

DECLARATION OF RESIDENT POLICIES

The undersigned FAITH PROPERTIES, INC., an Indiana nonprofit corporation, recognized as an exempt organization by the Internal Revenue Service under IRC section 501(c)(3), is the owner of certain real estate in Tippecanoe County, Indiana, the legal description of which is more particularly described on the attached Exhibit "A," and is hereinafter referred to as the "Senior Living Area," does by this declaration set forth the nature of the relationship with each resident of Faith Senior Living Community.

RECITALS

A. Faith Properties, Inc. is the nonprofit corporation which holds title to the Senior Living Area and its surrounding real estate, all of which is used by Faith Church of Lafayette, Indiana, Inc. (hereinafter "Faith Church") and its related ministries for nonprofit, exempt purposes. Faith Church also has been recognized as an exempt organization by the Internal Revenue Service under IRC section 501(c)(3).

B. All of the uses of the Senior Living Area have been properly exempt uses that are consistent with the nonprofit, exempt uses and purposes of Grantor, Faith Church and its related ministries; and all are based upon the Christian Scriptures (the Bible);

C. Faith Church and its related ministries adhere to the truths that the Bible specifically requires that members of the church must care for widows, the needy and the neglected (James 1:27; 1 Timothy 5:3; Deuteronomy 14:28, 29; Psalm 68:5; Jeremiah 7:6, 7; 22:16; Acts 6:1-6); and that speaking through His Holy Scriptures, God commands members of Christian churches to serve one another, edify one another and care for one another (1 Corinthians 12:25; Romans 12:10; Ephesians 4:32; 1 Peter 3:8; 4:9);

D. From January through September of 2013, Faith Church very intentionally and methodically engaged in a strategic planning process in order to determine what initiatives, actions, and projects should be planned and implemented by the members of Faith Church over the period 2014 through 2018. That planning process included suggestions and input from people residing in the Lafayette neighborhoods close to Faith Church, from the general public in Tippecanoe County, Indiana, and from the members and attenders of Faith Church. The planning process involved many meetings and discussions, serious fervent prayers, review by the Pastors to determine that suggested initiatives were consistent with the Bible and with the exempt purposes of Faith Church. Ultimately the governing body of Faith Church completed the 2014-2018 Strategic Plan to be recommended to the Faith Church membership. Then in September, 2013 (1) the 2014-2018 Strategic Plan, and (2) the Architect's Master Plan for the future uses of the remaining real estate on the campus of Faith Church, were approved and adopted by the members of Faith Church;

E. The Architect's Master Plan specifically includes the addition of the structures for the Senior Living Development on the Senior Living Area; and the 2014-2018 Strategic Plan specifically provides as a part of the 2014 "Meeting Needs" initiatives, the building of the Senior Living Development, as shown on the Architect's Master Plan drawing;

F. In October, 2013 the governing body of Faith Church adopted a resolution clarifying and declaring that the Senior Living Development is associated with and tied to the core nonprofit, exempt religious purposes and activities of Faith Church; and provided that the proposed Senior Living Development at the Senior Living Area is not a commercial enterprise of Faith Church, and will never be a for-profit venture or any other type of nonexempt use of the real estate of Faith Church; and that the Senior Living Development is designed and intended to be a critical and significant ministry of care and provision to senior members of our community, primarily for seniors who are members and attenders of Faith Church, who need affordable, safe, pleasant, functional, and low-maintenance housing; and that such uses will contribute to maintaining the dignity and usefulness of the seniors, providing ministry and serving opportunities as younger members can volunteer to assist and care for seniors, while seniors can share their counsel, advice, wisdom and service to younger members – all in the context of Christian love; and that the financial arrangements for residents of the Senior Living Development will be determined to balance proper fiscal stewardship, while maintaining costs as low as reasonably possible; that the proposed Senior Living Development will be constructed and utilized to contribute importantly to the accomplishment of the exempt purposes and activities of Faith Church and its related ministries in that the Senior Living Development will in every respect be associated with and tied to the core exempt religious purposes of Faith Church and its related ministries; and that the ministries associated with the Senior Living Development will be carried on with substantially volunteer help, and this ministry will be supported by the sacrificial gifts and contributions by the people of Faith Church.

G. Representatives of Faith Properties and Faith Church met with the area plan commission to achieve an agreement regarding these restrictive covenants for this development.

RESTRICTIVE COVENANTS

The following covenants shall apply to all of the Senior Living Area:

1. All of the Senior Living Area, and all dwelling units constructed thereon, shall be used for nonprofit, exempt uses and purposes. No mercantile building shall be erected, built or placed upon any portion of the Senior Living Area, and no dwelling unit within the Senior Living Area shall be used for any business of any nature.
2. Faith Properties or Faith Church will pay for the construction of the dwelling units at the Senior Living Area, including the construction and installation of related improvements.
3. The dwelling units in the Senior Living Area will not be separately titled; and title to the real estate and improvements within the Senior Living Area will be retained by the Grantor.
4. Faith Properties and Faith Church will employ policies, procedures and rules for the occupancy and use of the dwelling units within the Senior Living Area to attempt to keep the dwelling units affordable for residents at below market rates, while requiring residents of the dwelling units to reasonably participate in the cost and ongoing upkeep of the dwellings. The financial arrangements for residents of the dwelling shall always be consistent with the purposes and intent specified above in the recitals.

5. The dwelling units within the Senior Living Area are intended to be occupied primarily (but not necessarily) with elderly individuals who attend or are members of Faith Church, or elderly relatives of individuals who attend or are members of Faith Church. Individuals who are not elderly but who are otherwise infirm will also be permitted. Final selection and approval of all residents shall be made by the Senior Living Development Committee.

6. Faith Properties shall develop and construct the dwelling units and improvements upon the Senior Living Area in general conformity with the Architect's Master Plan drawing that was provided to the area plan commission.

7. Neither Faith Properties, nor any subsequent owner of any part of the Senior Living Area, may convey any part of the Senior Living Area without the approval of the area plan commission.

8. Faith Properties shall be responsible for the construction, installation and maintenance of all sidewalks and private drives within the Senior Living Area; and after the construction is complete, for the exterior maintenance of the dwelling units.

9. No noxious or offensive activity shall be carried out on or in any of the dwelling units or anywhere within the boundaries of the Senior Living Area, nor shall anything be done in any of the dwelling units or anywhere within the boundaries of the Senior Living Area which may be or may become an annoyance or nuisance to the neighborhood.

10. Faith Properties and Faith Church retain the right to establish rules including the ability to remove residents, that will pertain to all residents, visitors and guests of the dwelling units and all areas within the Senior Living Area, in order to preserve the nonprofit, exempt purposes of the Senior Living Area, and to preserve and provide a clean, well-maintained, safe and pleasant environment for residents, visitors and guests.

11. The area plan commission is granted standing and the right to enforce these restrictive covenants by restraining order or injunction, together with the right to cause the removal by due process of law of any structure or any part thereof erected or maintained in violation hereof. These covenants are hereby dedicated to the public, the City of Lafayette, Indiana, acting by and through its area plan commission or successor agency.

12. These covenants shall run with the land perpetually and shall be binding on all parties claiming under the Grantor.

INITIAL COSTS TO LIVE IN A HOME IN FAITH SENIOR LIVING COMMUNITY

1. Faith Properties and Faith Church will provide the land for the Faith Senior Living Community, construct the roads and sidewalks, create a suitable drainage system, extend city utilities to each home, and construct a clubhouse as shown in Exhibit "B". The approximate cost and value of this portion of the development is between \$500,000 - \$600,000. This is being

provided by the congregation of Faith Church to convey our love for each of our senior citizens and our desire to make their later years as joyful and productive as possible.

2. Faith Properties and Faith Church will construct a series of single family homes as shown in Exhibit "C". The final decisions regarding exterior and interior materials, finishes, and colors will be made by a committee determined by Faith Church. Residents may be given the opportunity to select from a pre-determined range of finish/color options but all final decisions shall be made by the committee. Residents may be given the opportunity to suggest possible minor design changes but all final decisions shall be made by the committee.

3. Seniors wishing to live in a home in this development will be asked to pay a one-time lump sum of \$140,000 for Condo Style #1 or #3 or \$130,000 for Condo Style #2. Ten percent of this sum (\$14,000 or \$13,000 for #2) shall be required to secure a home in the development. Proof of the ability to pay the entire amount shall be required before construction shall begin.

4. In a limited number of cases, seniors unable to pay \$140,000 (or \$130,000 for Condo Style #2) may make an arrangement with Faith Legacy Foundation to borrow any portion of the \$140,000 (or \$130,000) at a reasonable rate of interest and terms and will then make monthly payments to Faith Properties until the principle is retired.

5. When a senior dies or chooses to move, \$135,000 (or \$125,000 for Condo Style #2) will be returned to the senior and or his/her heirs when/if a suitable senior is found to move in, along with whatever remains in the resident's portion of the Senior Living Maintenance Fund (hereafter SLMF, described below). It is possible that the housing market could go down in value. If that is the case, a determination will be made by the Senior Living Committee about the appropriate price the next senior should pay the previous senior or heir.

For those who chose to borrow a portion of their lump sum payment from Faith Legacy Foundation, the portion they have paid toward the principle (less their initial SLMF) will be returned to the senior and or his/her heirs when/if a suitable senior is found to move in, along with whatever remains in the resident's portion of the SLMF. Faith Properties, Faith Church, and Faith Legacy Foundation assumes no responsibility for the timing of when a suitable replacement is found, when the financial transaction will be made back to the senior, or the exact price that will be paid.

Seniors are also welcome to consider donating their home as part of their end of life stewardship planning.

6. The initial residents will be selected on a first-come, first-served basis on the date the Senior Living Community is declared open for resident applications. If more than eight applications and down-payments are received, the residents will be selected on the basis of age and number of years of membership in Faith Church.

7. When the initial resident moves out, subsequent residents should familiarize themselves with the age of the roof, the HVAC system, appliances, flooring, etc. and plan accordingly for cost and possible replacement from their SLMF.

ONGOING MAINTENANCE FOR HOMES IN FAITH SENIOR LIVING COMMUNITY

1. Each home will be initially equipped for the first residents with new kitchen appliances and will be completely landscaped before the senior citizen moves in. Move-in help shall also be made available from the membership of Faith Church to make the process as easy as possible.

2. Some routine maintenance shall be provided free of charge for each senior by Faith Church. This includes lawn maintenance and snow removal.

3. From the \$140,000 lump sum payment (or \$130,000 for Condo Style #2), \$5,000 shall be reserved in each resident's name as their Senior Living Maintenance Fund (SLMF). Each resident shall also be asked to pay \$50 per month to Faith Properties to offset the cost of some routine maintenance. If the fund ever reaches \$10,000, the senior will no longer be asked to contribute additionally until the total goes back down to \$5,000. If the fund goes below \$5,000, the senior will be asked to increase the monthly contribution until the total of \$5,000 is reached again at which time regular monthly payments will resume. Faith Properties shall be empowered and authorized to apply funds in the SLMF to pay any expense that is not paid when due along with all late fees or charges for any of the resident expense items shown in items numbered 7, 8, 9, 10, 11 or 12 in this section as described below.

4. Some routine maintenance shall be automatically scheduled by Faith Properties and charged to the senior's SLMF. This includes items like annual HVAC maintenance, annual pest control, etc.

5. Other small maintenance concerns (leaky faucets, nicked paint, etc.) should be communicated to the Senior Living Maintenance Coordinator. That person will determine whether the problem can be handled by Faith staff/volunteers or requires an outside service company. In the case of Faith staff/volunteers, the service will be provided for free. In the case of an outside service company, the bill will be paid by Faith Properties and deducted from the senior's SLMF.

6. Larger maintenance concerns (flooring, roof, etc) should also be communicated to the Senior Living Maintenance Coordinator. In such cases, a determination shall be made about the best course of action based on the repair cost and the current amount in the senior's SLMF. The primary purpose of the SLMF is to help the senior be prepared in the event of large costs such as these. Contractor and equipment selections for larger maintenance concerns must be approved by the Senior Living Maintenance Coordinator.

7. Trash. A private contractor will be selected by Faith Properties to pick up each resident's trash at the curbside once per week. In inclement weather, residents may call Faith

Church and request help moving their trash to the curb. The cost of the weekly trash service shall be paid by each resident. Persons choosing to be gone for extended periods of time will still be expected to pay for trash service unless an alternate arrangement can be made with the private trash hauler.

8. Gas. Each home will have an individual gas meter and residents will pay their gas bill directly to the gas company.

9. Electric. Each home will have an individual electric meter and residents will pay their electric bill directly to the electric company.

10. Water. Each home will have an individual water meter and residents will pay their water bill directly to the water company.

11. Phone/Data. Each home will be wired for phone, data, and cable TV. Each resident will work directly with the provider to determine exact cluster of services desired. Cost will be paid by the resident directly to the provider.

12. Taxes. It is our assumption that the homes in the Faith Senior Living Community will be free from property tax. However, if at any time now or in the future it is deemed by our county that the houses are subject to property tax, each senior will be responsible for the portion assessed on their home.

13. Seniors will be expected to have occupant insurance acceptable to the senior living committee.

14. Seniors should not call or schedule other service providers to perform maintenance without first being approved by the Senior Living Maintenance Coordinator.

15. To maintain a uniform look for the subdivision, Faith Properties asks that each senior not plant additional landscaping without first receiving permission from the Senior Living Maintenance Coordinator. This does not include seasonal flowers.

16. Window treatments. Each home will be initially equipped with blinds on each window. Blocking will be installed behind the drywall at the appropriate places if the senior would like to install draperies at his/her expense.

17. Subleasing must be approved by the senior living committee in advance.

RESIDENT LIFE IN FAITH SENIOR LIVING COMMUNITY

1. Meals. Residents may choose to schedule joint meals at the Clubhouse. The focus groups who helped us design this concept communicated that they did not want/need paid staff

cooking for them. Residents may also choose to pay and eat at Faith Christian School when school is in session or pay to take advantage of Meals on Wheels.

2. Activities. Residents are encouraged to plan joint activities at the Clubhouse or to outside stores, attractions, etc. The directors of Faith Church's Caleb's Kin ministry will assist in these efforts. Residents are also encouraged to serve and participate in the many ministries that take place on the campus of Faith Church.

3. Health Care. The focus groups also communicated to us that they did not desire paid medical staff to be part of this concept. Residents are encouraged to help transport one another to doctor's appointments, etc. Local home health care companies may be employed if needed. Faith Properties recognizes that in some cases, this subdivision may not be the senior's final residence on earth. However, our goal is to allow the senior to maintain independence and productive, healthy living as long as possible.

4. Conduct. Residents are expected to conduct themselves as growing followers of Jesus Christ. Any resident concerns or problems shall be solved using principles of biblical communication and problem solving.