

GROUND LEASE AGREEMENT

This Proprietary Ground Lease Agreement (hereinafter "the Agreement"), made and entered into this ____ day of _____, 20____ between Cherry Tree Hill LLC (hereinafter "the Community"), and _____ of _____ (hereinafter "Lessee(s)"), witnesseth:

WHEREAS, the Community is organized in part for the purpose of fostering long-term affordability of housing opportunities, it is the policy of the Community to reduce speculative profit from the leased premises and from the transfer price of structures upon the leased premises.

WHEREAS, Lessee(s) are in accord with such purpose and policy.

WHEREAS, it is mutually understood and agreed by the parties that the terms and conditions of this Agreement serve to directly further such purposes and policies and to enhance the marketability of the leased premises and structures thereon by facilitating their transfer at an affordable price to succeeding low- and moderate-income persons.

AND WHEREAS, the terms and conditions of this Agreement have been freely and knowingly accepted by the parties hereto.

THEREFORE, the Co-op and Lessee(s) enter into this Agreement upon the following terms and conditions.

SECTION 1: TRANSFER, TERM AND RESERVATIONS

(a) The Community hereby leases to Lessee(s), as joint tenants with the right of survivorship / tenants in common [select one if there is more than one lessee, otherwise cross out both alternatives], and Lessee(s) hereby accept from the Community, upon the terms and conditions set forth in this Agreement, the possession, occupancy and use of the following described leasehold premises (hereinafter "the Homesite"):

Also included as a part of the leasehold premises are the following easements, rights of way, etc.:

(1) An easement on a margin of land immediately surrounding the Homesite to the extent necessary to facilitate the possession, occupancy and use of the Homesite, provided such uses are consistent with this Agreement. Such easement shall not be unreasonable in extent, and shall not unduly encroach upon the homesites of other lessees or upon Common Lands.

(2) An easement upon contiguous land which is owned by the Community and which is not subject to other ground lease agreements (herein "Common Lands"). Such easement shall be identical with similar easements granted to other lessees and shall be for shared uses of the Common Lands, provided such uses are consistent with this Agreement.

(3) Rights of access to and use of the [common structures, shared road way, shared water system, etc.] each of which is situated on the Common Lands and owned and maintained by the Community. No other [structures, roadways, etc.] of the same character servicing the Homesite shall be constructed or used by Lessee(s) without the prior approval of the Community.

(4) An easement for the installation, maintenance, repair and replacement of [a workshop contiguous to the homesite, a septic disposal system serving the Homesite, etc.]. Such workshop shall conform to the land use and development plans of the Co-op, and such septic system shall conform to any septic plan adopted by the Co-op and to state septic and subdivision permits, and both shall conform to all other applicable laws and governmental regulations.

(5) An easement for the installation, use, maintenance and replacement of utilities such as heating and energy fuel storage sites, telephone lines, etc. serving the Homesite. The placement of such utilities shall be subject to review and approval by the Community.

EXCEPTING AND RESERVING unto the Community, however, all rights of any kind to natural resources in or upon the Homesite including, but not limited to, minerals and other extractive resources, timber, water, etc., with the specific exceptions set forth above and in Section 3(b) hereof. However, the Community agrees not to remove or extract natural resources from the Homesite without the permission of Lessee(s). If such permission is granted, the Community agrees to conduct such activities in a manner consistent with sound ecological and conservation principles and the land management plan required by Section 3(h) hereof and with as little disruption to Lessee(s) as possible.

(b) This Agreement shall commence on the _____ day of _____, 20____, run for twenty (20) years, and expire on the _____ day of _____, 20____, unless terminated sooner under the provisions of this Agreement.

(c) Lessee(s) shall have the right to renew this Agreement for an unlimited number of additional terms. Such right shall be exercisable through a written notice provided to the Community during the twelve months prior to the expiration of this Agreement, but the inadvertent failure to provide such notice shall not constitute a forfeiture of the right to renew. No provision of this Agreement shall be construed as a limitation on the express intent of the Co-op to endow Lessee(s) with the right of renewal for an unlimited number of terms.

SECTION 2: CARRYING CHARGES AND ASSESSMENTS

(a) In consideration of the possession, occupancy and use of the Homesite and related

easements and rights, Lessee(s) agree to pay Carrying Charges to the Community during the term of this Agreement. Carrying Charges shall consist of the portion of operating costs and expenses of the Community related to the property of which the Homesite is a part which is fairly and reasonably allocated by the Community to the Homesite, plus any additional amounts owing in accordance with the terms of this Agreement. It shall be understood that Carrying Charges may be increased or decreased from time to time for shortfalls and excesses in estimates of expenditures and cash requirements, whether attributable to foreseen or unforeseen events. Carrying Charges shall be payable in advance in monthly installments. Such Carrying Charges shall initially be **ten** dollars (**\$10**) per month payable on the **1st** day of each month, until the Community shall otherwise direct.

(b) Lessee(s) agree to share in the costs of building and maintaining improvements to Common Lands, as determined by the Community, by payment of Assessments during the term of this Agreement. Assessments shall consist of the portion of capital expenditures of the Community which is fairly and reasonably allocated by the Community to the Homesite, plus any additional amounts owing in accordance with the terms of this Agreement. Assessments shall be paid in such monthly or other periodic installments as is determined by the Community.

(c) If Lessee(s) fails to pay any Carrying Charge or Assessment provided for in this Agreement within **fourteen days** (**14**) days of the date when due, Lessee(s) shall pay a late charge of **five** percent (**5**%) of such amount for each **fourteen day** period of delinquency, or part thereof. Such late charge shall be added to the following month's Carrying Charges and considered additional Carrying Charges.

(d) Carrying Charges and Assessments provided for in this Agreement shall be paid by check or money order made payable to "Cherry Tree Hill LLC" and mailed or hand delivered to the Treasurer of the Community. Lessee(s) shall pay all charges to the Community upon the terms and at the times herein provided without any deduction on account of any set-off or claim which Lessee(s) may have against the Community, except as otherwise provided in this Agreement.

(e) The Community may, in its sole discretion, reduce, delay or waive all or part of a Carrying Charge or Assessment at any time if it determines that Lessee(s) are unable to pay such amount by reason of personal hardship or incapacity.

SECTION 3: USE OF HOMESITE

(a) Lessee(s) agree to use the Homesite for the purposes of residence and other activities, including gardening and other production for use or consumption and home business activities. Business activities allowed by local zoning may be conducted on the Homesite only with the express consent of the Community, but the Community agrees to permit such activities unless they pose a threat to the peace and harmony of other lessees or are inconsistent with the terms and conditions of this Agreement. If such consent is given, the Community reserves the right to unilaterally revoke such consent at any time that actual business activities do, or are

perceived by the Community to, pose such a threat.

(b) Lessee(s) **must use all natural resources on homesite and common lands according to the Community's land management plan. All natural resources may be extracted only under the following conditions.** Any such activity on the Homesite or on Common Lands may occur only after agreement has been reached on the land management plan required by Section 3(i) hereof and express permission to do so has been granted by the Community. Any such activity on Common Lands may proceed only with the express permission of, and under terms and conditions determined by, the Community. Any such activities on the Homesite or on Common Lands must be conducted in a manner consistent with sound ecological and conservation principles and the land management plan so that the Homesite and its resources are protected and the ecological balance is maintained or restored.

(c) Lessee(s) agree to use the Homesite and Common Lands only in an ecologically sound manner, maintaining the purity of water and air, the productivity of the soil, and the integrity of the landscape, **recycling and reusing as much as feasible before considering disposal of any "waste"** in a safe, **ecological** and sanitary manner. Lessee(s) further agree to use the Homesite and Common Lands only in a manner that is respectful of other lessees and the surrounding community, causing no harm or nuisance to any of them.

(d) Lessee(s) agree to safeguard the Homesite against damage, waste or trespass and to maintain the Homesite and Improvements in good, **ecological**, safe, and habitable condition in all respects and in full compliance with all applicable laws, ordinances, rules, regulations and orders of any governmental authority with jurisdiction over matters concerning the condition, use or occupancy of the Homesite and all insurance companies insuring all or any part of the Homesite or Improvements.

(e) Lessee(s) agree to obtain the consent of the Co-op for any use of the Homesite or Common Lands for which there is any reasonable doubt as to its consistency with the terms and conditions of this Agreement.

(f) Lessee(s) agree to abide by other restrictions adopted by the governing body of the Co-op to which body they have rights of full participation. Specify decision making process. (formalize decision making process)

(g) Lessee(s) agree to take responsibility for the use of the Homesite and Common Lands by members of their family or household and visitors and shall, as appropriate, make them aware of the terms, intent and spirit of this Agreement.

(h) The Community shall not interfere with the personal lives, associations, expressions or actions of Lessee(s), except to the extent necessary to enforce the terms and conditions of this Agreement. The Community shall have the right to inspect the Homesite and the use thereof by Lessee(s) with one week notice and in any reasonable manner, but only for a legitimate purpose related to the terms and conditions of this Agreement.

(i) In connection with their participation in the governance of the Community, Lessee(s) agree to develop, adopt, and to periodically review and update land use and development plans that sets forth the natural characteristics of the Homesite and Common Lands and ecologically sound principles and practices for its use and improvement.

SECTION 4: TAXES

(a) Lessee(s) agree to bear full and sole responsibility for any real estate taxes or other governmental charges due with respect to Improvements and to pay such amounts directly to taxing authorities. The Community agrees to bear principal responsibility for any real estate taxes or other governmental charges due with respect to the Homesite and Common Lands and to pay such amounts directly to taxing authorities, such payments being chargeable to Lessee(s) as Carrying Charges under Section 2(a) hereof.

(b) In the event that Lessee(s) fail to pay real estate taxes or other governmental charges for which they are responsible, the Community may, but shall not be obligated to, pay such amounts and increase the Carrying Charges allocated to Lessee(s) by an equal amount.

(c) In the event that the Community fails to pay real estate taxes or other governmental charges for which it is responsible, Lessee(s) may, but shall not be obligated to, pay such amounts and decrease the Carrying Charges allocated to Lessee(s) by an equal amount.

SECTION 5: BUILDINGS AND IMPROVEMENTS

(a) It is the express intention of the parties that Lessee(s) shall own all buildings and other improvements made to or on the Homesite by them or on their behalf (herein "Improvements"), subject to the terms and conditions set forth in this Agreement.

(b) Building plans for Improvements shall comply with, building principles and policies adopted by the Community, and such plans shall be submitted to and approved by the Community prior to applying for a permit. All Improvements shall be constructed in compliance with East Montpelier zoning ordinances and the zoning permits issued to the Community. Any construction shall be in compliance with the State of Vermont wastewater permits issued to the Community. Lessee(s) shall, at Lessee(s)' sole expense, maintain the Homesite and Improvements in accordance with the provisions of this Agreement. Except as otherwise described in this Agreement, the Community shall not be required to furnish any services or facilities or to make any other repairs to the Homesite or Improvements, and Lessee(s) hereby assume the full and sole responsibility for furnishing all such services or facilities.

(c) Lessee(s) shall have the right to construct outbuildings which are consistent with the permitted uses of the Homesite and otherwise in compliance with this Agreement, provided that

plans for such Improvements are submitted to and approved by the Community prior to the commencement of any permit. Such approval may be made subject to any reasonable conditions or restrictions.

(d) Lessee(s) agree to adequately insure their Improvements against loss and damage and against liabilities related to its use, except as otherwise agreed to by the Community.

(e) Lessee(s) shall have the right to sever and remove their Improvements upon termination of this Agreement, irrespective of the extent to which they may be attached to the Homesite. The parties acknowledge that some damage or defacement may occur as a result of Lessee(s)' exercise of the right of severance and removal of Improvements. The potential of such damage shall in no way infringe on Lessee(s)' right of removal, but Lessee(s) shall be under an affirmative obligation to minimize such damage and to make every reasonable effort to return the Homesite to its original contours and vegetation. Lessee(s) shall provide the Community a reasonable opportunity to review and approve all removal plans prior to initiation.

SECTION 6: LIENS

(a) No lien for services, labor or materials resulting from Lessee(s)' construction or alteration of Improvements shall attach to the Community's title to the Homesite, Common Lands or other property owned by the Community. Lessee(s) shall not suffer or permit any such lien to be filed against such property. If any such lien shall at any time be filed, Lessee(s) shall within sixty (60) days after notice of the filing thereof cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee(s) shall fail to cause such lien to be discharged within such period, then, in addition to any other right or remedy of the Community, the Community may, but shall not be obligated to, discharge the same by paying the amount at issue. Lessee(s) in good faith and at their own expense may contest the validity of any such asserted lien, provided Lessee(s) have furnished a bond in an amount set by statute or otherwise sufficient to release the property from such lien. Any amounts paid by the Community hereunder in respect of such liens shall be deemed to be an additional Carrying Charge payable by Lessee(s) upon demand.

(b) No lien for services, labor or materials resulting from the Community's construction or alteration of improvements to Common Lands shall attach to Lessee(s)' title to Improvements, interest in the Homesite or other property owned by Lessee(s). The Community shall not suffer or permit any such lien to be filed against such property. If any such lien shall at any time be filed, the Community shall within sixty (60) days after notice of the filing thereof cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If the Community shall fail to cause such lien to be discharged within such period, then, in addition to any other right or remedy of Lessee(s), Lessee(s) may, but shall not be obligated to, discharge the same by paying the amount at issue. The Community in good faith and at its own expense may contest the validity of any such asserted lien, provided the Co-op has furnished a bond in an amount set by statute or otherwise sufficient to release the property from such lien. Any amounts paid by Lessee(s) hereunder in respect of

such liens shall be deemed to be a reduction of Carrying Charges payable by Lessee(s).

SECTION 7: LIABILITIES

(a) Lessee(s) agree that they shall assume sole responsibility and liability to any persons related to the possession, occupancy or use of the Homesite. The Community agrees that it shall assume principal responsibility and liability to any persons related to the possession, occupancy or use of Common Lands.

(b) Each party shall defend, indemnify and hold the other harmless against all liabilities and claims for damage or injury to persons or property from any cause on or about the above-described areas of their respective responsibilities. Each party waives all claims against the other for damage or injury to persons or property on or about the above-described areas of their respective responsibilities arising, or asserted to have arisen, from any cause whatsoever. Notwithstanding the foregoing, each party shall remain liable for and shall not have rights against the other party with respect to damage or injury due to its negligent or intentional acts or omissions or those of its agents.

(c) In the event that either party shall be required to pay any sum whatsoever which is the other party's responsibility or liability, such other party shall reimburse the former for such sum and for reasonable expenses caused thereby, as a separate disbursement or an adjustment to Carrying Charges here under.

(d) In the event that either party shall be required to pay any sum whatsoever on behalf of the other party, such other party agrees to reimburse the former for such sum and for reasonable expenses caused thereby, as a separate disbursement or an adjustment to Carrying Charges hereunder.

(e) Each of the foregoing subsections shall be subject, in the case of claims and liabilities for which the Community is responsible, to such amounts being chargeable to Lessee(s) as Carrying Charges under Section 2(a) hereof or as Assessments under Section 2(b) hereof.

SECTION 8: TRANSFERS BY LESSEE(S)

(a) Except as otherwise specifically provided in this Agreement, Lessee(s) shall not sell, convey, assign, sublease or otherwise transfer or dispose of their interests in the Homesite or Improvements, or any portion thereof, other than to a Qualified Transferee and for a consideration that does not exceed the Transfer Price (as determined in accordance with Section 9 hereof). Such transfer shall be further subject to the Community's option to purchase and right of approval (as set forth in subsections (e), (f) and (g) of this Section). Any purported sale, conveyance, assignment, sublease or other transfer or disposal that does not comply with such restrictions shall be null and void. Qualified Transferees shall mean a person or group of persons

who are admitted as Communitarians. The foregoing restrictions shall not apply to the extent that limitations on Transfer Price would result in no forbearance of consideration, or only a nominal amount of such forbearance, and to the extent that diligent efforts have failed, or are reasonably expected to fail, to locate any Qualified Transferees for reasons that are beyond the control of Lessee(s).

(b) Notwithstanding the foregoing, Lessee(s) may enter into temporary subleases or other assignments that do not exceed six (6) consecutive months in duration or a longer if agreed to by the Community, but only with the prior written consent of the Community, which consent shall not be unreasonably withheld. In the event of such a sublease, Lessee(s) agree that the terms and conditions of the sublease shall be consistent with the terms and conditions of this Agreement, and that sublease fees shall not exceed the portion of Carrying Charges that are reasonably allocable to the subleased premises.

(c) Notwithstanding the foregoing, Lessee(s) may mortgage or otherwise assign their interests in the Homesite and Improvements as security for a loan.

(d) Notwithstanding the foregoing, upon the death of Lessee(s) and the passing by will or intestate succession of their interests in the Homesite and Improvements to any natural person or persons, such legatee(s) or distributee(s) may, with the consent of the Community, become new lessees under this Agreement, with the consent of the Community, by assuming in writing its terms and conditions within one (1) year after Lessee(s)' death. If the legatee is an offspring of the Communitarian the Community agrees that it will consent to such a transfer and accept such transferee into associate status unless it can demonstrate good cause why such consent should not be granted. If the legatee is not an offspring of the Communitarian then subsection a of this Section shall apply.

(e) In each event that Lessee(s) contemplate a transfer to a third party, other than that which may be permitted under subsections (b), (c) or (d) of this Section, then Lessee(s) shall give written notice to the Community ("Notice of Intent to Transfer") within 3 days regardless of whether a buyer is identified, and no less than sixty (60) days prior to the contemplated closing of such transaction. Such notice shall identify the intended transferee and the nature of the intended transfer, disclose the intended consideration for such transfer and include information sufficient to verify the status of the intended transferees as a Qualified Transferees. No sale, assignment, transfer or other disposition shall be effective unless and until such notice is received by the Community and the Community either: (i) approves the transfer or fails to respond to the Notice of Intent to Transfer within forty-five (45) days of receipt of such notice, in which case such failure shall be deemed to constitute an approval of the transfer; or (ii) provides notice of its election to exercise its option to purchase within forty-five (45) days of receipt of such notice and the procedures set forth in subsections (f) or (g) hereof are complied with.

(f) If the Community timely provides notice of its election to exercise its option to purchase following receipt of a Notice of Intent to Transfer, the Community shall have the option to purchase Lessee(s)' Improvements and interest in the Homesite at the Transfer Price. The Community shall decide to exercise such option within ninety (90) days of receipt of the Notice

of Intent to Transfer and execute the transfer within 6 months, or its option will expire.

(g) If such option to purchase shall for any reason become unenforceable, the Community shall nevertheless have a right of first refusal to purchase Lessee(s)' Improvements and interest in the Homesite at the Transfer Price. Such right shall be as specified in Section 11 hereof. Any sale or other transfer contrary to this subsection, when applicable, shall be null and void.

(h) In order to ensure the unique purposes and intended effects of this Agreement, neither this Agreement nor the leasehold estate of Lessee(s) in the Homesite shall be subject to involuntary assignment, transfer or sale, or to assignment, transfer or sale by operation of law otherwise than to a Qualified Transferee, or in any manner whatsoever, and any attempt at involuntary assignment other than to a Qualified Transferee, transfer or sale shall terminate this Agreement.

(i) Lessee(s) acknowledge that the terms and conditions of this and the following section impose substantial restrictions on their ability to freely transfer, or to realize the full value of, their interests in the Homesite and Improvements. Lessee(s) further acknowledge that they knowingly and freely accept such restrictions because of a shared commitment to the purposes sought to be accomplished thereby, namely to avoid undue benefit from speculative profits in real property and to assure perpetual affordability of housing opportunities to succeeding low and moderate income persons.

SECTION 9: LIMITATIONS UPON TRANSFER PRICE

(a) The following limitations are designed to foster long-term affordability of housing opportunities to succeeding low or moderate income persons while taking fair account of the investment of labor and capital by Lessee(s).

(b) The Transfer Price shall be the lesser of: (i) the fair market value of the Improvements and Lessee(s)' interest in the Homesite at the time of the Notice of Intent to Transfer or (ii) the sum of Lessee(s)' actual purchase price for the Improvements and Lessee(s)' interest in the Homesite plus the Added Value of Capital Expenditures by Lessee(s) determined in accordance with subsections (c) and (d) hereof, both as adjusted for general inflation during the period of use and occupancy by Lessee(s). Appreciation in market value shall be added to the Transfer Price only to the extent that a generalized increase in land and housing values limits the ability of Lessee(s) to purchase a replacement residence of a size and quality comparable to that of their Improvements and appropriate surrounding acreage of land. The amount of general inflation shall be determined in accordance with the percentage of change in the Consumer Price Index during the period of use and occupancy by Lessee(s) under this and prior Agreements.

(cd) For purposes of determining the Transfer Price, "Capital Expenditures" shall include construction or alteration in connection with an existing or new Improvement which materially enhances the value or prolongs the useful life of the Improvements and which is not

merely in nature of a repair which serves primarily to maintain the structure in ordinarily efficient operating condition. All Capital Expenditures shall: (i) comply with all applicable laws, ordinances and regulations; (ii) be consistent with the permitted uses set forth in Section 3 hereof, including the land management plan described in Section 3(h) thereof; and (iii) not be luxury items or otherwise inconsistent with prospective transfer to low or moderate income persons.

(d) The Added Value of Capital Expenditures shall be the cost or value of the Capital Expenditures, whichever is lesser.

SECTION 10: RIGHT OF FIRST REFUSAL

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

(1) Offering Party shall give written notice (the "Notice") of such offer to Holder setting forth (i) the name and address of the prospective purchaser thereof, (ii) the purchase price offered by the prospective purchaser, (iii) all other terms and conditions of the sale, and (iv) all other information that may be required under this Agreement. Holder shall have a period of forty-five (45) days after the receipt of such Notice (the "Election Period") within which to elect to purchase the property on the same terms and conditions as set forth in the Notice. Such election shall be made by written notice given to the Offering Party within the Election Period.

(2) If Holder makes the election to purchase the property, such purchase shall be made within ninety (90) days after such election shall have been made by Holder (or if the Notice shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice, including payment of the purchase price provided therein.

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

SECTION 11: MEDIATION

(a) The Co-op and Lessee(s) agree that, should any grievance or dispute arise concerning their respective rights and duties under the terms of this Agreement that cannot be resolved through normal interaction, the following procedures shall be used. This Section shall not,

however, apply to any dispute that involves the legal validity of this Agreement or any portion thereof or which raises constitutional or civil rights issues, such issues being subject to binding resolution only by judicial process.

(b) Either party may notify the other by written notice of the initiation of the process of non-binding mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement of their dispute. The mediator shall be a person who is agreed upon by both parties. Efforts to achieve a resolution through mediation shall end as soon as either party announces that, despite good faith effort, the parties are unable to resolve their dispute. Neither party may resort to litigation without first utilizing these mediation procedures and pursuing the resolution of the dispute in good faith.

SECTION 12: OTHER TERMS AND CONDITIONS

(a) Lessee(s) agree that they will obtain membership in the Community, by whatever terms this status is denominated in the organizing documents of the Community, and will maintain such status in good standing at all times.

(b) References herein to actions required or permitted to be taken by the Community shall be taken by the members of the Community.

(c) Whenever this Agreement requires that a party provide notice to the other party, that notice shall be given in writing and delivered in person or by registered mail to the last known address of the party to be notified. Notice shall be deemed given as of the date on which it is hand delivered or mailed.

(d) Whenever this Agreement requires that a party seek the consent of the other party for some proposed action, that consent must be given or refused, if possible, within thirty (30) days of a request. If a well-informed judgment reasonably requires more time, all reasonable steps will be taken to begin the decision-making process within the thirty-day period and promptly carry it to its conclusion.

(e) Whenever in this Agreement reference is made to Lessee(s) or a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand. The language in all parts of this Agreement shall be construed according to its fair meaning and not strictly for or against either party.

(f) This Agreement supersedes any prior agreement between the parties as to the same subject matter. The parties agree that the terms and conditions of this Agreement may be modified only in a written document agreed to and signed by both parties.

(g) The failure of either party to insist, in any particular instance, upon strict observation or performance of the terms and conditions of this Agreement or to exercise any rights set forth in it, shall not be construed as a waiver of the right to do so and all terms and

conditions shall remain in full force and effect. No waiver of any term or condition shall be considered a waiver of any other term or condition.

(h) Acceptance by the Community of a Carrying Charge payment from Lessee(s), with the knowledge that Lessee(s) are failing to perform or observe any terms or conditions of this Agreement, shall not be deemed a waiver of the right of the Community to take action based on such failures.

(i) If any clause of this Agreement is adjudged to be invalid, such judgment shall not affect the validity of any other clause or give rise to any cause of action by one party against the other.

(k) This Agreement sets forth the entire agreement between the parties and is binding upon and inures to the benefit of the parties and their successors in interest.

(l) This Agreement shall be governed by and interpreted in accordance with the laws of the State of Vermont.

(m) A memorandum of lease describing this Agreement in accordance with the requirements of Vermont law shall be recorded in the land records of the Town of __East Montpelier__.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as a sealed instrument as of the date first written above.

Cherry Tree Hill Community LLC
(Lessor)

by _____
as its _____

and

(Lessee)

(Lessee)