

MEADOWVIEW GROUND LEASE

This Ground Lease (the “**Lease**”) is dated Enter today’s date (the “**Lease Date**”), and is between Big Sky Community Housing Trust, a Montana nonprofit corporation (the “**CLT**”), and Enter Homeowner’s Name(s) (whether one or more, the “**Homeowner**”).

RECITALS

A. The Big Sky Area Resort District (that area, the “**District**”) is a resort area district created under the resort tax provisions of Montana law (the tax revenue the District generates, the “**District Tax Revenue**”). Limited affordable home ownership opportunities exist for low- and moderate-income people employed within or seeking employment within the District that meet the CLT’s eligibility requirements (“**Qualified Persons**”). The CLT has a goal to provide and preserve residential home ownership opportunities for Qualified Persons through long-term ground leases (the “**Goal**”; those ground leases, each, a “**Ground Lease**”; the lessee under a Ground Lease, a “**CLT Homeowner**”). To further the Goal, the CLT acquired and developed the Meadowview Condominiums real estate condominium project within the District (the “**Project**”; the real property comprising the Project, the “**Property**”; each unit in the Project, together with the undivided interest in the Project’s common elements appurtenant to the unit, a “**Unit**”; the Project’s common elements, the “**Common Elements**”; the owner of a Unit, whether the Unit has one or more owners, each a “**Unit Owner**”; a Unit subject to a Ground Lease, a “**CLT Home**”). Because the District’s governing body shares the Goal, it distributed District Tax Revenue to the CLT to partially fund the CLT’s acquisition and development of the Project.

B. The Ground Leases help to achieve the Goal by restricting the use, occupancy, residency, retention, sale, transfer, price, and other aspects of the CLT Homes. If the CLT was unwilling to place those restrictions in the Ground Leases, the District Tax Revenue would have been unavailable and the CLT could not have acquired and developed the Project.

C. The Homeowner is a Qualified Person and wants to become a CLT Homeowner by entering this Lease to lease the Unit described on the attached **Exhibit A** (that Unit, the “**Home**”; the leasehold interest this Lease creates, the “**Homeowner Leasehold**”). As part of the Homeowner Leasehold, the Homeowner will own the Home during the initial term of this Lease (the “**Initial Term**”) and any renewal term (the Initial Term, together with any renewal term, the “**Term**”; the date of the expiration or termination of this Lease, whichever is earlier, the “**End Date**”).

The parties therefore agree as follows:

Article 1: Lease

1.1 Letters. Part of this Lease are: (1) the Homeowner’s Letter of Understanding attached as **Exhibit A**, in which the Homeowner describes the Homeowner’s understanding and acceptance of this Lease; and (2) the Letter of Acknowledgement attached as **Exhibit B**, from the Homeowner’s attorney describing the attorney’s review of this Lease and other relevant materials with the Homeowner.

1.2 Lease. The CLT hereby leases the Home to the Homeowner, and Homeowner hereby leases

the Home from the CLT. The CLT shall immediately: (1) file a signed and notarized copy of this Lease with the Meadowview Condominium Unit Owners Association, a Montana nonprofit corporation (the “**Association**”; the Association’s board of directors, the “**Board**”; the Association’s manager, the “**Manager**”); and (2) record a memorandum or abstract of this Lease in the real estate records of Gallatin County, Montana (the “**Recording Office**”) in the form of the instrument attached as **Exhibit D** (an “**Abstract**”). Concurrently with signing this Lease, the Homeowner shall sign the Abstract before a notary public and deliver the original signed and notarized Abstract to the CLT.

1.3 Home. The Home is subject to the condominium form of ownership and use under the Montana Unit Ownership Act, as described in the Second Amended Declaration for the Meadowview Condominiums, recorded on July 24, 2019, in the records of the Recording Office (as amended from time to time, the “**Declaration**”; the declarant under the Declaration the “**Declarant**”; the Association’s bylaws, as amended from time to time, and the Declaration together, the “**Condominium Documents**”). Any right, title, or interest the Homeowner has in or to the Home: (1) is subject and subordinate to this Lease and the Condominium Documents; and (2) ends on the End Date. Subject to this Lease and the Condominium Documents, the Homeowner has: (1) the exclusive right to use, possess, and occupy the Home; and (2) the non-exclusive right to use, possess, and occupy the Common Elements. The Homeowner shall not: (1) partition or subdivide the Homeowner Leasehold, the Home, or the Common Elements, nor attempt to do so; or (2) remove or attempt to remove (i) the Property or any part of it from the condominium form of use and ownership under the Montana Unit Ownership Act, whether through the Association or otherwise, or (ii) the Home from the Property, whether physically, by partition, or otherwise.

1.4 Home Regulation. This Lease regulates the use, occupancy, residency, retention, sale, transfer, price, and other aspects of the Home (the “**Restrictions**”). The Homeowner acknowledges that the Homeowner: (1) shares the Goal; (2) understands how this Lease uses the Restrictions to facilitate the Goal over a prolonged period and through a succession of CLT Homeowners; (3) is entering this Lease as a condition of owning and retaining the Homeowner’s interest in the Homeowner Leasehold during the Term; and (4) recognizes the special nature of this Lease. The Homeowner accepts this Lease and states that the Restrictions are reasonable restraints on alienation and that if a court reviews them, it is the Homeowner’s intent for the court to interpret them as being reasonable. Part of the Restrictions apply to the sale, transfer, and termination of the Homeowner Leasehold (each, a “**Home Transfer**”). Each Home Transfer will fall under one of the following categories, which are a Home Transfer: (1) to a person or entity other than the CLT (whether voluntary, by court order, by operation of law, or otherwise, a “**Transfer**”; the party transferring the Home, the “**Transferor**”; the party receiving the Home, the “**Transferee**”; the written agreement between the Transferor and Transferee about the Transfer, the “**Transfer Agreement**”; the proceeds from a Transfer, the “**Transfer Proceeds**”); (2) to the CLT (whether voluntary, by court order, by operation of law, or otherwise, a “**CLT Transfer**”; the written agreement between the CLT and the Homeowner the CLT Transfer, the “**CLT Transfer Agreement**”); (3) due to the foreclosure of the Homeowner Leasehold (any such judicial or non-judicial foreclosure of a lien, a deed-in-lieu of foreclosure, or other similar proceedings or transactions, a “**Foreclosure**”); or (4) upon the End Date when the Home reverts to the CLT (a “**Reversion**”).

1.5 Price. As part of the Homeowner Leasehold, the Homeowner will own the Home during the Term. To acquire that right and as a condition precedent to entering this Lease, the Homeowner paid \$320,000 (that price, the “**Base Price**”) to the CLT or the Transferee, as applicable. Besides the Base

Price, the Homeowner shall pay the CLT a monthly lease fee during the Term as rent for the Homeowner Leasehold (that fee, with any increases, the "**Lease Fee**"). The Homeowner shall make no Transfer for more than the price resulting from applying this formula (the result, the "**Formula Price**"): $[A+B+C]$, where for this formula: (1) A equals the Base Price; (2) B equals simple interest accruing on the Base Price at an annual rate of two percent from the Lease Date until the date the Transfer occurs (that amount, the "**Appreciation Value**"); and (3) C equals the sum of the Base Price and the Appreciation Value multiplied by three percent (that amount, the "**Cancellation Fee**"; the Formula Price less the Cancellation Fee, the "**Adjusted Formula Price**"). The CLT is entitled to the Cancellation Fee, which is part of the Transfer Proceeds and subject to distribution under the section with the descriptive heading Transfer Proceeds. Under a Reversion or a Forced Transfer (defined below), the fair market value of the Home is applicable, which the parties shall determine under an appraisal from a licensed and qualified appraiser acceptable to both the Homeowner and the CLT (that appraisal, the "**Appraisal**"; the appraiser, the "**Appraiser**"; the value of the Home under the Appraisal, the "**Appraised Value**"). To determine the Appraised Value, the Homeowner and the CLT shall cause the Appraiser to prepare the Appraisal as though the Home were subject to an Assignment and Assumption Agreement (defined below) or New Lease (defined below), whichever would result in a Homeowner Leasehold with the greater length.

1.6 Condition. The Homeowner accepts the Home in "AS IS" condition and acknowledges that neither the CLT, nor anyone acting or purporting to act on the CLT's behalf, made any statement, representation, or warranty regarding the condition or status of the Project, the Property, or the Home. If the Homeowner acquired the Homeowner's interest in the Homeowner Leasehold from the CLT, the Homeowner acknowledges that any statements the CLT made regarding the Home are entirely within this Lease. If the Homeowner acquired the Homeowner's interest in the Homeowner Leasehold under a Transfer, the Homeowner acknowledges that any statements a Transferor made regarding the Home are entirely within the Transfer Agreement. The Homeowner is responsible for obtaining a standard coverage owner's policy of title insurance with leasehold endorsements to insure the Homeowner Leasehold. Some combination of the Homeowner and the Transferor shall pay that title insurance premium, and it is the Homeowner's responsibility to ensure that payment occurs. If the Homeowner acquired the Homeowner's interest in the Homeowner Leasehold from the CLT, it is the Homeowner's responsibility to pay the title insurance premium and to ensure that payment occurs, even if the CLT agrees to reimburse the Homeowner for that expense in a separate written agreement.

1.7 Association. The ways to become a Unit Owner under the Declaration are to: (1) own a fee simple interest in a Unit; or (2) become a CLT Homeowner under a Ground Lease. Because the Homeowner is leasing the Home under this Lease, the Homeowner becomes a Unit Owner under the Declaration when the CLT files a copy of this Lease with the Association. Once that filing occurs, the CLT ceases to be the Unit Owner of the Home under the Declaration during the Term. The Association's members are the Unit Owners, which makes the Homeowner: (1) a member of the Association; and (2) subject to the Condominium Documents. Because the Homeowner is a Unit Owner and will occupy the Home, an exclusion in the Montana Residential Landlord and Tenant Act makes the act inapplicable to this Lease and the Home. The Homeowner shall not: (1) violate the Condominium Documents; or (2) try to remove or hinder the CLT from acting as the Manager. The Association is not a party to this Lease and has no right to enforce or challenge it unless it does so for the benefit of the CLT under authority the CLT delegates to the Association. The CLT may coordinate with the Association on any matters pertaining to this Lease and may delegate any or all of the CLT's

rights and obligations under this Lease to the Association. If the Association accepts that delegation, the Board may further delegate those rights and obligations to the Manager. The Homeowner irrevocably appoints the CLT to vote for the Homeowner by proxy at the following meetings that occur under the Condominium Documents: (1) at any meeting of the Association's members at which the Homeowner is absent; and (2) any meeting of the Unit Owners in their capacities as Unit Owners at which the Homeowner is absent.

1.8 Roles. The same entity may concurrently be the lessor under this Lease, the Declarant, a Unit Owner, the Manager, or some combination thereof, and when this Lease or the Declaration refer to that entity as: (1) the lessor under this Lease, that reference is to it in its role and capacity as the lessor under this Lease, not to it in a different role or capacity; (2) the Declarant, that reference is to it in its role and capacity as the Declarant, not to it in a different role or capacity; (3) the Unit Owner, that reference is to it in its role and capacity as a Unit Owner, not to it in a different role or capacity; and (4) the Manager, that reference is to it in its role and capacity as the Manager, not to it in a different role or capacity. If any grievance, claim, controversy, or issue arises under this Lease: (1) the lessor under this Lease shall address it under this Lease as the lessor; and (2) the Homeowner shall address it under this Lease with the lessor in the lessor's capacity as the lessor. If any grievance, claim, controversy, or issue an issue arises under the Declaration about: (1) the Declarant, (i) the Declarant shall address it under the Declaration in its capacity as the Declarant, and (ii) the Homeowner shall address it under the Declaration (a) with the Declarant in the Declarant's capacity as the Declarant, and (b) in the Homeowner's capacity as a Unit Owner, not as the lessee under this Lease; (2) a Unit Owner, (i) the Unit Owner shall address it under the Declaration in its capacity as an Unit Owner, and (ii) the Homeowner shall address it under the Declaration (a) with the Unit Owner in the Unit Owner's capacity as a Unit Owner, and (b) in the Homeowner's capacity as a Unit Owner, not as the lessee under this Lease; or (3) the Manager, (i) the Manager shall address it under the Declaration in its capacity as the Manager, and (ii) the Homeowner shall address it under the Declaration (a) with the Manager in the Manager's capacity as the Manager, and (b) in the Homeowner's capacity as a Unit Owner, not as a lessee under this Lease. If the CLT violates: (1) this Lease, doing so does not violate the Condominium Documents; or (2) the Condominium Documents, doing so does not violate this Lease. If the Homeowner violates this Lease or the Condominium Documents, it violates them all.

1.9 Conflicts. If there is a conflict between this Lease and the Condominium Documents, this Lease controls unless applying the conflicting Lease provision would violate the Condominium Documents, in which case the conflicting provision in the Condominium Documents controls.

Article 2: Term

2.1 Term. The Initial Term begins on the Lease Date and the End Date will be on the earliest of the following events to occur: (1) the 75th annual anniversary date of the Lease Date; or (2) the termination of the Lease. Until the End Date, the Homeowner Leasehold and the CLT's fee simple ownership of the Home are, and shall remain, separate legal estates. The Homeowner has no right, option, or ability to acquire fee simple ownership of the Home, whether through this Lease or otherwise. Subject to the CLT's consent, the Homeowner may allow a lender to encumber the Homeowner Leasehold with a mortgage, trust indenture, and/or security agreement (each, a "**Security Instrument**"; a Security Instrument to which the CLT consents, a "**Permitted Mortgage**"; the mortgagee, beneficiary, or secured party under a Permitted Mortgage, a "**Permitted**

Mortgagee”). If a Permitted Mortgage lien exists as of the End Date, the Term continues as provided in (a **“Permitted Mortgage Extension”**): (1) any rider to this Lease which the CLT and the Homeowner enter modifying this Lease for the benefit of the Permitted Mortgagee (a **“Rider”**); or (2) the Permitted Mortgage provisions in the attached **Exhibit E** and the Standard Permitted Mortgage Agreement that exhibit references between the Homeowner and the Permitted Mortgagee (the **“Standard Permitted Mortgage Agreement”**). Unless the Rider or Standard Permitted Mortgage Agreement provide otherwise: (1) a Permitted Mortgage Extension is for the sole purpose of preserving the Permitted Mortgage lien; and (2) under a Permitted Mortgage Extension, the provisions of this Lease giving the Homeowner the right to use, occupy, and possess the Home terminate as to the Homeowner, but not as to the Permitted Mortgagee.

2.2 Renewal. The Homeowner has the option to renew the Initial Term for 75 years (that option, the **“Renewal Option”**; that additional 75 years, the **“Renewal Term”**). Not more than 365 or less than 180 days prior to the expiration of the Initial Term, the CLT shall provide the Homeowner with a notice (that notice, the **“Expiration Notice”**) informing the Homeowner about: (1) the date the Initial Term expires; (2) the conditions described in this section below that the Homeowner must meet to exercise the Renewal Option; and (3) any modifications the CLT intends to make to the Lease for the Renewal Term, provided the CLT may only make modifications that do not materially interfere with the rights the Homeowner has under this Lease before the CLT makes those modifications. To exercise the Extension Option, the Homeowner must notify the CLT within 60 days of receiving the Expiration Notice (that notice, the **“Renewal Notice”**). If the Homeowner sends a Renewal Notice, the Renewal Term will begin upon the expiration of the Initial Term, but only if on the last day of the Initial Term: (1) this Lease has not been terminated; and (2) the Homeowner is not in default under this Lease or a Permitted Mortgage. If the Homeowner exercises the Renewal Option and meets the conditions in the immediately preceding sentence, the Homeowner and the CLT shall sign a Lease modification or other instrument confirming the Homeowner has done so and the parties shall sign and record an Abstract about the Renewal Term in the records of the Recording Office.

2.3 Reversion. Under a Reversion, all interest in the Home reverts to the CLT. Neither the CLT nor the Homeowner must take any action for the Reversion to occur, but the Homeowner shall deliver a signed, dated, and notarized instrument to the CLT confirming the Reversion as the CLT directs (a **“Reversion Confirmation”**), which the CLT may record in the records of the Recording Office. Under a Reversion: (1) the Homeowner shall make the Transfer Repairs (defined below), which the parties shall address as provided in the section with the descriptive heading Repairs on Transfer; (2) the CLT shall pay the Homeowner the Appraised Value or the Adjusted Formula Price, whichever is less (that lesser amount, the **“Reversion Proceeds”**); and (3) the Reversion Proceeds become Transfer Proceeds. If the CLT believes the fair market value of the Home is less than the Adjusted Formula Price, then the CLT may commission and pay for an Appraisal to determine the Appraised Value. For this section, except for selecting the Appraiser, the Homeowner hereby irrevocably designates the CLT as the Homeowner’s agent to act in the place of the Homeowner on the following matters and grants the CLT the power and authority to: (1) sign, date, and notarize a Reversion Confirmation and record it in the records of the Recording Office; (2) distribute the Reversion Proceeds as Transfer Proceeds; and (3) otherwise address any matters pertaining to the Reversion and the CLT’s reversionary interest in the Home. The power of attorney in the immediately preceding sentence is coupled with an interest, and under that power of attorney the CLT may sign contracts, give receipts, make releases, and start or defend legal proceedings.

Article 3: Permitted Use

3.1 Residential Use. The Homeowner shall use the Home for residential purposes only (the “**Permitted Use**”). The Homeowner shall not use the Home to engage in these activities, which further limit the Permitted Use: (1) those in violation of this Lease, the Condominium Documents, or a Permitted Mortgage; or (2) those in violation of any laws, statutes, codes, ordinances, orders, permits, licenses, rules and regulations, whether local, state or federal (the “**Laws**”).

3.2 Occupants. Only these individuals may reside in the Home (the “**Permitted Occupants**”): (1) the Homeowner; (2) the Homeowner’s spouse or domestic partner; (3) the Homeowner’s children; and (4) others the CLT approves. If the CLT approves any Permitted Occupants, it may place restrictions on that approval and the Homeowner shall follow them. The Homeowner: (1) shall cause the Permitted Occupants to not engage in activity that violates the Permitted Use, this Lease, or the Condominium Documents; and (2) is responsible and liable for the Permitted Occupants’ use of the Home.

3.3 Renting. Without the CLT’s consent, which the CLT may withhold in its discretion, the Homeowner shall not rent, lease, sublease, or license all or any part of the Home, whether nightly, weekly, or for any other period, and regardless of whether the Homeowner receives consideration for engaging in that activity or not. If the CLT consents to allow the Homeowner to sublease any of the Home, it may place restrictions on that approval and the Homeowner shall follow them.

3.4 Use by Others. The Homeowner is responsible and liable for the use of the Home by the guests, visitors, invitees, and licensees of the Permitted Occupants (collectively, the “**Homeowner Guests**”). The Homeowner: (1) shall cause the Homeowner Guests to not engage in any activity that violates the Permitted Use, this Lease, or the Condominium Documents; and (2) is responsible and liable for the Homeowner Guests’ use of the Home.

3.5 Inspection. The CLT may enter the Home at reasonable times on reasonable notice to: (1) inspect the Home for compliance with this Lease and the Condominium Documents; (2) to comply with the Laws; or (3) perform the obligations the Homeowner has under this Lease but fails to perform, but that ability does not obligate the CLT to perform those obligations.

3.6 Quiet Enjoyment. The Homeowner has the right to quietly enjoy the Home without any disturbance that could arise if the CLT’s fee simple ownership interest in the Home is defective. The CLT makes no implied covenants of quiet enjoyment to the Homeowner.

Article 4: Lease Fee

4.1 Lease Fee. The Lease Fee is \$25 per month. Without the Restrictions, the CLT would have set a higher Lease Fee. The CLT may increase the Lease Fee by up to 2% every 12 months, but if any part of the Articles with the descriptive headings Transfers or Continued Eligibility become unenforceable or obsolete, the CLT may increase the Lease Fee up to the fair market rental value of the Home based on the matter this Lease no longer restricts due the absence of the unenforceable or obsolete provision, and may continue to increase the Lease Fee annually thereafter to reflect increases in that fair market rental value. For this section, the CLT shall determine the fair market value of the Home, and in doing so, the CLT shall have the benefit of the legal presumption that the fair market value it

determines is reasonable, which the Homeowner must overcome by clear and convincing evidence. If the CLT determines that any part of the Articles with the descriptive headings Transfers or Continued Eligibility have become obsolete under a Foreclosure or otherwise (an “**Obsolete Provision**”), the CLT shall notify the Homeowner and the parties shall thereafter disregard the Obsolete Provision. The CLT shall have the benefit of the legal presumption that the Obsolete Provision is obsolete, which the Homeowner must overcome by clear and convincing evidence.

4.2 Lease Fee Payments. The Homeowner shall pay the Lease Fee: (1) in advance on the first day of each calendar month during the Term; (2) without the right of notice, setoff, or abatement; and (3) to the CLT at the CLT’s address the section with the descriptive heading Notices. If a Permitted Mortgagee requires the Homeowner to pay the Lease Fee into an escrow account, the Homeowner shall cause the Permitted Mortgagee to pay the Lease Fee to the CLT from the funds in escrow. If the Permitted Mortgagee pays the Lease Fee on behalf of the Homeowner from an escrow account, the CLT may arrange with the Permitted Mortgagee to accept annual or semi-annual Lease Fee payments from the escrow account to reduce the administrative burden on the Permitted Mortgagee. The Permitted Mortgagee’s failure to pay the Lease Fee from the escrow account does not relieve the Homeowner from the obligation to timely pay the Lease Fee. If the Homeowner does not timely pay the Lease Fee, the CLT may assess interest on the unpaid balance from when the payment became late until paid at a rate up to the maximum non-usurious rate the Laws allow (the “**Default Rate**”).

4.3 Other Payments. Besides the Lease Fees, the Homeowner shall pay the CLT these amounts (the “**Other Amounts**”): (1) those this Lease obligates the Homeowner to pay the CLT; (2) those the CLT pays in (i) fulfilling the Homeowner’s obligations under this Lease, or (ii) to correct the Homeowner’s violation of this Lease; (3) those the Homeowner owes the CLT under any other agreements between the Homeowner and the CLT; (4) those the CLT pays to cure the Homeowner’s default under a Permitted Mortgage; and (5) interest on the forgoing, which shall accrue at the Default Rate from the date the amount becomes due until paid. The CLT shall notify the Homeowner about Other Amounts the Homeowner owes, which the Homeowner shall pay with the first Lease Fee becoming due after the CLT notifies the Homeowner about them.

4.4 CLT Expenses. As the CLT incurs expenses relating or incident its fee simple interest in the CLT Homes, it may apportion them equally among the CLT Homeowners. The CLT will send periodic invoices to the Homeowner for the portion of those expenses the Homeowner owes, which the Homeowner shall pay within 30 days of the date of the invoice. The Association will reimburse the CLT for expenses the CLT incurs in its capacity as the Manager, which differ from the expenses for which the CLT will receive direct reimbursement from the Homeowners under this section.

4.5 Association Matters. The CLT is not responsible to pay for any assessments, fees, fines, or other amounts the Association makes, charges, or issues relating to or associated with the Home or the Homeowner (those matters, “**Association Charges**”). The Homeowner shall pay all Association Charges pertaining to the Home or the Homeowner under the Condominium Documents. If the Homeowner does not pay the Association Charges, the CLT may pay some or all of them and the Association Charges the CLT pays become Other Amounts.

Article 5: Taxes

5.1 **Taxes.** The Homeowner shall timely pay all taxes, assessments, and charges a taxing authority makes relating to: (1) real estate taxes, assessments, and special improvement assessments directly against the Home (collectively, the “**Taxes**”); (2) the Homeowner’s income; and (3) the Homeowner’s personal property. If the Homeowner does not pay the Taxes, the CLT may pay some or all of them and the amounts the CLT pays become Other Amounts.

5.2 **Tax Contest.** At the Homeowner’s expense, the Homeowner may contest the amount or validity of the Taxes with the taxing authority but must first give a bond or other surety to release any lien the Taxes create. If the CLT receives a request from the Homeowner to participate in the contest, the CLT may participate or forgo participation.

Article 6: Maintenance and Construction

6.1 **Maintenance and Alterations.** The Homeowner shall maintain, repair, replace, and reconstruct the Home as the Declaration requires. The CLT has no responsibility to: (1) provide any services, facilities, systems, or utilities to any aspect of the Project, including the Home; or (2) perform any maintenance on or make any repairs, improvements, or replacements to any aspect of the Project, including the Home. The Unit Owners, which includes the Homeowner, and the Association are solely responsible for those matters as provided in the Declaration.

6.2 **Construction.** The Homeowner shall not make, or allow others to make, repairs, replacements, improvements, alterations, replacements, or reconstruction to the Home (that activity, “**Construction**”) unless the Homeowner obtains consent from: (1) the Association, if the Declaration requires that consent; (2) the Permitted Mortgagee, if the Permitted Mortgage requires that consent; and (3) the CLT, if this section requires that consent. The following Construction requires the CLT’s consent, which the CLT shall not withhold unreasonably: (1) Construction requiring consent from the Association or a Permitted Mortgagee; and (2) Construction requiring a building permit. For Construction requiring CLT consent, the Homeowner shall submit a request to the CLT that includes (the “**Construction Request**”): (1) a description of the purpose of the Construction; (2) a set of construction drawings; (3) a list of the Construction materials; and (4) the names of the contractors that will perform the Construction work, or if the Homeowner will perform the work, a notation to that effect. If the CLT wants more information, it shall request it from the Homeowner within two weeks of receiving the Construction Request. Within two weeks after the CLT receives the Construction Request, or within two weeks after the CLT receives the additional Construction information, whichever is later, the CLT shall notify the Homeowner whether the CLT consents, conditionally consents, or does not consent to the Construction. If the CLT denies consent or conditionally consents, it shall explain its rationale to the Homeowner. Construction must: (1) relate to the Permitted Use; and (2) occur in compliance with this Lease, the Condominium Documents, and the Laws.

6.3 **Transfer Repairs.** Before a Transfer, the Homeowner shall cause the proposed Transferee to hire a licensed home inspector at the Homeowner’s expense to assess the condition of the Home and prepare a written report of the condition (“**Inspection Report**”). The Homeowner shall cause the proposed Transferee to provide a copy of the Inspection Report to the CLT within 10 days after the proposed Transferee receives the Inspection Report. Before the Transfer, the Homeowner shall (these items, the “**Transfer Repairs**”): (1) repair the damages the Inspection Report reveals that are

beyond normal wear and tear; (2) repair and perform the matters to bring the Home into the condition the Declaration requires; (3) cause the Home's (i) floor, wall, ceiling, and countertop finishes to be clean, in good condition, and free of gouges, holes, and noxious odors, and (ii) appliances and fixtures to be present, clean, and in good working order, or replaced with appliances and fixtures of comparable quality in good working order; and (4) to the extent the Association is not responsible to do so, cause the Home's (i) mechanical and electrical systems to be in good working order, (ii) plumbing to be in good working order and free of stoppages or leaks, and (iii) the HVAC system to be in good working order. The Homeowner shall pay for the Transfer Repairs. With the CLT's consent, the Homeowner may pay for all or a portion of the Transfer Repairs from the Transfer Proceeds, in which case the Homeowner shall cause the following amounts to be held back at the closing of the transaction consummating the Transfer to the proposed Transferee in an escrow account and under an escrow agreement the CLT approves: (1) 150% of the unpaid estimated cost of the Transfer Repairs the Homeowner does not complete; and (2) 100% of the unpaid cost of the Transfer Repairs the Homeowner completes but does not pay. The Homeowner shall allow the CLT, the proposed Transferee, the proposed Transferee's building inspector, and the proposed Transferee's proposed Permitted Mortgagee to inspect the Transfer Repairs before the Transfer occurs to determine if the Transfer Repairs are complete. Under a CLT Transfer, Reversion, or Foreclosure, the CLT will inspect the Home and notify the Homeowner what Transfer Repairs are necessary. The Homeowner shall make and pay for those Transfer Repairs and the parties may use the same hold back structure applicable to a Transfer. As part of a Transfer, the Homeowner shall: (1) convey the Home's appliances to the Transferee free from liens and in the condition this section requires; (2) address the appliance conveyance in the CLT Transfer Agreement or the Transfer Agreement, as applicable; and (3) accomplish the appliance conveyance using CLT's customary form of bill of sale. The Homeowner's consideration for making the appliance conveyance is incorporated into the Lease Fee and the Homeowner shall not receive any additional consideration for making the appliance conveyance and will therefore not cause the Adjusted Purchase Price or Transfer price, as applicable, to increase.

Article 7: Financing

7.1 Mortgages. The CLT will consent to a Permitted Mortgage if the conditions in this Article are met and: (1) the Homeowner and the CLT sign a Rider, the terms of which must be reasonably acceptable to the CLT; or (2) the Homeowner and the proposed Permitted Mortgagee sign the form of Standard Permitted Mortgage Agreement and deliver a signed copy to the CLT. Any Security Instrument that is not a Permitted Mortgage is void. The Permitted Mortgagee is responsible for obtaining a leasehold loan policy of title insurance with a leasehold endorsement or endorsements insuring the lien of the Permitted Mortgage on the Homeowner Leasehold. The Homeowner, the Permitted Mortgagee, or some combination thereof, shall pay that title insurance premium.

7.2 Original Mortgage. Subject to a Rider or Standard Permitted Mortgage Agreement, the CLT consents to the Homeowner entering a Permitted Mortgage or Permitted Mortgages contemporaneously with entering this Lease to enable the Homeowner to obtain the funds to pay the Base Price, but only if the cumulative original principal amount of the loan or loans is equal to or less than 105% of the Base Price (that Permitted Mortgage or Permitted Mortgages, whether one or more, the "**Original Mortgage**").

7.3 Subsequent Mortgages. Except for the Original Mortgage, if the Homeowner wants to enter

a Security Instrument (a “**Proposed Permitted Mortgage**”), the Homeowner must: (1) notify the CLT at least fifteen days before the Homeowner expects to consummate the closing of the Proposed Permitted Mortgage loan transaction; and (2) obtain the CLT’s consent. That notice must include: (1) the name of the proposed lender; (2) the purpose of the proposed loan; (3) the principal amount and other primary terms of the proposed loan; (4) amounts the Homeowner owes under Permitted Mortgages, if any; (5) anticipated loan closing costs; (6) a copy of the appraisal the Homeowner or lender commissions in connection with the proposed loan; and (7) additional information the CLT requests. Subject to a Rider or Standard Permitted Mortgage Agreement, the CLT shall consent to any Proposed Permitted Mortgage where the corresponding loan does not increase the Homeowner’s total Permitted Mortgage debt to an amount exceeding 80% of the Adjusted Formula Price.

7.4 Foreclosure. The Homeowner and the CLT recognize that it is contrary to the Goal if the Homeowner could receive more than the Adjusted Formula Price as the result of a Foreclosure (the creditor conducting the Foreclosure, the “**Foreclosing Creditor**”). The Homeowner irrevocably: (1) assigns to the CLT all proceeds a Foreclosure generates to which the Foreclosing Creditor is not entitled (the “**Excess Foreclosure Proceeds**”); and (2) authorizes and instructs the Foreclosing Creditor or other party conducting the Foreclosure sale to pay the Excess Foreclosure Proceeds directly to the CLT. If the Homeowner receives the Excess Foreclosure Proceeds, the Homeowner shall immediately deliver them to the CLT. The Excess Foreclosure Proceeds will become Transfer Proceeds and the CLT shall distribute them as provided in the section with the descriptive heading Transfer Proceeds, except that if the amount to be distributed to the Homeowner or the Homeowner’s heirs, devisees, or beneficiaries exceeds the Adjusted Formula Price (that surplus, the “**Excess Adjusted Formula Price Proceeds**”), the CLT is entitled to keep the Excess Adjusted Formula Price Proceeds and shall distribute them to itself. If a person or entity acquires the Homeowner Leasehold under a Foreclosure not involving a Permitted Mortgage, the CLT has no obligation to: (1) enter an Assignment and Assumption Agreement or a New Lease with the acquiring party; (2) consent to any assignment of this Lease to the acquiring party; or (3) recognize any purported assignment, Transfer, or acquisition of the Lease or the Homeowner Leasehold to the acquiring party.

Article 8: Liability

8.1 Indemnification. If the CLT makes a claim for indemnification against the Homeowner as permitted under this section, except to the extent directly and entirely caused by the CLT’s negligence or willful misconduct, the Homeowner shall indemnify, defend, and hold the CLT harmless against any liability, loss, claim, damage, diminution in value, fine, fee, penalty, and reasonable attorney and paralegal fees and costs arising from or relating to: (1) the Homeowner’s use or non-use of the Home; (2) the Homeowner’s violation of this Lease or the Condominium Documents; or (3) the acts, omissions, neglect, conduct, misconduct, or negligence of the Permitted Occupants or the Homeowner Guests.

8.2 Limitations of Liability. The Homeowner assumes all responsibility and liability related to the Homeowner’s use, possession, and occupancy of the Home. If Homeowner terminates this Lease under the section with the descriptive heading CLT Remedies, the parties limit the CLT’s liability to the Adjusted Formula Price. For all other matters relating or arising under this Lease, the parties hereby limit the CLT’s liability to the Adjusted Formula Price or the Appraised Value, whichever is less. The CLT is not liable for consequential or incidental damages.

8.3 **CLT Consent.** If the Homeowner requests the CLT's consent or approval and the CLT fails or refuses to provide its consent or approval, the Homeowner is not entitled to damages. There, the Homeowner's sole remedy shall be an action for specific performance or an injunction, and that remedy is available only where this Lease states the CLT would not unreasonably withhold its consent or approval.

8.4 **Insurance.** The CLT has no obligation to obtain insurance coverage. The Declaration states the Homeowner's insurance obligations and those of the Association, and the Homeowner shall follow them.

8.5 **Damage.** If fire or other casualty damages the Home, the parties shall address it as provided in the Declaration.

8.6 **Condemnation.** If there is an award for damages (an "Award") in an eminent domain proceeding under the Laws affecting the Property (an "Eminent Domain Proceeding") the parties shall apportion the Award as provided in the Declaration, which accounts for Permitted Mortgagee entitlement to the Award, except the maximum amount the Homeowner may receive under an Award is the Adjusted Formula Price and the CLT will receive the difference. The part of the Award the Homeowner receives are Transfer Proceeds and subject to distribution under the section with the descriptive heading Transfer Proceeds.

8.7 **Right to Prosecute or Defend.** The CLT has the right, but not an obligation, to prosecute or defend any actions or proceedings to protect its fee simple ownership of the Home, which the CLT may undertake in its own name or in the Homeowner's name. The Homeowner shall cooperate with the CLT and give it reasonable assistance in any such action or proceeding.

8.8 **Relationships.** This Lease creates no partnership, joint venture, or similar relationship or arrangement between the parties except that of landlord and tenant. This Agreement does not confer, and the parties do not intend for it to confer, any rights or remedies upon any nonparty except to Permitted Mortgagees as provided in a Rider or Standard Permitted Mortgage Agreement. These parties have no rights or remedies under this Lease: (1) Permitted Occupants other than the Homeowner; (2) Homeowner Guests; (3) Qualified Persons other than the Homeowner; (4) CLT Homeowners other than the Homeowner; or (5) any party to a Transfer Agreement or an Offer (defined below) other than the Homeowner.

8.9 **Recovery of Expenses.** In any legal proceeding between the parties arising out of or relating to this Lease, the prevailing party may recover from the other party, besides any other relief awarded, all court filing fees, court costs, witness fees, and attorneys' and other professionals' fees and disbursements including attorney and paralegal fees and expenses the prevailing party incurs.

8.10 **No Brokerage Fees.** The Homeowner did not engage a broker or real estate agent in connection with leasing the Home who might claim a fee or commission. If any claim is made against the CLT regarding the Homeowner's dealings with brokers, the Homeowner shall defend the CLT against such claim reimburse the CLT for any loss, cost or damage resulting from the claim.

Article 9: Transfers

9.1 **Qualified Person.** The Homeowner may not make a Transfer to any person or entity except to a Qualified Person. A Qualified Person is an individual: (1) who is a Montana resident holding a valid Montana driver's license; (2) who meets the District Employment Requirement (defined below); (3) whose total household income from all sources does not exceed 150% of the median household income for the District; and (4) has a net worth of less than 50% of the Base Price. The CLT will determine who is a Qualified Person and maintain a list of Qualified Persons and the order of priority in which the Qualified Persons have the right to become Transferees (the "**Qualified Person List**"; the Qualified Person with the highest priority on the Qualified Person List, the "**Priority Transferee**"). In making that determination, the CLT has the discretion to use measures and consider other factors consistent with the Goal to determine median household income and net worth, including whether to count the income and assets of proposed Permitted Occupants. In its discretion on a case-by-case basis, the CLT may make the Qualified Person requirements less onerous if it believes doing so is consistent with the Goal.

9.2 **Transfer.** A Transfer that does not occur in accordance with this Article is void. If the Homeowner wants to make a Transfer, the Homeowner shall notify the CLT (a "**Notice of Intent to Transfer**"). Upon its receipt of a Notice of Intent to Transfer, the CLT has the option to acquire the Home for the Adjusted Formula Price (that option, the "**Purchase Option**"). Within 45 days of receiving the Notice of Intent to Transfer, the CLT shall: (1) notify the Homeowner if the CLT elects to exercise the Purchase Option (that notice, the "**Exercise Notice**"), in which case the Homeowner shall proceed under the section with the descriptive heading Purchase Option; or (2) notify the Homeowner about (the "**Structure Notice**") (i) the identity of the Priority Transferee, and (ii) whether the Homeowner shall structure the Transfer in a manner where the Priority Transferee must (a) assume this Lease under an agreement (an "**Assignment and Assumption Agreement**"), or (b) enter a new ground lease with the CLT to lease the Home (a "**New Lease**"). If the Priority Transferee and the CLT enter a New Lease, this Lease terminates. The New Lease will be like the ground leases the CLT is entering with CLT Homeowners in proximity to the time of the Transfer, subject to the CLT's discretion to fashion the terms of the New Lease as it believes follows and furthers the Goal. To accomplish a Transfer, the Homeowner and the Priority Transferee must enter a Transfer Agreement: (1) for a Transfer price not to exceed the Formula Price and those proceeds will be Transfer Proceeds; and (2) consummate the closing of the Transfer within 60 days after the date of the Structure Notice. If the Homeowner cannot negotiate a Transfer Agreement on acceptable terms with the Priority Transferee, or if the Priority Transferee becomes unable, unwilling, or unqualified to become a CLT Homeowner, the Homeowner may issue a new Notice of Intent to Transfer and the CLT will issue an Exercise Notice or a new Structure Notice in response, and if the CLT issues a new Structure Notice it will name a different Priority Transferee than the initial Structure Notice names. The conditions precedent for consummating the closing of a Transfer are: (1) concurrently with the Transfer, the Priority Transferee must enter an Assignment and Assumption Agreement or a New Lease as the CLT directs in a Structure Notice; (2) at the time of the closing of the Transfer, the Priority Transferee must still be a Qualified Person; and (3) the Homeowner shall distribute, or cause the distribution of, the Transfer Proceeds as provided under the section with the descriptive heading Transfer Proceeds.

9.3 **Transfer Agreements.** The parties shall ensure the CLT Transfer Agreement or the Transfer Agreement, as applicable, addresses the matters in this section and other appropriate matters, if any (the transactions under a CLT Transfer Agreement or a Transfer Agreement, the "**Transaction**"; the closing of the Transaction, a "**Home Closing**"; the date of a Home Closing, the "**Home Closing Date**").

The Homeowner's violation of a CLT Transfer Agreement or a Transfer Agreement is a violation of this Lease. Under a CLT Transfer Agreement, the CLT may elect to structure the CLT Transfer as an assumption by the CLT of this Lease, in which case the fee simple ownership of the Home will not merge with the Homeowner Leasehold. The parties shall ensure the CLT Transfer Agreement addresses these matters: (1) the CLT shall pay the Adjusted Formula Price; (2) the CLT may assign its interest in the CLT Transfer Agreement to a Priority Transferee; (3) the Homeowner shall pay the Home Closing costs; (4) the parties shall prorate these matters between them as of the Home Closing Date (i) Taxes, (ii) the License Fee, and (iii) Association Charges; (5) the parties shall address the Transfer Repairs as the section with the descriptive heading Transfer Repairs requires; (6) the Homeowner shall distribute, or cause the distribution of, the Transfer Proceeds as the section with the descriptive heading Transfer Proceeds requires; (7) this Lease terminates on the Home Closing Date unless the CLT structures the CLT Transfer as an assumption of the Lease; and (8) the CLT is entitled to possession of the Home on the Home Closing Date when the Home Closing is complete. The Homeowner shall ensure the Transfer Agreement addresses these matters: (1) the Transfer price does not exceed the Formula Price; (2) the Homeowner and the Transferee shall split the Home Closing costs equally; (3) the Homeowner and the Transferee shall prorate these matters between them as of the Home Closing Date (i) Taxes, (ii) the License Fee, and (iii) Association Charges; (4) the Homeowner and the Transferee shall address the Transfer Repairs as the section with the descriptive heading Transfer Repairs requires; (5) the Homeowner shall distribute, or cause the distribution of, the Transfer Proceeds as the section with the descriptive heading Transfer Proceeds requires; (6) this Lease terminates on the Home Closing Date unless there is an Assignment and Assumption Agreement; (7) the Transferee is entitled to possession of the Home on the Home Closing Date when the Home Closing is complete; and (8) the Transferee is responsible for obtaining a standard coverage owner's policy of title insurance with leasehold endorsements to insure the Transferee's leasehold estate and the Homeowner, the Transferee, or some combination thereof, shall pay that title insurance premium.

9.4 Purchase Option. If the CLT issues a timely Exercise Notice, the CLT and the Homeowner shall enter a CLT Transfer Agreement. The CLT Transfer Agreement shall provide for the parties to consummate the closing of the CLT Transfer within 60 days of the Exercise Notice (that closing, the "**Option Closing**"; the date the Option Closing occurs, the "**Purchase Option Closing Date**"). If the Option Closing occurs, the Adjusted Formula Price the CLT pays become Transfer Proceeds. If the Option Closing does not occur by then because of the Homeowner's delay, the parties shall extend the Purchase Option Closing Date to account for the time attributable to that delay. If the Option Closing does not occur by the Purchase Option Closing Date, the CLT shall issue a Structure Notice within 30 days after the date the Option Closing should have occurred, and the Homeowner may then enter a Transfer Agreement with a Priority Transferee and consummate the Transfer for a Transfer price not to exceed the Formula Price.

9.5 Forced Transfer. If the Option Closing does not occur on time, the CLT may make a Transfer on the Homeowner's behalf if (that Transfer, a "**Forced Transfer**"): (1) the Homeowner then continues to hold the Home out for Transfer for more than one year after the date of the Exercise Notice; and (2) the Homeowner is not regularly residing in the Home during that one-year period. Under a Forced Transfer, the CLT shall: (1) enter a CLT Transfer Agreement or Transfer Agreement to complete a CLT Transfer or Transfer, as applicable, for the Appraised Value or the Formula Price, whichever is less; and (2) Transfer the Home to the CLT or the Transferee under the CLT Transfer Agreement or Transfer Agreement, as applicable. For this section, the Homeowner hereby

irrevocably designates the CLT as the Homeowner's agent to act in the place of the Homeowner on the following matters and grants the CLT the power and authority to: (1) enter a CLT Transfer Agreement or a Transfer Agreement for the Forced Transfer; (2) Transfer the Home to the CLT or the Transferee under the CLT Transfer Agreement or Transfer Agreement, as applicable; (3) distribute the Transfer Proceeds as provided under the section with the descriptive heading Transfer Proceeds; and (4) otherwise address any matters pertaining to the Forced Transfer. The power of attorney in the immediately preceding sentence is coupled with an interest, and under that power of attorney the CLT may sign contracts, give receipts, make releases, and start or defend legal proceedings. If the CLT signs a Transfer Agreement under this section, it shall be on terms consistent with this section, and apportion expenses, make prorations, and distribute Transfer Proceeds in a manner that is substantially similar to how the parties address those matters under a Transfer Agreement between the CLT and the Homeowner in the section with the descriptive heading Purchase Option.

9.6 Right of First Refusal. If a part of this Article becomes an Obsolete Provision or unenforceable, the Homeowner hereby grants to the CLT, and the CLT shall have, a right of first refusal to acquire the Homeowner Leasehold (the "**Right of First Refusal**"). If the Right of First Refusal becomes effective, the CLT retains the rights it has in this Article that do not become an Obsolete Provision or unenforceable. If the Right of First Refusal becomes effective and the Homeowner then receives a bona fide arm's length offer to Transfer the Home under a Transfer Agreement that the Homeowner wants to accept (an "**Offer**"; the proposed Transferee, "**Proposed Transferee**"), the Homeowner shall notify the CLT within 30 days of receiving the Offer (an "**Offer Notice**") and include a copy of the Offer in the Offer Notice. The Homeowner shall not accept an Offer if non-cash consideration comprises part of the Transfer price. The CLT shall have 90 days from the day it receives the Offer Notice (that period, the "**Election Period**") to exercise its Right of First Refusal by notifying the Homeowner (an "**Acceptance Notice**"). If the CLT issues a timely Acceptance Notice the Homeowner and the CLT shall sign a CLT Agreement, and the Homeowner shall consummate the transaction with the CLT on the same terms as the Offer, except the parties shall consummate the closing of the transaction under the CLT Agreement (the "**Right of First Refusal Closing**") within 90 days after the date of the Acceptance Notice (the "**Right of First Refusal Closing Date**"), but if the Right of First Refusal Closing does not occur by then because of the Homeowner's delay, the parties shall extend the Right of First Refusal Closing Date to account for the time attributable to that delay. If the CLT does not issue a timely Acceptance Notice, the Homeowner may Transfer the Home to the Proposed Transferee on the same terms in the Offer, but subject to the Proposed Transferee signing an Assignment and Assumption Agreement or a New Lease, as the CLT directs, each of which is further subject to an increase in the Lease Fee applicable to an Obsolete Provision or unenforceable provision as provided in the section with the descriptive heading Lease Fee. If the Homeowner and the Proposed Transferee modify the Offer, the Homeowner must restart the Right of First Refusal process by issuing a new Offer Notice to the CLT. If the Homeowner does not complete the Transfer of the Home to the Proposed Transferee on the terms in the Offer and in accordance with this section within one year after the date of the Offer Notice, the Right of First Refusal is reinstated regarding the Offer and the Homeowner must restart the Right of First Refusal process by issuing a new Offer Notice.

9.7 Transfer Proceeds. The Homeowner hereby grants the CLT a lien in the Transfer Proceeds to secure the Homeowner's obligations under this Lease (the "**Transfer Proceeds Lien**"). The Transfer Proceeds Lien is subordinate to: (1) Permitted Mortgage liens; (2) liens for Taxes; (3) Association liens ("**Association Liens**"); and (4) other matters for which the Laws give priority. The Homeowner shall

pay these amounts, or cause them to be paid, from the Transfer Proceeds in this order of priority (the “**Transfer Payments**”): (1) the balances necessary to satisfy Permitted Mortgage liens, Taxes, and Association Liens, all in the priority the Declaration provides; (2) other liens and encumbrances the Homeowner causes or allows to attach to the Home; (3) the closing for which the Homeowner is responsible; (4) unpaid Lease Fees; (5) unpaid Other Amounts; (6) if applicable, the Cancellation Fee; (7) if applicable, the expenses the CLT incurs in completing a Forced Transfer; (8) any damages the Homeowner owes the CLT for the Homeowner’s breach or violation of this Lease; and (9) other amounts the Homeowner owes the Association that are not the subject of Association Liens. If any Transfer Proceeds remain after making the Transfer Payments, then subject to the CLT’s right to receive the Excess Adjusted Formula Price Proceeds, the balance will go to the Homeowner or, if applicable, the Homeowner’s heirs, devisees, or beneficiaries. Any time the Transfer Proceeds are insufficient to make the Transfer Payments, the Homeowner is responsible to pay the difference. The Homeowner’s ability to make the Transfer Payments from the Transfer Proceeds does not absolve the Homeowner of the Homeowner’s obligation to pay the amounts the Homeowner owes as they become due.

Article 10: Continued Eligibility

10.1 Violation. Failing to meet and continue to meet the requirements of this Article is a violation of this Lease by the Homeowner, which the CLT may enforce under the Article with the descriptive heading Default. The CLT may consider exceptions to the requirements in this Article case-by-case in its sole discretion.

10.2 Employment. The Homeowner shall remain employed at a job within the District for at least 1560 hours per Lease Year (the “**District Employment Requirement**”). A Homeowner who is a Montana resident maintaining the Homeowner’s primary business office in the Home (to the extent doing so does not violate, this Lease, the Condominium Documents, or the Laws) may satisfy the District Employment Requirement if the CLT determines the Homeowner is providing a product or service benefitting the District, with such determination being in the CLT’s discretion. A “**Lease Year**” is 12 consecutive calendar months, with the first lease year beginning on the Lease Date and with each later lease year running consecutively thereafter beginning on the first day of each anniversary of the Lease Date.

10.3 Primary Residence. The Home must be the Homeowner’s primary residence and the only residential dwelling the Homeowner owns. The Homeowner shall occupy the Home on a continuous and year-round basis, subject only to reasonable absences for vacations, medical care, and similar events customary for individuals that own one residential dwelling and reside in it. Other than the Homeowner, none of the Permitted Occupants may own a residential dwelling unit.

10.4 Retirement. If the Homeowner reaches age 65 (the “**Retirement Age**”) and no longer meets the District Employment Requirement, the Homeowner shall Transfer the Home unless the Homeowner has: (1) been a Homeowner for the ten consecutive Lease Years immediately preceding the date the Homeowner reaches the Retirement Age; and (2) met the District Employment Requirement during that entire consecutive ten-year period. If there is more than one Homeowner, only one of them must meet the conditions in the immediately preceding sentence to avoid triggering the Transfer requirement.

10.5 **Verification.** The Homeowner shall: (1) promptly provide the CLT with the information the CLT requests to enable the CLT to determine whether the Homeowner meets and is continuing to meet the requirements of this Article; (2) permit the CLT to obtain information and verify the information the Homeowner provides by requesting records from employers, governmental bodies, and others, conducting interviews, and other methods the CLT deems appropriate; and (3) provide the CLT with waivers and consents the CLT requests to obtain the forgoing information. The CLT may undertake this process as frequently as it wants to do so.

10.6 **Legal Standard.** In a legal proceeding arising from or relating to the Homeowner's failure to meet the requirements in this Article, CLT shall have the benefit of the legal presumption that the CLT's determination of the Homeowner's failure is correct, which the Unit Owner must then overcome by clear and convincing evidence.

Article 11: Default

11.1 **Default Notice.** The CLT will notify the Homeowner and the Permitted Mortgagee if the Homeowner violates this Lease (that notice, a "**Default Notice**").

11.2 **Monetary Default.** If the Homeowner does not timely pay the Lease Fee or the Other Amounts, the Homeowner is in default under this Lease if (that event of default, a "**Monetary Default**"): (1) the Homeowner does not pay the amount the Homeowner owes within 30 days after the CLT sends a Default Notice; or (2) the Permitted Mortgagee does not pay the amount the Homeowner owes within the time the Rider or the Standard Permitted Mortgage Agreement permit, as applicable.

11.3 **Nonmonetary Default.** If the Homeowner violates this Lease other than by committing a Monetary Default, the Homeowner is in default under this Lease if (that event of default, a "**Nonmonetary Default**"): (1) the Homeowner does not cure that violation within 60 days after the CLT sends a Default Notice, unless the Homeowner cannot cure the violation within the 60-day cure period but has begun and diligently continues to cure it, in which case the CLT shall extend the cure period for as much additional time as may be reasonably required for the Homeowner to cure the violation, but in no event longer than 120 days after the expiration of the initial 60-day cure period; or (2) the Permitted Mortgagee does not cure that violation within the time the Rider or the Standard Permitted Mortgage Agreement permit, as applicable. Nonmonetary Defaults also include these events: (1) the Homeowner Leasehold (i) is taken on execution or by other process of law, or (ii) is the subject any assignment made for the benefit of a creditor; (2) if a receiver, trustee, or other similar officer is appointed to take charge or possession of the Home; (3) if the Homeowner files for bankruptcy protection; or (4) if the Homeowner dies, or if there is more than one Homeowner, when the last surviving Homeowner dies, whichever is later.

11.4 **CLT Remedies.** Subject to the rights of a Permitted Mortgagee under a Rider or the Standard Permitted Mortgage Agreement, as applicable, if a Monetary Default or Nonmonetary Default occurs (each, an "**Event of Default**"), the CLT may terminate this Lease and/or exercise all other remedies available to the CLT under the Laws. The CLT may exercise its remedies concurrently, alternatively, or cumulatively, and exercising a right or remedy does not preclude the CLT from exercising any other right or remedy. If the CLT elects to terminate this Lease due to an Event of Default, the parties shall proceed under the section with the descriptive heading Reversion.

11.5 Default Purchase Option. Aside from the CLT's remedies in the section with the descriptive heading CLT Remedies, the Homeowner hereby grants the CLT the option to purchase the Home for the Adjusted Formula Price (the "**Default Purchase Option**"), which the CLT may exercise: (1) upon an Event of Default if there is no Permitted Mortgage; or (2) as provided in the Rider or Standard Permitted Mortgage Agreement, as applicable. If there is no Permitted Mortgagee, the CLT may exercise the Default Purchase Option within 30 days after an Event of Default by notifying the Homeowner and if the CLT sends timely notification the CLT and the Homeowner shall proceed under the section with the descriptive heading Purchase Option as if the CLT timely issued an exercise notice. If there is a Permitted Mortgagee, the CLT may exercise the Default Purchase Option as provided in the Rider or Standard Permitted Mortgage Agreement, as applicable.

11.6 CLT Default. If the CLT violates this Lease, the CLT shall have 90 days to cure the violation, but the CLT will not be in default under this Lease if it does not cure the violation within the 90-day period if the CLT is diligently pursuing the violation to correction. If the CLT defaults under this Lease: (1) the Homeowner may pursue monetary damages or injunctive relief, but not both; and (2) the section with the descriptive heading Liability limits the CLT's liability.

Article 12: General Provisions

12.1 Liens. The Homeowner shall not cause or allow any liens or encumbrances to attach to the Property except for Permitted Mortgages encumbering the Homeowner Leasehold (those unpermitted liens, "**Liens**"). If the Homeowner causes or allows a Lien to attach, the Homeowner shall: (1) notify the CLT; and (2) discharge it within 60 days. If the Homeowner does not discharge the Lien within the 60-day period, the CLT has the right, but not the obligation, to discharge it. If the CLT discharges the Lien: (1) the CLT will notify the Homeowner; and (2) the amount the CLT pays becomes Other Amounts. At the Homeowner's expense, the Homeowner may contest the validity of any Liens, but must first furnish a bond or other surety to release the Lien.

12.2 CLT Liens. Subject to any preclusions under a Permitted Mortgage, the CLT may: (1) encumber the fee simple ownership of the Home with mortgages, trust indentures, or other similar lien instruments; and (2) make a collateral assignment of the lessor's interest in this Lease. Any such liens and assignments are subordinate to this Lease and shall not affect the Homeowner Leasehold or the Homeowner's rights under, or interest in, this Lease.

12.3 Estoppel Certificate. Within 30 days of a request from the CLT, the Homeowner shall sign and return an estoppel certificate or similar instrument the CLT includes with that request confirming: (1) this Lease is in full force and effect; (2) the parties are not in violation of this Lease; and (3) other matters reasonable estoppel certificates customarily include.

12.4 Lessor Assignment. The CLT may concurrently assign and transfer all, but not less than all, of the fee simple interest in the Home and the lessor's interest in this Lease to another entity that shares the Goal (that transfer and assignment, an "**Assignment**"; the assignee under an Assignment, the "**Assignee**"; the assignor under an Assignment, the "**Assignor**"). An Assignee may make an Assignment in same way this Lease permits an Assignor to make an Assignment. Under an Assignment: (1) the Assignee becomes the CLT under this Lease, and the Homeowner shall attorn to the Assignee under this Lease; (2) the Assignor is relieved of its obligations and liabilities under this

Lease; and (3) the Assignee assumes the Assignor's obligations and liabilities under this Lease. The Assignee or the Assignor shall notify the Homeowner about the Assignment before or promptly after completing the Assignment.

12.5 Homeowner Assignment. Except for a collateral assignment of this Lease under a Permitted Mortgage, the Homeowner shall not assign this Lease or the Homeowner's interest in the Homeowner Leasehold, either voluntarily, by court order, by operation of law, or otherwise, and any purported assignment is void.

12.6 Notices. For a notice, consent, or other communication under this Lease to be valid, it must be in writing and delivered: (1) by hand; (2) by a national transportation company, with all fees prepaid; or (3) by registered or certified mail, return receipt requested and postage prepaid. For a notice or other communication to a party under this Lease to be valid, the party sending it must address it using the information specified below in this section. A party wishing to change that party's address designated below shall do so by providing notice as provided in this section and upon providing valid notification of that change, later notices or other communications to that party must reflect changed address to be valid.

To the CLT: Attn: Big Sky
Community Housing
Trust

To the Homeowner: Attn: Click or tap here
to enter homeowner's
address.

12.7 Severability. The parties intend: (1) that if any provision of this Lease is held to be unenforceable, then that provision will be modified to the minimum extent to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded; (2) that if an unenforceable provision is modified or disregarded under this section, then the rest of this Lease will remain in effect as written; and (3) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

12.8 Waiver. No waiver of satisfaction of a condition or failure to comply with an obligation under this Lease will be effective unless it is in writing and signed by the party granting the waiver, and that waiver will not be a waiver of satisfaction of any other condition or failure to comply with any other obligation. The CLT's failure to seek redress for the Homeowner's violation of this Lease or failure to insist the Homeowner strictly perform any term of this Lease will not prevent the CLT from redressing a later violation or from thereafter insisting on strict performance. The CLT's failure to enforce leases or rules against other CLT Homeowners is not a waiver of its ability to enforce this Lease against the Homeowner.

12.9 Interpretation. If either party asserts an ambiguity in this Lease or if a question of intent or interpretation arises, the parties shall construe this Lease as drafted jointly by the parties and no presumption will arise favoring or disfavoring either party.

12.10 Entire Agreement. This Lease, which includes the attached Exhibits, sets forth the entire agreement between the CLT and the Homeowner about the subject matter of this Lease.

12.11 Modification. No amendment of this Lease will be effective unless it is in writing and signed by the parties.

12.12 **Governing Law.** Montana law governs this Lease.

12.13 **Recording.** Instead of recording this entire Lease, the parties shall record the Abstract.

12.14 **Survival.** The sections with these descriptive headings will survive the End Date: Reversion, Taxes, and Transfer Repairs. The Articles with these descriptive headings will survive the End Date: Lease, Lease Fee, Financing, Liability, and Transfers.

[signatures located on the following page]

Date: Enter Date

CLT:
BSCHT MeadowView, LLC
a Montana limited liability company

Big Sky Community Housing Trust
a Montana nonprofit corporation,
its sole member

By: _____
Name: Enter name of BSCHT Representative
Its: Enter name title of BSCHT Representative

STATE OF MONTANA)
 : ss.
County of)

This instrument was acknowledged before me on _____, 20____ by _____
_____, the _____ of BSCHT
MeadowView, LLC known or identified by me to be the person(s) whose name(s) is/are subscribed to
the within instrument, and acknowledged to me that he/she/they executed the same.

[SEAL]

Print Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires _____, 20____

(Continuation of Ground Lease)

Date: Enter Date

HOMEOWNER:

Print Name: Enter Homeowners Full Name

STATE OF MONTANA)
 : ss.
County of)

This instrument was acknowledged before me on _____, 20__ by _____
_____, known or identified by me to be the person(s) whose name(s) is/are
subscribed to the within instrument, and acknowledged to me that he/she/they executed the same.

[SEAL]

Print Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires _____, 20__

Exhibit A: Legal Description of Unit

Unit Enter unit number of Meadowview Condominiums located on Lot 1 of the Amended Plat of Tract 2 Sweetgrass Hills, Big Sky of Montana Inc., a PUD, according to the official plat thereof on file and of record in the real estate records of Gallatin County, Montana, together with the common elements associated with the unit as set out, established, and defined in the Second Amended Declaration for the Meadowview Condominiums, recorded as Document No. 2645717, in the real estate records of Gallatin County, Montana.

Exhibit B: Letter of Understanding

To: BSCHT MeadowView, LLC (together with its successors and assigns, the “CLT”)

From: [Enter names of homeowner(s)]
(whether one or more, the “Homeowner”)

Date: Enter today’s date.

This letter is an exhibit to the Ground Lease between the CLT and the Homeowner (the “Lease”). The capitalized terms this letter uses, but does not define, have the meanings the Lease gives them. By entering the Lease, the Homeowner will become a CLT Homeowner. A separate Letter of Acknowledgment, which is likewise a Lease exhibit, describes how the Homeowner’s attorney explained the Lease, the Condominium Documents, and other Transaction contracts and documents to the Homeowner, and the Homeowner understands how they affect the Homeowner’s rights as a CLT Homeowner, in particular:

- As a CLT Homeowner, the Homeowner supports the Goal, which is to provide and preserve home ownership opportunities for low- and moderate-income people employed within or seeking employment within the District that are Qualified Persons. To achieve the Goal, the Home must remain affordable from one CLT Homeowner to the next, which the CLT accomplishes through the Lease. If the Homeowner wants to sell or transfer the Homeowner Leasehold, whether voluntarily or involuntarily, the Lease requires the Homeowner to sell or transfer it to the CLT or Transfer it to a Qualified Person. To keep the Home affordable for Qualified Persons, the Lease limits the price for which the Homeowner can do so. The Homeowner considers those limitations to be fair and reasonable.
- If during the Term the Homeowner does not continue to meet the Requirements and the Homeowner’s other obligations under the Lease, the Homeowner must sell or transfer the Homeowner Leasehold. The Homeowner considers the Requirements to be fair and reasonable.
- As part of the Homeowner Leasehold, the Homeowner will own the Home during the Term. Any rights the Homeowner has to the Home or interest the Homeowner has in the Home cease to exist without the Lease.

Sincerely,

Click or tap here to enter homeowner’s name(s)

Exhibit C: Letter of Acknowledgment

To: BSCHT MeadowView, LLC (together with its successors and assigns, the “CLT”)

-and-

[Enter homeowner’s name(s)] (whether one or more, the “Homeowner”)

RE: Ground Lease between the CLT and the Homeowner (the “Lease”)

The capitalized terms this letter uses, but does not define, have the meaning the Lease gives them. It is my understanding the Homeowner intends acquire the Homeowner Leasehold by entering the Lease (that transaction or transactions, the “**Transaction**”) and become a CLT Homeowner. The Homeowner independently retained my legal services to review the Lease, the Condominium Documents, other Transaction contracts and documents, and other CLT Homeowner materials (collectively, the “**Transaction Materials**”).

I reviewed the Transaction Materials with the Homeowner, who received full and complete information and legal advice about them. The purpose of my review of the Transaction Materials and explaining them to the Homeowner was to inform the Homeowner of the legal consequences and risks relating to the Transaction. The Homeowner is entering the Transaction in reliance the Homeowner’s own judgment and investigation of the facts, part of which includes the advice and information I provided to the Homeowner about the Transaction.

Sincerely,

By: _____

Print Name: _____

Law Firm Name: _____

Date: _____

Telephone: _____

Address: _____

Exhibit D: Form of Lease Abstract

After recording, return to:
BSCHT MeadowView, LLC
88 Ousel Falls Road, Suite A1 (2nd Floor)
P.O. Box 160164
Big Sky, MT 59716

ABSTRACT OF GROUND LEASE

Human Resource Development Council of District IX, Inc. (the “CLT”), a Montana nonprofit corporation, having the address stated in the header above, and Enter homeowner’s name(s). (whether on or more, the “Homeowner”), having the address of Enter homeowner’s address, are parties to a Ground Lease dated Enter today’s date (the “Ground Lease”) affecting the following real property in Gallatin County, Montana:

Unit Enter unit number of Meadowview Condominiums located on Lot 1 of the Amended Plat of Tract 2 Sweetgrass Hills, Big Sky of Montana Inc., a PUD, according to the official plat thereof on file and of record in the real estate records of Gallatin County, Montana, together with the common elements associated with the unit as set out, established, and defined in the Second Amended Declaration for the Meadowview Condominiums, recorded on July 24, 2019, as Document No. 2645717, in the real estate records of Gallatin County, Montana.

Under the Ground Lease, the CLT is leasing the unit described above to the Homeowner. This is an abstract of the Ground Lease under Montana Code Annotated § 70-21-101, and it does not alter, amend, or change the terms of the Ground Lease. Upon written request to the CLT at the address above, the CLT will provide a copy of the Lease without cost.

[signatures and acknowledgments on the following page]

Date: Enter Date

CLT:
BSCHT MeadowView, LLC
a Montana limited liability company

Big Sky Community Housing Trust
a Montana nonprofit corporation,
its sole member

By: _____
Name: Enter name of BSCHT Representative
Its: Enter name title of BSCHT Representative

STATE OF MONTANA)
 : ss.
County of)

This instrument was acknowledged before me on _____, 20____ by _____
_____, the _____ of BSCHT
MeadowView, LLC known or identified by me to be the person(s) whose name(s) is/are subscribed to
the within instrument, and acknowledged to me that he/she/they executed the same.

[SEAL]

Print Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires _____, 20____

(Continuation of Ground Lease)

Date: Enter Date

HOMEOWNER:

Print Name: Enter Homeowners Full Name

STATE OF MONTANA)
 : ss.
County of)

This instrument was acknowledged before me on _____, 20__ by _____
_____, the _____ of BSCHT
MeadowView, LLC known or identified by me to be the person(s) whose name(s) is/are subscribed to
the within instrument, and acknowledged to me that he/she/they executed the same.

[SEAL]

Print Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires _____, 20__

Exhibit E: Permitted Mortgages

If the CLT consents to a Permitted Mortgage and the CLT and the Homeowner do not enter a Rider, then in relation to the Permitted Mortgage: (1) the CLT and the Homeowner shall follow the terms in this exhibit; and (2) the Homeowner shall sign, and cause the Permitted Mortgagee to sign, a Standard Permitted Mortgage Agreement in the form provided below whereby the Permitted Mortgagee agrees to follow the terms of this exhibit.

Obligations of Permitted Mortgagee. The Permitted Mortgagee shall follow these requirements:

1. If the Homeowner defaults under the Permitted Mortgage or the related loan documents (a **"Permitted Mortgage Default"**); those documents, the **"Permitted Mortgage Loan Documents"**), the Permitted Mortgagee shall send a notice of default to the Homeowner (a **"Notice of Mortgage Default"**) and concurrently send a copy of the Notice of Mortgage Default the CLT. Within the time the Homeowner has the right to cure the Permitted Mortgage Default (the **"Cure Period"**), the CLT shall have the right to cure the Permitted Mortgage Default on the Homeowner's behalf.

2. If the Homeowner or the CLT do not cure the Permitted Mortgage Default before the Cure Period expires, then after the Cure Period expires the Permitted Mortgagee shall notify the CLT if the Permitted Mortgagee intends to begin a Foreclosure (a **"Foreclosure Notice"**). Within 30 days of the date the CLT receives the Foreclosure Notice, the CLT may notify the Permitted Mortgagee that the CLT intends to purchase the Permitted Mortgage Loan Documents from the Permitted Mortgagee for the amount the Homeowner owes the Permitted Mortgagee (a **"Loan Purchase Notice"**). If the CLT sends a Loan Purchase Notice, then within 60 days of date of the Loan Purchase Notice: (1) the CLT shall purchase the Permitted Mortgage Loan Documents from the Permitted Mortgagee, and the Permitted Mortgagee shall sell them to the CLT; and (2) the Homeowner shall not oppose or hinder that transaction. The Homeowner acknowledges that if the CLT purchases the Permitted Mortgage Loan Documents: (1) the CLT may conduct a Foreclosure under those documents and exercise any other remedies thereunder; (2) that the CLT being a party to this Lease and concurrently owning and holding the Permitted Mortgage Loan Documents affects none of those documents, nor does it create any defense for the Homeowner against the CLT's enforcement of them; (3) the CLT's violation of this Lease is not relevant to or a defense against the CLT's enforcement of the Permitted Mortgage Loan Documents; and (4) the CLT's violation of the Permitted Mortgage Loan Documents is not relevant to or a defense against the CLT's enforcement of the Lease. If the CLT becomes the owner and holder of Permitted Mortgage Loan Documents, the lien those documents create on the Homeowner Leasehold does not merge with or into the fee simple ownership of the Home.

3. If the Permitted Mortgagee acquires Homeowner Leasehold through a Foreclosure, the Permitted Mortgagee shall give the CLT written notice within 30 days after the acquisition and the CLT will then have an option to purchase the Home from the Permitted Mortgagee for the amount the Homeowner would have owed to the Permitted Mortgagee under the Permitted Mortgage Loan Documents had the Foreclosure not occurred and eliminated the associated debt and/or merged the debt into a judgment. To exercise this option to purchase, the CLT must give written notice to the Permitted Mortgagee of the CLT's intent to purchase the Home within 30 days after the CLT receives notice from the Permitted Mortgagee. The CLT must then complete the purchase of the Home within 60 days after giving its notice of its intent to purchase. If the CLT purchases the Home from the Permitted Mortgagee, the purchase is subject to any redemption rights the Homeowner may have.

The CLT's purchase or failure to purchase the Home under this section is not a waiver of, nor does it prejudice, any redemption rights the CLT may have.

4. The CLT is not liable or obligated under the Permitted Mortgage Documents, nor is it liable for any deficiency judgment arising from or relating to a Foreclosure. The lien the Permitted Mortgage creates is a lien on the Homeowner Leasehold, not on the CLT's fee simple ownership interest in the Home. The Permitted Mortgagee shall look solely to the Homeowner and the Homeowner Leasehold for repayment of the debt the Permitted Mortgage secures. The CLT has no obligation to assign its right to the Lease Fee or the Other Amounts to the Permitted Mortgagee.

5. If there is a conflict between this exhibit and the Declaration regarding the rights of a Permitted Mortgagee or the information or notifications to which the Permitted Mortgagee is entitled, this exhibit controls.

Rights of Permitted Mortgagee. The Permitted Mortgagee has these rights:

1. With respect to the Permitted Mortgagee, the parties shall address insurance, casualty, and condemnation as the Lease requires.

2. The Lease precludes the Homeowner from acquiring fee simple ownership of the Home, but if the Homeowner does, there will be no merger of the fee simple estate in the Home and the Homeowner Leasehold for so long as a Permitted Mortgage exists.

3. Within 30 days of a request from the Permitted Mortgagee, the CLT shall sign and return the landlord estoppel certificate the Permitted Mortgagee includes with that request confirming: (1) this Lease is in full force and effect; (2) the parties are not in violation of this Lease; and (3) other matters reasonable landlord estoppel certificates customarily include. If the Landlord is unable to confirm the accuracy of any of those matters, it shall provide an explanation of why it is unable to do so.

4. If the CLT and the Homeowner want to modify the Lease, they shall first obtain written consent from the Permitted Mortgagee if the modification will have a material adverse effect on the Permitted Mortgagee or the Permitted Mortgagee's rights under the Permitted Mortgage Loan Documents (that notice a "**Modification Notice**"; the date of the Modification Notice, the "**Notice Date**"). If the Permitted Mortgagee holds more than one Permitted Mortgage, the Permitted Mortgagee shall receive a separate Modification Notice for each Permitted Mortgage. The CLT shall send the Modification Notice in the manner the Lease requires it to send notices under the section of the Lease with the descriptive heading Notices to the address in the Permitted Mortgage, and the Modification Notice must describe the proposed Lease modification. The Permitted Mortgagee shall not unreasonably refuse to approve a Lease modification. If the Permitted Mortgagee does not consent to or reject a proposed Lease modification within 60 days after the Notice Date, then the proposed modification is deemed approved by the Permitted Mortgagee.

5. If the CLT sends a notice of default under the Lease to the Homeowner, the CLT shall concurrently send a notice of the Homeowner's default to the Permitted Mortgagee. The CLT shall provide that notice to the Permitted Mortgagee in the manner set forth in the section of the Lease with the descriptive heading Notices at the Permitted Mortgagee's address in the Permitted Mortgage.

6. The Permitted Mortgagee has the right to: (1) cure any Homeowner default under this Lease and perform any obligation the Homeowner has under the Lease, with such cure or performance being effective as if performed by the Homeowner; (2) acquire and convey, assign, transfer, and exercise any right, remedy, or privilege the Homeowner has under the Lease on the Homeowner's behalf, subject to the provisions, if any, in the Permitted Mortgage, which may limit the Permitted Mortgagee's right to exercise any such right, remedy, or privilege; and (3) rely upon and enforce any provisions of this Lease to the extent such provisions are for the benefit of a Permitted Mortgagee. The parties shall not deem the making of a Permitted Mortgage or the Permitted Mortgagee exercising its rights under this section as an assignment or transfer of the Lease or the Homeowner Leasehold so as to require the Permitted Mortgagee to assume the performance of any of the Homeowner's obligations under this Lease.

7. A Permitted Mortgagee shall not be required, as a condition to exercising its rights under this Lease, 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 the Permitted Mortgagee under this Lease shall not be construed as an agreement by the Permitted Mortgagee to assume such personal liability.

8. If an Event of Default occurs and the CLT wants to terminate the Lease, it will notify the Permitted Mortgagee (a "**Termination Notice**"). If the Permitted Mortgagee wants to cause the CLT to postpone the termination, it shall: (1) notify CLT within 30 days after the date of the Termination Notice (a "**Postponement Notice**"); and (2) commence a Foreclosure within 60 days after the date of the Postponement Notice and diligently pursue the Foreclosure to completion. The CLT shall not terminate the Lease during such time as the Permitted Mortgagee has commenced a Foreclosure and is diligently pursuing it to completion. If a Foreclosure proceeding begins, the CLT may issue an Exercise Notice. If the CLT issues an Exercise Notice: (1) the CLT and Homeowner shall proceed under the section with the descriptive heading Purchase Option; and (2) the Permitted Mortgagee shall stay the Foreclosure proceeding for 60 days pending the Option Closing. If the CLT and the Homeowner do not consummate the Option Closing by the end of that 60-day period, the Foreclosure proceeding stay lifts automatically. If the parties consummate the Option Closing, they shall distribute the Transfer Proceeds to the Permitted Mortgagee and the others in the priority provided under the section of the Lease with the descriptive heading Transfer Proceeds. If the CLT does not issue an Exercise Notice under this section, failing to do so does not prejudice its right to otherwise do so under the section with the descriptive heading Purchase Option, but it will not receive the benefit of the postponement of a Foreclosure under a Foreclosure Notice. If the Permitted Mortgagee does not initiate a Foreclosure within 60 days after the date of Postponement Notice or does not diligently pursue it to completion, the CLT may terminate Permitted Mortgage Extension by notifying the Permitted Mortgagee and then proceed under the section with the descriptive heading Reversion.

9. If the Permitted Mortgagee completes a Foreclosure, the Permitted Mortgagee or the purchaser at the Foreclosure sale, as applicable, becomes the assignee of the Homeowner's interest in this Lease, and at the election of the assignee, these parts of the New Lease shall thereafter be of no further force or effect: (1) the provisions of the Articles in the Lease with the descriptive headings Transfers and Continued Eligibility; and (2) the sections in the Lease with the descriptive headings Home Regulation and Price.

10. If the Lease terminates under a rejection or disaffirmance under bankruptcy law or other law affecting creditors' rights, and the Permitted Mortgagee requests a New Lease from the CLT within 60 days after such rejection or disaffirmance (a "**New Lease Request**"), then within 60 days after the CLT receives the New Lease Request, the CLT shall enter into a New Lease with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee) subject to: (1) the CLT's approval, which the CLT shall not withhold unreasonably; and (2) the CLT's right to satisfy the debt under the Permitted Mortgage Loan Documents with Transfer Proceeds or other funds before the end of that 60-day period. A New Lease under a New Lease Request: (1) will be for the length of the Term what would have been remaining on the Lease had the Lease not been terminated; (2) will be retroactively effective as of the date of the termination, rejection, or disaffirmance of this Lease; and (3) shall have the same priority of the Homeowner Leasehold. This section shall survive the termination of this Lease under a rejection or disaffirmance and continue in full effect thereafter to the same extent as if this section were an independent contract made by the CLT, the Homeowner, and the Permitted Mortgagee.

11. **Standard Permitted Mortgage Agreement.** The Standard Permitted Mortgage Agreement shall be in the following form or in a form substantially similar to the following form:

Standard Permitted Mortgage Agreement

This Standard Permitted Mortgage Agreement (the "**Agreement**") is between Enter lender's name (the "**Permitted Mortgagee**") and Enter homeowner's name(s).

Recitals:

A. David O'Connor (the "**CLT**") and the Homeowner have entered, or are entering, into a ground lease (the "**Lease**"), conveying to the Homeowner a leasehold interest (the "**Homeowner Leasehold**") in the condominium unit described in the Lease (the "**Home**").

B. The Homeowner requested the Permitted Mortgagee to provide financing to the Homeowner to be secured by a mortgage and/or security interest (the "**Permitted Mortgage**") in the Homeowner Leasehold, all as more particularly set forth in the Permitted Mortgage attached to this Agreement as **Schedule A**. The Lease states that the Homeowner may not grant the Permitted Mortgage without the CLT's consent, which the Lease does not require the CLT to give unless the Permitted Mortgagee and the Homeowner sign this Agreement and deliver a copy to the CLT.

The Homeowner and the Permitted Mortgagee therefore agree as follows:

1. The Permitted Mortgagee agrees to be bound by and shall follow the terms in the exhibit to the Lease with the descriptive heading **Exhibit: Permitted Mortgages** (the "**Exhibit**").
2. The Homeowner agrees to be bound by and shall follow the terms in the Exhibit.
3. The CLT is an intended third-party beneficiary of this Agreement, may rely upon it, and use it as the basis to enforce the provisions in the Exhibit against the Homeowner and the Permitted Mortgagee.

Each party is signing this Agreement as of the date stated in the party's signature block below.

PERMITTED MORTGAGEE:

Enter name of Permitted Mortgagee.

By: Click to enter text.

Name: Click to enter text.

Its: Click to enter text.

Date: Click to enter a date.

Print Name: Enter name(s).

Date: Click to enter a date.