

**FAITH SENIOR LIVING COMMUNITY
RENTAL AGREEMENT PHASE I**

FAITH SENIOR LIVING COMMUNITY OPERATED BY
FAITH PROPERTIES, INC. UNDER THE AUSPICES OF
FAITH CHURCH OF LAFAYETTE, INC.

FAITH PROPERTIES, INC. /FAITH CHURCH
AND

_____ [Resident(s)]

THIS AGREEMENT in made this ____ day of _____, 20____, by and between
FAITH PROPERTIES, INC. /FAITH CHURCH and _____

For UNIT _____, in Phase I.

Unit Style # _____ Occupancy Fee \$ _____

10% in the sum of \$ _____ paid on _____, 20____

In order to make things both accurate and clearly understood, whenever reference is made to FAITH PROPERTIES, INC. and FAITH CHURCH of Lafayette, Inc., it will be designated collectively as "FAITH," "FAITH PROPERTIES," "we", "us", or "our". Whenever reference is made to the Resident with whom this agreement is made the pronoun "you" will be used. Whenever reference is made to the residential building and grounds covered by the Agreement, it will be designated as "FAITH Senior Living Community," or "Faith SLC." If this agreement is made with more than one person, the pronoun "you" will be considered to be plural referring to all parties taking up residence in Faith SLC.

Since you have made application occupancy of a Unit in FAITH SLC in Lafayette, Indiana, and since we have accepted your application in consideration of mutual agreements and conditions contained in this agreement, you hereby agree that you will comply with the operation procedures now in practice at FAITH SLC and any other procedures that may be enacted or amended in the future.

FAITH PROPERTIES, INC. and FAITH CHURCH OF LAFAYETTE, INC. are Indiana Not-for-Profit Corporations and as such have no stockholders. It is intended that the dwelling units within the Senior Living Area shall be occupied primarily (but not exclusively) by elderly individuals who attend or are members of Faith Church, or elderly relatives of individuals who attend or are members of Faith Church, or by individuals who are not elderly but who are otherwise infirm. For the purposes of this Agreement, the term "elderly" refers to any person over the age of fifty-five (55) years, and the term "infirm" refers to any person who has a permanent physical or mental disability which substantially limits one or more of such person's major life activities.

FAITH SLC is intended to be a residential community where people, such as you, can live together in peace and harmony in an atmosphere of Christian lifestyle and morality, serving and being served in comfortable surroundings. In signing this agreement you agree to live by these standards prescribed by FAITH and put into practice by those who administer FAITH SLC. Both you and we agree to maintain these standards.

FAITH SLC is subject to recorded restrictive covenants which, in part, read as follows:

- 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
- E. 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;
- F. The Architect's Master Plan specifically includes the addition of the structures for the Senior Living Community 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 Community, as shown on the Architect's Master Plan drawing

- G. In October, 2013 the governing body of Faith Church adopted a resolution clarifying and declaring that the Senior Living Community is associated with and tied to the core nonprofit, exempt religious purposes and activities of Faith Church; and provided that the proposed Senior Living Community 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 Community 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 Community will be determined to balance proper fiscal stewardship, while maintaining costs as low as reasonably possible; that the proposed Senior Living Community 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 Community 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 Community 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.

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

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 Community 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 OCCUPY A HOME
IN FAITH SENIOR LIVING COMMUNITY**

1. **Community Construction.** 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 "A". The approximate cost and value of this portion of the Community is between \$500,000 - \$600,000. This is being provided by the congregation of Faith Church to convey our love for you and for each of our senior citizens and our desire to make your later years as joyful and productive as possible.

2. **Construction of Homes.** Faith Properties and Faith Church will construct a series of single family homes (hereinafter called "Units "or "homes") as shown in Exhibit "B". 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. **Occupancy Fee.** You will be asked to pay a one-time lump sum **Occupancy Fee in the sum of \$140,000** for Unit Style #1 or #3 or **\$130,000** for Unit Style #2. **Ten percent (10%)** of this sum (\$14,000 for #1 or #3, or \$13,000 for #2) shall be required to secure a home in the Community. The Occupancy Fee shall be paid on a draw schedule based on completion of milestones as shown here:

% Amount	Milestone	Unit Style #1/3	Unit Style #2
10%	Down payment to secure a home in the community	\$14,000	\$13,000
35%	Roof black-in and windows/doors set (roughly end of 1 st construction month)	\$49,000	\$45,500
35%	Paint complete (roughly end of 2 nd construction month)	\$49,000	\$45,500
20%	Occupancy certificate and owner punch complete (end of 3 rd construction month)	\$28,000	\$26,000
Total:		\$140,000.00	\$130,000.00

4. **Financing of Occupancy Fee.** In a limited number of cases, seniors unable to pay \$140,000 for #1 or #3 or \$130,000 for Unit 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 principal is retired.

5. **Departure Sum.** When you die, or you are unable to continue to occupy the Unit, or you choose to move from the Unit, there is the potential of you or your heirs ultimately receiving back a “Departure Sum” of up to \$135,000 for Unit Style #1 or #3, or \$125,000 for Unit Style #2). The Departure Sum will not be paid to you or your heirs until a suitable replacement Resident is approved, and pays his/her/their Occupancy Fee. At that time you or your heirs will also receive whatever remains in your portion of the Senior Living Maintenance Fund (hereafter “SLMF,” described below). You agree and acknowledge that it is possible that in the future 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 replacement Resident should pay you or your heirs, and that will be your Departure Sum.

If you have chosen to borrow a portion of their lump sum payment from Faith Legacy Foundation, the portion of the Occupancy Fee you have paid, less your initial SLMF will be returned to you or your heirs when/if a suitable replacement Resident is approved, and pays his/her/their Occupancy Fee. At that time you or your heirs will also receive whatever remains in your portion of the SLMF. Faith Properties, Inc, Faith Church of Lafayette, Inc., and Faith Legacy Foundation make no assurances and shall bear no responsibility for the timing of when a suitable replacement Resident will be approved and will have paid the required Occupancy Fee in order for your Departure Sum to be paid, or the exact amount of the Departure Sum that will ultimately be paid.

You may consider donating all or part of your Departure Sum as part of your end of life stewardship planning.

6. **Title Remains in the Name of Faith and All Units Are Owned by Faith.** You agree and acknowledge that you will NOT be the title owner to the residential building and grounds you will occupy (your Unit). The title of said real estate will always remain in the name of Faith Properties, Inc. Nonetheless, you are encouraged to refer to the Unit as “my home” or “my unit” or “my place,” since our desire is for you to enjoy and have in every sense the thought and feeling that the Unit is yours to fully use for your own benefit and pleasure.

AGREEMENTS FOR THE ONGOING MAINTENANCE FOR HOMES IN FAITH SENIOR LIVING COMMUNITY

7. **Initial Equipping.** Each home will be initially equipped for the first residents with new kitchen appliances and will be completely landscaped before you move in. Moving-in help shall also be made available from the membership of Faith Church to make the process as easy as possible.

8. **Routine Maintenance.** Some routine maintenance shall be provided free of charge for your by Faith Church. This includes lawn maintenance and snow removal.

9. **SLMF. \$5,000** of your Occupancy Fee shall be reserved in your name as your part of the Senior Living Maintenance Fund (“SLMF”). You agree to pay **\$50 per month** to Faith Properties to offset part of the cost of some routine maintenance. Any unused portion of said monthly payment will be added in your name to your part of the SLMF. If your total in your part of the SLMF ever reaches \$10,000, you will no longer be asked to contribute additionally until that total goes back down to \$5,000. If the fund goes below \$5,000, you agree to increase your monthly contribution until the total of \$5,000 in your part of the SLMF is reached again, at which time regular monthly payments of \$50 per month will resume. Faith Properties shall be empowered and authorized to apply funds in your part of the SLMF to pay any of your required payments or expenses that are not paid when due, along with all late fees or charges for any of your expense items shown in paragraphs 14, 15, 16, 17, 18 and others, set out herein.

10. **Scheduled Maintenance.** Some routine maintenance shall be automatically scheduled by Faith Properties and charged to your part of the SLMF. This includes items like annual HVAC maintenance, annual pest control, etc.

11. **Small Maintenance Concerns.** Other small maintenance concerns (leaky faucets, nicked paint, etc.) should be communicated to the Senior Living Maintenance Coordinator who 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 your part of the SLMF.

12. **Larger Maintenance Concerns.** Larger maintenance requirements (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 your part of the SLMF. The primary purpose of the SLMF is to help Residents be prepared in the event of such large costs. Contractor and equipment selections for larger maintenance concerns must be approved by the Senior Living Maintenance Coordinator.

13. **Trash.** A private contractor will be selected by Faith Properties to pick up your trash at the curbside once per week. In inclement weather, you may call Faith Church and request help moving your trash to the curb. The cost of the weekly trash service shall be paid by you. Even if you will be gone for extended periods of time, you will still be expected to pay for trash service unless an alternate arrangement can be made with the private trash hauler.

14. **Gas.** Each home will have an individual gas meter and the gas bills for your Unit will be in your name, and you will pay your gas bills directly to the gas company.

15. **Electric.** Each home will have an individual electric meter and the electric bills for your Unit will be in your name, and you will pay your electric bills directly to the electric company.

16. **Water.** Each home will have an individual water meter and the water bills for your Unit will be in your name, and you will pay your water bills directly to the water company.

17. **Phone/Data**. Each home will be wired for phone, data, and cable TV. You are to work directly with each such provider to determine exact cluster of services you desire and the costs for such services will be paid by you directly to the provider.

18. **Real Estate Property Taxes**. It is our assumption that the homes in the Faith Senior Living Community will be exempt from property tax. However, if at any it is determined by our county that the homes are subject to real estate property tax, you will be responsible to pay for the portion attributable to your Unit.

19. **Occupant Insurance**. You are required to obtain and maintain in effect occupant insurance acceptable to the senior living committee. You shall provide current proof of insurance to the senior living committee.

20. **Other Service Providers**. You should not call or schedule other service providers to perform maintenance to or around your Unit without first obtaining approval therefor from the Senior Living Maintenance Coordinator.

21. **Landscaping and Appearance**. To maintain a uniform look for the subdivision, you shall not plant additional landscaping or install lawn decorations without first receiving permission from the Senior Living Maintenance Coordinator. This restriction does not include seasonal flowers.

22. **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 you would like to install draperies at your expense.

23. **Assessing Condition by Next Resident**. When you move out of your Unit, the subsequent resident(s) 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 part of the SLMF.

24. **Subleasing**. Subleasing is prohibited unless it is approved in advance by the senior living committee. The senior living committee has sole discretion whether to deny or approve a request for subleasing, and its decision is non-appealable.

RESIDENT LIFE IN FAITH SENIOR LIVING COMMUNITY

25. **Meals**. You and other Residents may choose to schedule joint meals at the Clubhouse. There will be no paid staff cooking for you. You 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.

26. **Activities**. You and the other Residents are encouraged to plan joint activities at the Clubhouse or to go to outside stores, attractions, etc. The directors of Faith Church's Caleb's Kin ministry will assist in these efforts. You are also encouraged to serve and participate in the many ministries that take place on the campus of Faith Church, and to receive the benefits and blessings available due to living on the Faith campus.

27. **Health Care.** There will be no paid medical staff at Faith SLC. You are encouraged to help transport one another to doctor's appointments, etc. Local home health care companies may be employed by you if needed. Faith Properties recognizes that in some cases, Faith SLC may not be your final residence on earth. However, our goal is to allow you to maintain independent, productive and healthy living as long as possible.

28. **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 Bible-based problem solving.

29. **Use of Your Unit.** Your Unit shall be used as a residence by and for you. You agree to abide by any rules or regulations established by FAITH. No person other than those meeting the Criteria of Eligibility may reside in your Unit unless written permission is obtained in advance from senior living committee. Resident shall not sublet the apartment home to anyone without prior approval.

30. **Furnishings.** You are to provide the furnishings within your Unit.

31. **Cleanliness.** You agree that it is your responsibility to keep your Unit clean including carpet cleaning.

32. **No Smoking.** FAITH SLC is a smoke free facility. There is to be no smoking on the premises by you or your guests.

33. **Amendments.** No amendment of this Agreement between you and us is valid unless contained in writing executed by both, you and us.

34. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

35. **Entire Agreement.** This Agreement, including the Recitals, constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

36. **Successors and Assigns.** This Agreement shall be binding upon, and shall be enforceable by, you and your heirs, executors, administrators and legal representatives, and by us and our successors and assigns.

37. **Law to be Applied.** This agreement is to be interpreted under the laws of the State of Indiana.

38. **Counterparts.** This Agreement may be executed in two counterparts, each of which shall be deemed to be an original and both of which together shall constitute one and the same instrument.

39. **Biblical Dispute Resolution.** The parties hereby exercise their election, as provided in Indiana's Uniform Arbitration Act (I.C. §34-57-2-1 et seq.) to submit any disputes relating to this Agreement to Biblical resolution. The parties to this agreement are Christians and believe that the Bible commands them to make every effort to live at peace and to resolve disputes with each other in private or within the Christian church (see Matthew 18:15-20; 1 Corinthians 6:1-8). Therefore, the parties agree that any claim or dispute arising from or related to this agreement shall be settled by biblically-based conciliation, mediation or arbitration. The Parties agree that first they will in good faith use every reasonable effort to resolve any dispute, including direct communication and/or the use of a neutral intermediary who is known to be wise and godly.

If the dispute remains after said good faith efforts, then the parties agree to submit the dispute to legally binding arbitration, in accordance with the Rules of Procedure for Christian Conciliation of the Institute for Christian Conciliation, a division of Peacemaker® Ministries (1537 Avenue D, Suite 352, Billings, MT), including its Rules as found at www.HisPeace.org. Judgment upon such arbitration decision may be entered in any court otherwise having jurisdiction. The parties understand that these Christian dispute resolution methods shall be the sole remedy for any controversy or claim arising out of this agreement and all parties **expressly waive their right to file a lawsuit** in any civil court against one another for such disputes, except to enforce an arbitration decision of such binding Christian Arbitration. The arbitration decision can include injunctive relief, monetary damages, attorney's fees, and costs of arbitration.

IN WITNESS WHEREOF, the Parties have hereto affixed their signature, the date and year first mentioned above. Signed by:

FAITH PROPERTIES, INC. /FAITH CHURCH

By: _____

Its: _____

RESIDENT(S)

[.07.10.2014]

EXHIBIT "B": Engineering Site Plan

Please note that this is a preliminary drawing and is subject to some minor modifications.

