

HOME RESTRICTION PURCHASE AGREEMENT

THIS HOME RESTRICTION PURCHASE AGREEMENT (the "**Agreement**") is entered into this _____ day of _____, 2023 (the "**Effective Date**") by and between **CENTRAL ADIRONDACK PARTNERSHIP FOR THE 21ST CENTURY INC. (d/b/a LivingADK)**, a New York not-for-profit corporation with an address of P.O. Box 642, Old Forge, New York 13420 (the "**Agency**"), and _____ and _____, individuals with an address of _____, (collectively, and together with their successors and/or assigns, the "**Purchaser**") (each individually a "**Party**" and collectively the "**Parties**").

WHEREAS, Purchaser owns certain real property and improvements situated thereon located at _____, New York (the "**Property**");

WHEREAS, in exchange for compensation as set forth herein, Purchaser has agreed to place certain restrictions on the use of the Property for the benefit of the Agency by requiring occupancy of the Property by at least one Qualified Resident, pursuant to the terms and conditions set forth in that certain Declaration of Restrictive Covenants entered into by and between the Parties following the Effective Date (the "**Declaration**"); and

WHEREAS, the Declaration shall set forth certain occupancy restrictions (the "**Occupancy Restrictions**") binding upon the Property and the Purchaser and its successors and assigns in perpetuity; and

WHEREAS, the Declaration is of material value to the Agency, and the Agency is willing to compensate Purchaser for the value of the Declaration.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. Transaction. Purchaser agrees to own, encumber, occupy and convey the Property in accordance with the Declaration and the Occupancy Restrictions, in consideration of the Purchase Price (as defined herein), pursuant to the terms and conditions of this Agreement and the Declaration (the "**Transaction**").
2. Purchase Price. The purchase price for the Occupancy Restrictions shall be \$_____ (the "**Purchase Price**"), delivered to Purchaser following Closing (as defined herein) in funds which comply with all applicable New York laws, which include electronic transfer funds, certified check and cashier's check, at the Agency 's option.
3. Closing; Declaration of Restrictive Covenants; Funding. The closing of the Transaction ("**Closing**") will occur at a mutually agreeable location, at a date agreed upon by the Parties anticipated to be within 14 days of the Effective Date. At the Closing, and as a condition precedent to the funding of the Purchase Price to Purchaser (the "**Funding**"), Purchaser shall duly execute and deliver the Declaration in recordable form and shall cause the Declaration to be recorded against the Property in the County Clerk's Office in which the Property is located, at Agency's sole

cost and expense. Funding shall occur upon the later to occur of: (i) the Purchaser's closing on and acquisition of the Property, or (ii) proof the Declaration has been recorded in the County Clerk's Office. The Parties acknowledge and agree the Declaration and the Occupancy Restrictions shall apply to the Property and the Purchaser and shall run with the land as a restrictive covenant and be binding on the Purchaser and its successors and/or assigns in perpetuity.

4. Notice to and Consent of Lien Holders.

Purchaser hereby represents and warrants to the Agency that Purchaser has notified every bank, person or other entity holding a mortgage, lien or other encumbrance on the Property of the Transaction, and obtained each of their consent to the recording of the Declaration against the Property. It shall be an Event of Default (as such term is defined below) if Purchaser fails to obtain any such consent.

5. Purchaser's Covenants. Purchaser hereby covenants and agrees with the Agency to:

(a) record and maintain the Declaration as an encumbrance on the Property in perpetuity and comply with the Occupancy Restrictions pursuant thereto; and

(b) own, occupy, use, sell, assign, encumber or otherwise dispose of the Property strictly in accordance with the terms and conditions of this Agreement, the Declaration and the Occupancy Restrictions.

6. Events of Default. Each of the following shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Any representation, warranty or statement made or furnished to Agency by Purchaser or on Purchaser's behalf in connection with this Agreement is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter; or

(b) Purchaser, including Purchaser's successors and/or assigns, fails to comply with or to perform any term, obligation, covenant or condition contained in this Agreement or in the Declaration; or

(c) An event of default occurs under the Declaration; or

(d) The Declaration is modified, released or terminated without the prior written consent of the Agency; or

(e) The Declaration and/or Occupancy Restrictions become unenforceable, invalid or void, in whole or in part, for any reason at any point in time.

7. Agency's Remedies.

(a) Upon an Event of Default, the Purchaser shall promptly refund the full Purchase Price to the Agency within 30 days, plus all costs and fees, including reasonable attorneys' fees, incurred by the Agency.

(b) In addition to the above, Purchaser shall pay as liquidated damages to the Agency an amount equal to one of the following, as applicable:

(i) if a period of less than or equal to five (5) years has elapsed between the Effective Date of this Agreement and the date of such Event of Default, an amount equal to 50% of the Purchase Price; or

(ii) if a period of more than five (5) years has elapsed between the Effective Date of this Agreement and the date of such Event of Default, an amount equal to 100% of the Purchase Price.

8. Miscellaneous.

(a) Entire Agreement. This Agreement contains the entire agreement of the Parties. There are no other agreements, oral or written, and this Agreement shall be amended only by written agreement signed by the Parties.

(b) Agreement Binding; Assignment. This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of the Parties. Notwithstanding the foregoing, Purchaser may not assign this Agreement, or its rights and/or obligations hereunder, without the prior written consent of the Agency (which the Agency may withhold in its sole and absolute discretion).

(c) Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the Party at the address set forth on the first page of this Agreement.

(d) Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, and any legal action concerning the provisions hereof shall be brought in Herkimer County, New York.

(e) Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

(f) Third Parties. There are no intended third-party beneficiaries to this Agreement.

(g) Indemnification. The Purchaser shall, jointly and severally if more than one, defend, indemnify and hold harmless the Agency from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of Purchaser's negligence, misconduct, fraud, breach of fiduciary duty

or breach of this Agreement, including without limitation, any breach by Purchaser of any representation, warranty, covenant or agreement set forth herein this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or the Agency's enforcement of its rights pursuant to Section 7 of this Agreement. The Purchaser's indemnification obligations pursuant to this Agreement shall expressly survive the Closing.

(h) Tax Reporting. The funds the Purchaser receives under the terms of this Agreement will be reported to the Internal Revenue Service on Form 1099 for the year so received, and Purchaser agrees to promptly furnish to Agency any tax forms or other information reasonably required by Agency in connection therewith. The Purchaser should discuss with their tax advisor or legal counsel how to treat the funds on the Purchaser's tax returns and how the funds affect the Purchaser's tax basis in the Property subject to this Agreement and the Declaration. The Parties acknowledge the Agency has made no current or past representations or warranties with respect to the proper tax treatment of the funds. The Purchaser hereby acknowledges and agrees that the Agency has made no statements about, and bears no responsibility for, any tax consequences related to the receipt of the funds.

(i) Attorneys' Fees. Purchaser shall be solely responsible for payment of its attorneys' fees in connection with the Transaction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

AGENCY:

CENTRAL ADIRONDACK PARTNERSHIP FOR
THE 21ST CENTURY INC.

By: _____
Name:
Title:

PURCHASER:

Name:

Name: