

ADIRONDACK COMMUNITY HOUSING TRUST GROUND LEASE

THIS LEASE (“this Lease” or “the Lease”) made and entered into this ____th day of _____, 2020, by and between ADIRONDACK COMMUNITY HOUSING TRUST (“ACHT”) and _____ (“Homeowners”) regarding property at _____.

WHEREAS, ACHT is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low and moderate income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of ACHT is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by ACHT in furtherance of these charitable purposes; and

WHEREAS, the Homeowner shares the purposes and goals of ACHT and has agreed to enter into this Lease not only to obtain those benefits to which the Homeowner is entitled under this Lease, but also to further the charitable purposes of ACHT; and

WHEREAS, ACHT and Homeowner recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by ACHT and Homeowner that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of ACHT and Homeowner, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ACHT and Homeowner agree as follows:

ARTICLE 1: Letters of Stipulation and Acknowledgment

1.1 Attached as Exhibit LETTERS OF STIPULATION AND ACKNOWLEDGMENT and made part of this Lease by reference are (a) a Letter of Stipulation of Homeowner, and (b) a Letter of Acknowledgment of legal counsel of Homeowner, setting forth their respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 PREMISES: ACHT, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Homeowner, and Homeowner does hereby take and hire from ACHT, the property (referred to in this Lease as the “Leased Premises”) described in the attached Exhibit PREMISES. ACHT has furnished to Homeowner a copy of the most current, if any, title report previously obtained by ACHT for the Premises, and Homeowner accepts title to the Leased Premises in their condition “as is” as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: ACHT reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Homeowner under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by ACHT of minerals or other extractive resources shall be carried out with as little disruption to the Homeowner as is reasonably possible. In instances requiring a material disruption of the Homeowner’s right of use and occupancy of the Leased Premises, ACHT shall not make such extraction without the consent of the Homeowner.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the _____th day of _____, 2020, and terminating on the _____th day of _____, _____, unless terminated sooner or extended as provided below.

3.2 HOMEOWNER’S OPTION TO EXTEND: Homeowner may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that ACHT may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Homeowner’s rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, ACHT shall give Homeowner written notice, stating the date of expiration of the Lease, describing any changes that ACHT intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below (“the Expiration Notice”).

Homeowner’s right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of the Expiration Notice, Homeowner shall give ACHT written notice, irrevocably exercising the option to extend (“the Extension Notice”); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Homeowner under this Lease or under any loan documents between Homeowner and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Homeowner has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF LAND OWNERSHIP; HOMEOWNER'S RIGHT TO PURCHASE:

In the event that ownership of the land comprising the Leased Premises (The Land") is conveyed or transferred (whether voluntarily or involuntarily) by ACHT to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event ACHT desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Homeowner shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Homeowner shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable zoning law as indicated in the attached Exhibit ZONING. [In addition, use of the Leased Premises shall be further limited by the restrictions set forth in the attached Exhibit RESTRICTIONS.]

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Homeowner shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Homeowner shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Homeowner shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Homeowner shall occupy the Leased Premises for at least nine (9) months of each year of this Lease, unless otherwise agreed by ACHT. Occupancy by children or other immediate family members or dependents of Homeowner shall be considered occupancy by Homeowner.

4.5 INSPECTION: ACHT may inspect any portion of the Leased Premises except the interior(s) of Homeowner's Improvements, at any reasonable time, but not more than three times in a single calendar year, and in any reasonable manner, upon at least twenty-four hours' oral notice to Homeowner. In the event of emergency, ACHT may inspect any portion of the Leased Premises except the interior(s) of Homeowner's Improvements without notice provided ACHT shall have made reasonable efforts to give advance notice to Homeowner. Notwithstanding the foregoing, ACHT may inspect any portion of the Leased Premises including the interior(s) of Homeowner's Improvements, with at least twenty-four hours notice, provided that ACHT has received an Intent-To-Sell Notice, as defined in Section 10.4 below, from Homeowner.

4.6 HOMEOWNER'S RIGHT TO PEACEFUL ENJOYMENT: Homeowner has the right to undisturbed enjoyment of the Leased Premises, and ACHT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Homeowner, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Homeowner shall pay to ACHT a monthly ground lease fee (the "Ground Lease Fee") of Twenty-five dollars (\$25), \$300 payable annually.

5.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to ACHT, at the address specified in this Lease as ACHT's address, on the first day of each month for as long as this Lease remains in effect, unless, with ACHT's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold and the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to ACHT out of any proceeds from the sale of the Improvements otherwise due to Homeowner at the time of such sale.

5.3 CALCULATION OF GROUND LEASE FEE: The Ground Lease Fee specified in Section 5.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Leased Premises has been established, current as of the commencement of the lease term, recognizing that use and resale of the Leased Premises is restricted by some of the provisions of the Lease. Then the affordability of this monthly amount for the Homeowner has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in Section 5.1 above, which has been determined to be affordable for Homeowner.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: ACHT may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Homeowner. Any such reduction, delay or waiver must be in writing and signed by ACHT before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in Section 5.1 above, as adjusted in the way provided below, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy are suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by ACHT to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease, but initially an amount not to exceed \$200.00. In such event, ACHT shall notify Homeowner of the amount calculated in this way, and the Ground Lease Fee shall then be this amount.

In order to keep the Ground Lease Fee reasonably current, the amount specified in Section 5.1 (and the maximum amount specified in the preceding paragraph) shall be reviewed and may be recalculated every tenth year during the term of the Lease. At such intervals, the amount shall be recalculated through such reasonable process as ACHT shall choose, based upon the standards set forth in Section 5.3 above. ACHT shall notify Homeowner promptly upon recalculation of the new Ground Lease Fee amount, and if Homeowner does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by ACHT in the notice. If Homeowner does state objections to the recalculated Ground Lease Fee, and ACHT and Homeowner are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of ACHT's receipt of Homeowner's objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Ground Lease Fee in accordance with the terms of this section, ACHT shall maintain in its file a notarized certification of the amount of such recalculated Ground Lease Fee and the process by which it was determined.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS Homeowner shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased Premises. Homeowner shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills ACHT for the taxes on the Leased Premises, ACHT shall pass the responsibility for this expense to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER'S RIGHT TO CONTEST: Homeowner shall have the right to contest the amount or validity of any taxes or tax assessments relating to the Improvements and Leased Premises. ACHT shall, upon written request by Homeowner, join in any such proceedings if Homeowner reasonably determines that it is necessary or convenient for ACHT to do so. All other costs and expenses of such proceedings shall be paid by Homeowner.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Homeowner fails to pay the taxes or other charges specified in Section 6.1 above, ACHT may increase, but shall not be obligated to increase, Homeowner's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, ACHT shall pay the amount collected to the taxing authority in a timely manner.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Homeowner or constructed or placed by the Homeowner on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Homeowner. Title to such Improvements shall be and remain vested in the Homeowner. However, Homeowner's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Homeowner and ACHT's option to purchase the Improvements. In addition, Homeowner shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY HOMEOWNER: Homeowner is simultaneously purchasing the Improvements now located on the Leased Premises and described in the Deed, the form of which is annexed to this Lease as Exhibit DEED.

7.3 CONSTRUCTION AND ALTERATION: Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by the Homeowner; (b) all construction shall be performed in a worker like manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 4; (d) the exterior (including height) of such Improvements shall not be increased or expanded and

new Improvements (including outbuildings and other permanent structures such as swimming pools) shall not be constructed without the prior written consent of ACHT, who, however, shall not unreasonably withhold such consent; and (e) Homeowner shall furnish to ACHT a copy of any plans and all building permits for such construction prior to commencing construction.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to ACHT's title to the Land or to ACHT's interest in the Leased Premises or to any other property owned by ACHT. Homeowner shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of ACHT or Homeowner which remains more than sixty (60) days after it has been filed. Homeowner shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Homeowner fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, ACHT may, but shall not be obligated to, discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by ACHT to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Homeowner upon demand.

7.5 MAINTENANCE AND SERVICES: Homeowner shall, at Homeowner's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. ACHT shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Improvements, and Homeowner hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Homeowner shall surrender the Improvements together with the Leased Premises to ACHT. Ownership of the Improvements shall thereupon revert to ACHT, provided, however, that ACHT shall promptly pay to Homeowner as consideration for the Improvements an amount equal to ACHT's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Homeowner may mortgage the Leased Premises only with the written consent of ACHT. Not less than thirty (30) days prior to the date on which Homeowner (or a prospective Homeowner who has contracted to purchase the Improvements) requests ACHT's consent to a mortgage to be effective, Homeowner (or prospective Homeowner) shall furnish to ACHT copies of every document to be executed in connection with the transaction represented by such mortgage. ACHT may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, ACHT shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Homeowner (or prospective Homeowner) for the execution of such documents, no default is then outstanding; and (b) The mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit PERMITTED MORTGAGES. Homeowner shall pay to ACHT at ACHT's option, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by ACHT in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagee) shall without requirement of consent by ACHT have the rights identified and defined in the attached Exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred;

8.4 ACHT'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Homeowner's authorization to encumber its leasehold interest with a Permitted Mortgage if Homeowner could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Homeowner hereby irrevocably assigns to ACHT any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Homeowner, to the extent such net proceeds exceed the net proceeds that Homeowner would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to ACHT. In the event that, for any reason, such excess proceeds are paid to Homeowner, Homeowner hereby agrees to promptly pay the amount of such excess proceeds to ACHT.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE:

Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER'S LIABILITY: Homeowner assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF ACHT: Homeowner shall defend, indemnify and hold ACHT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Homeowner waives all claims against ACHT for such injury or damage. However, ACHT shall remain liable (and Homeowner shall not indemnify and defend ACHT against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of ACHT or ACHT's agents or employees.

9.3 PAYMENT BY ACHT: In the event that ACHT shall be required to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse ACHT for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Homeowner shall, at Homeowner's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements.

Homeowner shall, at Homeowner's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than Five Hundred Thousand dollars (\$500,000) for injury to or death of any one person; and Five Hundred Thousand dollars (\$500,000) for injury to or death of any number of persons in one occurrence; and Two Hundred Thousand dollars (\$200,000) for property damage. The dollar amounts of this coverage shall be adjusted upon ACHT's demand given not more often than annually, upon 30 days' notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for All Urban Consumers or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Bureau of Labor Statistics of the U.S. Department of Labor. Such insurance shall specifically insure Homeowner against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure ACHT as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for ACHT and Homeowner.

Homeowner shall provide ACHT with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to ACHT. ACHT shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Homeowner, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Homeowner has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Homeowner may terminate this Lease by written notice to ACHT given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by ACHT. During this forty-five-day period ACHT may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent of the cost of repair and restoration. If successful in securing such adjustment, ACHT may render Homeowner's termination notice null and void by written notice to Homeowner within such forty-five-day day period. If ACHT fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Homeowner on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Homeowner (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable ACHT's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to ACHT.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Homeowner is required to give up possession of the Leased Premises or Improvements, and the entire

amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to ACHT.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, ACHT may in its discretion allocate some or all of the monetary compensation to enable Homeowner to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or Homeowner of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, ACHT shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

9.8 RELOCATION OF HOMEOWNER: In the event of a termination of this Lease as a result of damage, destruction or taking, ACHT shall take reasonable steps to grant Homeowner a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Homeowner agrees to contribute any proceeds or award received by Homeowner to purchase or develop Improvements on such tract. ACHT's failure to supply such a leasehold interest shall not give rise to any cause of action by Homeowner against ACHT.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Homeowner may transfer its interest in the Leased Premises or the Improvements only to ACHT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to ACHT's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-Qualified Person" shall mean a person or group of persons whose household income does not exceed One Hundred Twenty percent (120%) of the median household income for the applicable County or Standard Metropolitan Statistical Area as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 TRANSFER TO HOMEOWNER'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Homeowner (or the last surviving co-owner of the Improvements) ACHT shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Homeowner listed below as "a" or "b," provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to ACHT to be attached to the Lease when it is transferred to the heirs:

- a) the spouse or domestic partner of the Homeowner; or
- b) the child or children of the Homeowner.

Any other heirs, legatees or devisees of Homeowner must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to ACHT's reasonable satisfaction that they are Income-Qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 HOMEOWNER'S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to assign its interest in the Leased Premises and sell the Improvements, Homeowner shall notify ACHT, in writing, of such wish (the Intent-to-Sell Notice). Such Notice shall include a statement as to whether Homeowner wishes to recommend a prospective buyer as of the date of the Notice.

10.5 APPRAISAL: No later than ten (10) days after ACHT's receipt of Homeowner's Intent-to-Sell Notice, a market valuation of the Leased Premises and the Improvements (The Appraisal) shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. The Homeowner shall pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the

restrictions of this Lease on the use of the Land and the transfer of the Improvements. Copies of the Appraisal are to be provided to both ACHT and Homeowner.

10.6 ACHT'S PURCHASE OPTION. Upon receipt of an Intent to Sell Notice from Homeowner, ACHT shall have the option to purchase the Improvements (the Purchase Option) at the Purchase Option Price calculated as set forth in section 10.9 below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If ACHT elects to purchase the Improvements, ACHT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, ACHT may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to an income-qualified person.

The purchase (by ACHT or ACHT's assignee) must be completed within sixty (60) days of ACHT's Notice of Exercise of Option, or Homeowner may sell the Improvements as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of ACHT and Homeowner.

Homeowner may recommend to ACHT a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Stipulation and Acknowledgement indicating informed acceptance of the terms of this Lease. ACHT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless ACHT determines that its charitable mission is better served by retention of the Improvements for another purpose or transfer of the Improvements to another party.

10.7 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if ACHT has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Homeowner may sell the Improvements and assign the Lease to any Income-Qualified Person, for not more than the then applicable Purchase Option Price. If, six months after the expiration of the Purchase Option or the expiration of said sixty-day period, the Improvements still have not been sold, Homeowner may sell the Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 ACHT'S POWER OF ATTORNEY TO CONDUCT SALE: In the event ACHT does not exercise its option and complete the purchase of the Improvements as set forth above, and Homeowner (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Homeowner does hereby appoint ACHT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and

distribute proceeds of sale, minus ACHT's costs of sale and reletting and any other sums owed ACHT by Homeowner.

10.9 PURCHASE OPTION PRICE: In no event may the Improvements be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall equal the lesser of (a) an amount equal to the appraised value of Homeowner's Ownership Interest (as such term is defined in the following paragraph) at the time of resale or (b) the Formula Price calculated as provided in section 10.10 below.

The value of Homeowner's Ownership Interest at the time of resale is equal to the total appraised value of land and improvements at the time of resale, multiplied by the Ratio of Homeowner's Purchase Price to the total appraised value of land and improvements at the time of Homeowner's purchase (Initial Appraised Value), which ratio shall be expressed as a percentage derived by dividing Homeowner's Purchase Price by the Initial Appraised Value. The appraisal of land and improvements at the time of resale shall be carried out in accordance with Section 10.5 above.

Homeowner's Purchase Price: The Parties agree that the price paid by Homeowner upon the execution of this lease (Homeowner's Purchase Price) is \$ _____.

Initial Appraised Value: The parties agree that the total appraised value of land and improvements at the time of Homeowner's purchase (the Initial Appraised Value) is \$ _____, as documented by the appraiser's report attached to this Lease as Exhibit INITIAL APPRAISAL,

10.10 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be equal to (a) the amount of Homeowner's Purchase Price (as stated above), plus (b) the total amount of any duly approved Capital Improvement Credits (determined in accordance with Section 10.11 below), plus (c) 25% of an amount equal to any increase in the appraised value of Homeowner's Ownership Interest minus the amount of the Improvement credit, if any.

10.11 CREDIT FOR CAPITAL IMPROVEMENTS. For purposes of calculating the Formula Price, ACHT may grant Homeowner a Capital Improvement Credit equal to all or some part of the appraised value of major capital improvements made on the Leased Premises at Homeowner's expense. The amount to be granted by ACHT shall be determined as follows.

Prior to undertaking construction or modification of any structure located on the Leased Premises ("the Construction") for which Homeowner desires to receive a Capital Improvement Credit, Homeowner shall submit a written request to ACHT for a determination of whether the Construction is such as might be approved as qualifying for a Capital Improvement Credit. Within thirty (30) days of receipt of such request, ACHT shall notify Homeowner in writing of its determination as to whether the Construction might be approved as qualifying for a Capital Improvement Credit. In making such determination, ACHT shall consider the extent to which the Construction would increase the usefulness of the Improvements for the purposes permitted under this Lease. Final

approval of such Credit, and of the amount of such Credit, shall be given only subsequent to and in accordance with the following process.

If ACHT has determined that the Construction might qualify for a Capital Improvement Credit and if Homeowner wishes to proceed with the Construction, a market appraisal of the Land and all Improvements shall be performed, at Homeowner's expense, by a mutually acceptable property appraiser. Such appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The appraisal shall include an estimate of value before the Construction is undertaken (the "Pre-Construction Appraised Value"), and another estimate of value assuming the Construction is completed in accordance with brief written specifications furnished by Homeowner (the "Post-Construction Appraised Value"). A copy of this appraisal shall be submitted to ACHT and attached to this lease as Exhibit CAPITAL IMPROVEMENT CREDIT (A).

Within thirty (30) days of ACHT's receipt of such appraisal, ACHT shall provide Homeowner with written notice stating whether ACHT will grant a Capital Improvement Credit of the full amount of appraised value added by the Construction (the difference between the Pre-Construction Appraised Value and the Post-Construction Appraised Value), or whether ACHT will approve only a lesser amount determined to be the maximum amount that can be added without sacrificing future affordability for "Income-Qualified Persons" as defined in Section 10.2 above ("The Maximum Affordable Credit"). In determining the Maximum Affordable Credit, ACHT shall first determine what the Formula Price would be if 25% of the Increase in Homeowner's Ownership Interest (the Homeowner's Ownership Interest in the Pre-Construction Appraised Value minus the Homeowner's Ownership Interest in Initial Appraised Value as stated in Section 10.9 above) were added to Homeowner's Purchase Price as stated in Section 10.9 above. ACHT shall then determine the maximum Credit that could be added to such Formula Price without increasing the Purchase Option Price to a level that would not allow affordable monthly payments, at then-current mortgage interest rates, for a reasonable range of household incomes below the maximum income then permitted for an Income-Qualified Person, as defined in Section 10.2 above with a household size appropriate for the Improvements. Such notice by ACHT shall be attached to the Lease as Exhibit CAPITAL IMPROVEMENT CREDIT (B).

Within 60 days of substantial completion of the Construction, and at Homeowner's expense, a market appraisal of the Land and all Improvements shall be performed by a mutually acceptable property appraiser. This appraisal may be a brief update of the appraisal performed before construction. A copy of this appraisal shall be submitted to ACHT and attached to this lease as Exhibit CAPITAL IMPROVEMENT CREDIT (C).

In calculating the Formula Price, the Capital Improvement Credit shall then be the least of (a) the difference between the Pre-Construction Appraised Value and Post-

Construction Appraised Value as indicated by the appraisal conducted prior to construction, or (b) the difference between the Pre-Construction Appraised Value and the final Post-Construction Appraised Value as indicated by the appraisal conducted following the completion of construction, or (c) the Maximum Affordable Credit.

Homeowner may receive more than one Capital Improvement Credit but must follow the process laid out above in seeking each such credit.

10.12 TRANSFER FEE: In the event that Homeowner sells the Improvements directly to a party other than ACHT, the price to be paid by such purchaser shall include in addition to the Purchase Option Price, at the discretion of ACHT, a transfer fee to compensate ACHT for carrying out its responsibilities with regard to the transaction. The amount of the transfer fee shall be no more than six percent (6%) of the Purchase Option Price. Transfer fee is to be paid to ACHT.

10.13 QUALIFIED PURCHASER’S CHOICE OF NEW LEASE OR ASSIGNMENT OF EXISTING LEASE: An income qualified person who purchases the Improvements in accordance with the provisions of this Article 10 shall have the option of receiving either an assignment of this Lease from the seller, with the approval of ACHT, or a new Lease from ACHT, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Homeowner and ACHT.

The following worksheet is to be used to calculate the Formula Price as defined above:

1	Homeowner’s Purchase Price: from Section 10.9 above	\$
2	Initial Appraised Value: from Section 10.9 above	\$
3	Appraised Value at Time of Resale: Determined in accordance with Section 10.5 above	\$
4	Capital Improvement Credit: Determined in accordance with Section 10.11 below	\$
5	Amount of increase in appraised value from date of purchase: Subtract line 4 from line 3	\$
6	Amount of Increase in Homeowner’s Ownership Interest to be shared: subtract line 2 from line 5 (if result is negative, enter 0)	\$
7	Homeowner’s Share of Increase in Homeowner’s Ownership Interest: Multiply line 6 by 25% (.25)	\$
8	Preliminary Resale Price: add lines 1, 4, and 7	\$
9	Transfer fee (as outlined in 10.12)	\$
10	Resale Formula Price, add lines 8 and 9	\$

ARTICLE 11: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit PERMITTED MORTGAGES) and Article 10, Homeowner shall not assign, sublease, sell or otherwise convey any of Homeowner’s rights under this Lease without the prior written consent of

ACHT. Homeowner agrees that ACHT shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

- a) Any such assignment or sublease shall be subject to all of the terms of this Lease.
- b) In the case of a sublease, the rental or occupancy fee charged the sub Homeowner shall not be more than that amount charged the Homeowner by ACHT, plus an amount approved by ACHT to cover costs to Homeowner for the Improvements.
- c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by ACHT to Homeowner and Permitted Mortgagee. However, if Homeowner shall make a good faith partial payment of at least two-thirds (2/3) of the amount owed during such initial 30-day period, then such period shall be extended one additional 30-day period.

12.2 NON-MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to abide by any other material term or condition in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by ACHT to Homeowner and Permitted Mortgagee. However, in the case where the Homeowner or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY HOMEOWNER RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Homeowner's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above, ACHT may terminate this Lease and initiate summary proceedings against Homeowner. Pursuant to such proceedings, without demand or notice, ACHT may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Homeowner and those claiming rights through Homeowner and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by ACHT, or if ACHT re-enters the Leased Premises pursuant to an Event of Default, the Homeowner agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by ACHT in pursuit of its remedies under this Lease.

If ACHT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner's interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY ACHT: ACHT shall in no event be in default in the performance of any of its obligations under the Lease unless and until ACHT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to ACHT properly specifying ACHT's failure to perform any such obligation.

ARTICLE 13: ARBITRATION

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between ACHT and Homeowner concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used.

ACHT or Homeowner shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing ACHT and Homeowner shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to ACHT and Homeowner of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the

Homeowner. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.6 WAIVER: The waiver by ACHT at any given time of any term or condition of this Lease, or the failure of ACHT to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. ACHT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by ACHT before being effective.

The subsequent acceptance of Ground Lease Fee payments by ACHT shall not be deemed to be a waiver of any preceding breach by Homeowner of any term or condition of this Lease, other than the failure of the Homeowner to pay the particular Ground Lease Fee so accepted, regardless of ACHT's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7 ACHT'S RIGHT TO PROSECUTE OR DEFEND: ACHT shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Homeowner's name, any actions or proceedings appropriate to the protection of its title to, and Homeowner's interest in the Leased Premises. Whenever requested by ACHT, Homeowner shall give ACHT all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 PARTIES BOUND: This Lease sets forth the entire agreement between ACHT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by ACHT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of the State of New York. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against ACHT or Homeowner.

14.12 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to ACHT's attorneys. In no event shall such document set forth the rent or other charges payable by Homeowner under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this lease at _____ P.M. on the _____ day and year first above written.

(ACHT)

By:

Witness

Its duly authorized agent

Homeowner:

Witness

[notarize signatures]

Exhibit LETTERS OF STIPULATION AND ACKNOWLEDGMENT

Exhibit DEED

Warranty Deed

Between

ADIRONDACK COMMUNITY HOUSING TRUST (“Grantor”), a not-for-profit corporation having its principal offices at 103 Hand Avenue, Elizabethtown, New York, and

MARY DOE (Grantee”), residing at 0000 Main Street, Hometown, New York.

Witnesseth

That Grantor, in consideration of one dollar and other good and valuable consideration paid by Grantee, does hereby grant and release unto Grantee, her heirs, or successors and assigns forever,

THE BUILDINGS AND IMPROVEMENTS ONLY, as presently erected on the premises described in Schedule “A” attached hereto and made a part hereof.

It is the intention of the parties that the real property underlying the buildings and improvements conveyed herein remain vested in Grantor and that this warranty deed convey only such buildings and improvements as are presently erected upon the subject premises.

In witness whereof, as authorized agent of the Grantor, I hereunto set my hand this ____ day of _____, A.D. 2020.

signature

[notary]

Exhibit PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) STANDARD PERMITTED MORTGAGE: A “Standard Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called “institutional lender” such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a “community development financial institution” as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and the Homeowner’s interest in the Leased Premises (the “Security”).

3) Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor’s obligations thereunder, the holder of such Mortgage shall notify ACHT of such fact and ACHT shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor’s name and on mortgagor’s behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify ACHT of its intention to do so and ACHT shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Homeowner’s interest in the Leased Premises by the Permitted Mortgagee, the

Permitted Mortgagee shall give ACHT written notice of such acquisition and ACHT shall have an option to purchase the Improvements and acquire the Homeowner's interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that ACHT gives written notice to the Permitted Mortgagee of ACHT's intent to purchase the Improvements and acquire the Homeowner's interest in the Leased Premises within thirty (30) days following ACHT's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Homeowner's interest; further provided that ACHT shall complete the purchase of the Improvements and acquisition of Homeowner's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if ACHT does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Homeowner's interest in the Leased Premises to another person;

6) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the New York Adirondacks area by institutional mortgagees.

7) Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering ACHT or any subsequent holder of ACHT's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8) Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to ACHT or ACHT's interest in the Leased Premises, but will look solely to Homeowner, Homeowner's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that ACHT's consent to such Mortgage shall be without any liability on the part of ACHT for any deficiency judgement).

9) Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE 9 hereof.

10) Such Mortgage and related documentation shall contain nothing that obligates ACHT to execute an assignment of the Ground Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1) A Permitted Mortgagee shall without requirement of consent by ACHT have the right, but not the obligation, to:

a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Homeowner;

b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3) In the event that title to the estates of both ACHT and Homeowner shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of ACHT is owned at any time by Homeowner (regardless of a merger), or by any person in which Homeowner has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Homeowner under the Lease as condition to the forbearance by ACHT in the exercise of ACHT's remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, ACHT shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to ACHT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to ACHT for such new lease within

sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by ACHT, Homeowner and the Permitted Mortgagee.

5) ACHT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that ACHT sends a notice of default under the Lease to Homeowner, ACHT shall also send a notice of Homeowner's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to ACHT by a written notice to ACHT sent in the manner set forth in said Section 14.2 of the Lease.

Exhibit FIRST REFUSAL

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale (“Offering Party”) shall within the term of the Ground Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the “Holder”) shall have the following rights:

a) Offering Party shall give written notice of such offer (“the Notice of Offer”) to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer (“the Election Period”) within which to exercise the right of first refusal by giving notice of intent to purchase the property (“the Notice of Intent to Purchase”) for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

Other Exhibits to be Attached as Appropriate

Exhibit PREMISES

Exhibit ZONING

Exhibit RESTRICTIONS

Exhibit INITIAL APPRAISAL

Exhibit CAPITAL IMPROVEMENT CREDIT [if required under section 10.11]