, 24 assisted living apartments and an 82-bed skilled nursing and rehabilitation center. The Corporation's Chief Executive has forty-one years of experience in developing and managing hospitals, nursing centers and continuing care communities. The Board of Trustees is composed of individuals who have extensive experience in such areas as finance, business, social services and adult medicine.

5. Statement of Affiliations and Tax-Exempt Status

Salem Community Corporation and Briarwood were conceived and developed by the First Baptist and Salem Covenant Churches. However, this is the extent of any affiliation. Salem develops and

implements all of its policies; Salem does not receive financial support from either Church and Salem welcomes all regardless of religious belief and practice.

In August 2011, Salem entered into an agreement with the Masonic Health System of Massachusetts (MHS) in which MHS provides the CEO and CFO for Salem as well as providing other operational support (HR, IT, Hospital Liaison) when requested. Both organizations are in no other way related. Salem's intent when entering into this management agreement was to establish the necessary economies of scale to be more operationally sound and to position itself for the future in terms of networks and relationships that would benefit Briarwood's residents.

The Internal Revenue Service has determined that Salem is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

6. Description of Physical Facilities

The Briarwood Community is located at 65 Briarwood Circle, Worcester, Massachusetts and is made up of 105 cottages, 64 apartments, 24 assisted living apartments (licensed by the Executive Office of Elder Affairs) and 82 skilled nursing beds (Knollwood Nursing Center licensed by the Department of Public Health and certified by the Joint Commission). The community sits on approximately 52 acres of land. A part of the campus lies in the Town of West Boylston and a part of the campus lies in the City of Worcester. The campus also is located in proximity to the Worcester County House of Correction and its practice range. Sounds from the range vary in frequency and volume depending on the time of year and the location of your potential Briarwood residence. If you would like, a tour of the campus can be arranged when the range is in operation. (Exhibit 6 – Range Location in Relation to Your Home Choice). Briarwood is also contemplating an expansion in the near future. The expansion would primarily add apartments to the campus. The probable location of these apartments and their proximity to your home choice is shown in Exhibit 6.

7. Financial Statements

Certified financial statements are attached and include:

- Most recent year's audited balance sheet (Exhibit 1A)
- Income statements for the past three most recent fiscal years (Exhibit 1B)
- Most recent interim financial statement (Exhibit 1C)
- Five-year Rate Schedule (Exhibit 1D)

_____	_____
Resident	Date
_____	_____
Resident	Date

EXHIBIT 1D

5-YEAR HISTORY OF RATE INCREASES

2013	4%
2014	4%
2015	3.5%
2016	4%
2017	3%
Average Annual Rate Increase	**3.7%**

EXHIBIT 2

FLOOR PLAN

EXHIBIT 3
STRUCTURAL ALTERNATIONS

Alteration

1. _____ Cost $ _____

2. _____ Cost $_____

3. _____ Cost $_____

4. _____ Cost $_____

5. _____ Cost $_____

6. _____ Cost $_____

7. _____ Cost $_____

8. _____ Cost $_____

Total Cost $_____

Resident hereby requests the alternations listed above. Resident acknowledges that Salem Community Corporation ("Salem") is under no obligation to approve any such alternations and that said approval is subject to the discretion of the Chief Executive Officer. Resident agrees to bear the cost of the above alterations, except as otherwise noted. Resident further agrees that the above alterations become the property of Salem for which the Resident or Resident's estate may make no claim of ownership or refund upon termination of the Residence and Care Agreement.

Accepted this _____day of_____, 20____ by

_____
Resident

_____
Resident

_____
Salem Community Corporation

EXHIBIT 4
CURRENT FEE SCHEDULE

EXHIBIT 5

CREDITS and INCENTIVES

Credit or Inventive

1. _____ Value _____

2. _____ Value _____

3. _____ Value _____

4. _____ Value _____

5. _____ Value _____

Accepted this _____ day of _____ 20____ by

_____
Resident

_____
Resident

_____
Salem Community Corporation