

GROUND LEASE AND RIDER

THIS GROUND LEASE AND RIDER (“this Lease” or “the Lease”) entered into this [REDACTED] day of [REDACTED], 20[REDACTED], between **The Cottages at Plum Point, LLC** (“Ground Lessor”) and [REDACTED] (“Home Owner” and together with Ground Lessor the “Parties”).

WITNESSETH

WHEREAS, The Cottages at Plum Point, LLC, a New York limited liability company with offices at 68 Castle Street, Suite 1C, Geneva New York 14456, is the developer of a Homeowners’ association of twenty-nine (29) single-family cottages and certain limited amenities.

WHEREAS, Ground Lessor is the fee simple owner of the Leased Land, as defined herein.

WHEREAS, Home Owner desires to lease the Leased Land from Ground Lessor in accordance with the terms hereof; and

WHEREAS, Ground Lessor agrees to lease the Leased Land to Home Owner on the terms and conditions hereinafter set forth.

NOW THEREFORE, Home Owner and Ground Lessor agree on all of the terms and conditions of this Lease as set forth below.

DEFINITIONS: Home Owner and Ground Lessor agree on the following definitions of key terms used in this Lease.

- A. Leased Land: the parcel of land, described in Exhibit A, that is leased to the Home Owner.
- B. Home: the residential structure and other permanent improvements now or hereafter located on the Leased Land and owned by the Home Owner.
- C. Ground Rent: The monthly rent that the Home Owner pays to Ground Lessor for the continuing use of the Leased Land and any additional amounts that Ground Lessor charges to the Home Owner for reasons permitted by this Lease, as defined in Article 4 of this Lease.
- D. Permitted Leasehold Mortgage: A mortgage on the Home and the Home Owner’s right to possess, occupy and use the Leased Land granted to a lender by the Home Owner with Ground Lessor’s written permission. The Home Owner may not mortgage Ground Lessor’s interest in the Leased Land, and may not grant any mortgage without Ground Lessor’s written permission.
- E. Event of Default: Any violation of the terms of the Lease unless it has been corrected by Home Owner or the holder of a Permitted Leasehold Mortgage in the specified period of time after a written notice of default has been given by Ground Lessor.
- F. Additional Improvements: Any structural or non-structural improvements, additions, removals and demolitions on or to the Leased Land or the residence thereon, including but not limited to, outbuildings, fences, decks, patios, and sprinkler systems.
- G. Declaration: The Declaration of Covenants, Restrictions, Easements, and Charges for The Cottages Homeowners’ Association, Inc. (“HOA”), a copy of which is attached hereto as Exhibit B-1.
- H. By-Laws: The By-Laws governing the operation of the HOA (a copy of which is attached hereto as Exhibit B-2). The Declaration, the By-Laws and the Rules and Regulations of the HOA (a copy

of which is attached hereto as Exhibit B-3) may be referred to herein as the “Governing Documents”.

ARTICLE 1: Leasing of Rights to the Land

1.1 GROUND LESSOR LEASES THE LAND TO HOME OWNER. Ground Lessor hereby leases to the Home Owner, and Home Owner hereby accepts, the right to possess, occupy and use the Leased Land (described in the attached Exhibit A) in accordance with the terms of this Lease. Ground Lessor has furnished to Home Owner a copy of the most current title report, if any, obtained by Ground Lessor for the Leased Land, and Home Owner accepts title to the Leased Land in its condition “as is” as of the signing of this Lease.

1.2 MINERAL RIGHTS NOT LEASED TO HOME OWNER. Ground Lessor does not lease to Home Owner the right to remove from the Leased Land any minerals lying beneath the Leased Land’s surface. Ownership of such minerals remains with Ground Lessor, but Ground Lessor shall not remove any such minerals from the Leased Land without the Home Owner’s written permission, which shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 2: Term of Lease, Change of Land Owner

2.1 TERM OF LEASE IS 99 YEARS: This Lease shall remain in effect for 99 years, beginning on the [REDACTED] day of [REDACTED], 20[REDACTED], (the “Commencement Date”), and ending on the last day of the calendar month in which the ninety-ninth (99th) anniversary of the Commencement Date occurs, unless ended sooner, in accordance with the terms of this Lease.

2.2 HOME OWNER MAY RENEW THIS LEASE FOR ONE ADDITIONAL PERIOD OF 10 YEARS. Home Owner may renew this lease one (1) time for one additional period of 10 years. Ground Lessor may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Home Owners under the Lease, as set forth herein. Not more than 365 and not less than 180 days before the last day of the original term, Ground Lessor shall give Home Owner a written notice that states the date of the expiration of the original term and the conditions for renewal as set forth in the following paragraph (the “**Expiration Notice**”). The Expiration Notice shall also describe any changes that Ground Lessor intends to make in the Lease for the renewal period as permitted above.

Home Owner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, Home Owner shall give Ground Lessor written notice stating Home Owner’s desire to renew (the “**Renewal Notice**”); (b) this Lease shall be in effect on the last day of the original term, and (c) Home Owner shall not be in default under this Lease or under any Permitted Leasehold Mortgage on the last day of the original term.

When Home Owner has exercised the option to renew, Home Owner and Ground Lessor shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a notice of lease as stated in Section 12.1 below. Ground Lessor shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

2.3 WHAT HAPPENS IF GROUND LESSOR DECIDES TO TRANSFER THE LEASED LAND. If ownership of the Leased Land is ever transferred by Ground Lessor (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new landowner as well as the Home Owner.

ARTICLE 3: Use of Leased Land

3.1 HOME OWNER MAY USE THE HOME ONLY FOR RESIDENTIAL AND RELATED PURPOSES. Home Owner shall use, and allow others to use, the Home and Leased Land only for residential purposes and any activities related to residential use as permitted by local zoning law. Use of the Leased Land shall be further limited by the HOA's Governing Documents.

3.2 HOME OWNER MUST USE THE HOME AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW. Home Owner shall use the Home and Leased Land in a way that will not cause harm to others or create any public nuisance. Home Owner shall dispose of all waste in a safe and sanitary manner. Home Owner shall maintain all parts of the Home and Leased Land in safe, sound and habitable condition, in full compliance with all laws and regulations, the HOA's Governing Documents, and in the condition that is required to maintain the insurance coverage required by Section 8.4 of this Lease. Home Owner shall keep all parts of the Home and Leased Land clean, orderly, and uncluttered. Home Owner shall be responsible for any fines or penalties due to any violations of any law or regulation applicable to the Home or Leased Land by the Home Owner or any and all residents, visitors, and anyone else using the Leased Land with or without Home Owner's permission.

3.3 HOME OWNER IS RESPONSIBLE FOR USE BY OTHERS. Home Owner shall be responsible for the use of the Home and Leased Land by all residents and visitors and anyone else using the Leased Land with or without Home Owner's permission and shall make all such people aware of the restrictions on use set forth in this Lease. If Home Owner or any other person using the Leased Land with Home Owner's permission alter or damage the Leased Land in any material way, Home Owner will pay Ground Lessor on demand for the cost of repairing such alteration or damage.

3.4 LEASED LAND MAY NOT BE SUBLEASED OR ASSIGNED WITHOUT GROUND LESSOR'S PERMISSION. Except as otherwise provided in Section 3.7, Article 7 and Article 9, Home Owner shall not sublease, assign, sell or otherwise convey any of Home Owner's rights under this Lease, for any period of time, without the written consent of Ground Lessor, which consent shall be granted, conditions, delayed, or withheld in Ground Lessor's sole and absolute discretion.

If permission for subleasing or assignment is granted, the transaction shall be subject to the following conditions:

- a) Any sublease or assignment shall be subject to all of the terms of this Lease.
- b) The sublessee or assignee, as the case may be, shall deliver to the Ground Lessor its express agreement to be bound by the terms and provisions of this Ground Lease.

3.5 GROUND LESSOR HAS A RIGHT TO INSPECT THE LEASED LAND. Ground Lessor may inspect any part of the Leased Land except the interiors of fully enclosed buildings, at any reasonable time, after notifying the Home Owner at least 24 hours before the planned inspection. In an emergency,

Ground Lessor may inspect any part of the Leased Land and in the Homes, after making reasonable efforts to inform the Home Owner before the inspection.

If Ground Lessor has received an Intent-To-Sell Notice (as described in Section 9.1 below), then Ground Lessor has the right to inspect the interiors of all fully enclosed buildings to determine their condition prior to the sale. Ground Lessor must notify the Home Owner at least 24 hours before carrying out such inspection.

3.6 HOME OWNER HAS A RIGHT TO QUIET ENJOYMENT. Home Owner has the right to quiet enjoyment of the Leased Land. Ground Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Home Owner in any way not permitted by this Lease or the HOA's Governing Documents.

3.7 LEASE OF HOME. In no event shall the Home Owner lease the Home to one or more parties as a vacation rental for more than 270 days in any 12-month period (which short-time rentals are hereby expressly authorized so long as they are limited in duration as aforesaid and any such leasing party conforms to the Rules and Regulations of the HOA).

ARTICLE 4: Ground Rent

4.1 AMOUNT OF GROUND RENT. The Home Owner shall pay a monthly fee in an amount equal to the sum of (collectively, the "Ground Rent"):

- a) a ground rent of \$ [REDACTED], subject to recurring increase as provided in Section 4.3, to be paid in return for the continuing right to possess, occupy and use the Leased Land, plus
- b) The real estate taxes attributable to any improvements on the Leased Land, subject to the provisions of Section 5.1. If the amount of real estate taxes attributable to each Lot is not separately assessed and stated, Ground Lessor will determine the total amount of real estate taxes attributable to all improvements on the Leased Land and allocate in good faith the real estate taxes attributable to the Home Owner based on square footage of any improvements on the Leased Land, plus
- c) One twenty-ninth (1/29) of the insurance premiums for such insurance Ground Lessor may from time to time carry with respect to the Leased Land, including, without limitation, general liability insurance.

Home Owner shall pay directly to Permitted Leasehold Mortgagee (as defined in the Rider attached hereto), when due, all insurance premiums for the insurance contemplated in Section 4.1(c) hereof. Permitted Leasehold Mortgagee shall remit these payments to the insurance company when due. In the event that Home Owner is not permitted by Permitted Leasehold Mortgagee to pay such insurance premiums to Permitted Leasehold Mortgagee or in the event that Home Owner does not have a mortgage, Home Owner shall pay such insurance premiums directly to Ground Lessor. Ground Lessor shall remit such payments to the insurance company when due.

In addition to the obligations to pay the Ground Rent under this Lease, Home Owner must pay any and all common expenses as assessed by the HOA including but not limited to a monthly maintenance and improvement reserve payment, a common services assessment, including the costs associated with insurance, and any special assessments, as provided for in the Declaration.

4.2 WHEN THE GROUND RENT IS TO BE PAID. The Ground Rent shall be payable to Ground Lessor on the first day of each month for as long as this Lease remains in effect, unless any part of the Ground Rent is to be escrowed and paid by a Permitted Leasehold Mortgagee, in which case such payment shall be made as directed by that Permitted Leasehold Mortgagee. Notwithstanding anything to the contrary contained in the foregoing, for any partial calendar month, the Ground Rent shall be prorated according to the proportion of the number of days of occupancy to the number of days in the month. Notwithstanding anything to the contrary contained in the foregoing, the Home Owner shall pay the real estate taxes attributable to the Home, as described in Section 4.1(b), in two annual installments. The Home Owner shall pay the town/county property taxes before the 15th of January and the school property taxes before the 15th of August.

4.3 GROUND RENT WILL BE INCREASED EVERY FIVE YEARS. The Ground Rent shall be increased every five (5) years, as of the first day of the month during which a fifth (5th) anniversary date hereof occurs, by an amount equal to 10.0% of the Ground Rent payable during the preceding five (5) year period.

4.4. Intentionally Omitted.

4.5 IF PAYMENT IS LATE, LATE FEES AND INTEREST CAN BE CHARGED. If Ground Lessor has not received any installment of the Ground Rent within ten (10) days after the date on which the such installment first becomes payable under this Lease (the "Due Date"), Ground Lessor may require Home Owner to pay a late fee equal to the lesser of three percent (3%) of the amount then due or \$25.00. Ground Lessor may require Home Owner to pay \$40.00 for any check returned by Home Owner's bank. Such late fees and returned check fees shall be deemed additional Ground Rent and shall be paid by Home Owner to Ground Lessor upon demand. Home Owner shall also pay interest on the unpaid amount from the Due Date through and including the date such payment or installment is received by Ground Lessor, at a rate of 2%. Such interest shall be deemed additional Ground Rent and shall be paid by Home Owner to Ground Lessor upon demand; provided, however, that Ground Lessor shall waive any such interest that would otherwise be payable to Ground Lessor if such payment of the Ground Rent is received by Ground Lessor on or before the tenth (10th) day after the Due Date.

4.6 GROUND LESSOR CAN COLLECT UNPAID FEES WHEN HOME IS SOLD. In the event that any amount of payable Ground Rent remains unpaid when the Home is sold, the outstanding amount of payable Ground Rent, including any interest as provided above, shall be paid to Ground Lessor out of any proceeds from the sale that would otherwise be due to Home Owner. Ground Lessor shall have, and the Home Owner hereby consents to, a lien upon the Home for any unpaid Ground Rent. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Leasehold Mortgages as defined in section 7.1 below; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE 5: Taxes and Assessments

5.1 HOME OWNER IS RESPONSIBLE FOR PAYING ALL TAXES AND ASSESSMENTS. As long as the Lease has not been terminated, Home Owner shall pay directly to Ground Lessor, when due, all taxes and governmental assessments that relate to the Home. The Ground Lessor shall remit these payments to the taxing or assessing authority for prompt payment when due. In the event that the Home

Owner is not permitted by the Permitted Leasehold Mortgagee to pay taxes and assessments to the Ground Lessor, Home Owner shall pay taxes and assessments to a separate account maintained by Ground Lessor expressly for the purpose of collecting property taxes for remittance to the appropriate taxing authority. The taxes and governmental assessments that relate to the HOA's common areas and amenities shall be paid to Ground Lessor by the HOA.

5.2 GROUND LESSOR WILL PASS ON ANY TAX BILLS IT RECEIVES TO HOME OWNER. Ground Lessor will, within 15 days of receipt, pass along to the Home Owner copies of any property tax bills it receives relating to the Leased Land, the Home and/or the common areas leased by the HOA from Ground Lessor.

5.3 ALLOCATION OF PROPERTY TAXES AND RIGHT TO DISPUTE. If property taxes are not separately assessed by the taxing authority to individual Homes and to common areas within the community of which they are a part, Ground Lessor shall allocate the full amount attributable to all improvements covered by such assessment to the individual Homes covered thereby (on the basis of relative square footage) and the improvements owned by the HOA, and shall provide copies its allocation calculation to the Home Owner. A Home Owner may dispute such allocation calculation by written notice to Ground Lessor, but only on the basis of the actual tax allocation itself (not on the amount of the overall assessment). If property taxes are separately assessed to individual Homes within the community, the Home Owner shall have the right to contest the amount or validity thereof directly with the taxing authority, provided it pays all costs associated with such contest and does nothing to adversely impact Ground Lessor vis-à-vis the allocation of property taxes as between land and improvements. Unless property taxes are assessed directly on individual Homes within the community of which a particular Home is a part, any contest relating to the amount of such assessment by the taxing authority shall be handled exclusively by the HOA in conjunction with a broader challenge to the assessments relating to Homes within the community generally.

5.4 PARTY THAT PAYS TAXES TO PROVIDE PROOF UPON REQUEST. When a party pays taxes relating to the Home or Leased Land, that party shall furnish satisfactory evidence of the payment to the other party, upon request. A photocopy of a receipt shall be the usual method of furnishing such evidence.

ARTICLE 6: The Home

6.1 HOME OWNER OWNS THE HOUSE AND ALL OTHER IMPROVEMENTS ON THE LEASED LAND. All structures, including the house, fixtures, and other improvements purchased, constructed, or installed by the Home Owner on any part of the Leased Land at any time during the term of this Lease (collectively, the "Home") shall be property of the Home Owner. Title to the Home shall be and remain vested in the Home Owner. However, Home Owner's rights of ownership are limited by certain provisions of this Lease, and the HOA's Governing Documents, including but not limited to provisions regarding the sale or leasing of the Home by the Home Owner. In addition, Home Owner shall not remove any part of the Home from the Leased Land without Ground Lessor's prior written consent.

6.2 HOME OWNER PURCHASES HOME WHEN SIGNING LEASE. Upon the signing of this Lease, Home Owner is simultaneously purchasing the improvements made by Ground Lessor that are located at that time on the Leased Land, as described in the Purchase Agreement between the Parties, dated [REDACTED], 20 [REDACTED] (the "Purchase Agreement"), a copy of which is attached to this Lease as Exhibit E.

6.3 CONSTRUCTION IN CONNECTION WITH THE HOME AND ADDITIONAL IMPROVEMENTS TO THE LEASED LAND CARRIED OUT BY HOME OWNER MUST COMPLY WITH CERTAIN REQUIREMENTS. Any construction in connection with the Home and any additional improvements performed on or to the Leased Land require prior written consent of Ground Lessor, as provided for in the Declaration. The consent of Ground Lessor to any construction or additional improvements shall not in any way be considered to relieve the Home Owner from obtaining the consent of Ground Lessor to any other or further construction in connection with the Home. All construction and other work shall be performed by contractors and/or subcontractors approved by Ground Lessor in writing and shall comply with all applicable laws, regulations, permit requirements, authorizations and building and zoning laws. All changes in the Home and additional improvements shall be consistent with the permitted uses described in Article 3.

At Ground Lessor's option, Home Owner shall remove the Home and all additional improvements installed by Home Owner prior to the end of the term of the Lease, and Home Owner shall repair any damage caused by said removal and shall deliver the Leased Land to Ground Lessor as required under the terms of this Lease at the end of the term of this Lease in the same condition as the Leased Land existed upon the commencement of the term of this Lease, reasonable wear and tear excepted.

6.4 HOME OWNER MAY NOT ALLOW STATUTORY LIENS TO REMAIN AGAINST LEASED LAND OR HOME. No lien of any type shall attach to Ground Lessor's title to the Leased Land. Home Owner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home which remains more than 60 days after it has been filed. Home Owner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Home Owner fails to discharge such lien within the 60-day period, then Home Owner shall immediately notify Ground Lessor of such failure. Ground Lessor shall have the right to discharge the lien by paying the amount in question. Home Owner may, at Home Owner's expense, contest the validity of any such asserted lien, provided Home Owner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land from such lien. Any amounts paid by Ground Lessor to discharge such liens shall be treated as an additional Ground Rent payable by Home Owner upon demand.

6.5 HOME OWNER IS RESPONSIBLE FOR SERVICES, MAINTENANCE AND REPAIRS. Home Owner hereby assumes responsibility for furnishing all services or facilities on the Leased Land, including but not limited to heat, electricity, air conditioning and water, subject to the HOA's Governing Documents and the HOA's responsibilities in connection with such services. Ground Lessor shall not be required to furnish any services or facilities or to make any repairs to the Home. Home Owner shall maintain the Home and Leased Land as required by Section 3.2 above and shall see that all necessary repairs and replacements are accomplished when needed.

ARTICLE 7: Financing

7.1 HOME OWNER CANNOT MORTGAGE THE HOME WITHOUT GROUND LESSOR'S PERMISSION. The Home Owner may mortgage the Home only with the written permission of Ground Lessor, which consent shall not be withheld provided that the mortgage contemplated is in compliance with this Lease, the Lease Rider, and the HOA's Governing Documents. Any mortgage permitted in writing by Ground Lessor is defined as a Permitted Leasehold Mortgage, and the holder of such a mortgage is defined as a Permitted Leasehold Mortgagee.

7.2 BY SIGNING LEASE, GROUND LESSOR GIVES PERMISSION FOR ORIGINAL MORTGAGE. By signing this Lease, Ground Lessor gives written permission for any mortgage signed by the Home Owner effective on the day this Lease is signed for the purpose of financing Home Owner's purchase of the Home.

7.3 HOME OWNER MUST GET SPECIFIC PERMISSION FOR REFINANCING, OTHER SUBSEQUENT MORTGAGES OR HOME EQUITY LINES OF CREDIT. If, at any time subsequent to the purchase of the Home and signing of the Lease, the Home Owner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Permitted Leasehold Mortgage or to finance home repairs or for any other purpose), Home Owner must inform Ground Lessor, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to Ground Lessor must include:

- a) the name of the proposed lender;
- b) Home Owner's reason for requesting the loan;
- c) the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
- d) expected closing costs;
- e) the rate of interest;
- f) the repayment schedule;
- g) a copy of the appraisal commissioned in connection with the loan request.

Ground Lessor may also require Home Owner to submit additional information. Ground Lessor will not permit such a mortgage loan if the loan threatens the interests of Ground Lessor.

7.4 GROUND LESSOR IS REQUIRED TO PERMIT A "STANDARD PERMITTED LEASEHOLD MORTGAGE." Ground Lessor shall be required to permit any mortgage for which the mortgagee has signed a "Standard Permitted Leasehold Mortgage Agreement" as set forth in Part C of Exhibit F.

7.5 A PERMITTED LEASEHOLD MORTGAGEE HAS CERTAIN OBLIGATIONS UNDER THE LEASE. Any Permitted Leasehold Mortgagee shall be bound by each of the requirements stated in Part A of Exhibit F, which is made a part of this Lease by reference, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Home Owner and Ground Lessor to modify the terms of the Lease during the term of the Permitted Leasehold Mortgage.

7.6 A PERMITTED LEASEHOLD MORTGAGEE HAS CERTAIN RIGHTS UNDER THE LEASE. Any Permitted Leasehold Mortgagee shall have all of the rights and protections stated in Part B of Exhibit F, which is made a part of this Lease by reference.

ARTICLE 8: Liability, Insurance, Damage and Destruction, Eminent Domain

8.1 HOME OWNER ASSUMES ALL LIABILITY. Home Owner assumes all responsibility and liability related to Home Owner's possession, occupancy and use of the Leased Land and the Home.

8.2 HOME OWNER MUST DEFEND GROUND LESSOR AGAINST ALL CLAIMS OF LIABILITY. Home Owner shall defend, indemnify and hold Ground Lessor and its affiliates harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the

Leased Land. Home Owner waives all claims against Ground Lessor and their affiliates for injury or damage on or about the Leased Land. However, Ground Lessor shall remain liable for injury or damage due to the grossly negligent or intentional acts or omissions of Ground Lessor or Ground Lessor's agents or employees.

8.3 HOME OWNER MUST REIMBURSE GROUND LESSOR. In the event Ground Lessor shall be required to pay any sum that is the Home Owner's responsibility or liability, Home Owner shall reimburse Ground Lessor for such payment and for reasonable expenses caused thereby.

8.4 HOME OWNER MUST INSURE THE HOME AGAINST LOSS AND MUST MAINTAIN LIABILITY INSURANCE ON HOME AND LEASED LAND. Home Owner shall, at Home Owner's sole expense, keep the Home and Leased Land continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of the Home and Leased Land or such lesser amount which shall be sufficient to avoid co-insurance of the Home and Leased Land. The Home Owner shall have a property deductible of not more than two thousand five hundred dollars (\$2,500) for all other perils, and no more than five percent (5%) of their dwelling coverage for windstorm protection. Coverage for loss of use shall be included to provide the Home Owner with coverage for ongoing living expenses and obligations under this Lease in the event an insurable loss occurs. The Home Owner's insurance shall cover demolition costs and the removal of debris.

The Home Owner shall, at Home Owner's sole expense, maintain continuously in effect homeowner liability insurance covering the Home and its appurtenances in an amount not less than one million dollars (\$1,000,000.00) per occurrence and, if required by Permitted Leasehold Mortgagee, flood insurance covering the Home and its appurtenances in an amount determined by the Permitted Leasehold Mortgagee.

The dollar amount of each such property coverage may be adjusted at least every two (2) years from the date hereof or upon Ground Lessor's demand given not more often than annually, upon thirty (30) days' notice to the Home Owner.

Such insurance shall specifically insure the Home Owner against all liability assumed hereunder, as well as all liability imposed by law, and shall also insure Ground Lessor and their affiliates as additional insureds so as to create the same liability on the part of the insurer as though separate policies had been written for Ground Lessor and its affiliates and the Home Owner. If the Home Owner fails to obtain and maintain the insurance required hereunder, Ground Lessor may obtain the required insurance at the Home Owner's expense in order to protect only Ground Lessor's interest in the Home and its appurtenances. Any amounts paid by the Home Owner's insurance shall be deemed to be part of the Ground Rent and shall be reimbursed to Ground Lessor on demand.

The Home Owner shall provide Ground Lessor with copies of all policies and renewals thereof. All policies shall also contain endorsements providing that they shall not be canceled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without not less than thirty (30) days prior written notice being given to Ground Lessor. Ground Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

8.5 WHAT HAPPENS IF HOME IS DAMAGED OR DESTROYED. Except as provided below, in the event of fire or other damage to the Home, Home Owner shall take all steps necessary to assure the repair

of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible and Home Owner shall take all necessary steps to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or property.

In the event Home Owner elects not to repair and/or restore the Home, Home Owner shall promptly take all steps to clear the Leased Land and remove the damaged or destroyed improvements thereon. For the avoidance of doubt, Home Owner shall not have the right to terminate this Ground Lease in the event Home Owner elects not to repair and/or restore the Home.

Any insurance proceeds payable to Home Owner for damage to the Home shall be paid as follows:

FIRST, to the expenses of their collection;

SECOND, to any Permitted Leasehold Mortgagee(s), to the extent required by the Permitted Leasehold Mortgage(s);

THIRD, to the expenses of enclosing or razing the remains of the Home and clearing debris;

FOURTH, to Ground Lessor for any amounts owed under this Lease;

FIFTH, to the Home Owner, as of the day prior to the loss, less any amounts paid with respect to the second, third, and fourth clauses above.

8.6 WHAT HAPPENS IF SOME OR ALL OF THE LAND IS TAKEN FOR PUBLIC USE. This Lease shall terminate if all of the Leased Land is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair. Notwithstanding the foregoing, the Lease shall only terminate as of the date of execution of an agreement between Ground Lessor and Home Owner as to the allocation of any award(s) paid by the condemning authority.

In the event of a taking of a portion of the Leased Land that does not result in damage to the Home or significant reduction in the usefulness or desirability of the Leased Land for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Ground Lessor.

8.7 IF PART OF THE LAND IS TAKEN, THE GROUND RENT MAY BE REDUCED. In the event of a taking of a portion of the Leased Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, then Home Owner shall be entitled to a reduction in Ground Rent, only if and to the extent Ground Lessor receives a condemnation award from the condemning authority sufficient to compensate Ground Lessor for the loss of future Ground Rents.

ARTICLE 9: Transfer of the Home

9.1 HOME OWNER MUST GIVE NOTICE OF INTENT TO SELL. In the event that Home Owner wishes to sell the Home, Home Owner shall notify Ground Lessor, in writing, of such wish (the Intent-to-Sell Notice), at least 90 days prior to the scheduled sale of the Home.

9.2 TERM OF THE ASSIGNED LEASE. The term of an assigned Lease shall be for the remainder of the original 99-year term of the Lease.

9.3 HOME OWNER REQUIRED TO MAKE NECESSARY REPAIRS AT TRANSFER. Home Owner is required to make necessary repairs when Home Owner voluntarily, or for any reason whatsoever prior to the expiration of the term of this Lease set forth in Section 2.1 hereof, transfers the Home, as follows:

- a) The person(s) purchasing the Home ("Buyer") shall, prior to purchasing the Home, hire at his, her, or their sole expense a building inspector with a current Home Inspector license from the State of New York to assess the condition of the Home and prepare a written report of the condition ("Inspection Report"). Home Owner shall cooperate fully with the inspection.
- b) Buyer shall provide a copy of the Inspection Report to Buyer's lender (if any), Home Owner, and Ground Lessor within ten (10) days after receiving the Inspection Report.
- c) Home Owner shall repair specific reported defects or conditions necessary to bring the Home into full compliance with Sections 3.2 and 6.5 above prior to transferring the Home, and ensure that all utility systems (including, but not limited to, HVAC and plumbing) are in good working order and that the roof is free from leaks.
- d) Home Owner shall bear the full cost of the necessary repairs and replacements.
- e) Home Owner shall allow Ground Lessor, Buyer, Buyer's building inspector, and Buyer's lender's representative to inspect the repairs prior to closing to determine that the repairs have been satisfactorily completed.

9.4 RIGHT OF FIRST REFUSAL. Any right of first refusal granted by Homeowner to any party, whether relating to the leasehold interest created by this Lease or the purchase of the improvements located on the Lot covered hereby, shall be subject to the provisions contained in Exhibit C attached hereto.

ARTICLE 10: Default

10.1 WHAT HAPPENS IF HOME OWNER FAILS TO MAKE PAYMENTS TO GROUND LESSOR THAT ARE REQUIRED BY THE LEASE. It shall be an event of default if Home Owner fails to pay the Ground Rent or other charges required by the terms of this Lease and such failure is not cured by Home Owner or a Permitted Leasehold Mortgagee within thirty (30) days after written notice of such failure is given by Ground Lessor to Home Owner and Permitted Leasehold Mortgagee.

10.2 WHAT HAPPENS IF HOME OWNER VIOLATES OTHER (NONMONETARY) TERMS OF THE LEASE. It shall be an event of default if Home Owner fails to abide by any other requirement or restriction stated in this Lease, and such failure is not cured by Home Owner or a Permitted Leasehold Mortgagee within sixty (60) days after written notice of such failure is given by Ground Lessor to Home Owner and Permitted Leasehold Mortgagee.

10.3 WHAT HAPPENS IF HOME OWNER DEFAULTS AS A RESULT OF 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 Home Owner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Home Owner 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 the Home or Home Owner's interest in the Leased Land by a court of competent jurisdiction, or if a petition is filed for the reorganization of Home Owner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Home Owner 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.

10.4 A DEFAULT (UNCURED VIOLATION) GIVES GROUND LESSOR THE RIGHT TO TERMINATE THE LEASE.

- a) **TERMINATION:** In the case of any of the events of default described above, Ground Lessor may terminate this Lease and initiate summary proceedings under applicable law against Home Owner, and Ground Lessor shall have all the rights and remedies consistent with such laws and resulting court orders to enter the Leased Land and Home and repossess the entire Leased Land and Home and expel Home Owner and those claiming rights through Home Owner. In addition, Ground Lessor shall have such additional rights and remedies to recover from Home Owner arrears of rent and damages from any preceding breach of any covenant of this Lease. All reasonable costs (including attorney's fees) incurred by Ground Lessor in pursuit of its remedies under this Lease and applicable law to repossess the Leased Land and Home and to recover arrears of rent and damages shall constitute a lien on the Home. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Leasehold Mortgages as defined in Section 7.1 above; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

If Ground Lessor elects to terminate the Lease, then the Permitted Leasehold Mortgagee shall have the right (subject to Article 7 above and the attached Exhibit F) to postpone and extend the specified date for the termination of the Lease for up to sixty (60) days to enable the Permitted Leasehold Mortgagee or its designee to acquire Home Owner's interest in the Home and the Leased Land by foreclosure of its mortgage or otherwise.

10.5 WHAT HAPPENS IF GROUND LESSOR DEFAULTS. Ground Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Ground Lessor 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 Home Owner to Ground Lessor properly specifying Ground Lessor's failure to perform any such obligation.

ARTICLE 11: Mediation and Arbitration

11.1 Nothing in this Lease shall be construed as preventing the parties from utilizing any process of mediation or arbitration in which the parties agree to engage for the purpose of resolving a dispute.

11.2 Home Owner and Ground Lessor shall each pay one half (50%) of any costs incurred in carrying out mediation or arbitration in which the parties have agreed to engage.

ARTICLE 12: General Provisions

12.1 **NOTICES.** Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to GROUND LESSOR.:
The Cottages at Plum Point, LLC
c/o Bunnell Associates, LLC
68 Castle Street, Suite 1C
Geneva, New York 14456

With a copy to:
Derrick Spatorico
Pheterson Spatorico
45 Exchange Blvd., Third Floor
Rochester, NY 14614

If to Home Owner:

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

12.2 NO BROKERAGE. Home Owner warrants that it has not dealt with any real estate broker in connection with the purchase of the Home, except for [REDACTED]. If any claim is made against Ground Lessor regarding dealings with brokers, Home Owner shall defend Ground Lessor against such claim with counsel of Ground Lessor's selection and shall reimburse Ground Lessor for any loss, cost or damage which may result from such claim.

12.3 SEVERABILITY AND DURATION OF LEASE. If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Home Owner or Ground Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law.

12.4 WAIVER. The waiver by Ground Lessor at any time of any requirement or restriction in this Lease, or the failure of Ground Lessor to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. Ground Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Ground Lessor before being effective.

The subsequent acceptance of Ground Rent payments by Ground Lessor shall not be deemed to be a waiver of any preceding breach by Home Owner of any requirement or restriction in this Lease, regardless of Ground Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Rent payment.

12.5 GROUND LESSOR'S RIGHT TO PROSECUTE OR DEFEND. Ground Lessor shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Home Owner's name, any actions or proceedings appropriate to the protection of its own or Home Owner's interest in the Leased Land. Whenever requested by Ground Lessor, Home Owner shall provide Ground Lessor all reasonable aid in any such action or proceeding.

12.6 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.

12.7 HEADINGS AND TABLE OF CONTENTS. The headings, subheadings 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.

12.8 PARTIES BOUND. This Lease sets forth the entire agreement between Ground Lessor and Home Owner 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 a written agreement executed by Ground Lessor and Home Owner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

12.9 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 Ground Lessor or Home Owner.

12.10 RECORDING. The parties agree, as an alternative to the recording of this Lease, at the time of the execution of this Lease, to simultaneously execute a Memorandum of Lease in form recordable and complying with applicable law and reasonably satisfactory to Ground Lessor's attorneys. In no event shall such document state the rent or other charges payable by Home Owner 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.

12.11 ADDITIONAL,ACKNOWLEDGEMENTS AND AGREEMENTS. The Home Owner further acknowledges and agrees that:

(a) The Home Owner hereby selects Boat Slip # [REDACTED] (as shown on the Boat Slip Layout attached hereto as Exhibit G) for Home Owner's exclusive use, subject to the Rules and Regulations of the HOA relating to such use, and Ground Lessor acknowledges and agrees, for itself and on behalf of the HOA, that such Boat Slip will be reserved for Home Owner's exclusive use during the entire term of this Lease.

(b) The Home Owner hereby expressly acknowledges that Home Owner has had full and ready access to all documents relating to the development of the cottage community of which the Leased Land is a part, the filing of documents relating to the formation of the HOA, and other related documents, and that the Home Owner has had the same reviewed by Home Owner's attorney (as and to the extent deemed necessary or advisable), and has had the opportunity to ask questions of, and to receive answers to, any question the Home Owner had with respect to any of such documents.

(c) In seeking Fannie Mae approval for purposes of financing residences in the cottage community of which the Leased Land is a part, it has been brought to Ground Lessor's attention that certain changes may need to be made to this Lease and/or the HOA Documents in order to obtain such approval. It is believed that these changes, if required, will not have any adverse impact on the Home Owner's rights or remedies under the HOA Documents, and the Home Owner agrees that such changes may be made without any further consent or approval from Home Owner so long as the Ground Lessor delivers to Home Owner copies of any changes so made, along with the written opinion of its counsel to the effect that such changes will not, in fact, adversely impact Home Owner's rights or remedies under such documents. In this regard, the Home Owner agrees to execute such documents approving

such changes as may be so implemented, and hereby designates Ground Lessor as its duly authorized agent with full power and authority to execute on Home Owner's behalf any of such documents as may require Home Owner's signature.

IN WITNESS WHEREOF, the parties have executed this Ground Lease as of the day and year first above written.

GROUND LESSOR:

THE COTTAGES AT PLUM POINT, LLC

By:

Name: David A. Bunnell

Its: President

HOME OWNER:

ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) ss.:
COUNTY OF ONTARIO)

On the [] day of [] in the year 20[] before me, the undersigned, a notary public in and for said state, personally appeared DAVID A. BUNNELL, President of THE COTTAGES AT PLUM POINT, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF [])

On the [] day of [] in the year 20[] before me, the undersigned, a notary public in and for said state, personally appeared [] personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF [])

On the [] day of [] in the year 20[] before me, the undersigned, a notary public in and for said state, personally appeared [] personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public

GROUND LEASE RIDER

THIS GROUND LEASE RIDER (the “Rider”) amends and supplements the ground lease to which it is attached (referred to herein as “the Ground Lease”), by and between **THE COTTAGES AT PLUM POINT, LLC**, as ground lessor (herein as well as in the Ground Lease referred to as the “Ground Lessor”) and [REDACTED], as lessee (herein referred to as the “Lessee” but may otherwise be referred to in the Ground Lease as “Home Owner”). This Rider shall be deemed incorporated into the Ground Lease, and the Ground Lease as amended by this Rider, shall hereafter be referred to as the “Lease,” unless otherwise indicated.

The Ground Lease is a long-term lease of the Ground Lessor’s fee interest in Lot # [REDACTED] located at 240 Plum Point Road, Himrod, New York 14842, referred to herein as the “Leased Land,” as improved or to be improved, by a residential structure or unit, referred to herein as the “Improvements.” The Leased Land and the Improvements are collectively referred to herein as the “Leased Premises.”

This Rider amends the Ground Lease for the purpose of enabling the Lessee (including any successor in interest) to obtain Fannie Mae financing in the form of a mortgage or deed of trust (the “Specified Mortgage”) given by the Lessee or any such successor in interest, and the interest of the Specified Mortgagee in the Leased Premises as secured by such mortgage or deed of trust may be referred to herein as the “Leasehold Estate.” The Specified Mortgage is and will be recognized by Ground Lessor as a “Permitted Leasehold Mortgage” (or as such concept is otherwise defined) under the Ground Lease, and the holder of the Specified Mortgage (the “Specified Mortgagee”) is and will be recognized as a “Permitted Leasehold Mortgagee” (or as such concept is otherwise defined) under the Ground Lease.

ADDITIONAL COVENANTS. Notwithstanding anything to the contrary contained in the Ground Lease, and in addition to the covenants and agreements made in the Ground Lease, the Ground Lessor and the Lessee further covenant and agree, so long (but only so long) as the Specified Mortgagee, its successors and assigns shall have an interest in the Leased Premises, as a holder of the Specified Mortgage or as an owner of the Lessee’s interest pursuant to any sale after or in lieu of foreclosure, the following provisions shall apply to the Ground Lease as modifications thereof:

A. No Assignment or Transfer. The making of the Specified Mortgage shall not be deemed to constitute an assignment or transfer of the Lease or Leasehold Estate so as to require the Specified Mortgagee to assume the performance of any of the Lessee’s obligations under the Lease.

B. Status of the Fee Estate. The Ground Lessor represents and warrants that there is no existing mortgage on the fee estate, and so long as the Specified Mortgage shall remain on the Leased Premises, the Lessor and the Lessee shall not subordinate the Lease to any mortgage or lien that may hereafter be placed on the fee estate. Notwithstanding the foregoing, a state or local government entity (“Government Entity”) may hold a prior recorded interest (represented by recorded covenants, a mortgage or deed of trust, other lien) on the fee estate **if** the Government Entity has agreed that in the event it (including its successors and assigns) succeeds to the interest of the Ground Lessor under the Lease by any remedy available to the Government Entity by law or pursuant to its lien, the Government Entity shall recognize all the terms of the Lease and this Rider as though the Government Entity were acting as the Ground Lessor. Further, in such event of the Government Entity succeeding to the interests of the Ground Lessor, the Lessee hereby agrees to recognize the Government Entity as exercising all rights and privileges of the Government Entity as lessor under the Lease and this Rider.

Such agreement by the Government Entity may be evidenced by the agreement between the Government Entity and the Ground Lessor under which the Government Entity's prior recorded interest is derived, or by use of a recognition agreement derived from a sample the Specified Mortgagee may obtain from Fannie Mae. Irrespective of any interest by a Government Entity, the Specified Mortgage shall constitute a first leasehold lien on the Leased Premises, and shall have priority over the Ground Lessor's reversionary interest. If the Ground Lessor conveys title to the Leased Land while the Specified Mortgage remains on the Leased Premises, the Lease shall remain in effect with the same priority thereto.

C. Termination, Forfeiture and Modification of Lease. There shall be no termination, forfeiture, or modification of the Lease, except as provided in this Rider, without the prior written consent of the Specified Mortgagee. The Ground Lessor and Lessee shall amend the Lease from time to time as reasonably requested by the Specified Mortgagee, as long as the requested changes do not change the periodic fee, charge or payment due the Ground Lessor for the rights accorded the Lessee under the Lease (the "Ground Rent"), and do not materially or adversely affect the rights of Ground Lessor or Lessee or their respective interests in the Leased Premises. An adjustment of the Ground Rent may be made by the Ground Lessor as provided in the Lease, without prior approval of the Specified Mortgagee, so long as written notice has been delivered to the Specified Mortgagee at least 60 days prior to the effective date of such adjustment with respect to adjustments other than those (i) that were scheduled at the time the Specified Mortgage was given, and (ii) reflecting routine, periodic updates to variable expenses such as property taxes and liability insurance premiums; provided, however, that the Specified Mortgagee shall have the right to arbitrate (as provided herein) any dispute as to an adjustment of the Ground Rent.

D. New Lease. In the event the Lessee's interest in the Lease has been terminated, forfeited, or surrendered as provided in the Lease, and the Specified Mortgage remains outstanding, a new Lease shall automatically be created between the Ground Lessor and the Specified Mortgagee, which Lease shall be for the remainder of the term of the Lease, with the same priority thereto, and shall be subject to the same terms of the Lease as would be applicable pursuant to Section E.1. below where the Specified Mortgagee had accelerated its note, foreclosed on the Specified Mortgage, taken an assignment in lieu of foreclosure, or exercised its other remedies for default.

E. Mortgage Default or Foreclosure. Subject to the following, upon the occurrence of an event of default under the Specified Mortgage (as determined by the Specified Mortgagee—an "Event of Default"), and without the consent of the Ground Lessor, the Specified Mortgagee shall be permitted to accelerate its note, foreclose on the Specified Mortgage, take an assignment in lieu of foreclosure, or exercise its other remedies for default.

Further:

Upon the occurrence of an Event of Default under the Specified Mortgage, the Lessee shall immediately notify the Ground Lessor of such Event of Default and shall submit to Ground Lessor copies of all notices the Lessee received from the Specified Mortgagee relating thereto. The Specified Mortgagee and the Ground Lessor shall endeavor to communicate and cooperate in efforts to deal with the circumstances of the Event of Default and the actions the parties may take relating thereto; provided, however, the Specified Mortgagee shall have no obligation to give formal legal notice of the Event of Default to the Ground Lessor.

The Lessee and the Specified Mortgagee agree that the Ground Lessor shall have the right, but not the obligation, to cure an Event of Default in the Lessee's name and on the Lessee's behalf. If such

cure is not effective and continuing, nothing herein shall be construed to prevent or delay the Specified Mortgagee from its pursuit of foreclosure and any other available remedies. The Lessee shall be responsible to the Ground Lessor for all payments made, and expenses incurred, by the Ground Lessor in curing such default.

Should the Lessor not choose to cure an Event of Default as specified above, the Ground Lessor shall nevertheless have the option to purchase from the Specified Mortgagee its interest in the - Leasehold Estate on the Leased Premises for the full amount owing to the Specified Mortgagee under the Specified Mortgage as of the date of closing of the purchase, upon written notice given by the Specified Mortgagee (the "Mortgagee Option Notice") not later than 60 days following acquisition of title to the Leasehold Estate by the Specified Mortgagee by foreclosure or by an assignment in lieu of foreclosure; provided, however, the Specified Mortgagee may give such written notice following the occurrence of an Event of Default under the Specified Mortgage and prior to the completion of foreclosure proceedings. If the Ground Lessor elects to exercise such option to purchase, the Ground Lessor shall give written notice to the Specified Mortgagee of the Ground Lessor's intent to purchase the Leasehold Estate (the "Ground Lessor Option Notice") within 45 days following the Specified Mortgagee's giving of the Mortgagee Option Notice; provided, however, at the option of the Ground Lessor, in the event the Mortgagee Option Notice is given prior to the completion of foreclosure proceedings by the Specified Mortgagee, the Ground Lessor shall, within such 45-day period, be able to give a written notice to the Specified Mortgagee that it will delay giving the Ground Lessor Option Notice until a date that is not later than 30 days following written notice from the Specified Mortgagee of its acquisition of title to its interest in the Leasehold Estate on the Leased Premises.

The Ground Lessor shall complete the purchase of the Specified Mortgagee's interest in the Leasehold Estate within 60 days of giving the Ground Lessor Option Notice. If the Ground Lessor does not complete the purchase within the allotted 60 days, the Specified Mortgagee shall be free to sell its interest to another person or entity. Further, if the Ground Lessor does not complete the purchase within the allotted 60 days, the Ground Lessor agrees to pay to the Specified Mortgagee its costs of holding its interest in the Leasehold Estate from the date of the Ground Lessor Option Notice until the expiration of such 60-day period. If the Ground Lessor does not purchase the Specified Mortgagee's interest in the Leasehold Estate as described herein, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Ground Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

The Ground Rent payable under the Lease shall not be delayed, suspended, or adjusted (except for the continuing five-year adjustment provided for in the Lease) in the event of a foreclosure or other transfer of title under or by reason of the Specified Mortgage.

Any transfer or assignment of the Leasehold Estate encumbered by the Specified Mortgage as provided for in this paragraph shall be deemed a permitted sale, transfer or assignment of the Lease and the Leasehold Estate. Further, in such event, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Ground Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

F. Lease Default. The forfeiture or termination of the Lease for the nonpayment of amounts due under the Lease shall be subject to the Specified Mortgagee's right to cure a monetary default, or otherwise

foreclose or take an assignment of the Leasehold Estate in lieu of foreclosure with respect to the Lessee's monetary or non-monetary default. Notwithstanding the foregoing, nothing herein shall be construed to require the Specified Mortgagee to cure any non-monetary default. Further, the Specified Mortgagee shall become subrogated to any and all rights of the Lessee with respect to such curing of a default. If the Lessee's default shall be cured as provided in the Lease, and the Specified Mortgagee shall discontinue its foreclosure or assignment in lieu of foreclosure proceedings, the Lease shall continue in full force and effect as if the Lessee had not defaulted. A default by the Lessee under the Lease shall constitute a default under the Specified Mortgage. With regard to the foregoing, it is understood and agreed that before the Ground Lessor shall be entitled to pursue any remedial provisions under the Lease, it must first provide to the Lessee and the Specified Mortgagee written notice of the default with respect to which it seeks to act, and provide such parties a 30-day period to cure the same.

G. Lease Default Notice. Notwithstanding the notice requirements provided in the Lease, no default notice by the Ground Lessor shall be deemed to have been given unless and until a copy thereof shall have been so given to the Specified Mortgagee.

H. Ground Lessor's Cure of Default. In the event the Lessee fails to cure a non-monetary default under the Lease as and when required by its terms and the Ground Lessor proceeds to cure the same, any costs and expenses incurred by the Ground Lessor to so cure such default shall be payable by the Lessee to the Ground Lessor within 30 days of the Ground Lessor's written demand therefore, which obligation shall be considered for all purposes under the Lease to be additional rent.

I. Insurance. All insurance policies covering the Improvements shall by endorsement name the Specified Mortgagee as an additional insured and loss payee, and provide the Specified Mortgagee with 30 days' cancellation notice.

J. Casualty and Condemnation. If the Leased Premises are destroyed or taken to such an extent that the Lease is to be terminated, the insurance proceeds or condemnation award, as the case may be, shall be applied first in an amount sufficient to satisfy the Specified Mortgage. Upon the termination of the Lease as a result of a partial destruction or a condemnation of less than the entire Leased Premises, the total insurance proceeds or condemnation award, as the case may be, shall be paid to an appointed trustee, who shall first apply such insurance proceeds or condemnation award in accordance with the Specified Mortgage for restoration of the Improvements (if such trustee determines that the Improvements may reasonably be restored to a residential use consistent with the Lease), with the balance of such insurance proceeds or condemnation award to be allocated between the Ground Lessor and Lessee as otherwise provided in the Lease. The Specified Mortgagee shall be entitled to participate in (i) the adjustment of all casualty losses and (ii) all condemnation proceedings and settlement discussions. Any insurance proceeds or condemnation award shall be applied in accordance with the Specified Mortgage. The Specified Mortgagee shall also be entitled to participate in the adjustment of the Ground Rent as a result of a partial destruction or taking.

K. Free Transferability. The Lessee's interest in the Leased Premises shall be freely transferable, without any consent or approval on the part of the Ground Lessor.

L. Voting Rights. The Lessee (including any successor to its interests under the Lease) shall be entitled to exercise all voting rights granted to members of the HOA under the HOA Documents.

M. Force Majeure. The Lessee shall not be in default where performance is delayed or prevented by "Acts of God," war, civil commotion, strikes, labor disputes or the like.

N. Easements and Alterations. Additions to and alterations in the Improvements may be made as provided in the Lease, as long as the value of the Leased Premises is not diminished. The Ground Lessor, as owner of the fee interest in the Leased Land, shall join in all easements, permits and applications necessary for such development of the Leased Premises as is permitted under the Lease, provided that the Ground Lessor shall have no liability or obligation under such easement, permit or application.

O. Arbitration. The Specified Mortgagee shall have the right to participate, but not direct or settle, any arbitration or legal proceedings between the Ground Lessor and the Lessee. Any arbitration proceedings shall be conducted in accordance with arbitration statutes applicable in the state where the Leased Premises are located.

P. Merger. If the estates of the Ground Lessor and Lessee are at any time owned by the same person, so long as the Specified Mortgagee has any interest in the security or in the Specified Mortgage, such person shall take all necessary steps to ensure that the Specified Mortgage constitutes a first lien on the combined estate.

Q. Estoppel Certificate. The Ground Lessor shall, from time to time, with 10 days written notice from the Specified Mortgagee, certify by written instrument, duly executed and acknowledged, to such Specified Mortgagee that the Lease has not been amended, the Lease is in full force and effect, if true, that neither party is in default thereunder, and shall certify as to the existence of any offsets, counterclaims or defenses on the part of the Lessee.

R. Conflict. In the event of a conflict between the terms and provisions of this Rider and the terms and provisions of the Lease, the terms and provisions of this Rider shall control.

BY SIGNING BELOW, the Ground Lessor and the Lessee accept and agree to the terms and conditions of this Rider.

(Remainder of this page intentionally left blank. Signature pages to follow.)

IN WITNESS WHEREOF, the parties have executed this Rider as of the day and year first above written.

GROUND LESSOR:

THE COTTAGES AT PLUM POINT, LLC

By: _____

Name: David A. Bunnell

Its: President

LESSEE:

ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) ss.:
COUNTY OF ONTARIO)

On the [REDACTED] day of [REDACTED] in the year 20[REDACTED] before me, the undersigned, a notary public in and for said state, personally appeared DAVID A. BUNNELL, President of THE COTTAGES AT PLUM POINT, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF [REDACTED])

On the [REDACTED] day of [REDACTED] in the year 20[REDACTED] before me, the undersigned, a notary public in and for said state, personally appeared [REDACTED] personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF [REDACTED])

On the [REDACTED] day of [REDACTED] in the year 20[REDACTED] before me, the undersigned, a notary public in and for said state, personally appeared [REDACTED] personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures) on the instrument, the individuals), or the person on behalf of which the individual (s) acted, executed the instrument.

Notary Public