



ESSEX COUNTY – STATE OF NEW YORK
JOSEPH A. PROVONCHA, COUNTY CLERK
7559 COURT ST, PO BOX 247, ELIZABETHTOWN, NY 12932

COUNTY CLERK'S RECORDING PAGE
*****THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH*****



BOOK/PAGE: 1956 / 109
 INSTRUMENT #: 2019-2345

Receipt#: 2019222923
 Clerk: SN
 Rec Date: 07/05/2019 09:41:08 AM
 Doc Grp: D
 Descrip: LEASE
 Num Pgs: 12
 Rec'd Frm: FIRST AMERICAN - NASHVILLE

Party1: LAKE PLACID HOTEL PARTNERS L L
 C
 Party2: ESSEX COUNTY INDUSTRIAL DEV
 AGENCY
 Town: NORTH ELBA

Recording:	
Cover Page	5.00
Recording Fee	75.00
Cultural Ed	14.25
Records Management - Coun	1.00
Records Management - Stat	4.75
TP584	5.00

Sub Total: 105.00

Transfer Tax	
Transfer Tax - State	0.00
Transfer Tax - County	0.00

Sub Total: 0.00

Total: 105.00

**** NOTICE: THIS IS NOT A BILL ****

***** Transfer Tax *****
 Transfer Tax #: 1927
 Transfer Tax
 Consideration: 0.00

Total: 0.00

I hereby certify that the within and foregoing was recorded in the Essex County Clerk's Office.

Joseph A. Provoncha
 Essex County Clerk

Record and Return To:

ELECTRONICALLY RECORDED BY SIMPLIFILE

****Notice** Information may change during the verification process and may not be reflected on this page**

EXECUTION COPY

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (the "Ground Lease") is made the 25th day of June, 2019 between Lake Placid Hotel Partners, LLC, a New York limited liability company, authorized to do business in the State of New York (the "State") (referred to herein as "Lessor") and Essex County Industrial Development Agency, a public benefit corporation of the State, duly organized and existing under the laws of the State (herein referred to as "Lessee").

W I T N E S S E T H:

WHEREAS, Lessor owns a fee interest free and clear of all encumbrances in the real property described in Exhibit A hereto (the "Land"), except for Permitted Encumbrances, as defined in the Ground Lease Project Agreement by and between the Lessor and Lessee, dated June 25, 2019 (the "Project Agreement") and agrees to lease to Lessee the Land; and

WHEREAS, this Ground Lease Agreement and any and all modifications, amendments, renewals and extensions hereof shall be subject and subordinate to the Mortgage (as that term is defined in the Project Agreement) with respect to the Project until the Mortgage is satisfied, of recording Mortgage, and to any and all modifications, amendments, consolidations, extensions, renewals, replacements and increases in and to the Mortgage;

WHEREAS, the Agency will maintain this Ground Lease free and clear of liens and encumbrances during the Lease Term, and execute those certain Subordination and Attornment Agreements, dated June 25, 2019 (collectively, the "Subordination and Attornment Agreement") to subordinate its rights and interests in the Ground Lease to the terms of the Loan (as that term is defined in the Project Agreement) and Mortgage with the Mortgagee; and

WHEREAS, the Lessor has applied to the Agency for financial assistance for the purpose of financing the costs of renovating or reconstruction and equipping of an approximately 62,400 square foot 92-unit facility and located in the Lake Placid, New York, to be operated by the Lessor as a hotel and includes certain necessary preliminary and incidental expenses related thereto (the "Project"); and

WHEREAS, in connection with the Project, Lessor proposes to convey a ground leasehold interest in the Land to Lessee, subject to the terms and conditions of, and to the extent provided by, this Ground Lease; and

WHEREAS, pursuant to the Project Agreement, the Lessee shall hold a requisite interest in the Project under the applicable provisions of Title 18-A of the State General Municipal Law to establish the Lessee's ownership or control of the Project in order to grant Lessor certain tax incentives under State law.

NOW, THEREFORE, in consideration of the covenants contained herein, Lessor and Lessee agree as follows:

SECTION 1. Grant, Premises and Term. Lessor hereby leases to Lessee, and the Lessee hereby leases from Lessor, the Land, subject to the Lessor's rights, benefits and burdens in the Project Agreement, for a term commencing on the date of delivery of this Ground Lease and expiring on the Fixed Termination Date (as that term is defined in the Ground Lease Project Agreement).

SECTION 2. Rent. The annual rental due under this Ground Lease shall be one dollar (\$1.00) through the Fixed Termination Date (as that term is defined in the Ground Lease Project Agreement). The entire rent due shall be due and payable upon the execution of this Ground Lease, and Lessor hereby acknowledges receipt of such payment.

SECTION 3. Improvements. During the term of this Ground Lease, Lessor shall have the duty and obligation, for which Lessee has provided valuable consideration, to construct, erect, and install certain additions or improvements on the Land, subject to the terms and conditions set forth in the Project Agreement.

SECTION 4. Lessor's Waivers. Except as set forth in Section 9 of this Ground Lease, Lessor hereby waives:

- (a) any and all rights to terminate this Ground Lease, except for the Lessee's failure to perform under the terms of the Project Agreement; and
- (b) any and all rights it may have to commence or bring any action or proceeding whereby this Ground Lease may be terminated or the rights of Lessee hereunder may be limited or diminished.

SECTION 5. Quiet Enjoyment and Possession. Lessor covenants and agrees that Lessee may peaceably and quietly enjoy the Land during the term of this Ground Lease subject to the terms of the Ground Lease Project Agreement, the Permitted Encumbrances and the Mortgage.

SECTION 6. Restrictions Upon Disposition. Lessee shall not sell, convey, transfer, mortgage, encumber or otherwise dispose of its rights under this Ground Lease without the prior written consent of the Lessor and Mortgagee. Lessor shall not sell, convey, transfer, mortgage, encumber or otherwise dispose of its rights under this Ground Lease, without the prior written consent of Mortgagee.

SECTION 7. Limited Recourse. Notwithstanding anything to the contrary contained herein, no recourse under any obligation, covenant or agreement of Lessee contained in this Ground Lease shall be had against any incorporator, stockholder, officer, director, agent or employee of Lessee, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Ground Lease is solely a corporate obligation of Lessee, and that no personal liability whatever shall attach to or be incurred by the incorporators, stockholders, officers, directors, agents or employees of Lessee, as such, or any of them under or by reason of any of the obligations, covenants or agreements of Lessee contained in this Ground Lease, or implied therefrom, and that any and all personal liability for breaches by Lessee of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or

constitution, of every such incorporator, stockholder, officer, director, agent or employee is hereby expressly waived as a condition of and in consideration for the execution of this Ground Lease.

SECTION 8. Environmental Covenant and Indemnity. Lessor shall not cause or permit the storage, use, escape, disposal or release of hazardous substances in, on or with respect to the Land in any manner not in compliance with the environmental laws and requirements. Lessor shall indemnify and hold Lessee harmless from and against any and all liability, claim of liability, claims, suits, costs, expenses, causes of action, personal liability and property damage (including without limitation reasonable attorney's fees) arising out of a breach by Lessor of its covenant in the preceding sentence or resulting from the presence of hazardous substances on the Land. Furthermore, Lessor shall indemnify and hold Lessee harmless from and against any and all liability, claim of liability, claims, suits, costs, expenses, causes of action, personal liability and property damage (including without limitation reasonable attorney's fees) arising out of a breach by Lessor of its representations, warranties and covenants above. The foregoing covenants and indemnities shall survive the expiration or earlier termination of this Ground Lease; provided, however, that Lessor shall not be required to indemnify Lessee from any matter arising from Lessee's gross negligence or willful misconduct.

SECTION 9. Default by Lessor Under the Project Agreement. It is expressly understood and agreed by Lessor and Lessee that a default or breach by Lessor under the Project Agreement shall constitute a termination of this Ground Lease.

SECTION 10. Indemnity. Notwithstanding the foregoing, the Lessor shall forever indemnify and hold harmless the Lessee against any adverse claim against title to the Project, including attorney's fees and expenses.

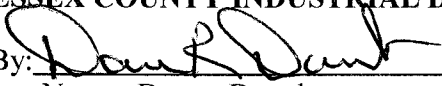
SECTION 11. Subordination of Agency's Interest. Agency's interest in the Ground Lease is and shall be subject and subordinate to the Mortgage in all respects as described in the Subordination and Attornment Agreement.

SECTION 12. Conflict of Terms. In the event of a conflict between the terms of the Mortgage and the Ground Lease, the Mortgage shall control.

SECTION 13. Third Party Beneficiary. Mortgagee is a third-party beneficiary or the terms and conditions of the Ground Lease.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: 
Name: Darren Darrah
Title: Chairman

LAKE PLACID HOTEL PARTNERS, LLC
a New York limited liability corporation

By: _____
Name: _____
Title: _____


[Signature Page to Ground Lease]

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On this 13 day of June 2019, before me, a Notary Public in and for said County and State, personally appeared Darren Darrah, Chairman, of the Essex County Industrial Development Agency and acknowledged the signing of the foregoing instrument and that the signing is their voluntary act and deed on behalf of the Board and the voluntary and corporate act and deed of the Board.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Notarial Seal]



Notary Public

JODY C OLCOTT
NOTARY PUBLIC STATE OF NEW YORK
QUALIFIED IN ESSEX COUNTY
NO - 01OL6049649
MY COMM. EXPIRES OCTOBER 23, 2022

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

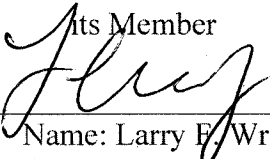
ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: Darren Darrah
Title: Chairman

LAKE PLACID HOTEL PARTNERS, LLC

By: Lake Placid Hotel MM, LLC, its Manager

By: Lake Place Hotel Investors, LLC
its Member

By:  _____
Name: Larry F. Wright, Jr.
Title: Manager

By: HDP Lake Placid MM LLC,
its Member

By: Hampshire Destination Properties, LLC,
its Managing Member

By: CIMCO Fourteen, LLC,
its Manager

By: _____
Name: John D. Durso
Title: Manager

[Signature Page to Ground Lease]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Name: Darren Darrah
Title: Chairman

LAKE PLACID HOTEL PARTNERS, LLC

By: Lake Placid Hotel MM, LLC, its Manager

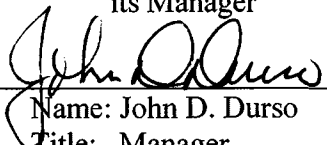
By: Lake Place Hotel Investors, LLC
its Member

By: _____
Name: Larry F. Wright, Jr.
Title: Manager

By: HDP Lake Placid MM LLC,
its Member

By: Hampshire Destination Properties, LLC,
its Managing Member

By: CIMCO Fourteen, LLC,
its Manager

By:  _____
Name: John D. Durso
Title: Manager

[Signature Page to Ground Lease]

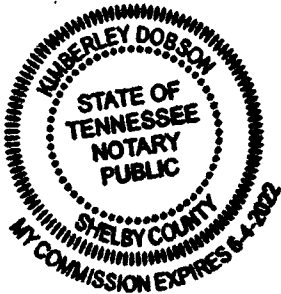
Tennessee
STATE OF ~~NEW YORK~~)
) SS:
COUNTY OF Shelby)

On this 24 day of June 2019, before me, a Notary Public in and for said County and State, personally appeared Larry F. Wright of Lake Placid Hotel Partners, LLC and acknowledged the signing of the foregoing instrument and that the signing is their voluntary act and deed on behalf of the Lessor and the voluntary and corporate act and deed of the Lessor

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid. Larry F. Wright, Jr. made such an appearance before undersigned in Memphis, Shelby County, Tennessee.

[Notarial Seal]

Kimberly Dobson
Notary Public



STATE OF ~~NEW YORK~~ New Jersey)
) SS:
COUNTY OF Morris)

On this 21st day of June 2019, before me, a Notary Public in and for said County and State, personally appeared John D. Dulso of Lake Placid Hotel Partners, LLC and acknowledged the signing of the foregoing instrument and that the signing is their voluntary act and deed on behalf of the Lessor and the voluntary and corporate act and deed of the Lessor

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

[Notarial Seal]

Bernadette M. Hamm
Notary Public

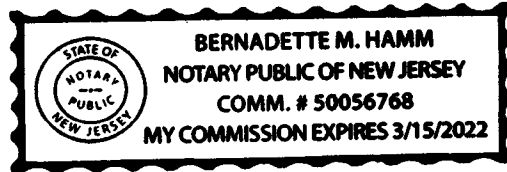


EXHIBIT A

DESCRIPTION OF THE LAND

LEGAL DESCRIPTION

That certain real property situated in the State of New York, County of Essex described as follows:

ALL THAT CERTAIN TRACT OR 1.10 ACRE PARCEL OF LAND SITUATE IN THE VILLAGE OF LAKE PLACID, TOWN OF NORTH ELBA, COUNTY OF ESSEX, STATE OF NEW YORK, BEING PART OF LOT 259, TOWNSHIP 11, OLD MILITARY TRACT, RICHARD'S SURVEY, LYING WEST OF MAIN STREET, SO-CALLED, NEW YORK STATE ROUTE 86, AND SAID PARCEL BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 3/4 INCH DRILL HOLE IN A CONCRETE RETAINING WALL IN THE WEST BOUNDS OF MAIN STREET AND AT THE NORTHEAST CORNER OF THE PREMISES HEREIN DESCRIBED;

THENCE, SOUTH 06° 43' 27" WEST, 162.70 FEET ALONG THE WEST BOUNDS OF MAIN STREET TO A POINT IN LINE WITH THE SOUTH WALL OF THE ORIGINAL MARCY HOTEL STRUCTURE;

THENCE, NORTH 80° 46' 00" WEST, 102.69 FEET ALONG SAID SOUTH WALL AND DIVISION WALL FOR THE SOUTHERLY ADDITION TO A POINT AT THE SOUTHWEST CORNER OF THE ORIGINAL MARCY HOTEL STRUCTURE;

THENCE, SOUTH 88° 36' 21" WEST, 143.60 FEET TO A POINT IN THE EAST BOUNDS OF PROSPECT STREET, AN UNDEVELOPED PRIVATE STREET;

THENCE, NORTH 01° 23' 39" WEST, 168.37 FEET ALONG THE EAST BOUNDS OF PROSPECT STREET TO A POINT MARKED BY A 3/4 INCH IRON PIPE;

THENCE, SOUTH 77° 39' 42" EAST, 76.89 FEET TO A POINT MARKED BY A 3/8 INCH IRON ROD;

THENCE, NORTH 01° 37' 57" WEST, 70.00 FEET TO A POINT MARKED BY A 5/8 INCH IRON ROD;

THENCE, SOUTH 79° 46' 05" EAST, 120.54 FEET TO A POINT MARKED BY A 1 INCH IRON PIPE;

THENCE, SOUTH 07° 20' 51" WEST, 22.04 FEET TO A POINT MARKED BY A 3/8 INCH IRON PIPE;

THENCE, SOUTH 69° 15' 00" EAST, 84.64 FEET TO THE POINT-OF-BEGINNING.

TOGETHER WITH AN EASEMENT AND RIGHT OF WAY FOR INGRESS AND
EGRESS AND PARKING AND A EASEMENT AND RIGHT OF WAY FOR A SIGN IN
DEED RECORDED 02/09/1994 IN(AS) LIBER 1056 OF DEEDS AT PAGE 231.